

EVERYSPORT MEDIA GROUP AB (publ.)
(EVERY A)

Company number: 556739-8143

QUARTERLY REPORT

July – September 2019

October 24th 2019



This is a translated version of the Swedish original, in case of deviations is the Swedish version considered to be the one to apply.

This information is such information that EverySport Media Group AB (publ.) Is required to publish in accordance with the EU Market Abuse Regulation. The information was provided, through the agency of the above contact person, for publication on October 24th, 2019.

Results continue to improve

Summary of the third quarter 2019

- Net sales: 21,0 mkr (20,6 mkr)
 - EBITDA: 2,7 mkr (2,3 mkr)
 - Profit after tax: -0,7 mkr (-1,0 mkr)
 - Earnings per share: -0,01 kr (-0,01 kr)
 - Cashflow from operating activities: -0,5mkr (1,7 mkr)
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Summary of the first nine months 2019

- Net sales: 67,6 mkr (65,8 mkr)
 - EBITDA: 6,5 mkr (6,3 mkr)
 - Profit after tax: -3,5 mkr (-3,6 mkr)
 - Earnings per share: -0,03 kr (-0,03 kr)
 - Cashflow from operating activities: 1,7 mkr (4,4 mkr)
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CEO, Hannes Andersson, comments:

The high level of activity from the first half of the year continued during the third quarter. The declining advertising market was offset by successful launches of subscription services and other consumer products, where growth was strong and delivered with high margin.

Growth in our primary focus areas led to an EBITDA of SEK 2.7 million (SEK 2.3 million) for the group, which is the highest achieved EBITDA during a quarter in the company's history.

Through our media platform, EverySport Media Platform (EMP), new versions of FotbollDirekt and HockeySverige were launched, as well as premium services for each product. A number of new features were launched at Eliteprospects, which will contribute to an increase in premium subscribers on the site. We continued to invest in new products and services, that builds a platform for future growth.

One of our priorities is to implement our strategy both in Sweden and internationally. We see an increase in demand for our services in our neighboring countries, which builds a foundation for further expansion. Growth in North America remain strong. Our largest site, Eliteprospects, grew by 67% in the US in the third quarter compared to previous year, 58% in Canada and is now visited by half a million unique visitors per week from the region.

In digital advertising, the trend in the Swedish market has been somewhat declining, primarily due to the reduced activity of iGaming companies as a result of tougher regulations. However, we see an increased demand for high quality content and other creative solutions from the same companies, who are planning to increase their investments in 2020, when larger sports events take place (European Championship in football, Summer Olympics).

We look bright on the future and are optimistic about our goal of establishing a leading market position within both sports media and iGaming information. ESGM is well equipped to continue to show growth, both in Sweden and internationally, when we look at an eventful 2020.

Forward-looking statement

The forward-looking statements is left unchanged, compared to previous report.

We will continue to invest in existing and new products and strengthen our positions both in Sweden and internationally. Investments will increase the group's mass of costs in the short run and it can take a few quarters until revenues match the costs associated with these investments. That being said, our assessment is that the group on a full-year basis in 2019 will increase sales compared to 2018 and achieve an EBITDA result higher than 2018 on a full year basis.

Significant events during and after the end of the period

On September 18, the Board of Directors called an Extraordinary General Meeting to decide on a merger of shares, where 25 shares were proposed to be merged into one. In order to carry out a merger of shares, the articles of association were required to be amended. The Extraordinary General Meeting was held on October 18, and the Board's proposal to amend the Articles of Association, the aggregation of shares and the Board's authorization to carry out the aggregation of shares were voted on.

Net Sales, earnings and financial position during the period

Net Sales

Net sales for the second quarter amounted to SEK 21.0 million (SEK 20.7million). An increase of 1,8% compared with the same quarter last year.

Despite a declining trend in digital advertising in Sweden, the Group's sales increased overall during the third quarter due to growth in new products and markets.

EBITDA and EBIT

EBITDA for the third quarter amounted to SEK 2,7 million (SEK 2,3 million).

Although investments in new products and markets have led to increased personnel and other costs, EBITDA earnings have improved as a result of growth in new products with a higher margin. The investments have not only had a positive impact in the short term, but they are also strategically important from a long-term value-creating perspective. The variable operating costs have decreased as a result of the completion of a number of external sales assignments, which in the past led to high commission costs.

EBIT for the third quarter amounted to SEK 2019 million to SEK -0.5 million (SEK -0,8 million). The EBIT result during Q2 2019 is affected by depreciation of goodwill and development projects of SEK -3.1 million (SEK -3.1 million).

Amortization of goodwill will continue as long as the company applies the K3 regulations and there is still balance of goodwill. Depreciation is not affecting cash flow.

Capitalized work on own account during the quarter amounts to SEK 1.0 million (SEK 0.1 million)

Financial position

At the end of the period, Everysport Media Group AB (publ.) has equity of SEK 12.7 million (SEK 16.9 million) and an equity ratio of 26% (31%)

Cash and cash equivalents at the end of the period were SEK 2.7 million (2.9).

Share and shareholders

As of the date on 30th of September, 2019, 113,562,412 shares were issued. All shares have equal rights to the company's profit and assets.

Decision has, through the extraordinary general meeting of 2018-01-16, been adopted to adopt an incentive program for the Board of Directors and an incentive program for the CEO and other senior executives and certain employees of Everysport Media Group (publ.). The incentive programs entail an issue of a maximum of 6,754,847 warrants. Each warrant entitles the holder to convert for one new share in the company at a price of SEK 0.57 per share. The exercise of the warrants shall be possible during the period from January 13, 2020 to June 13, 2020.

The total number of shares at full future dilution amounts to 120,317,259.

At the end of the third quarter, Everysport Media Group AB (publ.) had 855 shareholders.

Employees

The average number of full time equivalents during the period was 66.

Accounting principles

The consolidated accounts for Everysport Media Group AB have been drawn up in accordance with the K3 regulatory framework.

Audit

This report has not been reviewed by auditors.

Further reporting dates

The quarterly report for the period October – December 2019 will be published on the 20th of February 2020.

The quarterly reports for Everysport Media group are published on the company's website www.esmg.se

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Hannes Andersson

CEO

For further information, please contact:

Hannes Andersson

CEO

Phone: +467 07 36 56 25

E-mail: hannes.andersson@esmg.se

CONSOLIDATED INCOME STATEMENT (kr)	JUL - SEP 2019	JUL - SEP 2018	JAN - SEP 2019	JAN - SEP 2018	JAN - DEC 2018
Net sales	21 024 020	20 646 548	67 637 601	65 766 841	89 423 852
Own work capitalized	1 041 885	135 548	2 378 588	925 396	2 040 506
Other operating income	386 114	-24 848	480 412	37 091	239 014
Operating expenses					
Variable operating costs	-1 923 737	-4 391 322	-7 133 127	-13 841 743	-19 265 816
Other external expenses	-8 663 768	-6 264 188	-26 981 929	-21 260 554	-28 991 443
Personnel costs	-9 179 084	-7 778 967	-29 924 294	-25 314 142	-34 503 909
EBITDA	2 685 430	2 322 770	6 457 251	6 312 890	8 942 205
Depreciation and impairments	-3 224 017	-3 139 522	-9 515 142	-9 195 120	-12 386 652
EBIT	-538 587	-816 751	-3 057 891	-2 882 230	-3 444 447
Financial income and expenses					
Profit from participations in associated companies	-42 840	0	-73 704	0	-65 263
Interest income and similar income	207	11 411	6 683	89 957	59 544
Interest expense and similar expenses	-136 197	-235 757	-449 657	-862 524	-1 253 834
Tax on years profit	0	0	-6 006	0	-102 550
Deffered tax	11 261	16 778	39 299	50 334	129 745
Profit/loss for the period	-706 156	-1 024 319	-3 541 276	-3 604 463	-4 676 805
The Parent Company's share of profit for the	-685 760	-1 020 128	-3 531 668	-3 596 320	-4 665 004
Minority's share of profit for the year	-20 396	-4 191	-9 608	-8 143	-11 801

CONSOLIDATED BALANCE SHEET	2019-09-30	2018-09-30	2018-12-31
Own work capitalized	6 142 541	3 348 524	4 303 393
Trademarks	494 249	647 231	600 159
Goodwill	19 505 231	31 257 466	28 155 245
Equipment, tools, fixtures and fittings	289 962	71 655	67 368
Shares in associated companies	159 904	159 467	233 608
Deffered tax asset	2 103 066	2 022 522	2 103 066
Other long-term receivables	4 856	0	4 442
Total fixed assets	28 699 808	37 506 865	35 467 281
Current receivables			
Trade and other receivables	12 171 769	8 563 479	9 195 171
Current tax assets	220 833	285 248	96 382
Other current receivables	878 989	1 673 166	1 429 814
Prepaid expenses and accrued income	3 980 156	4 042 569	4 104 730
Total current receivables	17 251 747	14 564 462	14 826 097
Cash and cash equivalent	2 734 517	2 916 649	3 938 647
TOTAL ASSETS	48 686 072	54 987 976	54 232 025
Equity			
Share capital	4 503 238	4 503 235	4 503 238
Other contributed capital	68 998 974	68 468 983	68 468 983
Reserves	-12 939	-48 036	-94 758
Retained earnings, incl profit/loss for the period	-60 861 593	-56 064 370	-57 284 875
Shareholders' equity attributable to the parent company's	12 627 680	16 859 813	15 592 589
Non controlling interest	37 772	51 038	47 380
Total equity	12 665 452	16 910 851	15 639 970
Allocations			
Deferred tax liabilities	137 984	175 151	177 283
Total allocations	137 984	175 151	177 283
Long-term liabilities			
Other liabilities to credit institutions	2 250 003	57 143	3 000 000
Other long-term liabilities	5 349 193	5 918 260	5 508 622
Total long-term liabilities	7 599 196	5 975 403	8 508 622
Current liabilities			
Checking account	1 990 658	0	986 413
Other liabilities to credit institutions	1 000 000	292 971	1 228 571
Trade and other payables	5 391 084	4 013 849	5 155 721
Current tax liabilities	0	293 249	236 367
Other current liabilities	2 687 153	9 475 588	5 566 104
Accrued expenses and prepaid income	17 214 545	17 850 914	16 732 975
Total current liabilities	28 283 440	31 926 571	29 906 151
TOTAL EQUITY AND LIABILITIES	48 686 072	54 987 976	54 232 025

CONSOLIDATED CASH FLOW STATEMENT	JUL - SEP 2019	JAN - SEP 2019	JAN - DEC 2018
Cash flow from operating activities			
Profit/loss before financial items	-641 155	-3 498 307	-4 704 000
Adjustments for items not effecting cashflow	2 817 719	9 276 788	12 451 915
Income tax paid	-98 763	-283 544	-800 356
Cash flow from operating activities before change in working capital	2 077 801	5 494 937	6 947 559
Cash flow before changes in working capital			
Increase (-)/Decrease (+) in inventory	0	0	0
Increase (-)/Decrease (+) of short-term receivables	-5 023 252	-2 067 964	-1 795 887
Increase (-)/Decrease (+) of short-term liabilities	2 407 746	-1 756 010	701 313
Cash flow from operating activities	-537 704	1 670 963	5 852 985
Cash flow from investing activities			
Acquisition of intangible fixed assets	-1 006 889	-2 383 700	-2 785 924
Acquisition of tangible fixed assets	0	-297 484	0
Acquisition of subsidiary, after deduction of cash and cash equivalent	0	0	-139 404
Divestment of subsidiaries/associated companies	0	0	13 033
Cash flow from investing activities	-1 006 889	-2 681 184	-2 912 295
Cash flow from financing activities			
Warrants	25 621	529 990	492 605
New loans	923 596	1 990 658	4 000 000
Amortized loans	-417 427	-2 714 647	-5 426 576
Cash flow from investing activities	531 790	-193 999	-933 971
Cash flow for the period	-1 012 803	-1 204 220	2 006 719
Opening cash and cash equivalents	3 747 324	3 938 647	1 931 928
Closing cash and cash equivalents	2 734 517	2 734 517	3 938 647

KEY FIGURES	JUL - SEP 2019	JAN - SEP 2019	JAN - DEC 2018
Profit margin %	-3 %	-3 %	-5 %
Equity ratio	26 %	26 %	29 %
Cash liquidity %	71 %	71 %	63 %
Number of shares	113 562 412	113 562 412	112 580 948
Earnings per share	-0,01	-0,03	-0,04
Number of shares at full future dilution	120 317 259	120 317 259	125 035 791
Earnings per share at full future dilution	-0,01	-0,03	-0,04
EBITDA	2 685 430	6 457 251	8 942 205
EBIT	-538 587	-3 057 891	-3 444 445

Definition key figures:

Profit Margit

Operating profit after financial income and expenses in relation to net sales.

Equity ratio

Equity in % of total of balance sheet.

Cash liquidity

Current assets in % of current liabilities

Earnings per share

Profit for the period divided by the number of outstanding shares

Earnings per share at full future dilution

Profit for the period divided by the number of shares at future full dilution

EBITDA

Earning before Interest, taxes, depreciation and amortization

EBIT

Earnings before interest and taxes

PARENT COMPANY'S INCOME STATEMENT	JUL - SEP 2019	JUL - SEP 2018	JAN - SEP 2019	JAN - SEP 2018	JAN - DEC 2018
Net sales	5 250 067	2 515 912	12 663 412	7 372 220	9 553 306
Other operating income	77	0	400	1 673	0
Operating expenses					
Variable operating costs	-1 214 822	-365 067	-1 686 998	-714 095	-924 643
Other external expenses	-1 878 895	-1 932 898	-6 050 226	-5 201 669	-6 782 355
Personnel costs	-1 788 941	-1 296 072	-5 807 413	-4 328 324	-6 039 681
EBITDA	367 487	-1 078 125	-880 826	-2 870 195	-4 193 373
Depreciation and impairments	-4 413	-1 128	-9 954	-3 384	-4 512
EBIT	363 074	-1 079 253	-890 780	-2 873 579	-4 197 885
Financial income and expenses					
Profit from participations in associated companies	-42 840	0	-73 704	0	-65 263
Other interest income and similar	19 000	23 526	37 525	91 879	95 736
Other interest expenses and similar	-38 672	-255 741	-109 773	-721 129	-946 799
Group contributions	0	0	0	0	11 487 727
Tax on years profit	0	0	0	0	-513 484
Deffered tax	0	0	0	0	0
Profit/loss for the period	300 562	-1 311 468	-1 036 733	-3 502 829	5 860 032

PARENT COMPANY'S BALANCE SHEET	2019-09-30	2018-09-30	2018-12-31
Equipment, tolls. Fixtures and fittings	65 899	11 281	10 153
Shares in Group companies	59 741 605	59 669 957	59 741 605
Shares in associated companies	159 904	159 467	233 608
Deferred tax asset	914 716	1 428 200	914 716
Other long term receivables	4 442	0	0
Total fixed assets	60 886 566	61 268 905	60 900 082
Current receivables			
Trade and other receivables	1 186 242	375 000	128 361
Receivables with Group companies	12 637 389	2 067 447	6 527 161
Current tax assets	137 899	198 122	48 745
Other current receivables	10	120 301	142 364
Prepaid expenses and accrued income	1 254 645	750 776	844 595
Total current receivables	15 216 184	3 511 646	7 691 226
Cash and cash equivalent	210 405	1 211 021	697 722
TOTAL ASSETS	76 313 155	65 991 572	69 289 030
Equity			
Share capital	4 503 238	4 503 238	4 503 238
Other contributed capital	68 998 974	68 468 983	68 468 983
Retained earnings, incl profit/loss for the period	-23 038 992	-31 365 120	-22 002 259
Shareholders' equity attributable to the parent company's	50 463 220	41 607 101	50 969 962
Non controlling interest	0	0	0
Total equity	50 463 220	41 607 101	50 969 962
Long-term liabilities			
Other liabilities to credit institutions	2 250 003	57 143	3 000 000
Total long-term liabilities	2 250 003	57 143	3 000 000
Current liabilities			
Checking account	0	0	0
Other liabilities to credit institutions	1 000 000	229 321	1 228 571
Trade and other payables	2 045 693	1 008 335	1 209 553
Debt to other group companies	16 845 466	15 169 622	10 507 416
Current tax liabilities	0	149 860	0
Other current liabilities	1 849 066	4 834 821	297 592
Accrued expenses and prepaid income	1 859 706	2 935 369	2 075 936
Total current liabilities	23 599 932	24 327 328	15 319 068
TOTAL EQUITY AND LIABILITIES	76 313 155	65 991 572	69 289 030
			0