

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

Company number: 556739-8143

INTERIM REPORT

January – June 2020

23rd of July 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 July 23rd, 2020.

Negative impact due to COVID-19, but improvements seen when sports returns

Summary of the second quarter 2020

- Net sales: 17,8 mkr (23,0 mkr)
 - EBITDA: -0,8 mkr (2,5 mkr)
 - Profit after tax: -2,2 mkr (1,6 mkr)
 - Earnings per share: -0,49 kr (0,01 kr)
 - Cashflow from operating activities: 6,2 mkr (7,8 mkr)
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Summary of the first half year 2020

- Net sales: 38,6 mkr (46,6 mkr)
- EBITDA: 0,0 mkr (4,8 mkr)
- Profit after tax: -2,6 mkr (3,0 mkr)
- Earnings per share: -0,57 kr (-0,04 kr)
- Cashflow from operating activities: 7,6 mkr (2,2 mkr)

CEO, Hannes Andersson, comments:

ESMG has been strongly affected by COVID-19 and, as expected, sales decreased during the second quarter. Revenues in the B2B segment have been affected the most, with advertising revenues being hit the hardest. However, our shift towards consumer products continued where we also saw growth in the B2C segment of 12% compared to previous year.

Despite the circumstances, we have worked hard to be able to deliver high-quality products to our customers, in a world that has been lacking sporting events. Towards the end of the second quarter, a number of leagues and events resumed, and we suspended the short-term work allowance program within the group so that all of our staff is back working as normal. During the second half of June, we saw improvements in revenue levels, both for our B2B and our B2C segment, and we are now taking the increased level of activity into the second half of the year.

In times when the sports world has been shut down and consumer behavior has changed, digitalization in media consumption has taken great strides forward. The demand for high-quality content in the media sector is greater than ever and the willingness to pay has followed. Here, ESGM has taken a clear position in the sports segment. Our Plus and Premium services offer unique content and we continue to invest in its packaging. An example is EliteProspects Premium, which now also offers LinkedIn-like functionality for hockey players globally, which we launched in June and immediately generated an increase level of new subscribers.

Our cash position is strong, and we are well positioned to continue our journey during the second half of the year. With a maintained fast pace in development, we will launch new products during the fall and continue our strategy to achieve a growing B2C segment.

Outlook

We now see that the sports world, with Sweden included, is gradually beginning to return to everyday life, but COVID-19 will most likely affect both societies and companies for a long time to come. ESMG is dependent on sporting events being held to deliver revenue levels in line with pre-pandemic levels. As there is still uncertainty about how and when events will be held in many countries, we choose not to give a forecast for the second half of 2020.

Significant events during and after the end of the period

The Annual General Meeting was held on May 26, 2020. In accordance with the Nomination Committee's proposal, Michael Hansen, Johan Ejermark, Göran af Klercker, Paul Fischbein, Carl Gyllfors and Charlotte Gustafsson were re-elected as ordinary Board members. Paul Fischbein was re-elected Chairman of the Board.

On June 6th, EP Connect was launched, a new matchmaking service in the hockey industry. Through EP Connect, active players and leaders now have the opportunity to strengthen their online profiles and enable matchmaking in a completely new way. The service is an important part of ESMG's strategy to expand the Group's range of subscription services within sports media.

Net Sales, earnings and financial position during the period

Net Sales

Net sales for the second quarter amounted to SEK 18 million (SEK 23 million). A decrease of 22,5 % 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 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 12%. Although sales in the B2C segment have also had a negative impact because of Covid-19 during the second quarter, mainly within gaming betting related products. However, we see a strong recovery in gaming-related B2C revenue since sporting events resumed. The increase in B2C revenue compared to the same period last year 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 long-term strategic perspective as they are more stable over time and have a better margin.

EBITDA and EBIT

EBITDA for the second quarter amounted to SEK -1 million (SEK 2,5 million).

The decrease in EBITDA compared with the same quarter last year is directly linked to the impact Covid-19 had on sales during the second quarter. However, the Group has been able to quickly restructure its operations and adjust costs to reasonable levels in relation to sales, without for that matter losing the opportunity to be able to resume more ordinary operations when sporting events were restarted. The Group has, among other things, used government support measures such as short-term layoffs for staff from the end of March to mid-June. Since mid-June, all staff have been back to regular working hours and all operations have resumed.

EBIT for the second quarter amounted to SEK -1,9million (SEK 1,8million).

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 mkr (0,9 mkr).

Financial position

At the end of the period, Everysport Media Group AB (publ.) has equity of SEK 19,5 million (SEK 19,5 million) and an equity ratio of 34% (35%)

Cash and cash equivalents at the end of the period were SEK 8,2 million (SEK 3,7 million).

Cash flow during the second quarter was affected, among other things, by the company being granted a deferral of tax payments and support for short-term layoffs. According to the regulations, the support measures must be repaid to the Swedish authorities within one year.

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 30th of June, 2020, 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.

As the market share price was lower than the strike price for using the warrants at the last day for conversion, no participants in the incentive program has chosen to convert for new shares and the incentive program is now ended.

At the end of the quarter, Everysport Media Group AB had 773 (877) shareholders.

Employees

The average number of full time equivalents during the quarter was 47 (63).

The large reduction in the workforce compared with the same quarter last year is linked to short-term layoffs of staff used until mid-June. A large part of the workforce has worked 40% until then. From mid-June, all employees work regular working hours.

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.

Interim report 2020

EverySPORT Media Group (publ.)

Audit

This report has not been reviewed by auditors.

Further reporting dates

The quarterly report for the period July - September 2020 will be published on the 29th of October 2020.

The quarterly reports for EverySPORT Media Group are published in the company's website www.esmg.se

Interim Report July - Sep 2020: 29th of October 2020

Year end report 2020: 18th of February 2021

Stockholm 2020-07-23

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CEO

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (kr) INCOME (kr)	APR - JUN 2020	APR - JUN 2019	JAN - JUN 2020	JAN - JUN 2019	JAN - DEC 2019
Net sales	17 836 312	23 015 369	38 591 621	46 609 228	90 247 750
Own work capitalized	0	850 043	943 659	1 336 703	2 986 872
Other operating income	112 989	20 012	127 052	98 651	961 459
Operating expenses					
Variable operating costs	-1 699 966	-1 993 286	-4 069 117	-5 209 390	-8 758 141
Other external expenses	-9 101 580	-9 044 284	-17 207 049	-17 271 088	-33 512 820
Personnel costs	-7 942 280	-10 346 446	-18 377 685	-20 745 210	-40 606 175
EBITDA	-794 525	2 501 408	8 482	4 818 894	11 318 945
Depreciation and impairments	-920 812	-739 523	-1 869 366	-1 437 444	-4 117 943
EBIT	-1 715 336	1 761 885	-1 860 884	3 381 450	7 201 002
Financial income and expenses					
Profit from participations in associated	-126 174	-13 983	-139 205	-30 864	-94 403
Interest income and similar income	-1 620	1 534	15 313	18 284	41 745
Interest expense and similar expenses	-132 846	-173 999	-375 314	-375 468	-707 029
Profit from subsidiaries	0	0	0	0	47 979
Taxes	-247 789	5 255	-232 832	22 032	-137 589
Profit/loss for the period	-2 223 766	1 580 693	-2 592 922	3 015 434	6 351 706
The Parent Company's share of profit for the	-2 221 809	1 588 811	-2 582 833	3 004 646	6 348 791
Minority's share of profit for the year	-1 957	-8 118	-10 089	10 788	2 915
Other comprehensive results					
Exchange rate differences	-173 102	192 329	-350 388	332 271	-3 111
Total comprehensive income for the period	-2 396 868	1 773 022	-2 943 310	3 347 705	6 348 594
The Parent Company's share of profit for the	-2 394 911	1 781 140	-2 933 221	3 336 917	-6 026
Minority's share of profit for the year	-1 957	-8 118	-10 089	10 788	2 915
Earnings per share	-0,49	0,01	-0,57	0,03	1,40
Number of shares at the end of the period	4 542 496	113 562 412	4 542 496	113 562 412	4 542 496

CONSOLIDATED BALANCE SHEET	2020-06-30	2019-06-30	2019-12-31
Own work capitalized	5 489 378	5 369 382	5 442 070
Trademarks	388 338	529 552	458 945
Goodwill	28 047 184	28 446 079	28 248 267
Equipment, tools, fixtures and fittings	244 905	350 581	274 943
Right-of-use assets	1 499 727	3 439 028	2 449 884
Shares in associated companies	0	202 744	139 205
Deffered tax asset	2 103 066	2 103 066	2 103 066
Other long-term receivables	8 944	5 523	5 688
Total fixed assets	37 781 542	40 445 955	39 122 067
Current receivables			
Trade and other receivables	7 105 414	7 565 652	6 865 381
Current tax assets	0	121 592	0
Other current receivables	787 452	903 091	1 529 743
Prepaid expenses and accrued income	4 274 236	3 430 832	4 236 976
Total current receivables	12 167 102	12 021 167	12 632 100
Cash and cash equivalent	8 238 070	3 747 324	2 976 807
TOTAL ASSETS	58 186 714	56 214 446	54 730 974
Equity			
Share capital	4 542 496	4 503 239	4 542 496
Reserves	-448 489	237 283	-98 099
Retained earnings, incl profit/loss for the period	15 407 445	14 660 170	17 990 279
Shareholders' equity attributable to the parent company's equity	19 501 453	19 400 693	22 434 677
Non controlling interest	40 206	58 168	50 295
Total equity	19 541 659	19 458 863	22 484 972
Long-term liabilities			
Deferred tax liabilities	79 362	149 245	112 002
Other liabilities to credit institutions	1 750 005	2 583 335	2 000 004
Other long-term liabilities	5 348 561	6 980 832	5 720 955
Total long-term liabilities	7 177 927	9 713 412	7 832 960
Current liabilities			
Checking account	0	1 067 064	-2
Other liabilities to credit institutions	1 000 000	1 000 000	1 000 000
Trade and other payables	3 068 116	4 457 341	3 454 825
Current tax liabilities	4 556 934	0	93 281
Other current liabilities	4 423 521	6 243 448	5 138 468
Accrued expenses and prepaid income	18 418 556	14 274 318	14 726 470
Total current liabilities	31 467 127	27 042 172	24 413 041
TOTAL EQUITY AND LIABILITIES	58 186 714	56 214 446	54 730 974

CONSOLIDATED CASH FLOW STATEMENT	APR - JUN 2020	APR - JUN 2019	JAN - DEC 2019
Cash flow from operating activities			
Profit/loss after financial items	-2 204 744	-2 588 858	6 489 294
Adjustments for items not effecting cashflow	673 389	1 654 924	4 324 116
Income tax paid	30 939	-49 489	-270 686
Cash flow from operating activities before change in working capital	-1 500 416	-983 423	10 542 724
Cash flow before changes in working capital			
Increase (-)/Decrease (+) of short-term receivables	443 749	433 996	2 230 899
Increase (-)/Decrease (+) of short-term liabilities	7 234 876	8 305 599	-6 035 994
Cash flow from operating activities	6 178 209	7 756 172	6 737 629
Cash flow from investing activities			
Acquisition of intangible fixed assets	195 236	-664 790	-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
Cash flow from investing activities	195 236	-664 790	-3 245 632
Cash flow from financing activities			
Warrants	0	0	529 990
New loans	505 071	505 071	0
Amortized loans	-83 332	-1 412 029	-3 010 368
Amortized leasing liabilities	-455 123	-923 161	-1 973 459
Cash flow from financing activities	-33 384	-1 830 119	-4 453 837
Cash flow for the period	6 340 061	5 261 263	-961 840
Opening cash and cash equivalents	1 898 009	2 976 807	3 938 647
Closing cash and cash equivalents	8 238 070	8 238 070	2 976 807

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY	Share capital	Reserves	Retained earnings	Minority interest	Summa eget kapital
Opening balance 2019.01.01	4 503 239	-94 989	11 150 761	47 380	15 606 391
Profit/loss for the period			3 004 644	10 788	3 015 432
Warrants			504 765		504 765
Exchange rate differences		332 272			332 272
Ending balance 2019.06.30	4 503 239	237 283	14 660 170	58 168	19 458 860
Opening balance 2020.01.01	4 542 496	-275 384	17 629 255	42 163	21 938 530
Periodens resultat			-2 221 809	-1 957	-2 223 766
Teckningsoptioner					0
Omräkningsdifferenser		-173 102			-173 102
Ending balance 2020.06.30	4 542 496	-448 486	15 407 446	40 206	19 541 659

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

EBITDA

Earning before Interest, taxes, depreciation and amortization

EBIT

Earnings before interest and taxes

KEY FIGURES	APR - JUN 2020	APR - JUN 2019	JAN - DEC 2019
Profit margin %	-11 %	7 %	7 %
Equity ratio	34 %	35 %	41 %
Cash liquidity %	65 %	58 %	64 %
Number of shares	4 542 496	113 562 412	4 542 496
Earnings per share	-0,49	0,01	1,40
EBITDA	-794 525	2 501 408	11 318 945
EBIT	-1 715 336	1 761 885	7 201 002

PARENT COMPANY'S INCOME STATEMENT	APR - JUN 2020	APR - JUN 2019	JAN - DEC 2019
Net sales	4 702 220	3 620 747	15 075 708
Other operating income	6 640	180	550
Operating expenses			
Variable operating costs	-893 882	-182 995	-2 595 708
Other external expenses	-1 646 814	-2 195 079	-8 198 458
Personnel costs	-1 537 752	-2 169 058	-7 780 865
EBITDA	630 411	-926 205	-3 498 773
Depreciation and impairments	-4 413	-4 413	-14 367
EBIT	625 998	-930 619	-3 513 140
Financial income and expenses			
Profit from participations in associated companies	-298 871	-13 983	-94 403
Other interest income and similar	146 043	-43 766	305 766
Other interest expenses and similar	-209 120	12 657	-758 798
Profit from subsidiaries	0	0	42 400
Group contributions	-256 000	0	7 996 914
Tax on years profit	0	0	0
Deffered tax	0	0	0
Profit/loss for the period	8 049	-975 711	3 978 738

PARENT COMPANY'S BALANCE SHEET	2020-06-30	2019-03-31	2019-12-31
Equipment, tolls. Fixtures and fittings	52 659	70 312	61 486
Shares in Group compnaies	66 091 605	59 741 605	65 091 605
Shares in associated companies	0	202 744	139 205
Deferred tax asset	914 716	914 716	914 716
Other long term receivables	4 442	4 442	4 442
Total fixed assets	67 063 422	60 933 819	66 211 453
Current receivables			
Trade and other receivables	65 659	516 405	138 731
Receivables with Group companies	16 622 826	14 889 981	19 148 897
Current tax assets	0	56 124	108 965
Other current receivables	-1 029 834	9	92 213
Prepaid expenses and accrued income	1 404 701	1 126 405	1 043 247
Total current receivables	17 063 351	16 588 924	20 532 052
Cash and cash equivalent	178 197	202 300	206 812
TOTAL ASSETS	84 304 970	77 725 042	86 950 317
Equity			
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	-19 553 328	-23 339 554	-18 023 521
Shareholders' equity attributable to the parent company's	53 948 884	50 137 433	55 478 691
Non controlling interest	0	0	0
Total equity	53 948 884	50 137 433	55 478 691
Long-term liabilities			
Other liabilities to credit institutions	2 750 005	2 583 335	2 000 004
Total long-term liabilities	2 750 005	2 583 335	2 000 004
Current liabilities			
Checking account	0	0	0
Other liabilities to credit institutions	0	1 000 000	1 000 000
Trade and other payables	1 275 603	973 477	1 327 888
Debt to other group companies	24 041 370	19 877 645	25 750 552
Current tax liabilities	-147 293	-52 057	0
Other current liabilities	783 747	206 148	0
Accrued expenses and prepaid income	1 652 652	2 999 061	1 393 182
Total current liabilities	27 606 079	25 004 273	29 471 622
TOTAL EQUITY AND LIABILITIES	84 304 970	77 725 042	86 950 317

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

	APR - JUN 2020	APR - JUN 2019	JAN - DEC 2019
B2B	12 039 081	17 839 114	66 078 603
B2C	5 797 230	5 196 267	24 169 147
	17 836 311	23 035 381	90 247 750