

Interim Report

JANUARY-SEPTEMBER 2024 ↔ NITRO GAMES OYJ



The interim period January–September 2024

- ▶ Revenues (Jan - Sep): 8,345 KEUR (5,947 KEUR).
- ▶ EBITDA: 1,859 KEUR (-2,503 KEUR).
- ▶ EBIT: 538 KEUR (-3,378 KEUR).
- ▶ Net result: 541 KEUR (-3,586 KEUR).
- ▶ Earnings per share: (EPS) 0.02 (- 0.24).
- ▶ Cash and cash equivalents: 2,149 KEUR (30 September 2024).

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

July–September 2024

- ▶ Revenues (Jul – Sep): 2,746 KEUR (2,566 KEUR).
- ▶ EBITDA: 754 KEUR (-1,517 KEUR).
- ▶ EBIT: 313 KEUR (-1,881 KEUR).
- ▶ Net result: 262 KEUR (-2,138 KEUR).
- ▶ Earnings per share (EPS) 0.01 (-0.11).

Significant events during January–September 2024

- ▶ Nitro Games signed approx. 5 million euros expansion to the development agreement with Digital Extremes.
- ▶ Nordisk Games sold 6.5 million shares in Nitro Games to current shareholders and investors.
- ▶ Morgan Habedank left the Board of Nitro Games.

Significant events after interim period

- ▶ No post-period events.

Four consecutive profitable quarters

↔↔ I'm happy to continue reporting growth after the summer with a fourth consecutive profitable quarter. Our revenues for the first nine months grew 40 % to 8.3 million EUR and our EBITDA improved by 174 % to 1.9 million EUR, when compared against the same period last year. This is well in line with our plans for the year, and a result of our continued cost control while ensuring we deliver quality on our selected focus projects. Also worth highlighting is that we haven't capitalized any development costs this year so far. We've also maintained a strong cash position at 2.2 million EUR, while we have cleaned up our balance sheet by paying back 0.9 million EUR of loan to Nordisk Games and clearing the remaining Autogun Heroes acquisition fees of 1.2 million EUR this year. We are determined to continue improving and expanding our business moving forward."

– 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 and 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

	Jul–Sep 2024	Jul–Sep 2023	Jan–Sep 2024	Jan–Sep 2023	Full Year 2023
Revenue (EUR thousand)	2,746.0	2,566.4	8,344.9	5,946.9	8,841.6
Operating profit/loss (EBIT) (EUR thousand)	313.2	-1,881.2	538.0	-3,377.6	-3,024.8
Operating profit/loss % (EBIT %)	11.4 %	-73.3 %	6.4 %	-56.8 %	-34.2 %
EBITDA (EUR thousand)	754.4	-1,517.0	1,859.4	-2,502.8	-1,716.6
EBITDA %	27.5 %	-59.1 %	22.3 %	-42.1 %	-19.4 %
Net profit /loss (EUR thousand)	262.0	-2,138.1	541.4	-3,585.5	-3,283.1
Equity ratio (%)	33.1 %	14.7 %	33.1 %	14.7 %	18.9 %
Number of shares, average	24,924,364	18,913,733	24,924,364	14,899,253	17,440,052
Number of shares, average diluted	24,924,364	18,913,733	24,924,364	14,899,253	17,440,052
Number of shares at the end of the period	24,924,364	24,924,364	24,924,364	24,924,364	24,924,364
Number of share options	2,555,896	1,402,072	2,555,896	1,402,072	3,648,264
Number of special rights	1,131,155	2,000,139	1,131,155	2,000,139	2,000,139
Equity per share (EUR)	0.10	0.05	0.10	0.05	0.07
Earnings per share (EUR) undiluted	0.01	-0.11	0.02	-0.24	-0.19
Earnings per share (EUR) diluted	0.01	-0.11	0.02	-0.24	-0.19
Net debt (EUR thousand)	3,379.7	5,804.0	3,379.7	5,804.0	5,152.9
Number of employees, average	48	48	46	49	49



A WORD FROM CEO**Four consecutive profitable quarters**

I'm happy to continue reporting growth after the summer with a fourth consecutive profitable quarter. Our revenues for the first nine months grew 40 % to 8.3 million EUR and our EBITDA improved by 174 % to 1.9 million EUR, when compared against the same period last year. This is well in line with our plans for the year, and a result of our continued cost control while ensuring we deliver quality on our selected focus projects. Also worth highlighting is that we haven't capitalized any development costs this year so far. We've also maintained a strong cash position at 2.2 million EUR, while we have cleaned up our balance sheet by paying back 0.9 million EUR of loan to Nordisk Games and clearing the remaining Autogun Heroes acquisition fees of 1.2 million EUR this year. We are determined to continue improving and expanding our business moving forward.

Our B2B service business focuses on cross-platform action and shooter games. This is well in line with our vision where Nitro is the household name for the action and shooter games. We recently expanded our collaboration with Digital Extremes on Warframe mobile and signed a follow up agreement. We're happy to see our partnership developing in line with our expectations and proud about the opportunity to be a part of the great team delivering the Warframe experience to the fans on all platforms. It's exciting to see the future roadmap materializing step by step.


Netflix is also a key partner for us. The game project we're doing with them continues behind the scenes in pre-production. The game is still unannounced, so there's not much we can talk about the project yet at this point. However, I am very excited to see how things develop moving forward as the game takes shape.

Autogun Heroes is the game we focus on in our game portfolio. During the third quarter, we continued working together with Supersonic, following our step-by-step plan to prepare the game for scale-up. We are currently busy measuring these updates to see where we stand towards scalability and then determining the best steps forward based on the data. After the summer we've also focused more and more on expanding our game portfolio moving forward. In addition to Autogun Heroes on mobile, we now also have new unannounced things brewing to ensure we have more content in our game portfolio long-term.

Overall, I'm happy to report that this year continues strong with record performance. We've succeeded in delivering step-by-step improvements we talked about at the beginning of the year, while we're also building more opportunities for future growth. When comparing to the industry around us, we feel we have done well in this difficult environment. Our short-term focus will stay on profitability, while we populate our funnel to give us more opportunities in the long-term. We keep our heads cool and look forward to continuing improving towards the end of the year and beyond.

– JUSSI TÄHTINEN, CEO OF NITRO GAMES

CEO's comment:

 I'm happy to report that this year continues strong with record performance. We've succeeded in delivering step-by-step improvements we talked about at the beginning of the year, while we're also building more opportunities for future growth. When comparing to the industry around us, we feel we have done well in this difficult environment. Our short-term focus will stay on profitability, while we populate our funnel to give us more opportunities in the long-term. We keep our heads cool and look forward to continuing improving towards the end of the year and beyond."



– JUSSI TÄHTINEN
CEO OF NITRO GAMES

Significant events during July–September 2024

Nitro Games expanded the Development Agreement with Digital Extremes by approximately €5 million. Nitro Games has signed an expansion to its ongoing development agreement with Digital Extremes, valued at approximately €5 million. Under this agreement, Nitro Games will continue to provide game development services for the mobile version of Warframe, a free-to-play action game. This new agreement builds on the existing partnership with Digital Extremes, previously announced on 1 August 2023 and 30 January 2024.

The expanded agreement aligns with Nitro Games' strategy of offering game development services to selected clients in addition to developing its own intellectual property (IP). With this expansion, the total value of the orders with Digital Extremes now amounts to approximately €17.5 million. The agreement follows standard industry practices, and the project is expected to be completed in 2025.

Nordisk Games A/S sold 6.5 million shares in Nitro Games to current shareholders and new investors. Nordisk Games A/S has sold its entire holding of 6,492,636 shares in Nitro Games to existing shareholders of the company, including members of the board and management, as well as new external investors. The transaction represents approximately 26.0 percent of the outstanding shares and votes in Nitro Games. As a result, Nordisk Games will no longer be a shareholder in the company.

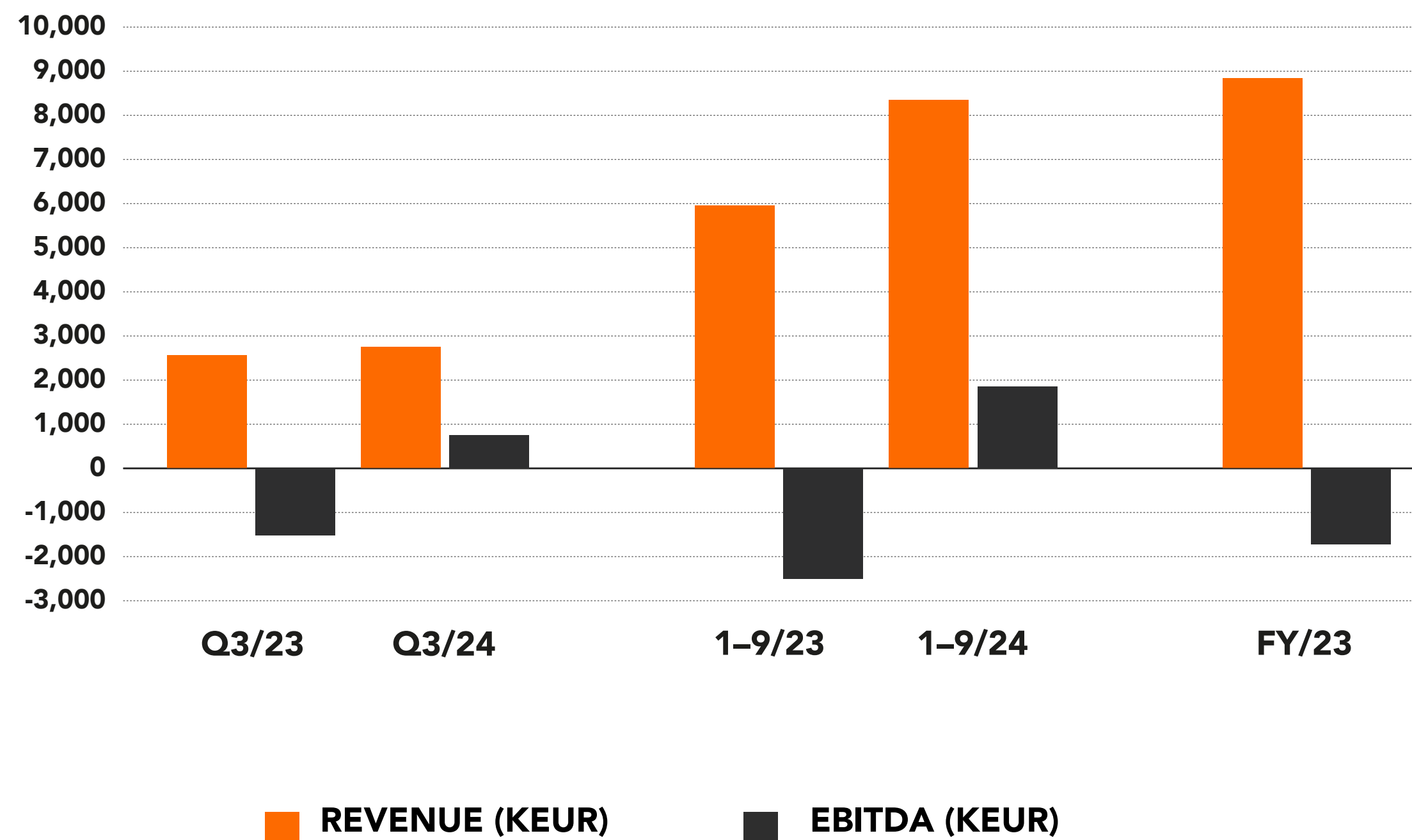
Board member Morgan Habedank resigned from Nitro Games. Nitro Games announced that board member Morgan Habedank has resigned from the company's board with immediate effect.

Significant events after the reporting period

- ▶ None.



Revenue & Result



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

Revenue was 8,345 KEUR during January – September 2024 (5,947 KEUR) and grew by 40 % year-on-year. The revenue during the third quarter was 2,746 KEUR (2,566 KEUR) and grew by 7 % year-on-year.

The other operating income was 0.84 KEUR (4.7 KEUR) during January– September 2024 and to 0.7 KEUR during the third quarter (1.4 KEUR). This income includes rent income (subtenant).

EBITDA amounted to 1,859 KEUR (-2,503 KEUR) during January – September 2024 and to 754 KEUR during the third quarter (-1,517 KEUR).

EBIT: Operating results before financial items amounted to 538 KEUR (-3,378 KEUR) during January – September 2024 and to 313 KEUR during the third quarter (-1,881 KEUR).

The net result for the period amounted to 541 KEUR (-3,586 KEUR) during January – September 2024 and to 262 KEUR during the third quarter (-2,138 KEUR).

COST STRUCTURE:

Materials and services expenses were -2,211 KEUR (-3,880 KEUR) during January– September 2024 and -623 KEUR during the third quarter (-2,286 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 -2,880 KEUR (-2,533 KEUR) during January – September 2024 and -915 KEUR during the third quarter (-757 KEUR). These costs include wages, salaries and social security expenses.

Other operating expenses (OPEX) were -1,395 KEUR (-2,041 KEUR) during January– September 2024 and - 454 KEUR during the third quarter (-1,042 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–Sep 2024	Jan–Sep 2023	Full Year 2023
Net cash from operating activities	440.3	-2,799.0	-537.1
Net cash used in investing activities	-1,176.1	-1,883.4	-2,113.2
Net cash from financing activities	-941.2	4,894.1	4,878.6
Change in cash and cash equivalents	-1,677.0	211.7	2,228.3
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	2,148.8	1,809.2	3,825.8



Investments and Depreciation

Part of the expenses from games in production are expensed as costs. Part of the costs from the development of the shooter game projects, and related technology are 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 September 2024.

Depreciations were done according to the depreciation plan, consisting mostly of capitalized development costs from previous years. The depreciation from January to September 2024 amounted to a total of 1,321 KEUR, and a total of 441 KEUR during the third quarter.



Personnel

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

	Jul–Sep 2024	Jul–Sep 2023	Change, %	Jan–Sep 2024	Jan–Sep 2023	Change, %	FY 2023
Employees (average for the period)	48	48	0.0	46	49	-6.1	49
Employees (end of period)	49	47	4.3	49	47	4.3	48

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.

Nordisk Games A/S has sold its entire holding of 6,492,636 shares in Nitro Games to existing shareholders of the company, including members of the board and management, as well as new external investors. The transaction represents approximately 26.0 percent of the outstanding shares and votes in Nitro Games. As a result, Nordisk Games will no longer be a shareholder in the company.

Members of the Board of Directors and management of Nitro Games participated in the transaction:

Name	Position	Shares
Johan Biehl	Chairman of the Board	500,000
Advenimus AB	Closely associated person Susana Meza Graham (Member of board)	333,333
Jussi Tähtinen	CEO	66,667
Antti Villanen	CSO	75,731
Matti Nikkola	CFO	757,136
Samppa Rönkä	CTO	49,333
		1,782,200

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



The Share and Shareholders

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

On September 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
Försäkringsaktiebolaget Avanza Pension		3,304,004	13.26
Jonsson Jimmy		1,429,668	5.74
BNY MELLON SA/NV FOR JYSKE, W8IMY	1	1,253,569	5.03
Ivarsson Alexander		1,197,375	4.80
Nordnet Pensionsförsäkring AB		1,189,866	4.77
Nikkola Matti	2	1,091,378	4.38
Biehl Johan	3	848,004	3.40
Johansson Andreas		763,551	3.06
Mattsson Emil		683,844	2.74
Advenimus AB	4	639,335	2.57
Others		12,523,770	50.25
The total number of shares		24,924,364	100.00

- 1 Currently owned by Dino Patti Holding ApS.
- 2 Including Oy AjoRanta Group AB, which is fully owned by Matti Nikkola (CFO).
- 3 Chairman of the Board.
- 4 Currently owned by Susana Meza Graham, who serves as the board member.



Calculation of Earnings per Share

	Jul–Sep 2024	Jul–Sep 2023	Jan–Sep 2024	Jan–Sep 2023	Full Year 2023
Net profit /loss (EUR thousand)	262.0	-2,138.1	541.4	-3,585.5	-3,283.1
Number of shares, average	24,924,364	18,913,733	24,924,364	14,899,253	17,440,052
Number of shares, average diluted	24,924,364	18,913,733	24,924,364	14,899,253	17,440,052
Number of shares at the end of the period	24,924,364	24,924,364	24,924,364	24,924,364	24,924,364
Number of Share options	2,555,896	1,402,072	2,555,896	1,402,072	3,648,264
Number of Special Right	1,131,155	2,000,139	1,131,155	2,000,139	2,000,139
Equity per share (EUR)	0.10	0.05	0.10	0.05	0.07
Earnings per share (EUR) undiluted	0.01	-0.11	0.02	-0.24	-0.19
Earnings per share (EUR) diluted	0.01	-0.11	0.02	-0.24	-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

- ▶ Year-End Report 2024, 17 February 2025
- ▶ Annual Report 2024, 22 April 2025
- ▶ Interim Report (Jan-Mar) 2025, 28 April 2025
- ▶ Annual General Meeting 2025, 19 May 2025
- ▶ Half-Year Report 2025, 18 August 2025
- ▶ Interim Report (Jan – Sep) 2025, 27 September 2025
- ▶ Full– Year Report (Jan- Dec) 2025, 23 February 2026

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 2024 at 09:00 (EEST).

For Further Information, Please Contact:

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Statement of Profit or Loss

Statement of profit or loss and other comprehensive income

Euro	Note	Jul–Sep 2024	Jul–Sep 2023	Jan–Sep 2024	Jan–Sep 2023	Full Year 2023
Revenue	6	2,745,993	2,566,413	8,344,883	5,946,867	8,841,552
Other operating income		680	1,371	842	4,731	5,721
Materials and services		-623,112	-2,285,855	-2,211,209	-3,880,113	-4,465,776
Employee benefits expense	7, 8	-914,803	-757,344	-2,880,433	-2,533,379	-3,569,255
Depreciation and amortization		-441,166	-364,172	-1,321,395	-874,875	-1,308,284
Other operating expenses		-454,370	-1,041,608	-1,394,682	-2,040,867	-2,528,806
Operating profit		313,222	-1,881,196	538,005	-3,377,636	-3,024,847
Finance income and expenses		-51,178	-256,857	-141,136	-353,364	-403,748
Profit before tax		262,044	-2,138,053	396,869	-3,731,000	-3,428,595
Income tax expense	12	0	0	144,536	145,464	145,464
Profit/loss for the period		262,044	-2,138,053	541,405	-3,585,536	-3,283,131
Total comprehensive income for the period, net of tax		262,044	-2,138,053	541,405	-3,585,536	-3,283,131



Statement of Financial Position

EUR	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS				
Non-current assets		4,503,108	5,863,935	5,639,525
Intangible assets	9, 10	4,086,316	5,515,537	5,340,728
Right-of-use assets		95,131	130,413	123,312
Non-current receivables		31,661	72,521	30,021
Deferred tax assets		290,000	145,464	145,464
Current assets		3,441,236	3,065,528	5,025,515
Trade receivables		857,595	1,017,269	712,873
Prepayments and accrued income		434,851	239,066	486,813
Cash and cash equivalents		2,148,790	1,809,193	3,825,829
Total assets		7,944,344	8,929,463	10,665,040

EUR	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
EQUITY AND LIABILITIES				
Equity				
Issued capital		80,000	80,000	80,000
Reserves		30,660,273	30,863,819	30,913,268
Retained earnings		-28,865,778	-26,041,995	-26,023,777
Profit (loss) for the period		541,405	-3,585,536	-3,283,131
Total equity		2,415,900	1,316,289	1,686,361
Liabilities				
Non-current liabilities		2,563,863	4,322,960	2,081,740
Interest-bearing loans and borrowings		2,500,826	1,741,634	1,708,301
Contingent consideration liabilities		0	1,891,997	0
Trade and other payables		2,776	608,615	3,097
Lease liabilities		60,261	80,714	70,342
Contract liability		0	0	300,000
Current liabilities		2,964,581	3,290,214	6,896,939
Trade and other payables		554,239	1,852,147	1,921,909
Interest-bearing loans and borrowings		0	814,747	839,747
Contingent consideration liabilities		1,112,165	0	1,919,896
Lease liabilities		40,174	53,810	57,552
Other current financial liabilities		72,874	71,395	75,614
Contract liability		650,000	0	1,450,000
Accrued liabilities		535,128	498,115	632,221
Total liabilities		5,528,444	7,613,174	8,978,679
Total equity and liabilities		7,944,344	8,929,463	10,665,040



Statement of Changes in Equity

A summary report showing changes in equity during the financial quarterly period and year-to-date period, including comparative figures for the same periods during the previous financial year

EUR thousand	Issued capital	Invested Unrestricted equity reserv	Retained earnings	Total equity
Equity as at 1.7.2024	80	30,622	-28,896	2,085
Profit (loss) for the period				262
Share-based payments		38		38
Other adjustments			30	30
Equity as at 30.9.2024	80	30,660	-28,866	2,416
Equity as at 1.7.2023	80	26,764	-27,504	-660
Profit (loss) for the period				-2,138
Issue of share capital		4,072		4,072
Share-based payments		28	14	42
Equity as at 30.9.2023	80	30,864	-28,937	1,316
Equity as at 1.1.2024	80	30,913	-29,307	1,686
Profit (loss) for the period				541
Share-based payments		-253	374	121
Other adjustments			67	67
Equity as at 30.9.2024	80	30,660	-28,866	2,416
Equity as at 1.1.2023	80	26,725	-26,082	723
Profit (loss) for the period				-3,586
Issue of share capital		4,072		4,072
Share-based payments		67	40	107
Equity as at 30.9.2023	80	30,864	-26,042	1,316
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–Sep 2024	Jan–Sep 2023	Full Year 2023
Cash flow from operating activities:			
Profit (-loss) for the period	541.4	-3,586.1	-3,283.2
Adjustments:			
Depreciation according to plan	1,321.3	875.4	1,308.1
Financial income and expenses	141.1	234.7	404.0
Other non-cash items	-77.2	-12.0	-98.8
Cash flow before change in working capital	1,926.6	-2,488.0	-1,669.9
Change in working capital:			
Increase (-) / decrease (+) in current non-interest-bearing receivables	-92.8	-355.6	-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	-1,064.3	511.9	2,163.5
Increase (+) / decrease (-) in non-current non-interest-bearing liabilities	-300.3	-230.7	-536.2
Cash flow from operating activities before financial items and taxes	467.6	-2,562.4	-299.1
Income tax expense			
Interest paid and payments for other financial operating expenses	-27.3	-236.6	-238.0
Net cash from operating activities (A)	440.3	-2,799.0	-537.1
Cash flow from investing activities:			
Acquisition of intangible and tangible assets	-1,200.0	-1,924.1	-2,160.9
Acquisition of right-of-use assets	23.9	40.7	47.7
Net cash used in investing activities (B)	-1,176.1	-1,883.4	-2,113.2
Cash flow from financing activities:			
Share issue against payment	0.0	4,071.8	4,071.8
Proceeds from and repayment of current loans	-1,709.7	378.2	2,403.2
Proceeds from and repayment of non-current loans	792.5	484.8	-1,548.5
Additions /repayments of finance lease liabilities	-20.7	-38.5	-45.1
Interest paid and contributions from financial expenses	-3.3	-2.2	-2.8
Net cash from financing activities (C)	-941.2	4,894.1	4,878.6
Change in cash and cash equivalents (A + B + C) increase (+) / decrease (-)	-1,677.0	211.7	2,228.3
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	2,148.8	1,809.2	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 nine months ended 30 September 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 28 October 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

	Q3/24	Q3/23	Jan–Sep 2024	Jan–Sep 2023	FY2023
Revenue from operations	2,745,993	2,566,413	8,344,883	5,946,867	8,841,552
Games business	255,330	978,575	706,429	1,523,407	1,971,950
Service business	2,490,664	1,587,838	7,638,453	4,423,461	6,869,603

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.

	Q3/24	Q3/23	Jan–Sep 2024	Jan–Sep 2023	FY2023
Revenue per market area	2,745,993	2,566,413	8,144,882	5,946,867	8,841,552
EU	33,744	849,013	387,584	1,212,362	1,632,017
North America	2,456,452	1,216,226	7,041,414	2,994,437	5,461,253
United Kingdom	937	490,578	4,596	1,590,578	1,597,388
Other	254,859	10,596	711,287	149,491	150,895

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 was 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 30 June 2024 with final payment on 30 June 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 33.1% compared to 18.9% at end of financial year 31.12.2023.

The maturity schedule below has been updated to 30.09.2024 to reflect the amended repayment terms.

Non-discounted payment schedule:

30.09.2024

EUR	30 Sep 2024	Q4 2024	2025	2026	2027	2028	2029-	Total
Interest-bearing liabilities	3,630,826	435,000	695,000	403,207	785,207	785,207	527,207	3,630,826
Lease liabilities	100,435	12,736	39,803	26,255	19,003	2,638	-	100,435
Total	3,731,261	447,736	734,803	429,462	804,210	787,845	527,207	3,731,261

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
Total	2,909,090	456,665	425,842	14,300		888,000	4,693,897

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 30.9.2024 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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