

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

Company number: 556739-8143

# QUARTERLY REPORT

January – March 2020

26th of May 2020



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 May 26th, 2020.

## The pandemic has a negative impact, but the group is well positioned when sports returns

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### Summary of the first quarter 2020

- Net sales: 20,8 mkr (23,6 mkr)
  - EBITDA: 0,8 mkr (2,3 mkr)
  - Profit after tax: -0,4 mkr (1,4 mkr)
  - Earnings per share: -0,08 kr (0,01 kr)
  - Cashflow from operating activities: 1,6 mkr (1,1 mkr)
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### CEO, Hannes Andersson, comments:

The coronavirus pandemic is testing the world and wherever you are, restrictions have become part of everyday life. The global economy has been severely affected and thus the markets in which the group's companies are active. The negative effect became stronger towards the end of the first quarter where we had to launch a number of measures to adapt to a world without sports, in order to counteract a clear loss of revenue.

As sports events around the world have been canceled, all parts of our business have been affected as there are simply no games to cover. An exception is Swedish horse racing which has continued to run, but with restrictions. The amount of visitors to our media sites remain strong, but we experience a significant drop in advertising revenue. However, we see that revenue from our end-customer products, primarily premium services linked to our media products, increased during the period.

Support packages from governments have been launched to ensure corporate survival during this period. In Sweden, we have seen a number of solutions that have helped companies secure their liquidity, where we within the group have taken part in a number. In March, we initiated a temporary layoff program that included parts of our staff and we also took part in other stimulus measures and subsidies, like the PPP program for our American entity.

Right now I am very impressed with the level of innovation that flows within the group and in our teams. Although we are not physically close to each other for the time being, new products and services have emerged more or less daily that will continue to live even when everyday life returns. A key factor for our long-term growth is to continue to deliver innovative and leading solutions for sports and iGaming to our customers worldwide. So even though the current situation is challenging, I am convinced that ESMG is well positioned, with products that have strengthened their competitive positions, already during the second half of 2020.

Our cash position was strengthened during the first quarter and we feel that we have a good financial position. This means that we can be sustainable and ready to gear up our business as soon as easing of restrictions allow sports events to be held again.



## Outlook

The current global uncertainty requires that we have a humble attitude when predicting the future. We continue to be very positive about the group's performance in the long run, as business has returned to normal when sporting events can be held again. In the short term, however, we will see a decline in sales during the second quarter, which will also have a negative impact on our earnings. We compensate for the loss of sales with reduced costs, but believe that the group will deliver an EBITDA result in the range of SEK 0 to SEK -2.0 million during the second quarter.

## Significant events during and after the end of the period

During the first quarter 2020, the Covid-19 pandemic emerged over the world. It has had significant impacts on the possibilities of conducting live events and almost all major sports leagues have been postponed or cancelled. That had immediate negative effects of demand for several of the products and services sold by Everysport Media Group. At the time of writing, Everysport Media Group cannot accurately assess the long-term effects on the Group's operations and financial development, as an end date for the pandemic cannot be estimated with certainty. The Board of Directors and management are continuously monitoring the development of the business in this context in order to quickly and efficiently manage any risks and situations that may arise. Several measures and actions have already been implemented in order to adjust the cost base to the reduced demand of several products and services. Hence Everysport Media Group is ready to scale up the operations again as soon as the restrictions are released and the sports events are able to be conducted again. Everysport Media Group assesses that the group has sufficient funds to ensure continued operations for at least a year during today's circumstances.

During the reporting period, Everysport Media Group announced that the Group was planning for a change of accounting principles from K3 to IFRS. The IFRS conversion was also finalized during the period and the purpose of the change is to create better comparability with other listed companies and to increase the transparency and understanding for international investors regarding the financial reports.

The most significant impact on the financial outcome, due to the IFRS conversion, is the change in depreciations. According to the previous accounting standard K3, linear amortization was applied which on a yearly basis had a negative impact on the financial outcome with approximately SEK 12 million. According to IFRS, goodwill is instead tested through an impairment test on a quarterly basis and according to the test no depreciation was needed. This had a positive effect on the financial outcome and also on equity with the same amount, which has significantly strengthened the financial position of the company.

Leasing costs also change according to IFRS and are instead amortized over the length of the lease and fall below the depreciation and amortization line in the income statement.

For detailed information about the transition to IFRS, see appendix - "Övergång till IFRS", the appendix is only available in Swedish. For information in English, contact CEO Hannes Andersson.

## Net Sales, earnings and financial position during the period

### Net Sales

Net sales for the first quarter amounted to SEK 20.8 million (SEK 23.6 million). A decrease of 12,0 % compared with the same quarter last year.

The outbreak of Covid-19 had a major impact on sales during the latter part of the quarter, which resulted in a decrease in sales compared to the same quarter last year.

#### B2B

The Covid-19 pandemic has had the strongest negative impact on sales in the B2B segment. In the B2B segment, it was primarily the advertising business that suffered as the demand for advertisement products decreased during the latter part of the quarter when corporate customers had to cut down on marketing campaigns. However, EverySport Media Group have a number of assignments based on longer production agreements which have not been affected to any great extent. For example within Swedish trotting, which is one of the sports that has continued to be practiced despite the pandemic.

#### B2C

Although sales for the Group as a whole have decreased compared to the same period last year, there has been an increase in the B2C segment of just over 10%. Although sales in the B2C segment have also had a negative impact because of Covid-19 during the latter part of the quarter, this is the result of a long-term effort to find new revenue within subscription income, unit purchase income and other income linked directly to consumers. The transfer of revenue from the B2B to B2C segments is important from a strategic perspective as they are more stable over time and have a better margin.

### EBITDA and EBIT

EBITDA for the first quarter amounted to SEK 0.8million (SEK 2.3 million). A decrease of 65 % compared to the same quarter last year.

The decrease in EBITDA compared to the same quarter last year is directly linked to the negative impact Covid-19 had on sales during the first quarter. The variable operating costs, which are more closely linked to sales, have decreased, while personnel costs and other external costs are at a relatively even level compared to the same period previous year. The measures and actions taken in the latter part of the quarter to meet the lower level of sales due to Covid-19 will not have full effect until the second quarter.

EBIT for the first quarter amounted to SEK -0.1million (SEK 1.6million). A decrease of 109 % compared to the same quarter last year.

EBIT during the first quarter of 2020 is affected by depreciation by SEK -0.9 million (SEK -0.7 million). The increase in depreciation is linked to the investments made during the previous year.

Capitalized work on own account during the quarter amounts to SEK 0.9 mkr (0.5 mkr).

## Financial position

At the end of the period, Everysport Media Group AB (publ.) has equity of SEK 21,9 million (SEK 17,7 million) and an equity ratio of 41% (31%)

Cash and cash equivalents at the end of the period were SEK 1,9 million (SEK 2,7 million).

In addition to cash and cash equivalents, Everysport Media Group has access to additional banking facilities that strengthen the financial position

## Share and shareholders

As of the date on 31st of March, 2019, 4 542 496 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. 25 warrants entitles the holder to convert for one new share in the company at a price of SEK 14,25 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 4 812 689.

At the end of the quarter, Everysport Media Group AB had 766 (907) shareholders.

## Employees

The average number of full time equivalents during the quarter was 68 (59).

## Accounting principles

This interim report includes the Swedish parent company Everysport Media Group AB (publ), corporate ID 556739-8143, and its subsidiaries. The Group's main operations are divided into Content and Media. Within Content the Group is a leasing provider of results data, game tips and sports tips. Within Media the Group owns and runs digital sites like, EliteProspects, Svenska Fans, Fotboll Direkt, HockeySverige, Travtjänsten and Sporttjänsten which acts as engines for the products offered within the Group.

The parent company is limited liability company registered in Stockholm, Sweden. The adress for the headquarters is Gamla Brogatan 11, 111 20 Stockholm.

The consolidated accounts for Everysport Media Group AB (ESMG) have been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1 Complementary Accounting Rules for Groups . This is the Groups first financial report in accordance with the International Financial Reporting Standards (IFRS) with transition date as 1st of January 2019. The Group has previously applied BFNAR 2012: 1 Annual Report and Consolidated Accounts (K3). The transition to IFRS has been made in accordance with IFRS 1 The first time IFRS is applied and described in more detail in the appendix Transition to IFRS. The Group's complete accounting principles are described in the Appendix Transition to IFRS, where full accounting principles and transition tables are found.

The interim report regarding the parent company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The parent company has previously applied the Annual Accounts Act and BFNAR 2012: 1 Annual Report and Consolidated Accounts (K3) in the preparation of financial reports. As of these financial reports, the Parent Company, as a result of the Group's transition to IFRS, applies RFR 2 Accounting for legal entities. See separate paragraph for a description of the Parent Company's accounting principles.

## Quarterly report January - March 2020

Everysport Media Group (publ.)

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### Audit

This report has not been reviewed by auditors.

### Further reporting dates

The quarterly report for the period April - June 2020 will be published on the 23rd of July 2020.

The quarterly reports for Everysport Media Group are published in the company's website [www.esmg.se](http://www.esmg.se)

Interim Report 2020:	23d of July 2020
Interim Report July - Sep 2020:	29th of October 2020
Year end report 2020:	18th of February 2021

Stockholm 2020-05-26

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CEO

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (kr)	JAN - MAR 2020	JAN - MAR 2019	JAN - DEC 2019
Net sales	20 755 309	23 593 858	90 247 750
Own work capitalized	943 659	486 660	2 986 872
Other operating income	14 062	78 639	961 459
<b>Operating expenses</b>			
Variable operating costs	-2 369 150	-3 216 103	-8 758 141
Other external expenses	-8 105 469	-8 226 804	-33 512 820
Personnel costs	-10 435 405	-10 398 764	-40 606 175
<b>EBITDA</b>	<b>803 006</b>	<b>2 317 486</b>	<b>11 318 945</b>
Depreciation and impairments	-948 554	-697 921	-4 117 943
<b>EBIT</b>	<b>-145 548</b>	<b>1 619 566</b>	<b>7 201 002</b>
<b>Financial income and expenses</b>			
Profit from participations in associated companies	-13 030	-16 881	-94 403
Interest income and similar income	16 932	16 750	41 745
Interest expense and similar expenses	-242 468	-201 470	-707 029
Profit from subsidiaries	0	0	47 979
Taxes	14 957	16 777	-137 589
<b>Profit/loss for the period</b>	<b>-369 156</b>	<b>1 434 741</b>	<b>6 351 706</b>
The Parent Company's share of profit for the year	-361 024	1 415 835	6 348 791
Minority's share of profit for the year	-8 132	18 906	2 915
<b>Other comprehensive results</b>			
Exchange rate differences	-177 286	139 942	-3 111
<b>Total comprehensive income for the period</b>	<b>-546 442</b>	<b>1 574 683</b>	<b>6 348 594</b>
The Parent Company's share of profit for the year	-538 310	1 555 777	-6 026
Minority's share of profit for the year	-8 132	18 906	2 915
Earnings per share	-0,08	0,01	1,40
Earnings per share fully diluted	-0,08	0,01	1,40
Number of shares at the end of the period	4 542 496	113 562 412	4 542 496
Number of shares at the end of the period fully diluted	4 812 689	130 035 791	4 812 689



CONSOLIDATED BALANCE SHEET	2020-03-31	2019-03-31	2020-03-31
Own work capitalized	5 898 435	4 702 545	5 442 070
Trademarks	423 642	564 856	458 945
Goodwill	28 046 974	28 244 458	28 248 267
Equipment, tools, fixtures and fittings	259 924	64 995	274 943
Right-of-use assets	1 955 312	3 933 600	2 449 884
Shares in associated companies	126 174	216 727	139 205
Deffered tax asset	2 103 066	2 103 066	2 103 066
Other long-term receivables	9 744	5 554	5 688
<b>Total fixed assets</b>	<b>38 823 271</b>	<b>39 835 802</b>	<b>39 122 067</b>
<b>Current receivables</b>			
Trade and other receivables	6 618 311	8 547 483	6 865 381
Current tax assets	132 298	0	0
Other current receivables	878 539	1 256 945	1 529 743
Prepaid expenses and accrued income	5 091 590	4 849 608	4 236 976
<b>Total current receivables</b>	<b>12 720 738</b>	<b>14 654 036</b>	<b>12 632 100</b>
Cash and cash equivalent	1 898 189	2 689 775	2 976 807
<b>TOTAL ASSETS</b>	<b>53 442 199</b>	<b>57 179 613</b>	<b>54 730 974</b>
<b>Equity</b>			
Share capital	4 542 496	4 503 238	4 542 496
Reserves	-275 385	44 953	-98 099
Retained earnings, incl profit/loss for the period	17 629 254	13 071 360	17 990 279
<b>Shareholders' equity attributable to the parent company's equity</b>	<b>21 896 366</b>	<b>17 619 552</b>	<b>22 434 677</b>
Non controlling interest	42 163	66 286	50 295
<b>Total equity</b>	<b>21 938 529</b>	<b>17 685 838</b>	<b>22 484 972</b>
<b>Long-term liabilities</b>			
Deferred tax liabilities	95 682	160 506	112 002
Other liabilities to credit institutions	1 833 338	2 833 334	2 000 004
Other long-term liabilities	5 113 328	7 354 491	5 720 955
<b>Total long-term liabilities</b>	<b>7 042 347</b>	<b>10 348 331</b>	<b>7 832 960</b>
<b>Current liabilities</b>			
Checking account	-2	0	-2
Other liabilities to credit institutions	1 000 000	1 167 069	1 000 000
Trade and other payables	3 091 147	4 817 904	3 454 825
Current tax liabilities	0	28 098	93 281
Other current liabilities	4 257 961	6 993 763	5 138 468
Accrued expenses and prepaid income	16 112 217	16 138 609	14 726 470
<b>Total current liabilities</b>	<b>24 461 323</b>	<b>29 145 443</b>	<b>24 413 041</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>53 442 199</b>	<b>57 179 613</b>	<b>54 730 974</b>

CONSOLIDATED CASH FLOW STATEMENT	JAN - MAR 2020	JAN - MAR 2019	JAN - DEC 2019
<b>Cash flow from operating activities</b>			
Profit/loss before financial items	-384 113	1 417 964	6 489 294
Adjustments for items not effecting cashflow	981 534	759 720	4 324 116
Income tax paid	-80 428	-86 018	-270 686
<b>Cash flow from operating activities before change in working capital</b>	<b>516 993</b>	<b>2 091 666</b>	<b>10 542 724</b>
<b>Cash flow before changes in working capital</b>			
Increase (-)/Decrease (+) of short-term receivables	-9 574	227 511	2 230 899
Increase (-)/Decrease (+) of short-term liabilities	1 070 724	-1 201 583	-6 035 994
<b>Cash flow from operating activities</b>	<b>1 578 143</b>	<b>1 117 594</b>	<b>6 737 629</b>
<b>Cash flow from investing activities</b>			
Acquisition of intangible fixed assets	-860 027	-486 659	-2 990 547
Acquisition of tangible fixed assets	0	0	-297 485
Acquisition of subsidiary, after deduction of cash and cash equivalent	0	0	0
Divestment of subsidiaries/associated companies	0	0	42 400
<b>Cash flow from investing activities</b>	<b>-860 027</b>	<b>-486 659</b>	<b>-3 245 632</b>
<b>Cash flow from financing activities</b>			
Warrants	0	504 369	529 990
New loans	0	0	0
Amortized loans	-1 328 696	-1 880 153	-3 010 368
Amortized leasing liabilities	-468 038	-504 023	-1 973 459
<b>Cash flow from financing activities</b>	<b>-1 796 734</b>	<b>-1 879 807</b>	<b>-4 453 837</b>
<b>Cash flow for the period</b>	<b>-1 078 618</b>	<b>-1 248 872</b>	<b>-961 840</b>
<b>Opening cash and cash equivalents</b>	<b>2 976 807</b>	<b>3 938 647</b>	<b>3 938 647</b>
<b>Closing cash and cash equivalents</b>	<b>1 898 189</b>	<b>2 689 775</b>	<b>2 976 807</b>

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY	Share capital	Reserves	Retained earnings	Minority interest	Summa eget kapital
<b>Opening balance 2019.01.01</b>	<b>4 503 238</b>	<b>-94 989</b>	<b>11 150 761</b>	<b>47 380</b>	<b>15 606 390</b>
Profit/loss for the period			1 415 835	18 906	1 434 741
Warrants			504 765		504 765
Exchange rate differences		139 942			139 942
<b>Ending balance 2019.03.31</b>	<b>4 503 238</b>	<b>44 953</b>	<b>13 071 361</b>	<b>66 286</b>	<b>17 685 838</b>
<b>Opening balance 2020.01.01</b>	<b>4 542 496</b>	<b>-98 099</b>	<b>17 990 390</b>	<b>50 184</b>	<b>22 484 971</b>
Periodens resultat			-361 024	-8 132	-369 156
Teckningsoptioner					0
Omräkningsdifferenser		-177 286			-177 286
<b>Ending balance 2020.03.31</b>	<b>4 542 496</b>	<b>-275 385</b>	<b>17 629 366</b>	<b>42 052</b>	<b>21 938 529</b>

**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

KEY FIGURES	JAN - MAR 2020	JAN - MAR 2019	JAN - DEC 2019
Profit margin %	-2 %	6 %	7 %
Equity ratio	41 %	31 %	41 %
Cash liquidity %	60 %	60 %	64 %
Number of shares	4 542 496	113 562 412	4 542 496
Earnings per share	-0,08	0,01	1,40
Number of shares at full future dilution	4 812 689	130 035 791	4 812 689
Earnings per share at full future dilution	-0,08	0,01	1,40
EBITDA	803 006	2 317 486	11 318 945
EBIT	-145 548	1 619 566	7 201 002

<b>PARENT COMPANY'S INCOME STATEMENT</b>	<b>JAN - MAR 2020</b>	<b>JAN - MAR 2019</b>	<b>JAN - DEC 2019</b>
Net sales	4 531 166	3 792 611	15 075 708
Other operating income	555	130	550
<b>Operating expenses</b>			
Variable operating costs	-913 509	-289 182	-2 595 708
Other external expenses	-3 059 485	-1 976 252	-8 198 458
Personnel costs	-2 141 064	-1 849 414	-7 780 865
<b>EBITDA</b>	<b>-1 582 338</b>	<b>-322 108</b>	<b>-3 498 773</b>
Depreciation and impairments	-4 413	-1 128	-14 367
<b>EBIT</b>	<b>-1 586 751</b>	<b>-323 236</b>	<b>-3 513 140</b>
<b>Financial income and expenses</b>			
Profit from participations in associated companies	159 666	-16 881	-94 403
Other interest income and similar	110 613	62 291	305 766
Other interest expenses and similar	-221 384	-83 758	-758 798
Profit from subsidiaries	0	0	42 400
Group contributions	0	0	7 996 914
Tax on years profit	0	0	0
Deffered tax	0	0	0
<b>Profit/loss for the period</b>	<b>-1 537 856</b>	<b>-361 583</b>	<b>3 978 738</b>

<b>PARENT COMPANY'S BALANCE SHEET</b>	<b>2020-03-31</b>	<b>2019-03-31</b>	<b>2019-12-31</b>
Equipment, tolls. Fixtures and fittings	57 072	9 025	61 486
Shares in Group companies	65 091 605	59 741 605	65 091 605
Shares in associated companies	298 871	216 727	139 205
Deferred tax asset	914 716	914 716	914 716
Other long term receivables	4 442	4 442	4 442
<b>Total fixed assets</b>	<b>66 366 706</b>	<b>60 886 515</b>	<b>66 211 453</b>
<b>Current receivables</b>			
Trade and other receivables	211 796	492 635	138 731
Receivables with Group companies	18 372 511	11 253 652	19 148 897
Current tax assets	138 683	56 124	108 965
Other current receivables	42	277 696	92 213
Prepaid expenses and accrued income	1 448 797	1 019 727	1 043 247
<b>Total current receivables</b>	<b>20 171 827</b>	<b>13 099 834</b>	<b>20 532 052</b>
Cash and cash equivalent	17 252	63 652	206 812
<b>TOTAL ASSETS</b>	<b>86 555 786</b>	<b>74 050 000</b>	<b>86 950 317</b>
<b>Equity</b>			
Share capital	4 542 496	4 503 238	4 542 496
Other contributed capital	68 959 716	68 973 749	68 959 716
Retained earnings, incl profit/loss for the period	-19 561 377	-22 363 842	-18 023 521
<b>Shareholders' equity attributable to the parent company's</b>	<b>53 940 835</b>	<b>51 113 144</b>	<b>55 478 691</b>
Non controlling interest	0	0	0
<b>Total equity</b>	<b>53 940 835</b>	<b>51 113 144</b>	<b>55 478 691</b>
<b>Long-term liabilities</b>			
Other liabilities to credit institutions	2 833 338	2 833 334	2 000 004
<b>Total long-term liabilities</b>	<b>2 833 338</b>	<b>2 833 334</b>	<b>2 000 004</b>
<b>Current liabilities</b>			
Checking account	0	0	0
Other liabilities to credit institutions	0	1 000 000	1 000 000
Trade and other payables	1 047 937	946 455	1 327 888
Debt to other group companies	27 021 347	15 087 831	25 750 552
Current tax liabilities	0	0	0
Other current liabilities	154 547	623 051	0
Accrued expenses and prepaid income	1 557 781	2 446 185	1 393 182
<b>Total current liabilities</b>	<b>29 781 613</b>	<b>20 103 522</b>	<b>29 471 622</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>86 555 786</b>	<b>74 050 000</b>	<b>86 950 317</b>



**NOTES TO THE INTERIM REPORT**

**Note 1 Transition to IFRS**

For detailed information about the transition to IFRS, see appendix – "Övergång till IFRS", the appendix is only available in Swedish. For information in English, contact CEO Hannes Andersson.

**Note 2 Segment Reporting – Distribution of net sales**

	JAN – MAR 2020	JAN – MAR 2019	JAN – DEC 2019
B2B	14 100 215	17 658 122	66 078 603
B2C	6 655 094	6 025 736	24 169 147
	<b>20 755 309</b>	<b>23 683 858</b>	<b>90 247 750</b>