Q3 2021 Financial Results



Nexters Global

17 November 2021

Disclaimer

Forward-looking statements

Certain statements in this presentation may constitute "forward-looking statements" for purposes of the federal securities laws. Such statements are based on current expectations that are subject to risks and uncertainties. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements.

The forward-looking statements contained in this presentation are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. Forward-looking statements involve a number of risks, uncertainties (some of which are the Company's control) or other assumptions. You should carefully consider the risks and uncertainties described in the "Risk Fac-tors" section of the registration statement on Form F-1 filed by the Company on September 22, 2021 and other documents filed by the Company from time to time with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company undertakes no obligation to up-date or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Non-IFRS Financial Measures

This presentation contains certain financial measures that are not prepared in accordance with International Financial Reporting Standards as promulgated by the International Standards Accounting Board ("IFRS") and that may be different from non-IFRS financial measures used by other companies. These non-IFRS financial measures and other measures that are calculated using these non-IFRS financial measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with IFRS and should not be considered as an alternative to operating income, net income or any other performance measure derived in accordance with IFRS. Nexters believes that these non-IFRS measures of financial results (including on a forward-looking basis) provide useful information to investors about Nexters. Nexters' management uses forward-looking non-IFRS measures to evaluate Nexters' projected financial and operating performance. However, there are a number of limitations related to the use of these non-IFRS measures and their nearest IFRS equivalents. For example other companies may calculate non-IFRS measures differently, or may use other measures to calculate their financial performance, and therefore Nexters' non-IFRS measures may not be directly comparable to similarly titled measures of other companies. Additionally, to the extent that forward-looking non-IFRS measures are provided, they are presented on a non-IFRS basis without reconciliation of such forward-looking non-IFRS measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

Due to rounding, numbers presented throughout this document may not sum precisely to the totals we provide, and percentages may not precisely reflect the absolute figures

The figures in this document are unaudited

Key operating and non-IFRS metrics used in the presentation

In this presentation, we use a number of key operating and non-IFRS financial metrics which we believe accurately, in material aspects, reflect the principal parameters of our historic and projected performance. For further information, regarding our operating metrics, see the registration statement on Form F – 1 filed with the SEC.

Operating metrics

- Monthly active users (MAUs) are the number of individuals who played a particular game in the 30-day period ending with the measurement date
- Daily active users (DAUs) are the number of individuals who played one of our games during a particular day
- Monthly paying users (MPUs) are the number of individuals who made a purchase of a virtual item at least once on a particular platform in the 30-day period ending with the measurement date
- Monthly Payer Conversion is the total number of MPUs, divided by the number of MAUs
- Average Bookings Per Paying User (ABPPU) is the total Bookings attributable to in-game purchases in a given period, divided by the number of months in that period, divided by the average number of MPUs during the period
- Bookings are sales contracts generated from in-game purchases and sales of advertisement in a given period

Non-IFRS measures

- Adjusted costs and expenses. The Company defines Adjusted costs and expenses as the total of platform commissions, game operating costs, selling and marketing expenses and general and administrative expenses for the period as shown in the Company's financial statements in accordance with IFRS, adjusted to exclude (i) share-based compensation expense, (ii) net change in deferred platform commission fees, (iii) impairment of non-current assets, (iv) any gains and losses arising as result of business combinations and (v) certain non-cash or other special items that we do not consider indicative of our ongoing operating performance. Adjusted costs and expenses is a non-IFRS financial measure and should not be construed as an alternative to total costs and expenses excluding depreciation and amortization as an indicator of operating performance as determined in accordance with IFRS
- Adjusted Net Income/Loss. The Company defines Adjusted Net Income/Loss as the Net Income/Loss as presented in the Company's financial statements in accordance with IFRS, adjusted to exclude (i) share-based compensation expense, (ii) impairment of non-current assets, (iii) any gains and losses arising as result of business combinations (including the amortisation of intangible assets acquired in the business combinations and transaction costs related to the business combinations) and (iv) certain non-cash or other special items that we do not consider indicative of our ongoing operating performance. Adjusted net income is a non-IFRS financial measure and should not be construed as an alternative to Net Income/ Loss as an indicator of operating performance as determined in accordance with IFRS


Key Highlights

3Q 2021 highlights and recent developments



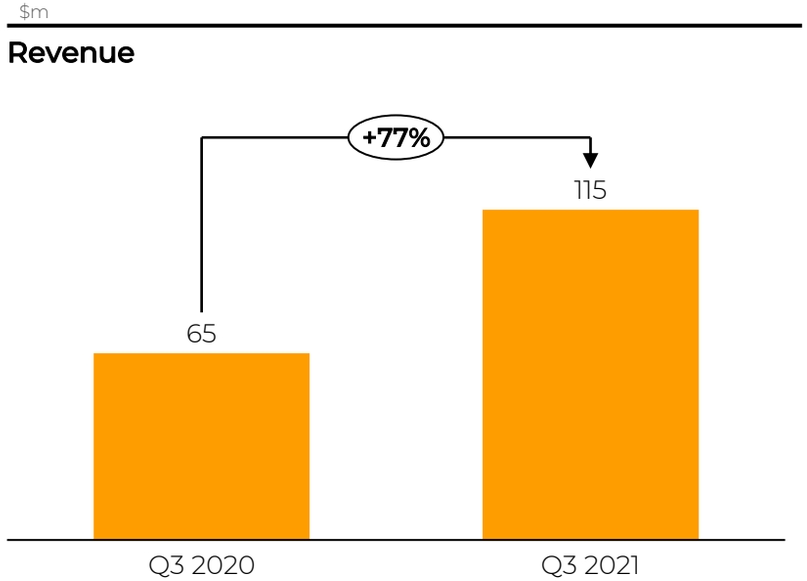
- Strong growth across platforms and geographies
- Desktop platforms grew by 55% YoY
- Asia region grew by 95% YoY
- Advertisement revenue more than doubling YoY and comprising 6% of total bookings
- Launched the Nexters Boost program – M&A initiative with focus on early-stage game development studios
- Chibi Island officially released on iOS and Android
- Throne Rush officially released on Web

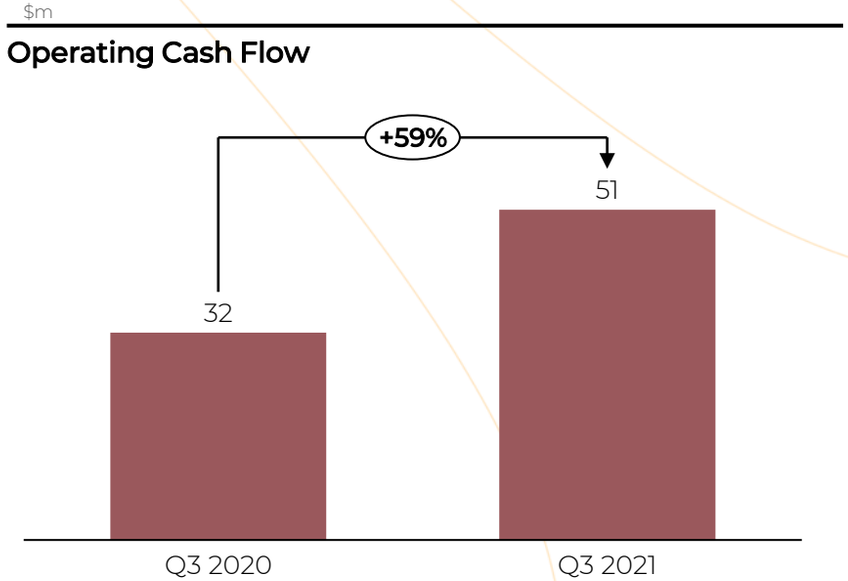
$151m
Bookings in 3Q 2021
+29% YoY

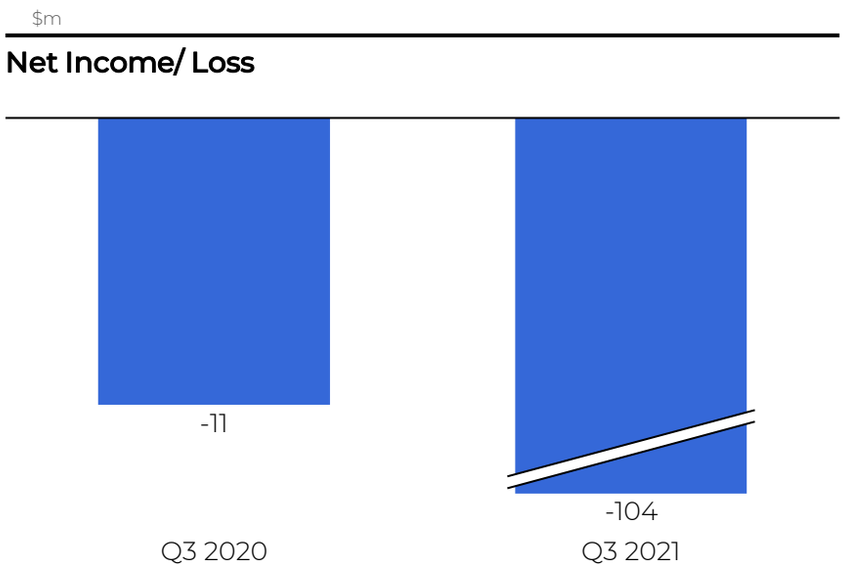
371k
MPU in 3Q 2021
+30% YoY

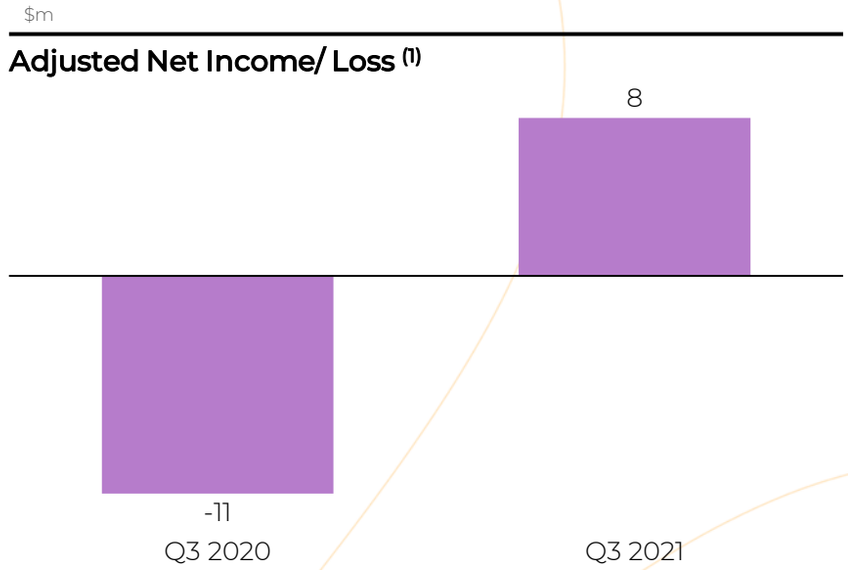
$128
ABPPU in 3Q 2021
-3% YoY

Key financial highlights (1/2)









- Revenue of $115m, up 77% YoY, driven primarily by bookings growth
- Operating cash flow of $51m, up 59% YoY, demonstrating the increased efficiency and cash generation capacity of our business
- Adjusted Net Income of $8m compared to Adjusted Net Loss of ($11m) in Q3 2020

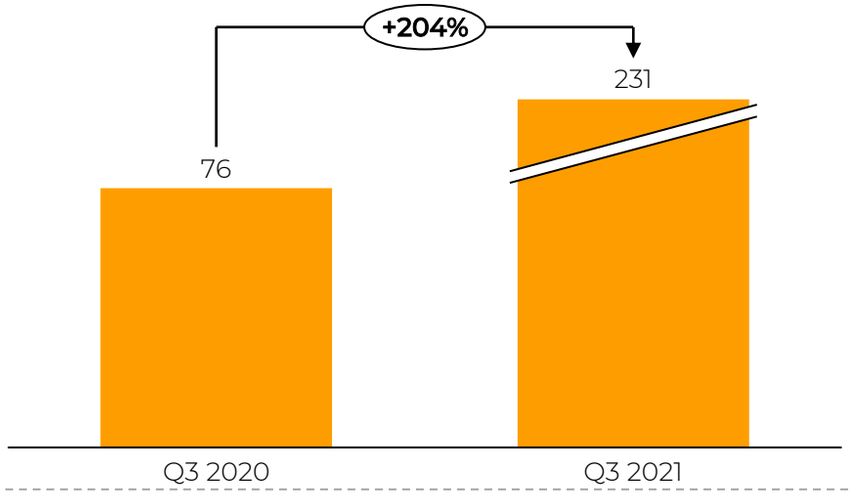
Source: Company information

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Key financial highlights (2/2)

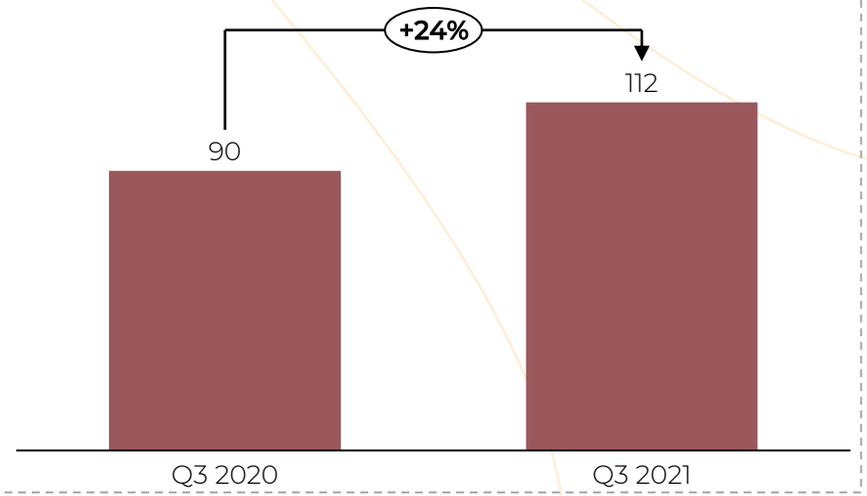
$m

Total Costs and Expenses, Excluding D&A



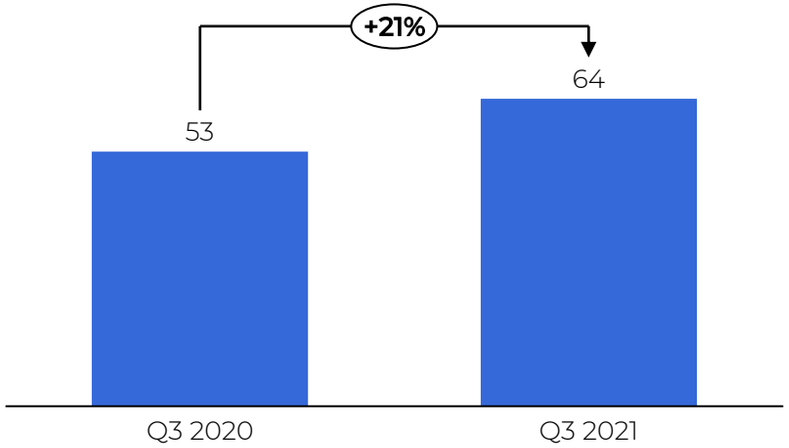
$m

Adjusted Costs and Expenses (1) (2)



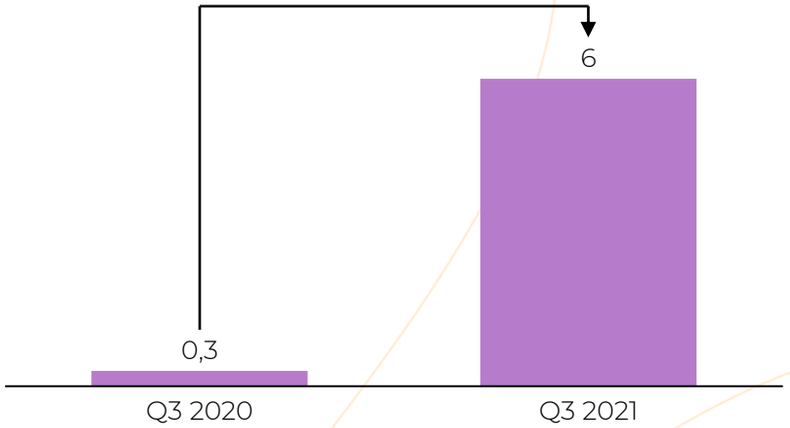
$m

Selling and Marketing Expenses



$m

G&A Expenses



- Total costs and expenses, excl. D&A of $231m, up 204% YoY mostly due to the growth of selling and marketing expenses and non-cash non-recurring share listing expense in the amount of $125 million resulting from the accounting for merger with Kismet Acquisition One Corp
- Adjusted costs and expenses of $112m, up 24% YoY which is mostly driven by the increase of selling and marketing expenses with investments into the user acquisition
- Selling and Marketing expenses of $64m, up 21% YoY. Our selling and marketing expenses came back to the normalized level after the record high investments in User Acquisition in Q2 2021
- Growth of other G&A were largely associated with growth of headcount by more than 60% and one-off costs linked to going-public status

Source: Company information

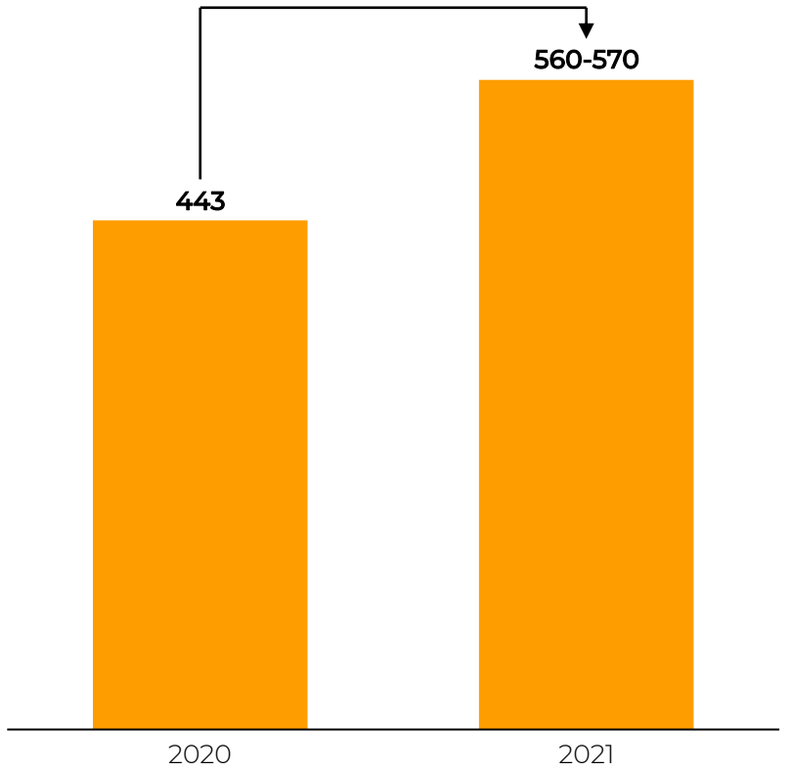
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2) Excluded non-cash non-recurring share listing expense in the amount of $125 million resulting from the accounting for merger with Kismet Acquisition One Corp.

Updated guidance for 2021

(A)

Bookings

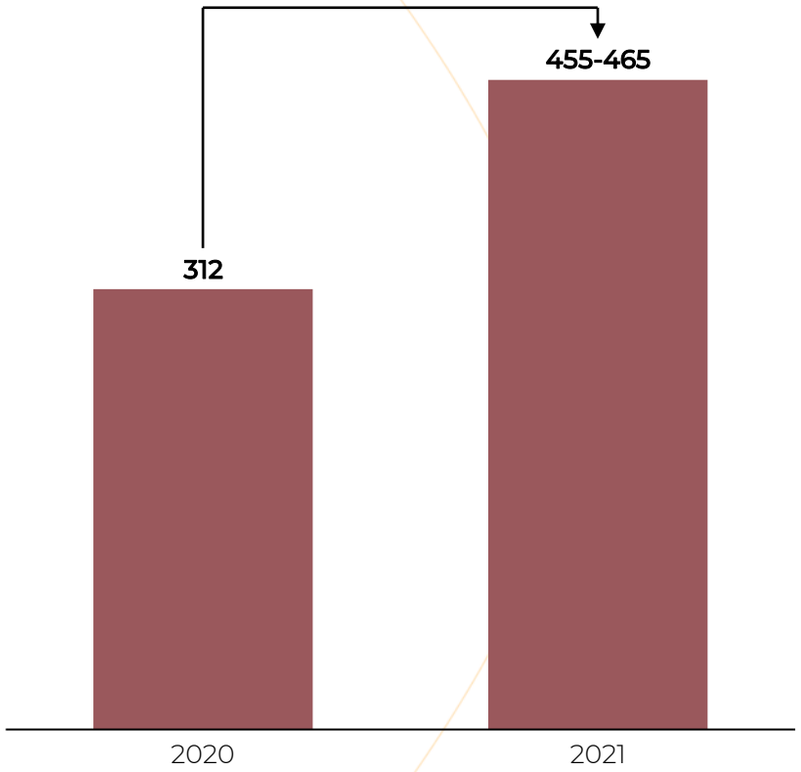
$ million



(B)

Adjusted costs and expenses [1]

$ million



Management profitability measure = (A) – (B)

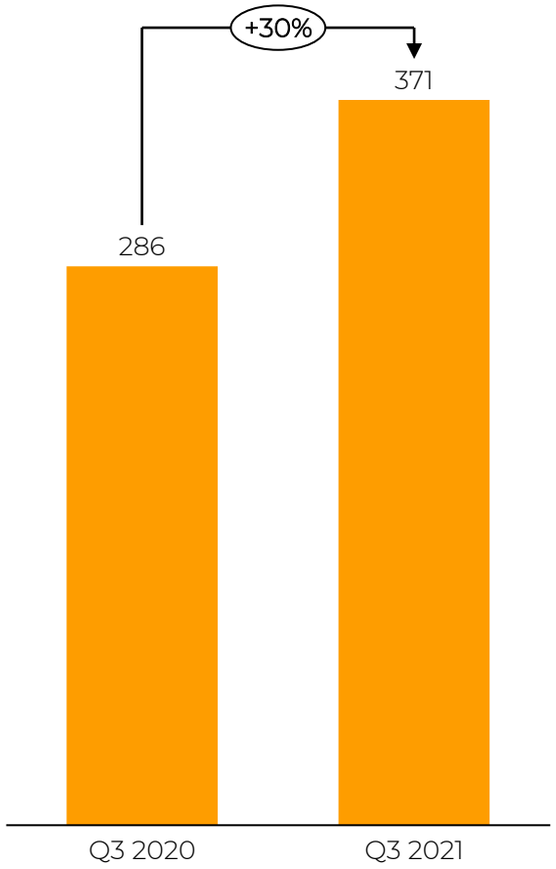
- Change in bookings guidance being driven by lower platform commissions forecast by equal amount
- Lower adjusted costs and expenses guidance due to decrease in platform commissions partially offset by increase of selling and marketing expenses due to more heavy investments in UA to benefit further periods

1) The Company defines Adjusted costs and expenses as the total of platform commissions, game operating costs, selling and marketing expenses and general and administrative expenses for the period as shown in the Company's financial statements in accordance with IFRS, adjusted to exclude (i) share-based compensation expense, (ii) net change in deferred platform commission fees, (iii) impairment of non-current assets, (iv) any gains and losses arising as result of business combinations and (v) certain non-cash or other special items that we do not consider indicative of our ongoing operating performance. Adjusted costs and expenses is a non-IFRS financial measure and should not be construed as an alternative to total costs and expenses excluding depreciation and amortization as an indicator of operating performance as determined in accordance with IFRS

Key Operating Highlights

'000 users

Monthly paying users (1)



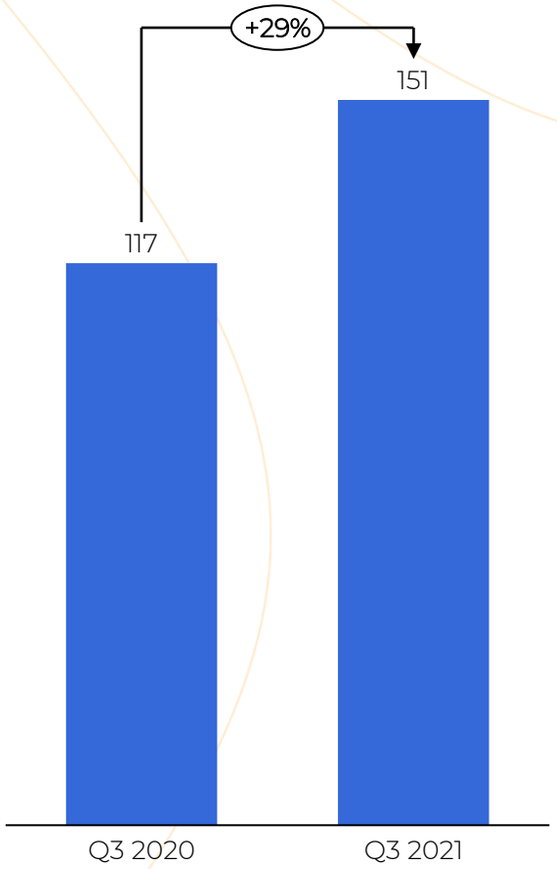
$/month

Average bookings per paying user (2)



$m

Bookings



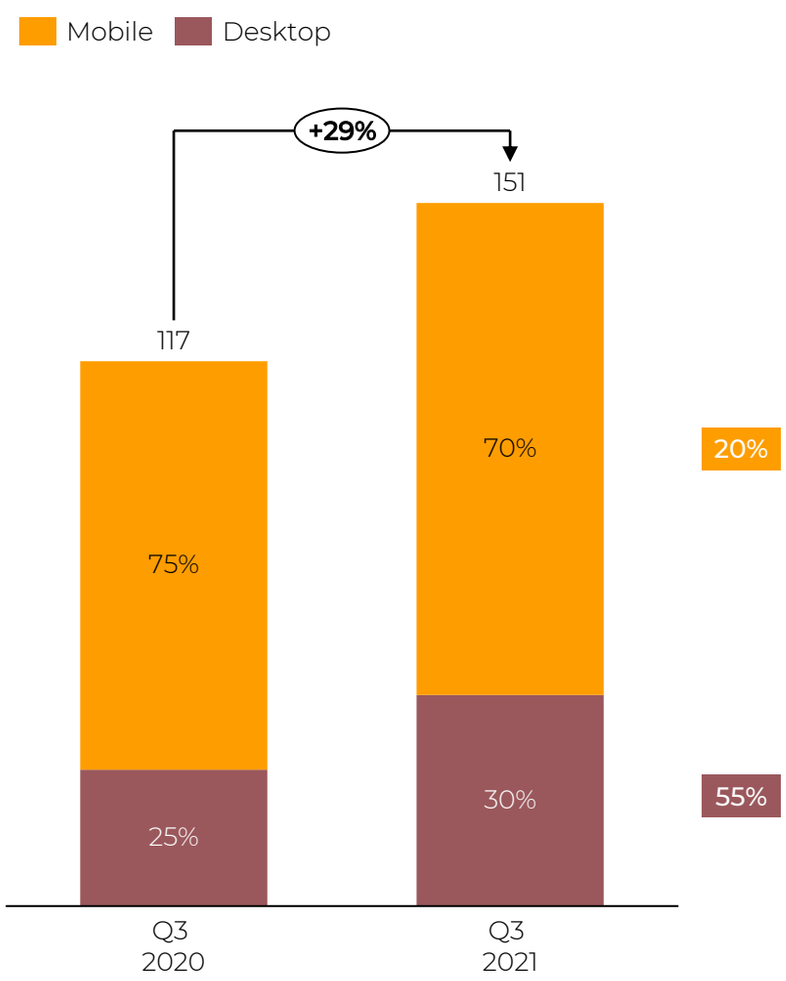
- Monthly Paying Users of 371k, up 30% YoY due to our substantial investments in marketing in 2021
- Average bookings per paying user of $128, down 3% YoY due to massive inflow of new payers with lower checks in the beginning of their lifespan
- Bookings of $151m, up 29% which reflects strong dynamics of both MPU and ABPPU across all geographies and platforms

Source: Company information
(1) The Company defines Monthly Paying Users, or MPUs, as the number of individuals who made a purchase of a virtual item at least once on a particular platform in the 30-day period ending with the measurement date; Quarterly MPU is the average of MPUs for each month for the respective quarter
(2) The Company defines Average Bookings Per Paying User, or ABPPU, as its total Bookings attributable to in-game purchases in a given period, divided by the number of months in that period, divided by the average number of MPUs during the period

Diversification across key platforms and geographies

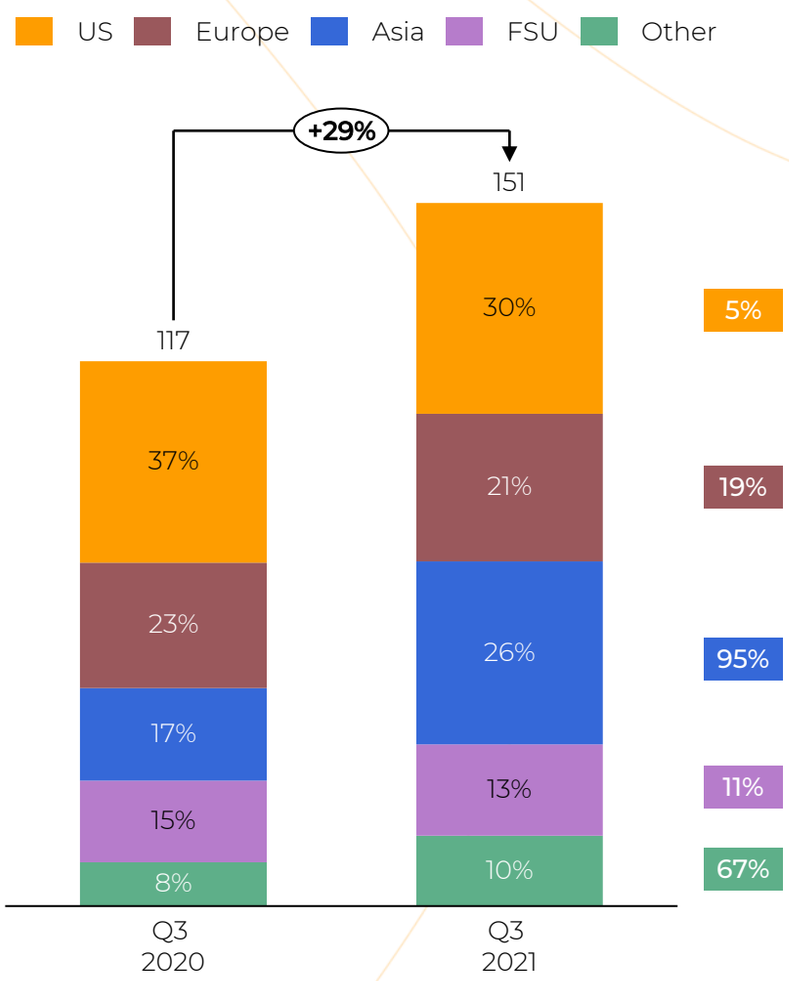
$m

Bookings by platform [1]



$m

Bookings by geography [1]



- There is a strong growth in bookings across all key platforms and geographies which makes our bookings profile more diversified, reducing dependence on specific markets
- Desktop platforms have especially strong performance with 55% YoY growth in 3Q 2021 on the back of increased investments in UA.
- Desktop bookings mostly derive from proprietary Web platform which offers lower platform commission
- Bookings from Asia nearly doubled YoY in 3Q 2021 (with 26% share) which is in line with our regional expansion strategy with focus on this region
- Bookings from Other geographies are mostly driven by developed markets outside of Asia and Europe

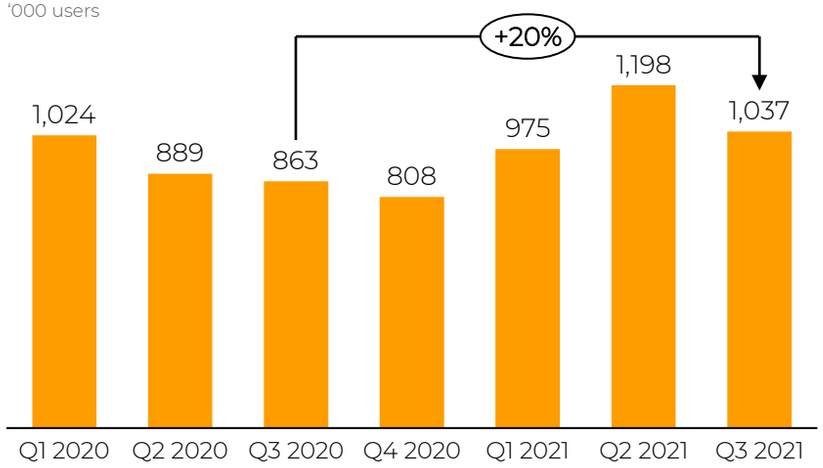
Source: Company information

1) For platform and geography splits corresponding shares in management accounts were used

Improving engagement and payer conversion

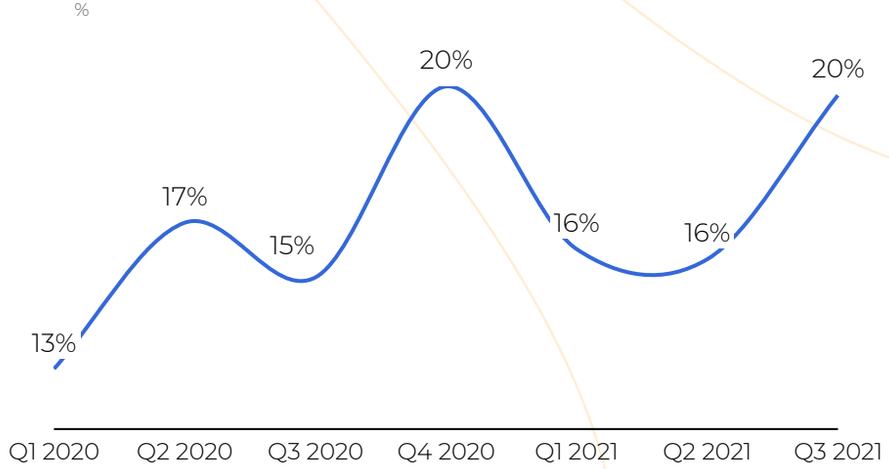
DAU

'000 users



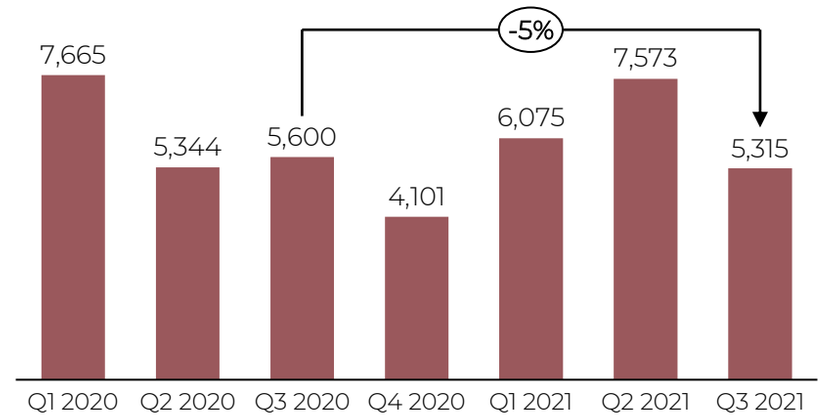
DAU/MAU

%



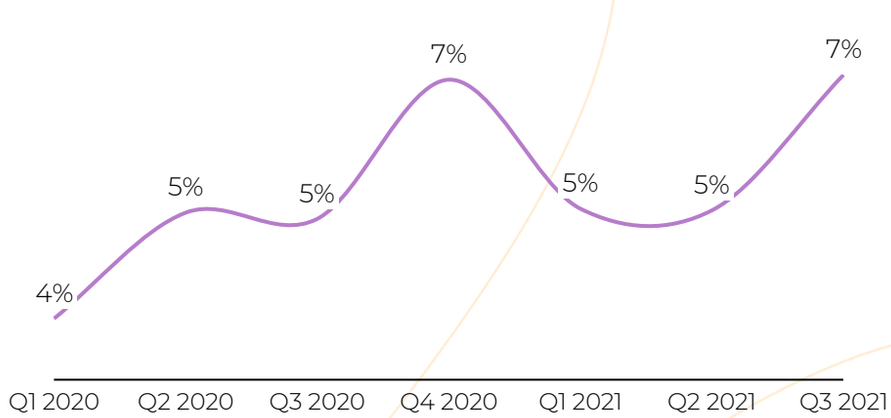
MAU

'000 users



MPU/MAU

%



- Engagement and conversion metrics gaining momentum despite post-Covid months
- Sequential decline in MAU and DAU driven by seasonal factors as well as lower UA investments

Source: Company information

Strong pipeline to strengthen platforms & genre diversification



- Officially released in July
- Active work with optimization cycles
- Reached main metrics below

1.4m Total installs in 1-3Q 2021

~280k MAU in 3Q 2021

$200-300k Average monthly bookings during 3Q 2021

+40% Increased average playing session



- Released Web version in October
- Experimental step to re-launch the game on Web
- Increasing our platforms diversification

Total Desktop %[1] in 9M 2020	Total Desktop %[1] in 9M 2021
23%	32%

Commissions % in 9M 2020	Commissions % in 9M 2021
29%	27%

Other new titles

Puzzle Island

- To be launched November under a new name
- Very promising metrics on retention and monetization

Riddle Island

- In the final development stage – added a lot of new content
- Target tech launch around year end

Source: Company information
1) For desktop share corresponding shares in management accounts were used


Appendix

Balance Sheet

($ in thousands)

Assets	Q3 2021	FY 2020[1]
Non-current assets		
Property and equipment	1 098	171
Intangible assets	145	76
Goodwill	1 473	—
Long-term deferred platform commission fees	113 185	89 588
Right-of-use-assets	1 430	1 044
Deferred tax assets	7	—
Total non-current assets	**117 338**	**90 879**
Current assets		
Trade and other receivables	47 669	32 974
Loans receivable	—	8
Cash and cash equivalents	105 453	84 557
Prepaid tax	3 213	3 137
Total current assets	**156 335**	**120 676**
TOTAL ASSETS	**273 673**	**211 555**
Liabilities and shareholders' equity		
Equity		
Share capital	—	27
Other reserves	163 882	8 289
Accumulated deficit	(342 496)	(110 513)
Total equity	**(178 614)**	**(102 197)**
Non-current liabilities		
Lease liabilities – non-current	541	818
Long-term deferred revenue	119 398	79 221
Share warrant obligations	18 472	—
Total non-current liabilities	**138 411**	**80 039**
Current liabilities		
Short term loans	—	49
Lease liabilities – current	860	293
Trade and other payables	30 299	17 503
Tax liability	620	306
Deferred revenue	282 097	215 562
Total current liabilities	**313 876**	**233 713**
Total liabilities	**452 287**	**313 752**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**273 673**	**211 555**

Source: Company information

(1) Reflects a correction to the amount reported in Nexters Global's (subsidiary) audited consolidated statement of financial position as at December 31, 2020 due to the identification of an immaterial error relating to the calculation of withholding taxes. For further information, see Note 4 (Use of judgements and estimates—Immaterial error).

Profit and Loss Statement

($ in thousands)	9M 2021	9M 2020[1]	Q3 2021	Q3 2020[1]
Revenue	311 510	186 535	115 177	64 500
Costs and expenses, excluding depreciation and amortization				
Cost of revenue:				
Platform commissions	(84 707)	(54 196)	(30 717)	(18 422)
Game operation cost	(12 997)	(11 471)	(4 838)	(4 220)
Selling and marketing expenses	(219 154)	(126 392)	(63 682)	(53 039)
General and administrative expenses	(13 695)	(869)	(6 057)	(306)
Share listing expense	(125 438)	-	(125 438)	-
Total costs and expenses, excluding depreciation and amortization	**(455 991)**	**(192 928)**	**(230 732)**	**(75 987)**
Depreciation and amortization	(1 713)	(395)	(645)	(163)
Loss from operations	**(146 194)**	**(6 788)**	**(116 200)**	**(11 650)**
Net finance income	11 544	348	12 791	702
Income/(loss) before income tax	**(134 650)**	**(6 440)**	**(103 409)**	**(10 948)**
Income tax expense	(845)	(612)	(291)	(223)
Income/(loss) for the year net of tax	(135 495)	(7 052)	(103 700)	(11 171)
Other comprehensive income/(loss)	(392)	3	(142)	1
Total comprehensive income/(loss) for the year net of tax	**(135 887)**	**(7 049)**	**(103 842)**	**(11 170)**
Earnings/(loss) per share:				
Basic and diluted earnings/(loss) per share, US$	(0.76)	(0.04)	(0.56)	(0.06)

Source: Company information

(1) Reflects a correction to the amount reported in Nexters Global's (subsidiary) audited consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2020 due to the identification of an immaterial error relating to the calculation of withholding taxes. For further information, see Note 4 (Use of judgements and estimates—Immaterial error).

Cash Flow Statement

($ in thousands)

	9M 2021	9M 2020	Q3 2021	Q3 2020
Operating activities				
Income/(loss) for the year net of tax	(135 495)	(7 052)	(103 700)	(11 171)
Adjustments for:				
Depreciation and amortization	1 713	395	645	163
Share-based payments expense	126 349	36	125 644	12
Net finance income excluding bank charges	1 875	(458)	747	(731)
Change in fair value of share warrant obligations	(13 637)	-	(13 637)	-
Income tax expense	845	612	291	223
	(18 350)	**(6 467)**	**9 990**	**(11 504)**
Changes in working capital:				
Increase in deferred platform commissions	(23 597)	(40 686)	(7 932)	(14 736)
Increase in deferred revenue	106 712	138 816	34 990	52 976
Increase in trade and other receivables	(15 261)	(16 182)	16 341	(1 505)
Increase in trade and other payables	12 480	3 941	(2 241)	7 476
	80 334	**85 889**	**41 158**	**44 211**
Income tax paid	(135)	(290)	(105)	(290)
Interest received	-	-	-	-
Net cash flows generated from operating activities	**61 849**	**79 132**	**51 043**	**32 417**
Investing activities				
Acquisition of intangible assets	(145)	-	(55)	-
Acquisition of property, plant and equipment	(710)	(139)	(261)	(90)
Acquisition of subsidiary net of cash acquired	(1 240)	-	-	-
Proceeds from repayment of loans	8	521	282	342
Net cash flows generated/(used in) investing activities	**(2 087)**	**382**	**(34)**	**252**
Financing activities				
Payments of lease liabilities	(1 367)	(246)	(427)	(13)
Interest on lease	(54)	(18)	(4)	(9)
Repayment of borrowings	(49)	(3 978)	-	-
Dividends paid and distribution to shareholders	(155 684)	(17 853)	(105 150)	(9 666)
Cash acquired in the Transaction	119 659	-	119 659	-
Net cash flows used in financing activities	**(37 495)**	**(22 095)**	**14 078**	**(9 688)**
Net (decrease)/increase in cash and cash equivalents for the period	**22 267**	**57 419**	**65 087**	**22 981**
Cash and cash equivalents at the beginning of the year	84 557	17 565	40 898	52 499
Effect of changes in exchange rates on cash held	(1 371)	925	(532)	429
Cash and cash equivalents at the end of the year	**105 453**	**75 909**	**105 453**	**75 909**

Source: Company information

Reconciliation of non-IFRS measures: Adjusted Costs and Expenses

$m	9M 2021	9M 2020	Q3 2021	Q3 2020
Platform commissions	85	54	31	18
Game operating costs	13	11	5	4
Selling and marketing expenses	219	126	64	53
General and administrative expenses	14	1	6	0.3
Listing Charge	125	-	125	-
Less share-based compensation expense and listing fee	-126	-	-126	-
NASDAQ related non-recurring expenses	-4	-	-1	-
Add back change in deferred platform commissions	24	41	8	15
Adjusted costs and expenses	**349**	**234**	**112**	**90**

Source: Company information

Reconciliation of non-IFRS measures: Adjusted Net Income/ Loss

$m	9M 2021	9M 2020	Q3 2021	Q3 2020
Net Loss	-135	-7	-104	-11
Add back:				
- Share based compensation expense	1	-	-	-
- Impairment of non-current assets	-	-	-	-
- Gains and losses arising as result of business combinations[1]	125	-	125	-
- Other items that we do not consider indicative of our ongoing operating performance[2]	-10	-	-13	-
- Tax effect of the reconciling items	-1	-	-	-
Adjusted Net Income/Loss	**-20**	**-7**	**8**	**-11**

Source: Company information
(1) Consists entirely of the non-cash non-recurring share listing expense
(2) Includes non-recurring expenses related to the listing on NASDAQ and merger with Kismet Acquisition One Corp which are added back less the gain resulting from change in fair value of the warrant obligations