

Half-Year

JANUARY-JUNE 2024 ↔ NITRO GAMES OYJ

Report



Reporting period January–June 2024

- ▶ Revenues (Jan - Jun): 5,599 KEUR (3,381 KEUR).
- ▶ EBITDA: 1,105 KEUR (-986 KEUR).
- ▶ EBIT: 225 KEUR (-1,496 KEUR).
- ▶ Net result: 279 KEUR (-1,447 KEUR).
- ▶ Earnings per share (EPS) 0.01 (- 0.11).
- ▶ Cash and cash equivalents: 3,056 KEUR (30 June 2024).

(Unless otherwise stated, the comparison figures in brackets refer to the corresponding period in the previous year.)

April–June 2024

- ▶ Revenues (Apr – Jun): 2,925 KEUR (1,638 KEUR).
- ▶ EBITDA: 505 KEUR (-771 KEUR).
- ▶ EBIT: 65 KEUR (-1,034 KEUR).
- ▶ Net result: 172 KEUR (-1,088 KEUR).
- ▶ Earnings per share (EPS) 0.01 EUR / share (-0.08 EUR/ share).

Significant events during April–June 2024

- ▶ Autogun Heroes proceeds to live phase.
- ▶ AGM & Election of the Board of Directors.

Significant events after the reporting period

- ▶ No post-period events.

Record revenues with profitable results

🚀🚀 I'm happy to continue reporting record revenues with a profitable result. Our revenues for the first half of the year grew 66 % to 5.6 million EUR and our EBITDA improved 212 % to 1.1 million EUR when compared against the same period from last year. This profitable growth comes as a result of our continued efforts in cost control while ensuring we deliver quality on our selected focus projects. Despite making the first three installments on our loan to Nordisk Games and reducing our debt we managed to end the period with a strong cash position of 3.1 MEUR. Moving forward, we are seeking to increase the level of activity with our game portfolio while we of course maintain the focus on profitability."

– JUSSI TÄHTINEN
CEO OF NITRO GAMES

About Nitro Games

Nitro Games is a mobile game developer and publisher. Nitro Games team is a multinational group of mobile gaming professionals that has the expertise from development to publishing to live operations. The Company focuses on producing high-quality mobile games mostly for the mid-core audience. Nitro Games is specialized in the category of shooter games. With Nitro Games' powerful NG Platform and the NG MVP process, the Company is able to carry out market validation with its games during development. Nitro Games has developed several games such as Autogun Heroes, NERF: Superblast, Lootland, Heroes of Warland, Medals of War, Raids of Glory. The company offers its services also to selected customers and has developed several successful projects to leading mobile gaming companies.

Nitro Games' shares are listed on Nasdaq's First North Growth Market with the ticker NITRO. The Certified Adviser is FNCA Sweden AB, info@fnca.se.
www.nitrogames.com
 Finnish Business ID: FI21348196





Key performance indicators

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full Year 2023
Revenue (EUR thousand)	2,925.2	1,638.2	5,598.9	3,380.5	8,841.6
Operating profit/loss (EBIT) (EUR thousand)	65.4	-1,034.0	224.8	-1,496.3	-3,024.8
Operating profit/loss % (EBIT %)	2.2 %	-63.1 %	4.0 %	-44.3 %	-34.2 %
EBITDA (EUR thousand)	505.4	-771.4	1,105.0	-985.6	-1,716.6
EBITDA %	17.3 %	-47.1 %	19.7 %	-29.2 %	-19.4 %
Net profit /loss (EUR thousand)	171.6	-1,087.7	279.4	-1,447.4	-3,283.1
Equity ratio (%)	24.9 %	-7.4 %	24.9 %	-7.4 %	18.9 %
Number of shares, average	24,924,364	12,903,102	24,924,364	12,903,102	17,440,052
Number of shares, average diluted	27,190,556	12,903,102	27,180,556	12,903,102	17,440,052
Number of shares at the end of the period	24,924,364	12,903,102	24,924,364	12,903,102	24,924,364
Number of share options	2,601,192	1,192,072	2,601,192	1,192,072	3,648,264
Number of special rights	1,565,647	1,113,586	1,565,647	1,113,586	2,000,139
Equity per share (EUR)	0.08	-0.05	0.08	-0.05	0.07
Earnings per share (EUR) undiluted	0.01	-0.08	0.01	-0.11	-0.19
Earnings per share (EUR) diluted	0.01	-0.08	0.01	-0.11	-0.19
Net debt (EUR thousand)	4,082.5	7,511.1	4,082.5	7,511.1	5,152.9
Number of employees, average	45	50	45	50	48



A WORD FROM CEO**Record revenues with profitable results**

I'm happy to continue reporting record revenues with a profitable result. Our revenues for the first half of the year grew 66 % to 5.6 million EUR and our EBITDA improved 212 % to 1.1 million EUR when compared against the same period from last year. This profitable growth comes as a result of our continued efforts in cost control while ensuring we deliver quality on our selected focus projects. Despite making the first three installments on our loan to Nordisk Games and reducing our debt we managed to end the period with a strong cash position of 3.1 MEUR. Moving forward, we are seeking to increase the level of activity with our game portfolio while we of course maintain the focus on profitability.


We signed a publishing deal for Autogun Heroes with Supersonic from Unity during the first quarter, and the game proceeded to the live phase during the second quarter. Our role is to deliver active live services and new game updates, while Supersonic handles the publishing activities with the game including marketing. We have already launched major updates in the game introducing new features and more content, while Supersonic has started on the marketing activities and performed the first measurement campaigns. So far, we've seen several improvements but there's still work to be done as outlined above. We now continue working together through our step-by-step plan as we seek to scale up and materialize the potential in this game.

Our B2B service business continued strong, with a focus on cross-platform action and shooter games. During the first half of the year, we successfully moved from the concept phase to the pre-production phase with the unannounced game we are working on with Netflix. I am happy to see this game now shaping up and excited about the future opportunities that lie ahead. We also continued our work for Digital Extremes on Warframe. We signed a follow-up deal in Q1, and the game was launched on iOS soon after. We've then delivered live support by keeping the game up to date and plan to continue with further improvements in the mobile version. I am proud of our long-term collaboration and look forward to continuing to support future updates to the game. We're also continuously in discussions with leading industry companies around the world about new project opportunities. While there has been quite a bit of headwind in the whole gaming industry, we are in a good position and seeing good opportunities for us to expand our business with new collaborations.

Overall, I am pleased with the continued improvements in our performance. This means that we can focus more on the long term, and seek new ways to expand our business and our game portfolio. Our focus will stay on profitability, and we will stay smart with any investments in future growth. I am happy to see opportunities for growth in our chosen category of action and shooter games, and our skills and reputation keep increasing as we move forward. 2024 has been a strong year for us operationally thus far and we will continue to work hard to keep delivering towards the end of the year and beyond.

– JUSSI TÄHTINEN, CEO OF NITRO GAMES

CEO's comment:

 Overall, I am pleased with the continued improvements in our performance. This means that we can focus more on the long term, and seek new ways to expand our business and our game portfolio. Our focus will stay on profitability, and we will stay smart with any investments in future growth. I am happy to see opportunities for growth in our chosen category of action and shooter games, and our skills and reputation keep increasing as we move forward. 2024 has been a strong year for us operationally thus far and we will continue to work hard to keep delivering towards the end of the year and beyond.”

– JUSSI TÄHTINEN
CEO OF NITRO GAMES

Significant events during January–June 2024

Autogun Heroes proceeds to live phase. Nitro Games announced that it has completed the launch phase of Autogun Heroes and has greenlighted the game to the live phase. The game has now been transferred to publisher Supersonic in the app stores to allow Supersonic to take over the publishing activities for the game.

“We were happy with the continuous improvements we saw in the launch phase as a result of several game updates. We plan to continue that as we now proceed to the live phase. At the same time, we are now at an exciting starting point of a new journey with our partner Supersonic who are now taking the lead on the publishing activities”, says Jussi Tähtinen, CEO of Nitro Games.

The game is now available globally (excluding China and Russia) for players on both iOS and Android in selected stores under Supersonic from Unity. Nitro Games acts as the developer and Supersonic from Unity acts as the publisher of the game. Nitro Games will continue to deliver active live services and new game updates, while Supersonic now starts the publishing activities with the game.

“We have now successfully prepared everything and are ready to start. Our collaboration has been really smooth so far. Our plans for serving our players with new content updates while expanding the audience step by step are well aligned. I am excited to get things started and look forward to introducing the game to new audiences”, concludes Jussi Tähtinen.

AGM & Election of the Board of Directors. The Annual General Meeting approved the 2023 Financial Statements, and re-elected Antti Villanen, Johan Biehl, Susana Meza Graham, and Morgan Habedank of the current members of the Board of Directors as members to the Board of Directors.

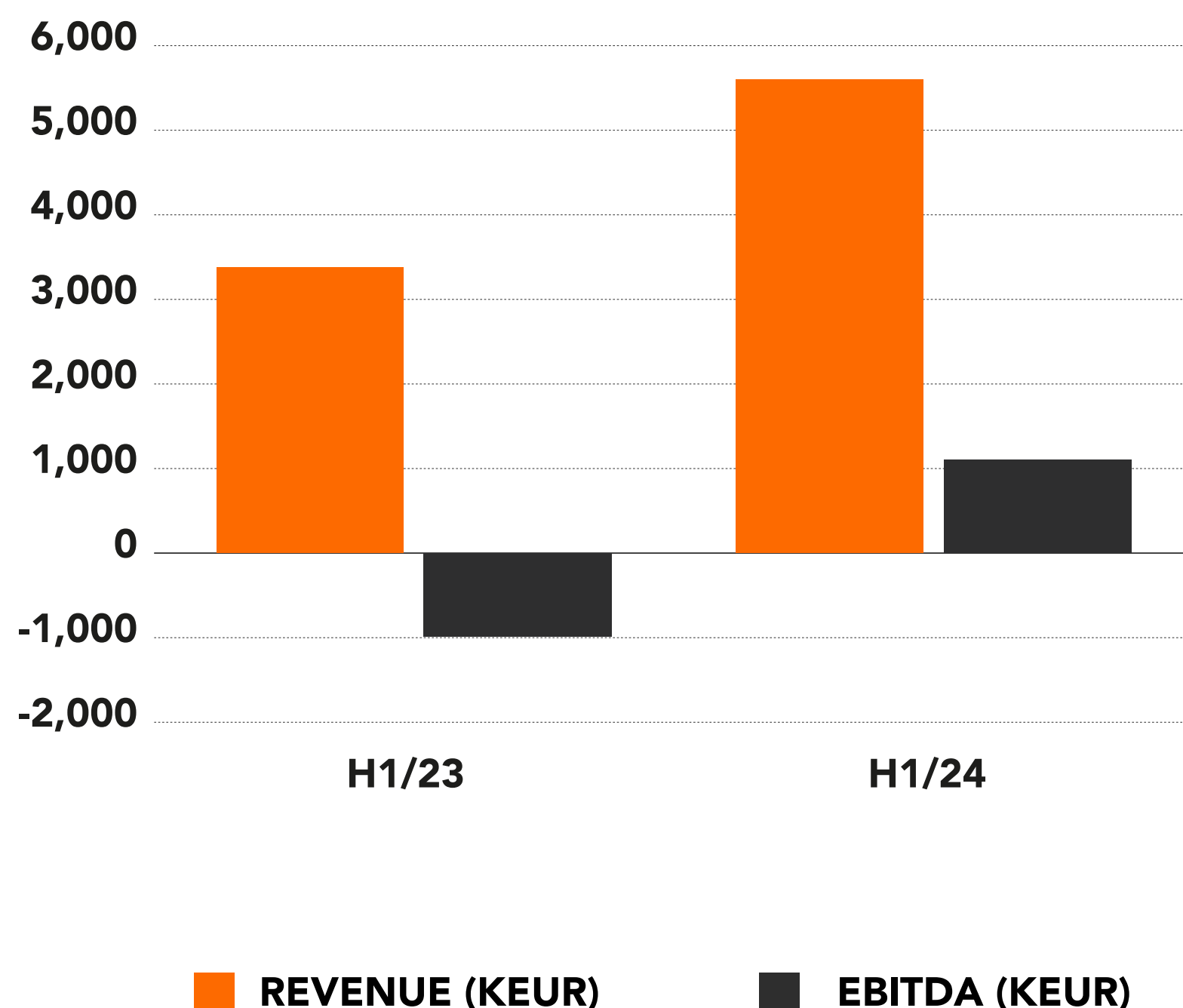
Significant events after the reporting period

- ▶ None.



Revenue & Result

REVENUE & RESULT



(Numbers in brackets refer to the corresponding year-on-year period)

Revenue was 5,599 KEUR during January-June 2024 (3,381 KEUR) and grew by 66 % year-on-year. The revenue during the second quarter was 2,925 KEUR (1,638 KEUR) and grew by 79 % year-on-year.

Other operating income was 0.2 KEUR (3.4 KEUR) during January-June 2024 and to 0.0 KEUR during the second quarter (1.5 KEUR). This income includes rent income (subtenant).

EBITDA amounted to 1,105 KEUR (-986 KEUR) during January-June 2024 and to 505 KEUR during the second quarter (-771 KEUR).

EBIT: Operating results before financial items amounted to 225 KEUR (-1,496 KEUR) during January-June 2024 and to 65 KEUR during the second quarter (-1,034 KEUR). The net result for the period amounted to 279 KEUR (-1,447 KEUR) during January-June 2024 and to 172 KEUR during the second quarter (-1,088 KEUR).

COST STRUCTURE:

Materials and services expenses were -1,588 KEUR (-1,594 KEUR) during January-June 2024 and -871 KEUR during the second quarter (-1,005 KEUR). These costs include third-party costs related to game development and maintenance (outsourced services) and game marketing costs, such as user acquisition costs (UA).

Personnel expenses were -1,966 KEUR (-1,776 KEUR) during January-June 2024 and -1,079 KEUR during the second quarter (-910 KEUR). These costs include wages, salaries and social security expenses.

Other operating expenses (OPEX) were -940 KEUR (-999 KEUR) during January-June 2024 and -469 KEUR during the second quarter (-496 KEUR). These costs include third – party expenses related to accounting, office rents, legal fees, stock market expenses, computer hardware and software (incl. analytics software), travel expenses, other office costs, and miscellaneous.



Cash flow and financial position

Thousand euros	Jan-Jun 2024	Jan-Jun 2023	Full Year 2023
Net cash from operating activities	312.6	-746.0	-537.1
Net cash used in investing activities	-589.2	-1,085.3	-2,113.1
Net cash from financing activities	-492.9	2,358.5	4,878.6
Change in cash and cash equivalents	-769.5	527.2	2,228.4
Cash and cash equivalents at the beginning of the period	3,825.8	1,597.5	1,597.5
Cash and cash equivalents at the end of the period	3,056.3	2,124.7	3,825.9



Investments and Depreciation

Part of the expenses from games in production were expensed as costs. Part of the costs from the development of the shooter game projects, and related technology were capitalized during the period against expected future profits. The company has a tight focus on the category of shooter games and utilizes reusable technology and game features. This allows Nitro Games to take advantage of development activities done in previous projects when working on a new game.

No new development costs were capitalized from January to June 2024.

Depreciations were done according to the depreciation plan, consisting mostly of capitalized development costs from previous years. The depreciation from January to June 2024 amounted to a total of -880.2 KEUR, and a total of -440.0 KEUR during the second quarter.



Personnel

From January to June 2024, Nitro Games’s average number of employees was 46 (49).

	Apr-June 2024	Apr-June 2023	Change, %	Jan-June 2024	Jan-June 2023	Change, %	FY 2023
Employees (average for the period)	45	48	-6.3	46	49	-6.1	48
Employees (end of period)	47	48	-2.1	47	48	-2.1	49

Market

Nitro Games is a company that develops and publishes mobile games in the global gaming market. The company also offers development services on other platforms as part of its service business.

In 2023, the global mobile games market was estimated to be worth around USD 90.4 billion, which is approximately 1.6 percent lower compared to the previous year. It represents roughly 49 percent of the global games market, which was in turn, estimated to be worth USD 184.0 billion in 2023. The industry expected to continue stabilizing after some pandemic-induced turbulence. The global games market is expected to generate yearly revenues of \$205.4 billion in 2026.

Source: Newzoo 2024

Related Party Transactions

Nitro Games’ related parties include its potential subsidiaries, associates, key management personnel, and their close family members and entities under their control, as well as entities with significant influence over Nitro Games.

During the reporting period, there have been no significant related party transactions.



The Share and Shareholders

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

On June 30, 2024, Nitro Games' share capital amounted to 80 KEUR, and the number of shares was 24,924,364. Each share entitles its shareholder to one vote in the general meeting. The shares have no nominal value. Nitro Games does not own its own shares.

The shareholdings of the 10 largest shareholders are presented in the table below:

Shareholders	Number of shares	% of shares and votes
NORDISK GAMES A/S	6,492,636	26.05
AVANZA PENSION	3,209,852	12.88
JONSSON, JIMMY	1,047,893	4.20
BNY MELLON SA/NV FOR JYSKE, W8IMY	875,001	3.51
IVARSSON, ALEXANDER	815,600	3.27
LEJONKULA, HAKAN	355,000	1.42
MATTSSON, EMIL	352,972	1.42
ERLANDSSON, DANIEL	317,696	1.27
TURRET AB	315,000	1.26
NORDNET PENSIONSFORSAKRING AB	306,641	1.23
Others	10,836,073	43.48
The total number of shares	24,924,364	100.00



Calculation of Earnings per Share

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full Year 2023
Net profit /loss (EUR thousand)	171.6	-1,087.7	279.4	-1,447.4	-3,283.1
Number of shares, average	24,924,364	12,903,102	24,924,364	12,903,102	17,440,052
Number of shares, average diluted	27,190,556	12,903,102	27,180,556	12,903,102	17,440,052
Number of shares at the end of the period	24,924,364	12,903,102	24,924,364	12,903,102	24,924,364
Number of Share options	2,601,192	1,192,072	2,601,192	1,192,072	3,648,264
Number of Special Right	1,565,647	1,113,586	1,565,647	1,113,586	2,000,139
Equity per share (EUR)	0.08	-0.05	0.08	-0.05	0.07
Earnings per share (EUR) undiluted	0.01	-0.08	0.01	-0.11	-0.19
Earnings per share (EUR) diluted	0.01	-0.08	0.01	-0.11	-0.19





Review

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

Certified Adviser

Nitro Games' Certified Adviser is FNCA Sweden AB, info@fnca.se, +468 528 00399.

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 at jussi@nitrogames.com, or by phone at +358 44 388 1071.

Financial Calendar

- ▶ Interim Report Q3 2024, 28 October 2024
- ▶ Year-End Report 2024, 17 February 2025
- ▶ Annual Report 2024, 22 April 2025
- ▶ Annual General Meeting 2025, 19 May 2025

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 2024 at 09:00 (EEST).

For Further Information, Please Contact:

Jussi Tähtinen
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Statement of Profit or Loss

EUR	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full Year 2023
Revenue	6	2,925,168	1,638,195	5,598,889	3,380,454	8,841,552
Other operating income		0	1,490	161	3,361	5,721
Materials and services		-871,349	-1,005,187	-1,588,097	-1,594,258	-4,465,776
Employee benefits expense	7, 8	-1,079,443	-909,985	-1,965,630	-1,775,935	-3,569,255
Depreciation and amortization		-440,024	-262,561	-880,229	-510,702	-1,308,284
Other operating expenses		-468,951	-495,947	-940,311	-999,259	-2,528,806
Operating profit		65,402	-1,033,995	224,783	-1,496,339	-3,024,847
Finance income and expenses		-38,337	-53,753	-89,958	-96,508	-403,748
Profit before tax		27,065	-1,087,748	134,825	-1,592,847	-3,428,595
Income tax expense	12	144,536	0	144,536	145,464	145,464
Profit/loss for the period		171,601	-1,087,748	279,361	-1,447,383	-3,283,131
Total comprehensive income for the period, net of tax		171,601	-1,087,748	279,361	-1,447,383	-3,283,131



Statement of Financial Position

Euro	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS				
Non-current assets		4,938,929	5,909,677	5,639,525
Intangible assets	9, 10	4,504,765	5,548,870	5,340,728
Right-of-use assets		112,503	142,822	123,312
Non-current receivables		31,661	72,521	30,021
Deferred tax assets		290,000	145,464	145,464
Current assets		4,284,602	3,065,670	5,025,515
Trade receivables		958,632	766,275	712,873
Prepayments and accrued income		269,710	174,730	486,813
Cash and cash equivalents		3,056,260	2,124,664	3,825,829
Total assets		9,223,531	8,975,347	10,665,040

EUR	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
EQUITY AND LIABILITIES				
Equity				
Issued capital		80,000	80,000	80,000
Reserves		30,622,433	26,763,946	30,913,268
Retained earnings		-28,897,011	-26,056,947	-26,023,777
Profit (loss) for the period		279,361	-1,447,383	-3,283,131
Total equity		2,084,783	-660,383	1,686,361
Liabilities				
Non-current liabilities	11	2,574,671	3,869,884	2,081,740
Interest-bearing loans and borrowings		2,500,826	1,311,634	1,708,301
Contingent consideration liabilities		0	1,864,098	0
Trade and other payables		3,096	604,876	3,097
Lease liabilities		70,749	89,276	70,342
Contract liability		0	0	300,000
Current liabilities	11	4,564,077	5,765,846	6,896,939
Trade and other payables		1,241,187	2,099,811	1,921,909
Interest-bearing loans and borrowings		0	2,768,547	839,747
Contingent consideration liabilities		1,528,040	0	1,919,896
Lease liabilities		47,166	57,078	57,552
Other current financial liabilities		69,683	82,344	75,614
Contract liability		850,000	0	1,450,000
Accrued liabilities		828,001	758,065	632,221
Total liabilities		7,138,748	9,635,730	8,978,679
Total equity and liabilities		9,223,531	8,975,347	10,665,040



Statement of Changes in Equity

EUR thousand	Issued capital	Invested Unrestricted equity reserv	Retained earnings	Total equity
Equity as at 1.4.2024	80	30,913	-29,307	1,686
Profit (loss) for the period			107	107
Share-based payments		-332	257	-75
Other adjustments			135	135
Equity as at 30.6.2024	80	30,581	-28,808	1,853
Equity as at 1.4.2023	80	26,725	-26,441	364
Profit (loss) for the period				-1,088
Share-based payments		39	25	64
Equity as at 30.6.2023	80	26,764	-26,416	-660
Equity as at 1.1.2024	80	30,913	-29,307	1,686
Profit (loss) for the period			279	279
Share-based payments		-291	276	-15
Equity as at 30.6.2024	80	30,622	-28,617	2,085

EUR thousand	Issued capital	Invested Unrestricted equity reserv	Retained earnings	Total equity
Equity as at 1.1.2023	80	26,725	-26,082	723
Profit (loss) for the period				-1,447
Share-based payments		39	25	64
Equity as at 30.6.2023	80	26,764	-26,057	-660
Equity as at 1.1.2023	80	26,725	-26,082	723
Profit (loss) for the period			-3,283	-3,283
Issue of share capital		4,072		4,072
Share-based payments		116	-238	-122
Other adjustments			296	296
Equity as at 31.12.2023	80	30,913	-29,307	1,686



Statement of Cash Flows

EUR thousand	Jan-Jun 2024	Jan-Jun 2023	Full Year 2023
Cash flow from operating activities:			
Profit (-loss) for the period	279.3	-1,447.4	-3,283.1
Adjustments:			
Depreciation according to plan	880.2	510.7	1,308.3
Financial income and expenses	90.0	96.5	403.7
Other non-cash items	-98.0	-141.3	-98.7
Cash flow before change in working capital	1,151.5	-981.5	-1,669.9
Change in working capital:			
Increase (-) / decrease (+) in current non-interest-bearing receivables	-28.7	-40.3	-299.0
Increase (-) / decrease (+) in non-current non-interest-bearing receivables	-1.6	0.0	42.5
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-481.5	535.6	2,163.5
Increase (+) / decrease (-) in non-current non-interest-bearing liabilities	-300.0	-234.4	-536.2
Cash flow from operating activities before financial items and taxes	339.7	-720.6	-299.1
Income tax expense			
Interest paid and payments for other financial operating expenses	-27.1	-25.4	-238.0
Net cash from operating activities (A)	312.6	-746.0	-537.1
Cash flow from investing activities:			
Acquisition of intangible and tangible assets	-600.0	-1,113.6	-2,160.9
Acquisition of right-of-use assets	10.8	28.3	47.8
Net cash used in investing activities (B)	-589.2	-1,085.3	-2,113.1
Cash flow from financing activities:			
Share issue against payment	0.0	0.0	4,071.8
Proceeds from and repayment of current loans	-1,274.7	2,332.0	2,403.2
Proceeds from and repayment of non-current loans	792.5	54.8	-1,548.5
Additions /repayments of finance lease liabilities	-9.9	-26.7	-45.1
Interest paid and contributions from financial expenses	-0.8	-1.6	-2.8
Net cash from financing activities (C)	-492.9	2,358.5	4,878.6
Change in cash and cash equivalents (A + B + C) increase (+) / decrease (-)	-769.5	527.2	2,228.4
Cash and cash equivalents at the beginning of the period	3,825.8	1,597.5	1,597.5
Cash and cash equivalents at the end of the period	3,056.3	2,124.7	3,825.8



Notes to the financial statements

1 Company information

Nitro Games Oyj (hereafter 'Nitro Games' or the 'Company'), is a Finnish mobile games developer and publisher. The company is experienced in developing games for the global gaming market. The company's headquarters are in Kotka, Finland, and it also has an office in Helsinki, the capital of Finland. The company was the first Finnish mobile gaming company listed at the Swedish Nasdaq First North Growth Market in Stockholm on June 16, 2017.

2 Basis of preparation

These condensed interim financial statements ('interim financial statements') for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Company's last annual financial statements as at and for the year ended 31 December 2023 ('last annual financial statements'). They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

These interim financial statements were authorized for issue by the Company's board of directors on 19 August 2024.

3 Significant accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended 31 December 2023.

4 New and amended standards and interpretations

There are no standards that are not yet in effect that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

5 Estimates and judgements

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the year ended 31 December 2023.

6 Revenue and segment information

Disaggregation of revenue

The operation is divided into two business areas: Games business; the development and publishing of mobile games for international distribution and Service business; the selling of expertise in game development and publishing as a service to international gaming companies.

Revenue from operations

	Jan-Jun 2024	Jan-Jun 2023
Revenue from operations	5,598,889	3,380,455
Games business	507,497	544,832
Service business	5,091,392	2,835,623

Revenue by geographical market

The geographical breakdown of revenue is presented based on the location of the customers. All the revenue shown above has been recognized at a point in time.

	Jan-Jun 2024	Jan-Jun 2023
Revenue per market area	5,598,889	3,380,455
EU	353,840	363,349
North America	4,784,962	1,778,211
United Kingdom	3,659	1,100,000
Other	456,428	138,895

7 Employee benefits

The Company's employee benefits comprise short-term employee benefits, post-employment benefits, and share-based payments. Nitro Games provided no other long-term employee benefits, nor any material termination benefits in the financial years presented.

Short-term employee benefits comprise wages, salaries, fringe benefits, annual leave and bonuses.

Post-employment benefits are payable to employees after the completion of employment. In Nitro Games these benefits relate to pensions. The pensions are arranged in external pension institutions. Pension plans are classified as either defined benefit plans or defined contribution plans. A defined contribution plan is a pension plan under which Nitro Games pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the separate entity does not hold sufficient assets to pay all employees the related benefits. All other plans are classified as defined benefit plans. The Company only has defined contribution plans.

Termination benefits are not based on an employees' service but arise from the termination of an employee's employment. Termination benefits are benefits provided in exchange for termination of an employee's employment as a result of the Company's decision or an employee's decision to accept an offer of benefits in exchange for termination.

8 Share-based payments

Accounting policy

Nitro Games has several option programs. The programs include conditions requiring the option holder to be employed in the company for a certain period (service condition).

Non-market vesting conditions are not considered when measuring the fair value of an option on the grant date. Service conditions are considered on each reporting date to estimate the quantity of awards that will vest, and expense will be adjusted accordingly. Expense will ultimately reflect those awards that do ultimately vest.

Options are measured at fair value on their grant date and expense is recognized as an expense to Employee benefits and to Accumulated losses in equal tranches for the vesting period.

The fair value on grant date is determined using Black-Scholes. The various assumptions used as input are spot price of the company's share on grant date, option strike price, vesting period, risk-free interest rate and the volatility of the company's share. When the options are exercised, the proceeds received from the share subscriptions are recognized in accordance with the terms of the plan under the reserve for invested unrestricted equity, adjusted for any transaction costs.

Option programs

Nitro Games has established option programs as incentive programs for the company's personnel, including the company's and its Company companies' employees and other key personnel. The purpose of issuing the option rights is to bind the option holders to the economic growth of the company and to the development of the company's value as well as create a long-term relationship between the company and the option holders, which benefits the company both economically and operationally.

According to the Key personnel option programs the subscription right may be used only if the option holder has an employment or service relationship with the company at the time of the subscription. The option programs also include a condition related to the continuance of the work or service relationship, according to which the option holders lose their right to the options if they terminate their employment or service relationship. If the option holder's relationship is terminated by the company, the option holder is entitled to retain the vested options and the options that will vest during the following vesting event.

9 Intangible assets

Intangible assets

An intangible asset is recognized if the item is identifiable, Nitro Games controls the asset, there are future economic benefits associated with the intangible asset and it is probable that the future economic benefits that are attributable to the asset will flow to the Company, and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost, except for those assets acquired as part of a business combination. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization is provided on a straight-line basis over the useful lives of the assets.

Research and development expenditures

- ▶ The Company capitalizes technology and development costs relating to the development of the game platform.

Capitalization of development expenditures begins when the intangible asset is available for use as intended by management. Capitalized development costs comprise at Nitro Games mainly of employee benefit costs and purchases from third parties.

10 Impairment of tangible and intangible assets

The Company reviews the carrying amounts of its tangible and intangible assets on an annual basis (or more frequently if events or changes in circumstances indicate a potential impairment) to determine if there are any indications that the assets have decreased in value. If any such indications exist, the recoverable amount is set to determine the need to recognize an impairment. The Company has not observed any indication of impairment in the company's assets in periods covered by this interim report.

11 Liquidity and refinancing risk

Nitro Games financing risks relate to refinancing and liquidity risks. The liquidity and solvency situations are explained in detail in the company's latest Annual Financial Statements for the period ending 31 December 2023. In order to improve the short-term liquidity and secure the long-term financing of the operations, management renegotiated the terms of two main loans.

1. Payment terms of the government backed loan of EUR 1.6 MEUR were extended.

The term of the loan from Business Finland, which was signed in April 2019, were updated in January 2024. The term of the loan was extended from 7 years to 10 years and the length of instalment-free period was extended from 3 years to 6 years. As of 31.12.2023 the loan amount of EUR 806,414 was classified as a short-

term liability in the balance sheet. This amount has now been moved to long-term liabilities in the interim report ending 31 March 2024. According to the updated terms of the loan, the first repayment instalment of the loan, amounting to EUR 403,207 will be in April 2026. As a result of the new loan terms, EUR 806 thousand of the loan that was due for repayment in 2024, has now been postponed to 2026 and beyond.

2. The company issued a EUR 2.0 million Convertible loan in 2022. According to the loan agreement the conversion time ends on April 30, 2024. The terms of this loan have been renegotiated. Based on the new terms the conversion time expired, beginning from June 30, 2025. The conversion terms remain unchanged. There is repayments schedule to repay the loan is roughly equal monthly payments, starting from 5 April 2024 with final payment on 5 April 2025. The conversion terms remain unchanged until the end of the conversion time.

As a result of the rescheduling of loans the company has reduced its short-term loans with about EUR 1 million, while still maintaining a strong cash balance due to a positive operating cash flow. This has improved short liquidity and the solvency. The equity ratio has improved to 24,9% compared to 18.9% at end of financial year 31.12.2023.

The maturity schedule below has been updated to 30.06.2024 to reflect the amended repayment terms.

Non-discounted payment schedule:

30.06.2024

EUR	30.06.2024	2025	2026	2027	2028	2029-	Total
Interest-bearing liabilities	870,000	695,000	699,207	699,207	699,207	403,207	4,065,828
Lease liabilities	32,509	45,697	28,763	19,938	452	-	127,360
Other liabilities	897,684	-	-	-	-	-	897,684
Trade and other payables	1,241,187	3,096	-	-	-	-	1,244,283
Total	3,041,380	743,793	727,970	719,145	699,659	403,207	6,335,155

31.12.2023

EUR	2024	2025	2026	2027	2028	2029-	Total
Interest-bearing liabilities	2,845,747	417,096	403,207	-	-	888,000	4,554,050
Lease liabilities	63,343	39,569	22,635	14,300	-	-	139,847
Other liabilities	632,221	-	-	-	-	-	632,221
Trade and other payables	1,997,523	-	-	-	-	-	1,997,523
Total	5,538,834	456,665	425,842	14,300		888,000	7,323,641



12 Tax expenses

Accounting policy

The income tax expense in profit or loss comprises both current tax and change in deferred taxes. Income taxes are recognized in profit or loss.

Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability expected to arise based on the specific circumstances, Company's interpretation of the tax laws and historical experience.

Current tax

The current income tax charge is calculated on the taxable income on the basis of the tax rate and tax laws enacted (or substantively enacted) by the period-end date in the countries where the Company operates and generates taxable income. Current taxes are adjusted for the taxes of previous financial periods, if applicable.

Taxable profit may differ from the profit reported in financial statements, since some income or expense items may be taxable or deductible in other years, and/or certain income items are not taxable or certain expense items are non-deductible for taxation purposes.

Deferred taxes

Deferred taxes are calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the interim financial statements.

Deferred tax assets

A deferred tax asset is recognized for deductible temporary differences, the carry forward of unused tax losses and unused tax credits, only to the extent that it is probable that future taxable profits will be available, against which Nitro Games can utilize the abovementioned items. The company reviewed the status of its deferred tax assets as at 30.6.2024. In the light of the improved results YoY, the company assessed that the probability of being able to utilize the unused tax losses, has increased significantly, and decided to increase the amount of recognized deferred tax assets prudently by 144,536 EUR in the second quarter. The total recognized deferred assets as at 30.6.2024 stands at 290,000 EUR.

For a full description on the company's accounting policy on Deferred taxes we refer you to the latest Annual report 2023.





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