Q4 2021 Preliminary Financial Results



Nexters Global

30 March 2022

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 Factors" 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 preliminary and unaudited

Update on recent geopolitical developments

- Recently, as a result of the military actions in Ukraine, a number of governments, including those of the United States, United Kingdom and European Union, have imposed unprecedented sanctions on specified persons and entities in Russia. While the situation remains highly fluid and additional sanctions are possible, neither Nexters, nor any of its subsidiaries is currently subject to any sanctions that have been imposed. Nevertheless, based on the Nexters current geographical distribution of bookings, management believes that the latest geopolitical developments will have certain residual negative effects on Nexters' future financial performance, limited to the share of bookings deriving from the markets of the former Soviet Union (FSU), which stood at 13% of our total for 2021 and which, as a percentage of our total bookings, has been declining over the past few years. The exact effects cannot currently be reliably estimated due to the constantly changing environment.

- Nexters is a global firm and its key shareholders reside in the European Union and the United Kingdom with no single shareholder having an interest in more than 50% of the outstanding shares (the founders, Andrey Fadeev EU and Boris Gertsovskiy EU, each hold approx. 20.2%, Everix Investments Limited (beneficially owned by Dmitrii Bukhman and Igor Bukhman UK) holds approx. 37.8%). Players of Nexters' games are spread all around the globe, with the United States, Europe, and Asia being the largest markets, altogether representing close to 78% of the Company's bookings.

- Nexters has an international board of directors and a Cyprus-based management team. The majority of the Company's critical personnel, responsible for sustaining the operations of the Company, is located in Cyprus and other countries of the European Union, with Russia being used mostly for non-critical, administrative and supportive functions. We are offering relocation assistance to our employees from the affected countries, with the aim to accelerate the relocation of personnel to safe locations.

- Nexters will continue to analyze the announced sanctions, any potential additional sanctions, and the situation in the key markets in which Nexters operates in order to be able to react to the changing environment accordingly and to make every effort to minimize any negative impact on its business. All Nexters games that have been launched are available on all platforms. Nexters continues to develop, operate, and support all of its games.

- On February 28, 2022, Nasdaq and the New York Stock Exchange imposed a suspension of trading in securities of a number of companies with operations in Russia, including Nexters, which suspension currently remains in place. Nexters has been in regular communication with representatives of Nasdaq since the imposition of the suspension of trading in an effort to lift the suspension. We will continue to cooperate with Nasdaq on this matter.

- Nexters is not aware of any restrictions on the ability of U.S. and non-U.S. persons to acquire and trade in Nexters securities. As a company based in and managed from the European Union, neither Nexters, nor any of its subsidiaries is subject to recently announced sanctions as of the date of this press release, other than the suspension of trading mentioned above.

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

Delivery on expectation and progress on key strategic pillars

1st European gaming company on Nasdaq

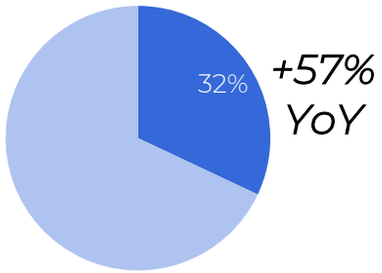


Delivered on guidance with record high annual bookings

$562m	$449m	$555m
Bookings	Adj. cost and expenses	Total costs and expenses, excl. D&A

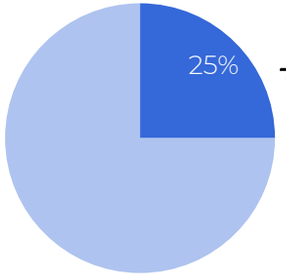
Rapid growth across platforms and geographies

Desktop in FY'21



+57% YoY

Asia in FY'21



+90% YoY

Four new game releases on mobile and web

Chibi Island

Throne Rush

Island Questaway

Puzzle Odyssey

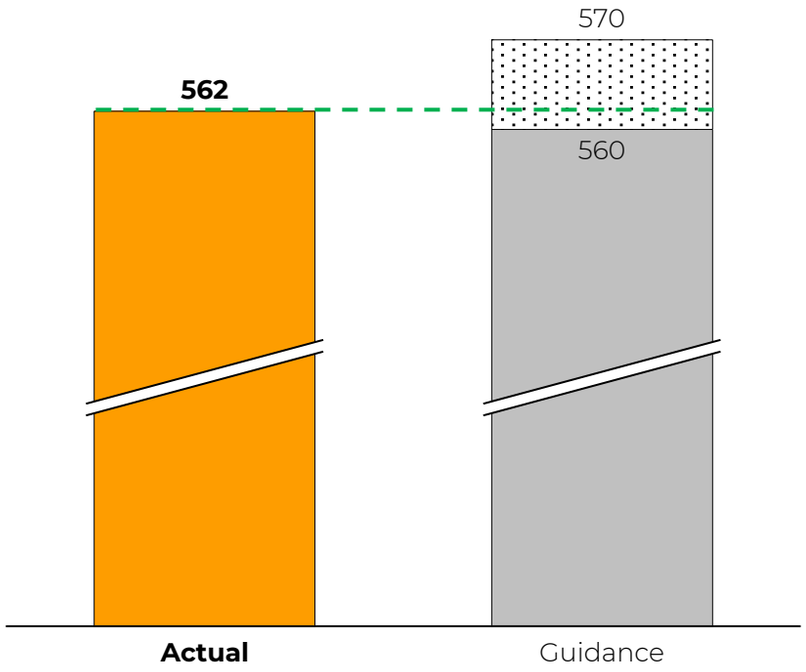
Source: Company information (preliminary and unaudited)

Actual performance vs guidance in 2021

(A)

Bookings in 2021

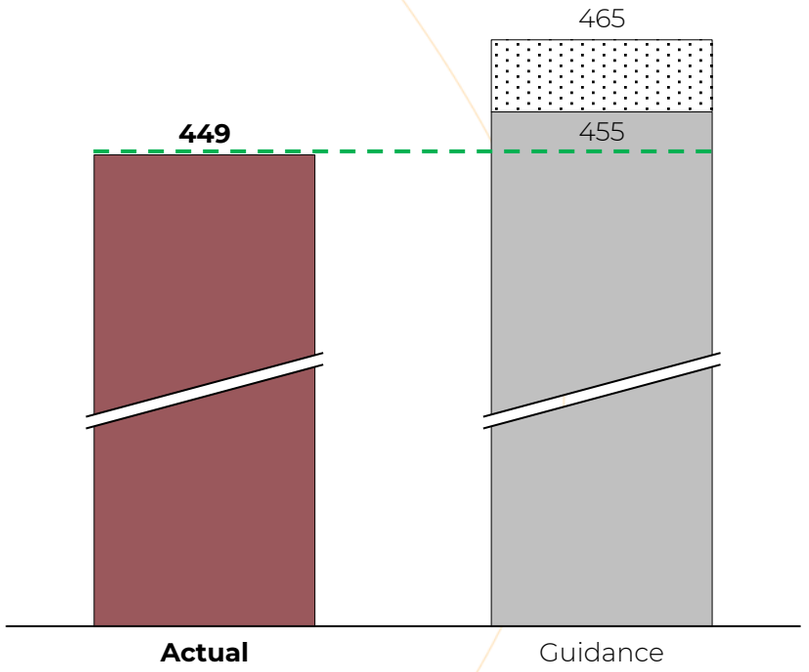
$m



(B)

Adjusted costs and expenses in 2021 (1)

$m



- Actual bookings in 2021 are in line with previously provided guidance
- With reaching bookings guidance, we managed to incur adjusted costs and expenses lower than anticipated

Management profitability measure = (A) – (B)

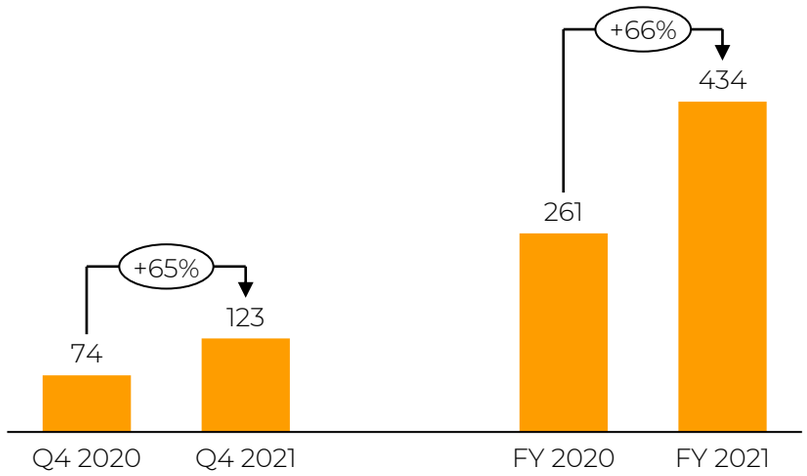
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Key financial highlights (1/2)

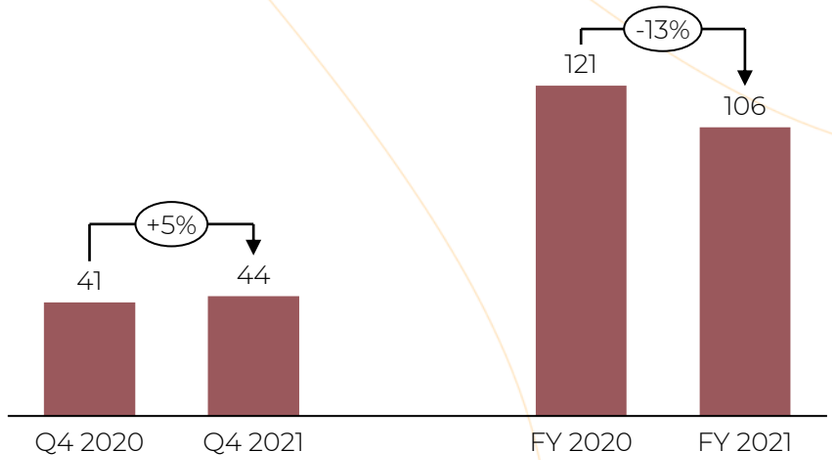
$m

Revenue



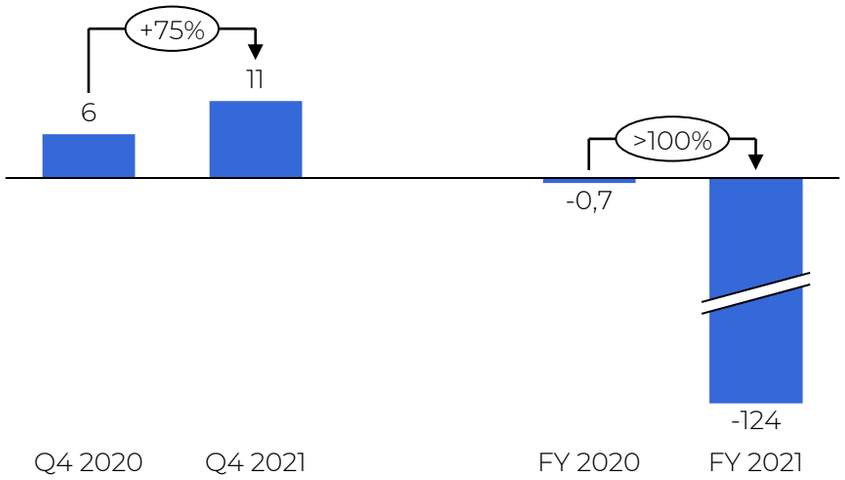
$m

Operating Cash Flow



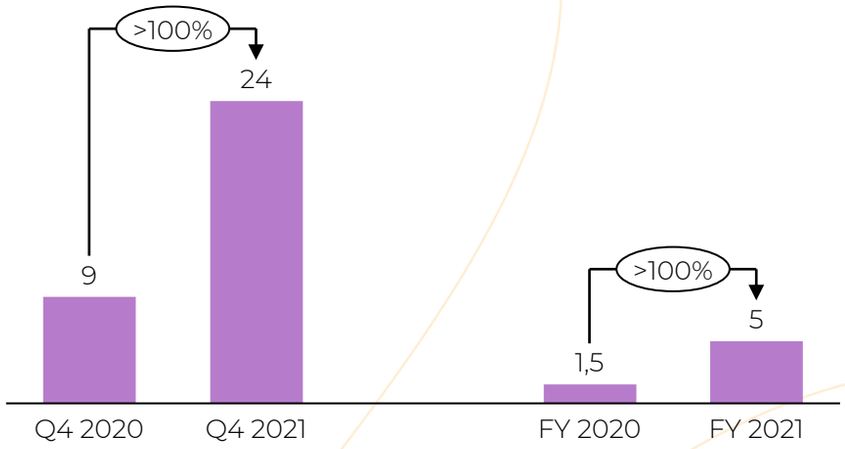
$m

Net Income/ Loss



$m

Adjusted Net Income/ Loss [1]

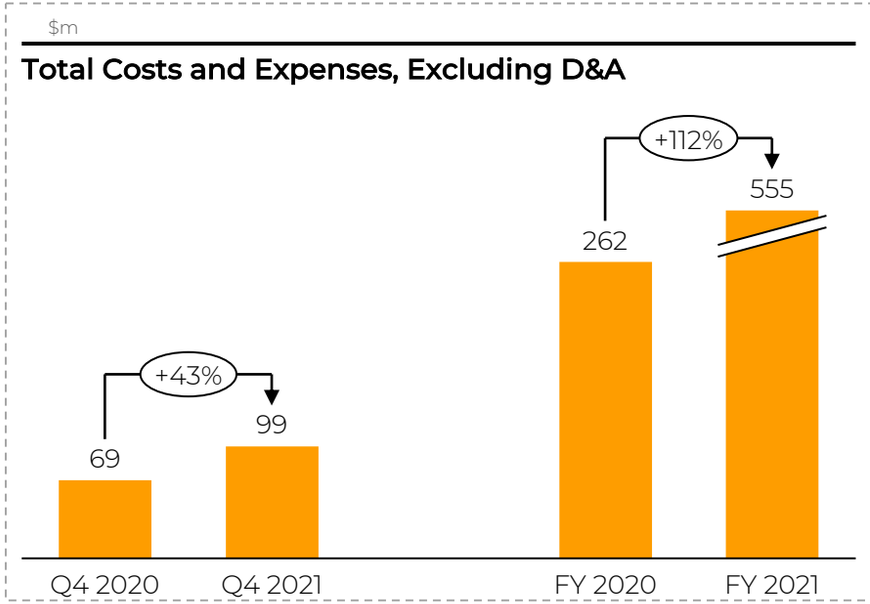


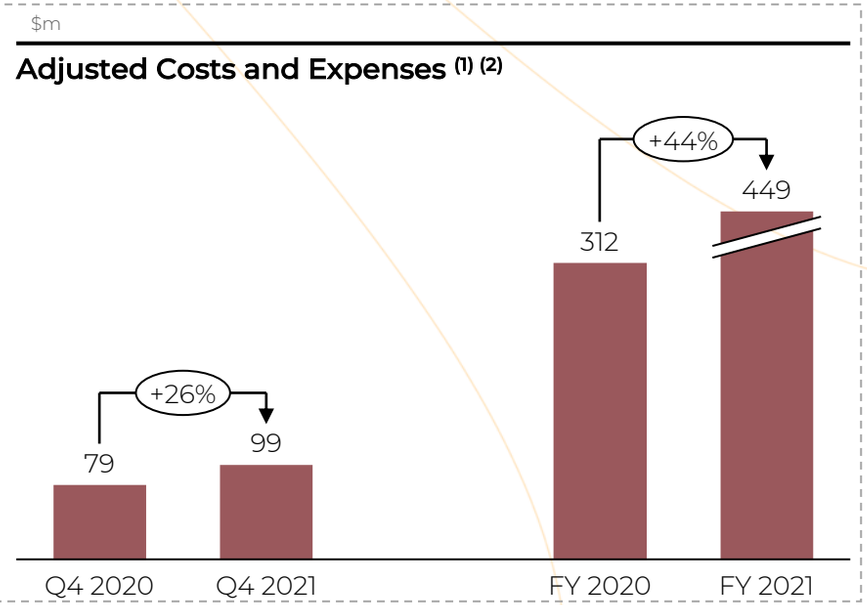
- Significant revenue YoY increase both in Q4 2021 and FY 2021 is primary driven by an increase in bookings in the amount of $24m and $116m, respectively (or 20% and 26%, respectively) and by a decrease in change of deferred revenues in the amount of $25m and $57m, respectively
- Operating cash flow increased on 5% in Q4 2021 demonstrating the increased efficiency and cash generation capacity of our business. Decrease in FY 2021 is explained by higher marketing investments than in FY 2020
- The net loss in FY 2021 originated predominantly from the non-cash non-recurring share listing expense in the amount of $125 million. At same time, the net income in Q4 2021 almost doubled
- Adjusted net income experienced severalfold YoY growth in Q4 2021 and FY 2021 driven by the increase in revenues, partially offset by the increase in marketing investments, platform commissions and G&A expenses

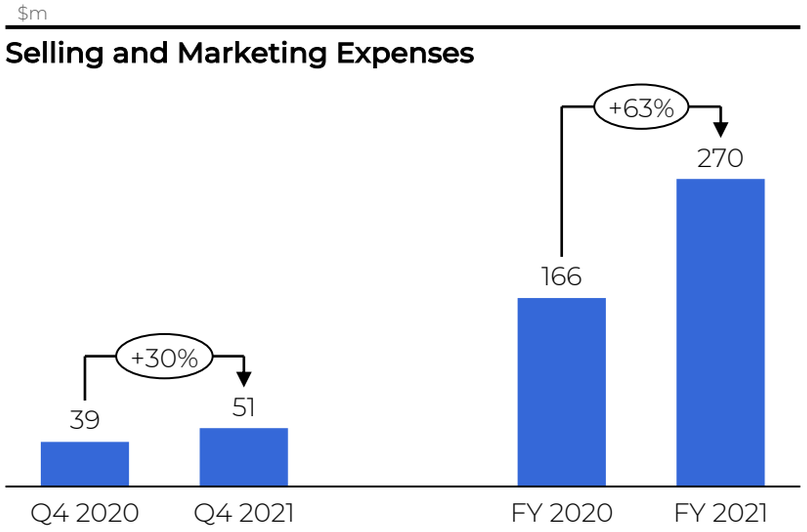
Source: Company information (preliminary and unaudited)

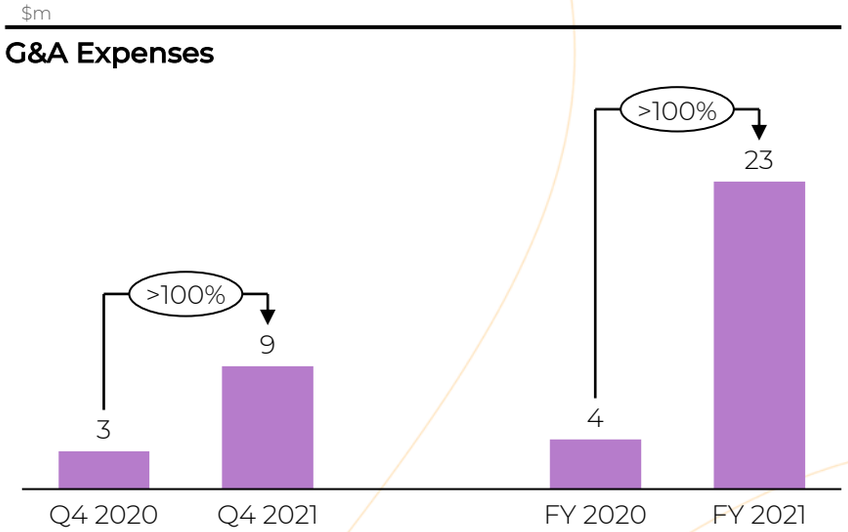
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Key financial highlights (2/2)









- Key drivers of growth for total costs and expenses (excl. D&A) and for adjusted costs and expenses are increased (1) selling and marketing investments and (2) G&A expenses
- Increase of selling and marketing expenses is driven by the growth of the investments into the acquisition of additional players
- G&A expenses significantly increased mostly due to increased scale of Group operations (translated into the growth of team size) and recurring expenses associated with listing on NASDAQ

Source: Company information (preliminary and unaudited)

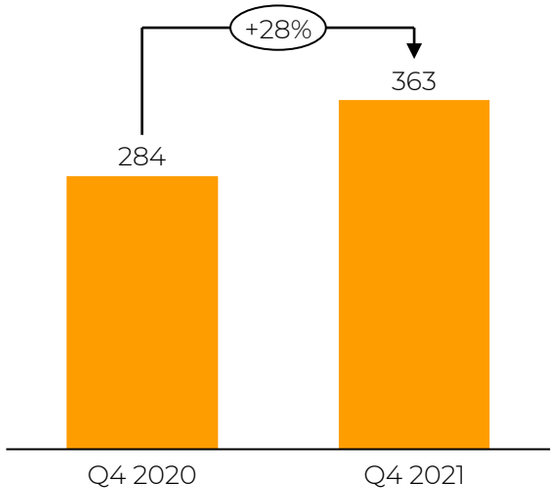
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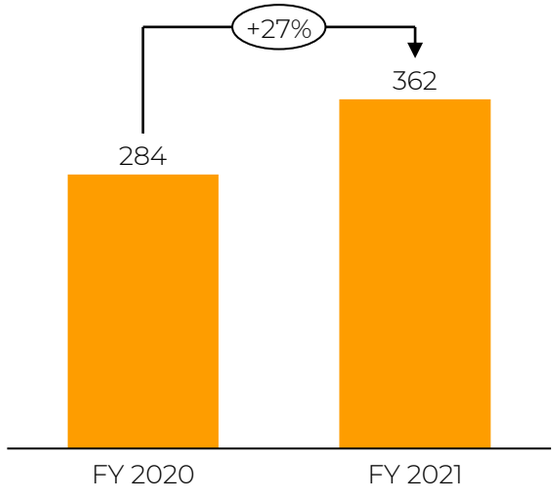
2) Excluded non-cash non-recurring share listing expense in the amount of $125 million resulting from the accounting for merger with Kismet Acquisition One Corp.

Key Operating Highlights

'000 users

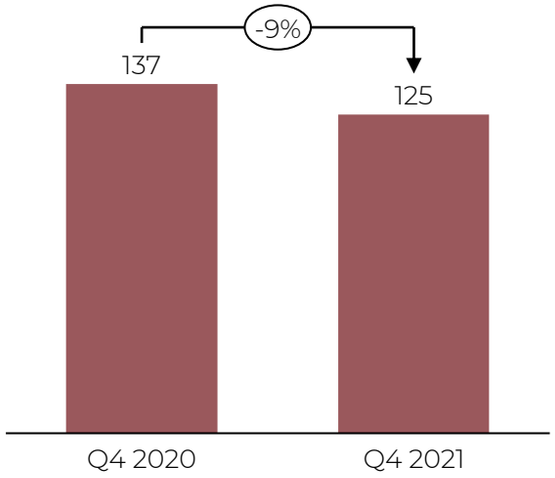
Monthly paying users (1)

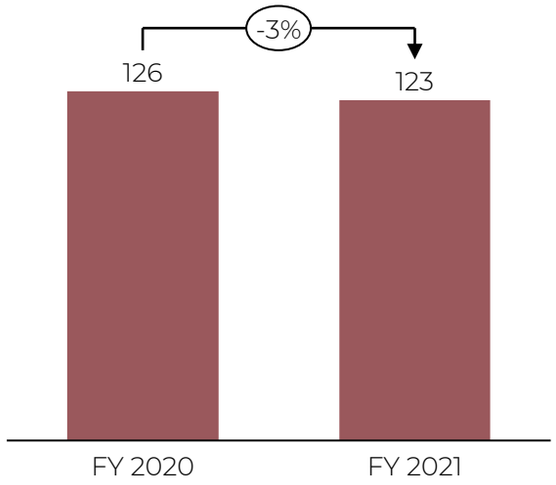




$/month

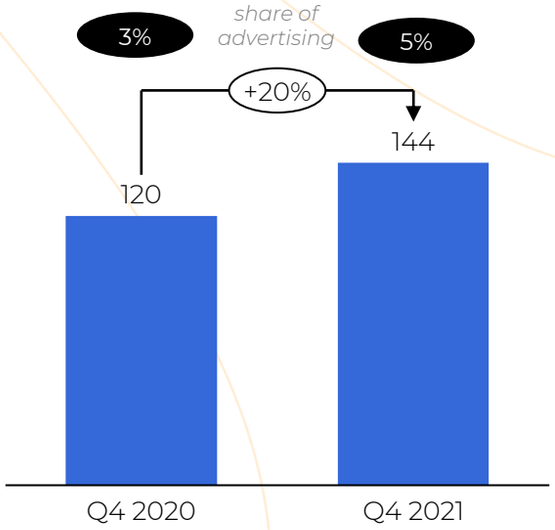
Average bookings per paying user (2)

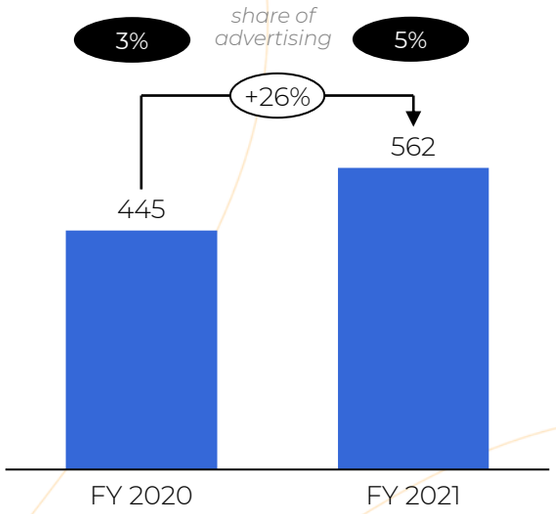




$m

Bookings





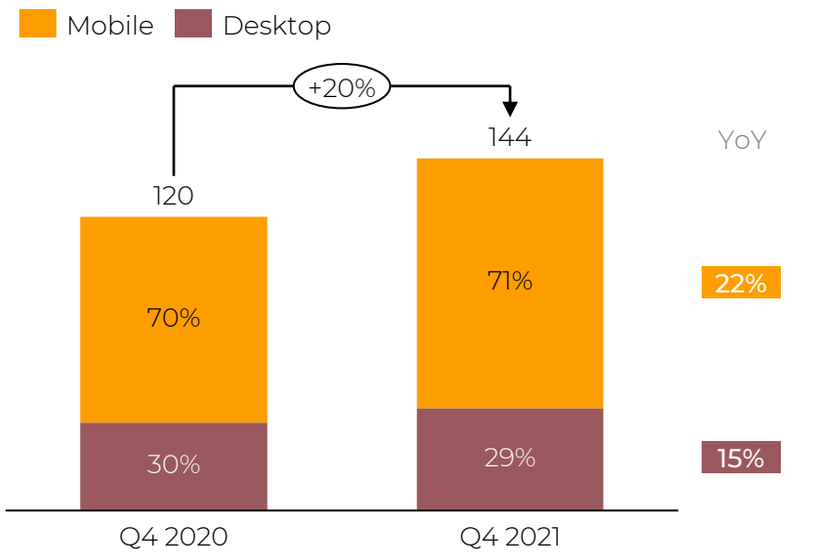
- Substantial investments in marketing led to significant increase in MPU
- Due to large inflow of new payers, ABPPU decreased on 9% in Q4 2021, but remained broadly stable in FY 2021
- The share of advertising as % of total bookings increased by 2.4 p.p. in Q4 2021 and by 1.5p.p. in FY 2021 thanks to extensive work of our team in that direction
- All above resulted in bookings $144m in Q4 2021 with 20% YoY growth and $562m in FY 2021 with 26% YoY growth

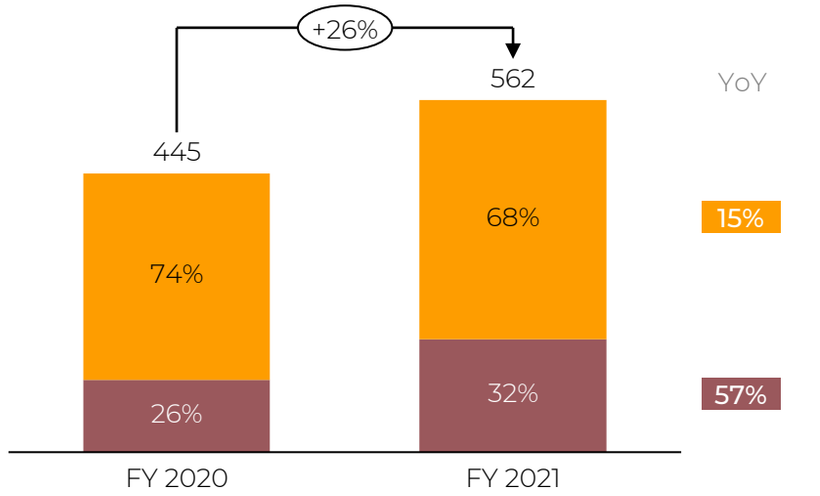
Source: Company information (preliminary and unaudited)
(1) The Company defines Monthly Paying Users, or MPUs, as the number of individuals who made a purchase of a virtual item at least once on a particular platform in the 30-day period ending with the measurement date; Quarterly MPU is the average 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

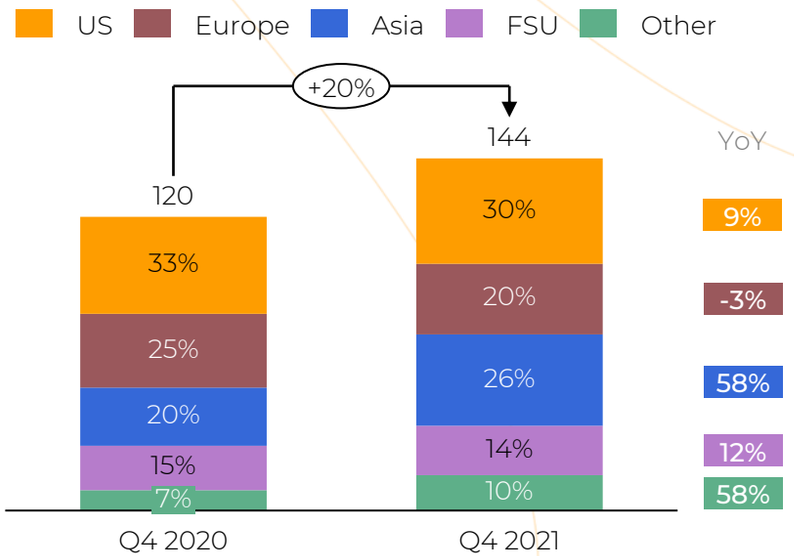
Bookings by platform (1)

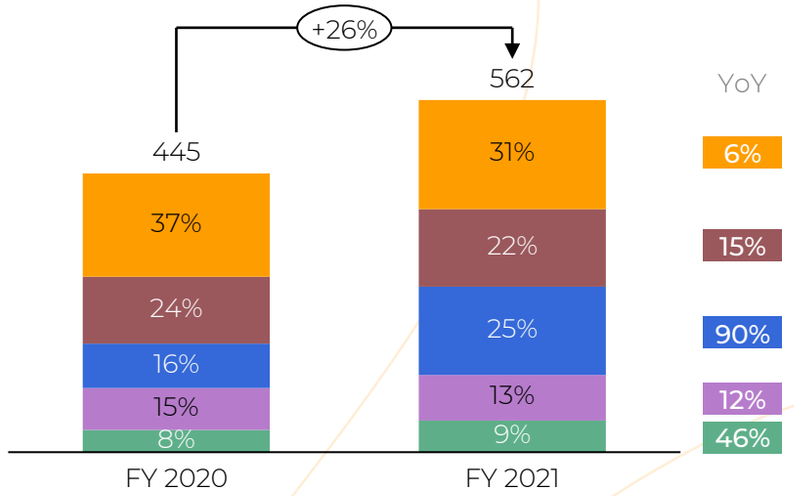




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Bookings by geography (1)

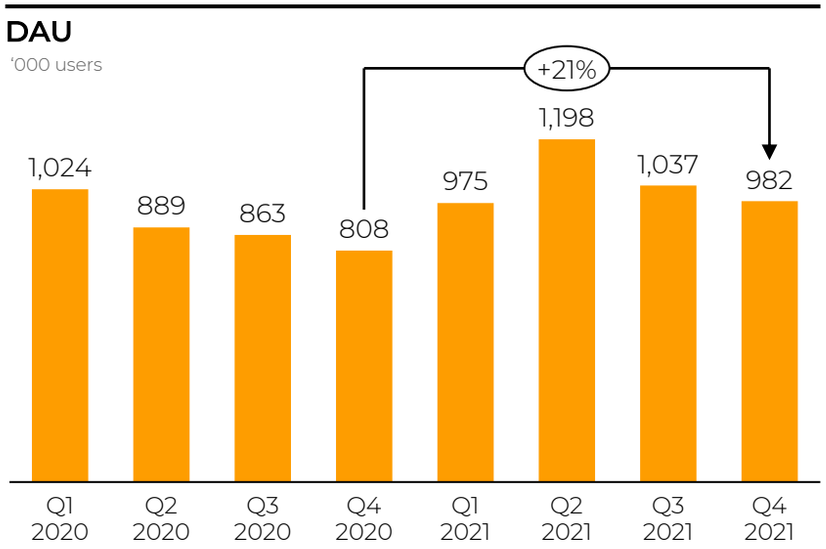


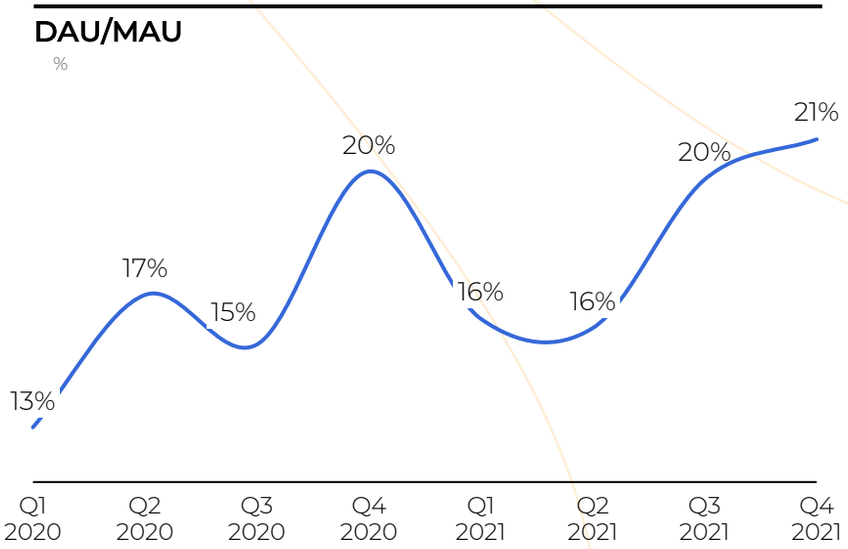


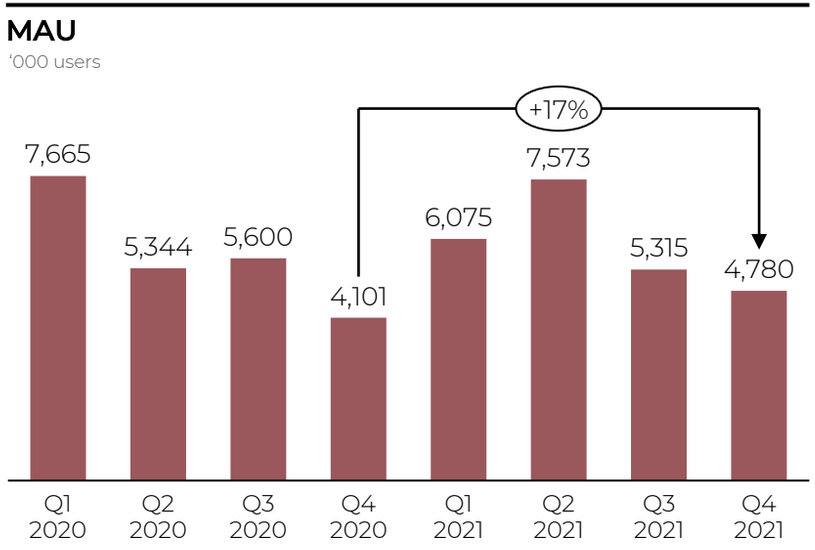
- In FY 2021 we have observed strong growth in bookings across platforms and geographies, with especially strong performance in the Desktop version of our games and in Asia, growing 57% and 90% respectively YoY
- In Q4 2021 we have also observed high growth in bookings across Asia and Other regions each growing by 58% YoY
- Slight bookings decrease in Europe in Q4 2021 is explained by changed distribution of marketing investments across countries. However, FY2021 figures showed strong 15% YoY growth

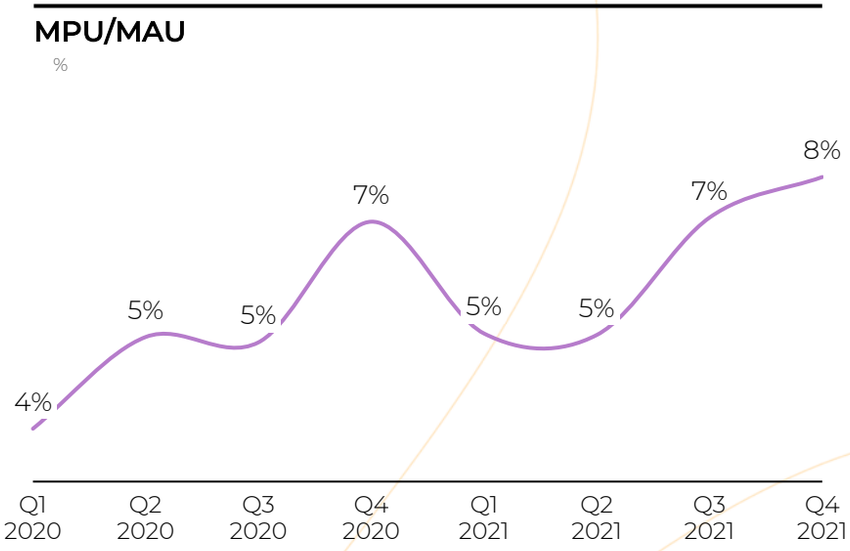
Source: Company information (preliminary and unaudited)
1) For platform and geography splits corresponding shares in management accounts were used

Improving engagement and payer conversion









- Engagement and conversion metrics gaining some momentum despite post Covid months
- MAU and DAU showed good YoY growth in 4Q2021

Source: Company information (preliminary and unaudited)


Appendix

Balance Sheet

($ in thousands)

Assets	FY 2021	FY 2020[1]
Non-current assets		
Property and equipment	1,352	171
Intangible assets	266	76
Goodwill	1,501	—
Long-term deferred platform commission fees	116,533	89,587
Right-of-use-assets	2,050	1,044
Deferred tax assets	25	—
Other non-current assets	107	—
Total non-current assets	**121,834**	**90,878**
Current assets		
Trade and other receivables	45,087	32,974
Loans receivable	123	8
Cash and cash equivalents	142,802	84,557
Prepaid tax	3,137	3,137
Total current assets	**191,149**	**120,676**
TOTAL ASSETS	**312,983**	**211,554**
Liabilities and shareholders' equity		
Equity		
Share capital	—	27
Other reserves	166,405	12,084
Accumulated deficit	(334,517)	(114,019)
Non-controlling interest	44	—
Total equity	**(168,068)**	**(101,908)**
Non-current liabilities		
Lease liabilities – non-current	1,103	818
Long-term deferred revenue	128,074	79,220
Share warrant obligations	29,049	—
Total non-current liabilities	**158,226**	**80,038**
Current liabilities		
Short term loans	—	49
Lease liabilities – current	831	293
Trade and other payables	26,573	17,214
Tax liability	814	306
Deferred revenue	294,607	215,562
Total current liabilities	**322,825**	**233,424**
Total liabilities	**481,051**	**313,462**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**312,983**	**211,554**

Source: Company information (preliminary and unaudited)
(1) Reflects the corrections to the amount reported in Nexters Global's (subsidiary) audited consolidated statement of financial position as at December 31, 2020 and 2019 due to the identification of the errors relating to the calculation of withholding taxes and stock options. For further information, see Note 4 (Accounting judgments, estimates and assumptions — Immaterial error).

Profit and Loss Statement

($ in thousands)	FY2021	FY 2020[2]
Revenue	**434,094**	**260,892**
Costs and expenses, excluding depreciation and amortization		
Cost of revenue:		
Platform commissions	(117,229)	(75,163)
Game operation cost	(18,945)	(17,390)
Selling and marketing expenses	(270,167)	(165,756)
General and administrative expenses	(23,031)	(3,689)
Share listing expense	(125,438)	—
Total costs and expenses, excluding depreciation and amortization	**(554,810)**	**(261,998)**
Depreciation and amortization	(2,540)	(561)
Loss from operations	**(123,256)**	**(1,667)**
Net finance income	(81)	1,778
Income/(loss) before income tax	**(123,337)**	**111**
Income tax expense	(1,127)	(862)
Income/(loss) for the year net of tax	**(124,464)**	**(751)**
Other comprehensive income/(loss)	11	15
Total comprehensive income/(loss) for the year net of tax	**(124,453)**	**(736)**
Earnings/(loss) per share:		
Basic and diluted earnings/(loss) per share, US$[1]	**(0.68)**	**0.00**

Source: Company information (preliminary and unaudited)

(1) Based on a weighted average number of ordinary shares for basic and diluted earnings per share of 20,000

(2) Reflects the corrections to the amount reported in Nexters Global's (subsidiary) audited consolidated statement of financial position as at December 31, 2020 and 2019 due to the identification of the errors relating to the calculation of withholding taxes and stock options. For further information, see Note 4 (Accounting judgments, estimates and assumptions — Immaterial error).

Cash Flow Statement

($ in thousands)	FY 2021	FY 2020[1]
Operating activities		
Income/(loss) for the year net of tax	(124,464)	(751)
Adjustments for:		
Depreciation and amortization	2,540	561
Share-based payments expense	129,199	2,276
Gain on acquisition	(79)	-
Expected credit losses	92	-
Change in fair value of share warrant obligations	(3,060)	-
Interest expense	91	38
Foreign exchange loss/(income)	2,809	(1,991)
Income tax expense	1,127	862
	8,255	995
Changes in working capital:		
Increase in deferred platform commissions	(26,946)	(52,465)
Increase in deferred revenue	127,899	184,603
Increase in trade and other receivables	(12,682)	(7,490)
Increase in trade and other payables	9,600	(1,060)
	97,871	123,588
Income tax paid	(617)	(3,978)
Interest received	7	19
Net cash flows generated from operating activities	**105,516**	**120,624**
Investing activities		
Acquisition of intangible assets	(338)	-
Acquisition of property, plant and equipment	(1,099)	(147)
Acquisition of subsidiary net of cash acquired	(1,159)	-
Loans granted	(123)	-
Proceeds from repayment of loans	-	508
Net cash flows generated/(used in) investing activities	**(2,719)**	**361**
Financing activities		
Payments of lease liabilities	(2,132)	(341)
Interest on lease	(90)	(26)
Interest paid	-	(17)
Proceeds from borrowings	-	-
Repayment of borrowings	(49)	(3,980)
Dividends paid and distribution to shareholders	(160,366)	(51,683)
Cash acquired in the Transaction	119,659	-
Net cash flows used in financing activities	**(42,978)**	**(56,047)**
Net (decrease)/increase in cash and cash equivalents for the period	**59,819**	**64,938**
Cash and cash equivalents at the beginning of the year	84,557	17,565
Effect of changes in exchange rates on cash held	(1,574)	2,054
Cash and cash equivalents at the end of the year	**142,802**	**84,557**

Source: Company information (preliminary and unaudited)
(1) Reflects the corrections to the amount reported in Nexters Global's (subsidiary) audited consolidated statement of cash flows for the year ended December 31, 2020 and 2019 due to the identification of the errors relating to the calculation of withholding taxes and stock options. For further information, see Note 4 (Accounting judgments, estimates and assumptions — Immaterial error).

Reconciliation of non-IFRS measures: Adjusted Costs and Expenses

$m	FY 2021	FY 2020	Q4 2021	Q4 2020
Platform commissions	117	75	33	21
Game operating costs	19	17	6	6
Selling and marketing expenses	270	166	51	39
General and administrative expenses	23	4	9	3
Listing Charge	125	-	-	-
Less share-based compensation expense and listing fee	-129	-2	-3	-2
NASDAQ related non-recurring expenses	-4	-	-	-
Add back change in deferred platform commissions	27	52	3	12
Adjusted costs and expenses	**449**	**312**	**99**	**79**

Source: Company information (preliminary and unaudited)

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

$m	FY 2021	FY 2020	Q4 2021	Q4 2020
Net Loss	(124)	(0.7)	11	6
Add back:				
- Share based compensation expense	4	2	3	2
- Impairment of non-current assets	-	-	-	-
- Gains and losses arising as result of business combinations[1]	125	-	-	-
- Other items that we do not consider indicative of our ongoing operating performance[2]	1	-	11	-
- Tax effect of the reconciling items	(0.5)	-	-	-
Adjusted Net Income/Loss	5	1.5	24	9

Source: Company information (preliminary and unaudited)
(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