

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

Company number: 556739-8143

QUARTERLY REPORT

July – September 2020

29th of October 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 October 29th, 2020.

Clear improvements despite impact of the pandemic

Summary of the third quarter 2020

- Net sales: 20,0 mkr (21,0 mkr)
 - EBITDA: 2,1 mkr (3,2 mkr)
 - Profit after tax: 0,5 mkr (2,2 mkr)
 - Earnings per share: 0,10 kr (0,49 kr)
 - Cashflow from operating activities: -3,2 mkr (4,6 mkr)
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Summary January – September 2020

- Net sales: 58,6 mkr (67,6 mkr)
- EBITDA: 2,1 mkr (8,0 mkr)
- Profit after tax: -2,1 mkr (5,2 mkr)
- Earnings per share: -0,47 kr (1,15 kr)
- Cashflow from operating activities: 5,0 mkr (1,0 mkr)

CEO, Hannes Andersson, comments:

Covid-19 continues to have a profound effect on our society in general and on the sports world in particular. Despite the pandemic, we saw clear improvements for ESMG during the third quarter of 2020, compared with the second quarter. Sports events have again begun to be arranged, although with a limited audience, and interest in the consumption of sports media and gaming information has been rising. Our visitors continue to show willingness to pay for our products and our B2C segment is thus growing steadily. In the third quarter, sales in this segment was higher than ever and accounted for 31% of ESMG's total sales. Despite the pandemic, the B2C segment grew by 9% compared to the same period last year, but an important measure is that revenues in the segment grew by 23% in the third quarter compared with the second quarter this year.

During the third quarter, the group achieved a total net sales of SEK 20.0 million (SEK 21.0 million) and the EBITDA result was positive and amounted to SEK 2.1 million (SEK 3.2 million). After a stressful second quarter, hit hard by Covid-19, an important focus has been to ensure that the group operates with a positive EBITDA result. It is therefore with pleasure that we can see that we have achieved this goal despite the fact that the company did not receive state aid during the third quarter. This, in combination with the growth in the B2C segment and the group's good financial position, creates good conditions for future growth and increased future shareholder value.

Eliteprospects.com continues to stand out and deliver record numbers. During the NHL Draft, just after the end of the quarter, a new visitor record was reached, with 1.5 million unique visitors in one week. The Premium subscription product, which is aimed at consumers, has also reached new record levels where the number of paying subscribers at the end of the quarter amounted to over 7,500. At the beginning of the year, the figure was just over 4,000. In September, a record for net growth in the number of subscribers in a month was also achieved, while the churn level dropped to 7% (compared to 8-10% during the previous year).

Revenues in ESMG's B2B segment has been strongly affected by Covid-19, but during the third quarter we saw a gradual increase in demand. The B2B segment grew by 7% compared to the second quarter, where improvements in sales from digital advertising were mainly seen from mid-August onwards. Here, we are positively affected by both a turning point in the economy and an increased demand for marketing in the context of sports, when major sporting events are arranged again.

Forward-looking statement

The world continues to be severely affected by the pandemic and when our business can fully return to normal is difficult to predict. New restrictions on sporting events would of course hit us hard, so we look with humility on the improvements that are now being experienced and continue our growth journey with a high level of responsibility.

We will continue to invest in existing and new products and strengthen our positions both in Sweden and internationally. Our increased focus on consumer products continues and we also expect continued growth in the B2C segment during the fourth quarter. For the group, our assessment is that both sales and EBITDA levels in the fourth quarter will increase in comparison with the third quarter.

Significant events during and after the end of the period

The 19th of August the company communicated a disclosure notice saying that the Chairman of the Board Paul Fischbein, through transactions at Spotlight Stock Market, had increased his shareholding to 5,1% of the shares and votes in the company.

The 24th of September [padeldirekt.se](https://www.padeldirekt.se) was launched. [Padeldirekt.se](https://www.Padeldirekt.se) is a new site for editorial coverage of the fast growing sport of padel. [Padeldirekt.se](https://www.Padeldirekt.se) is developed on the same technical platform as [fotbolldirekt.se](https://www.fotbolldirekt.se), [hockeysverige.se](https://www.hockeysverige.se) and [innebandymagazinet.se](https://www.innebandymagazinet.se) and will within shortly be a part of the premium content offer.

After the end of the period has the Chairman of the Board convened the Nomination Committee to draft proposals for the Company's Annual General Meeting 2021. The Nomination Committee consist of Paul Fischbein, as Chairman of the Board of Everysport Media Group (publ.), Johan Ejermark and Michael Hansen as representatives of the two largest ownership groups / shareholders as voting members have the largest shareholding in Everysport Media Group AB (publ.)

Net Sales, earnings and financial position during the period

Net Sales

Net sales for the third quarter amounted to SEK 20 million (SEK 21 million). A decrease of 4,9 % compared with the same quarter last year.

The outbreak of Covid-19 had a major impact on sales during the second quarter, hence most of the sporting events around the world were cancelled and many of the products of the company are depending on the carrying through of sporting events. During the latter part of the second quarter sporting events restarted again and in the third quarter most of the sporting events were back in action. The return of sporting events in the third quarter had a positive effect on sales compared to the second quarter.

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 when corporate customers had to cut down on marketing campaigns. However, an overall return of the ad market, compared to the second quarter, have been noticed and even though it looks more promising it is not back at the same levels as before the Covid-19 outbreak.

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 9%. 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 third quarter amounted to SEK 2,1 million (SEK 3,2 million).

The decrease in EBITDA compared with the same quarter last year is directly linked to the impact Covid-19 had on sales within the B2B-segment during the third quarter. EBITDA during the same quarter last years was also positively affected by write-off of an earn-out debt amounting to SEK 0,4 million..

EBIT for the third quarter amounted to SEK 1,2million (SEK 2,4million).

EBIT during the third 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 0,2 million (SEK 1,0 million).

Financial position

At the end of the period, Everysport Media Group AB (publ.) has equity of SEK 19,9 million (SEK 21,4 million) and an equity ratio of 33% (35%)

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

Cash flow during the second quarter was affected by timing in payments around the end of the period. The company had not seen any significant losses of account receivables during the pandemic.

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 September, 2020, 4 542 496 shares were issued. All shares have equal rights to the company's profit and assets.

At the end of the quarter, Everysport Media Group AB had 801 (855) shareholders.

Employees

The average number of full time equivalents during the quarter was 66 (66).

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.

Audit

This report has not been reviewed by auditors.

Further reporting dates

The Year end report 2020 will be published on the 18th of February 2021.

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

Year end report 2020:

18th of February 2021

Stockholm 2020-10-29

Hannes Andersson

CEO

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (kr) INCOME (kr)	JUL - SEPT 2020	JUL - SEPT 2019	JAN - SEPT 2020	JAN - SEPT 2019	JAN - DEC 2019
Net sales	20 000 077	21 024 020	58 591 698	67 633 248	90 247 750
Own work capitalized	194 634	1 041 885	1 138 292	2 378 588	2 986 872
Other operating income	3 666	386 047	130 717	484 699	961 459
Operating expenses					
Variable operating costs	-2 095 806	-1 923 737	-6 164 922	-7 133 127	-8 758 141
Other external expenses	-6 834 587	-8 150 807	-24 041 636	-25 421 895	-33 512 820
Personnel costs	-9 184 266	-9 179 084	-27 561 951	-29 924 294	-40 606 175
EBITDA	2 083 717	3 198 324	2 092 198	8 017 218	11 318 945
Depreciation and impairments	-928 103	-782 662	-2 797 469	-2 220 106	-4 117 943
EBIT	1 155 614	2 415 662	-705 270	5 797 112	7 201 002
Financial income and expenses					
Profit from participations in associated	0	-42 840	-139 205	-73 704	-94 403
Interest income and similar income	-5 206	207	10 107	18 491	41 745
Interest expense and similar expenses	-171 005	-176 779	-546 319	-552 247	-707 029
Profit from subsidiaries	0	0	0	0	47 979
Taxes	-514 553	11 261	-747 385	33 293	-137 589
Profit/loss for the period	464 850	2 207 511	-2 128 072	5 222 945	6 351 706
The Parent Company's share of profit for the	502 527	2 227 907	-2 080 306	5 232 553	6 348 791
Minority's share of profit for the year	-37 677	-20 396	-47 766	-9 608	2 915
Other comprehensive results					
Exchange rate differences	-101 615	-250 222	-452 003	82 049	-3 111
Total comprehensive income for the period	363 235	1 957 289	-2 580 075	5 304 994	6 348 594
The Parent Company's share of profit for the	400 912	1 977 685	-2 532 309	5 314 602	-6 026
Minority's share of profit for the year	-37 677	-20 396	-47 766	-9 608	2 915
Earnings per share	0,10	0,49	-0,47	1,15	1,40
Number of shares at the end of the period	4 542 496	4 542 496	4 542 496	4 542 496	4 542 496

CONSOLIDATED BALANCE SHEET	2020-09-30	2019-09-30	2019-12-31
Own work capitalized	5 261 549	6 142 541	5 442 070
Trademarks	353 035	494 249	458 945
Goodwill	28 032 289	28 277 685	28 248 267
Equipment, tools, fixtures and fittings	229 886	335 562	274 943
Right-of-use assets	1 044 142	2 944 456	2 449 884
Shares in associated companies	0	159 904	139 205
Deffered tax asset	2 103 066	2 103 066	2 103 066
Other long-term receivables	4 442	4 856	5 688
Total fixed assets	37 028 409	40 462 318	39 122 067
Current receivables			
Trade and other receivables	9 005 793	12 127 099	6 865 381
Current tax assets	31 002	220 833	0
Other current receivables	796 471	878 989	1 529 743
Prepaid expenses and accrued income	5 150 084	3 980 156	4 236 976
Total current receivables	14 983 352	17 207 077	12 632 100
Cash and cash equivalent	7 698 557	2 734 517	2 976 807
TOTAL ASSETS	59 710 317	60 403 912	54 730 974
Equity			
Share capital	4 542 497	4 503 238	4 542 496
Reserves	-549 972	-12 939	-98 099
Retained earnings, incl profit/loss for the period	15 909 972	16 913 303	17 990 279
Shareholders' equity attributable to the parent company's equity	19 902 498	21 403 602	22 434 677
Non controlling interest	2 529	37 772	50 295
Total equity	19 905 027	21 441 376	22 484 972
Long-term liabilities			
Deferred tax liabilities	63 042	137 984	112 002
Other liabilities to credit institutions	5 010 548	2 250 003	2 000 004
Other long-term liabilities	5 444 328	6 358 854	5 720 955
Total long-term liabilities	10 517 918	8 746 841	7 832 960
Current liabilities			
Checking account	0	1 990 658	-2
Other liabilities to credit institutions	1 000 000	1 000 000	1 000 000
Trade and other payables	1 558 039	5 391 084	3 454 825
Current tax liabilities	5 156 797	0	93 281
Other current liabilities	4 786 403	4 619 343	5 138 468
Accrued expenses and prepaid income	16 786 133	17 214 612	14 726 470
Total current liabilities	29 287 372	30 215 697	24 413 041
TOTAL EQUITY AND LIABILITIES	59 710 317	60 403 913	54 730 974

CONSOLIDATED CASH FLOW STATEMENT	JUL - SEPT 2020	JAN - SEPT 2020	JAN - DEC 2019
Cash flow from operating activities			
Profit/loss after financial items	979 403	-1 380 687	6 489 294
Adjustments for items not effecting cashflow	953 014	2 607 938	4 324 116
Income tax paid	-30 705	-121 675	-270 686
Cash flow from operating activities before change in working capital	1 901 712	1 105 576	10 542 724
Cash flow before changes in working capital			
Increase (-)/Decrease (+) of short-term receivables	-3 316 418	-3 025 922	2 230 899
Increase (-)/Decrease (+) of short-term liabilities	-1 753 570	6 508 241	-6 035 994
Cash flow from operating activities	-3 168 276	4 587 895	6 737 629
Cash flow from investing activities			
Acquisition of intangible fixed assets	-103 208	-767 997	-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	-103 208	-767 997	-3 245 632
Cash flow from financing activities			
Warrants	0	0	529 990
New loans	3 500 000	4 005 072	0
Amortized loans	-309 532	-1 721 561	-3 010 368
Amortized leasing liabilities	-458 498	-1 381 659	-1 973 459
Cash flow from financing activities	2 731 970	901 852	-4 453 837
Cash flow for the period	-539 514	4 721 750	-961 840
Opening cash and cash equivalents	8 238 070	2 976 807	3 938 647
Closing cash and cash equivalents	7 698 557	7 698 557	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			5 232 553	-9 608	5 222 945
Warrants			529 990		529 990
Exchange rate differences		82 050			82 050
Ending balance 2019.06.30	4 503 239	-12 939	16 913 304	37 772	21 441 376
Opening balance 2020.01.01	4 542 496	-98 099	17 990 279	50 295	22 484 971
Periodens resultat			-2 080 306	-47 766	-2 128 072
Teckningsoptioner					0
Omräkningsdifferenser		-451 869			-451 869
Ending balance 2020.06.30	4 542 496	-549 968	15 909 973	2 529	19 905 027

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	JUL - SEPT 2020	JUL - SEPT 2019	JAN - DEC 2019
Profit margin %	5 %	10 %	7 %
Equity ratio	33 %	35 %	41 %
Cash liquidity %	76 %	66 %	64 %
Number of shares	4 542 496	4 542 496	4 542 496
Earnings per share	0,10	0,49	1,40
EBITDA	2 083 717	3 198 324	11 318 945
EBIT	1 155 614	2 415 662	7 201 002

PARENT COMPANY'S INCOME STATEMENT	JUL - SEPT 2020	JUL - SEPT 2019	JAN - DEC 2019
Net sales	3 741 764	5 250 092	15 075 708
Other operating income	17 852	52	550
Operating expenses			
Variable operating costs	-552 055	-1 214 822	-2 595 708
Other external expenses	-2 562 923	-1 825 866	-8 198 458
Personnel costs	-2 005 153	-1 788 941	-7 780 865
EBITDA	-1 360 515	420 516	-3 498 773
Depreciation and impairments	-4 413	-4 413	-14 367
EBIT	-1 364 928	416 103	-3 513 140
Financial income and expenses			
Profit from participations in associated companies	0	-42 840	-94 403
Other interest income and similar	90 915	19 000	305 766
Other interest expenses and similar	-223 219	-38 672	-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
Profit/loss for the period	-1 497 232	353 591	3 978 738

PARENT COMPANY'S BALANCE SHEET	2020-09-30	2019-09-30	2019-12-31
Equipment, tools, fixtures and fittings	48 246	65 899	61 486
Shares in Group companies	66 091 605	59 741 605	65 091 605
Shares in associated companies	0	159 904	139 205
Deferred tax asset	914 716	914 716	914 716
Other long term receivables	4 442	4 442	4 442
Total fixed assets	67 059 009	60 886 566	66 211 453
Current receivables			
Trade and other receivables	314 409	1 186 242	138 731
Receivables with Group companies	16 564 835	12 637 389	19 148 897
Current tax assets	0	56 124	108 965
Other current receivables	-1 031 190	10	92 213
Prepaid expenses and accrued income	1 083 128	1 254 645	1 043 247
Total current receivables	16 931 182	15 134 409	20 532 052
Cash and cash equivalent	42 051	210 314	206 812
TOTAL ASSETS	84 032 242	76 231 289	86 950 317
Equity			
Share capital	4 542 496	4 503 238	4 542 496
Other contributed capital	68 959 716	68 998 974	68 959 716
Retained earnings, incl profit/loss for the period	-21 050 559	-22 985 963	-18 023 521
Shareholders' equity attributable to the parent company's	52 451 652	50 516 249	55 478 691
Non controlling interest	0	0	0
Total equity	52 451 652	50 516 249	55 478 691
Long-term liabilities			
Other liabilities to credit institutions	1 500 006	2 250 003	2 000 004
Total long-term liabilities	1 500 006	2 250 003	2 000 004
Current liabilities			
Checking account	0	0	0
Other liabilities to credit institutions	1 000 000	1 000 000	1 000 000
Trade and other payables	814 607	2 045 692	1 327 888
Debt to other group companies	26 569 492	16 845 466	25 750 552
Current tax liabilities	-155 903	-81 775	0
Other current liabilities	248 273	1 849 066	0
Accrued expenses and prepaid income	1 604 113	1 806 677	1 393 182
Total current liabilities	30 080 582	23 465 127	29 471 622
TOTAL EQUITY AND LIABILITIES	84 032 242	76 231 380	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

	JUL – SEPT 2020	JUL – SEPT 2019	JAN – DEC 2019
B2B	12 841 788	14 475 784	66 078 603
B2C	7 158 289	6 548 236	24 169 147
	20 000 077	21 024 020	90 247 750