

Play Magnus Group (PMG) – Q2 2022: Continued Growth and Improved Adjusted EBITDA

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(Oslo, 24 August 2022) - Play Magnus Group, a global leader in the chess industry, today published its financial results for the second quarter 2022 showing revenue of USD 5.9 million, a Y/Y growth of 16 percent. Second quarter 2022 bookings were USD 6.3 million, a growth of 4 percent Y/Y. Adjusted EBITDA was USD -2.0 million an improvement from USD -3.5 million in Q2 2021 and USD -2.5 million in Q1 2022.

“Play Magnus Group continues to grow, however we experienced a slowdown in our growth rate compared to previous quarters. This is a result of more challenging market conditions leading to a lower number of monthly paying users. We have during recent months enacted a significant program to adapt our cost base to the changed market environment, which has resulted in an improvement in adjusted EBITDA,” said CEO of Play Magnus Group Andreas Thome.

Play Magnus Group has previously communicated a target of reaching EBITDA break-even on a run-rate basis by the end of 2022 and continue with positive results in 2023.

“During the first quarter we reduced our cost base on an annual run rate basis by approx. USD 2 million, and now in the second quarter we have reduced our cost base on an annual run rate basis by an additional approx. USD 5 million, which is expected to begin showing impact from the third quarter 2022. This means that we are well on track to meet our EBITDA break-even target by the end of the year. We are also glad to see signs of recovery in the elearning segment in August,” Andreas Thome said.

Play Magnus Group sees a positive long-term outlook and maintains its annual run-rate bookings target of USD 100 million by the end of 2025.

The Board of Play Magnus AS today announced its unanimous recommendation of an offer from [Chess.com](https://chess.com) to acquire 100 percent of the shares of Play Magnus Group at an offer price of NOK 13.00 per share. Please refer to a separate release published today or Play Magnus Group’s website <https://playmagnusgroup.com/investor/> for more information.

Financial highlights in the second quarter 2022:

- Bookings USD 6.3 million (+4% Y/Y)
- Revenue USD 5.9 million (+16% Y/Y)
- Monthly Paying Users 57,300 (-5% Y/Y)
- Average Revenue per Paying User (ARPPU) USD 18.7 (+14% Y/Y)
- Adjusted EBITDA USD -2.0 million (-3.5 million in Q2 21)

Please find enclosed Play Magnus Group's H1 2022 report and the Q2 2022 presentation.

CEO Andreas Thome and CFO Dmitri Shneider will present the quarterly results in a live webcast today at 17:00 CEST immediately followed by a Q&A session. Viewers are invited to submit written questions during the presentation and the Q&A session.

The live webcast can be accessed through the following channels:

- via the Investor section of the Play Magnus Group website: www.playmagnusgroup.com/investor
- or the following link: https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20220824_8

The presentation will be made available at www.playmagnusgroup.com/investor, www.newsweb.no, and www.otcmarkets.com.

Disclosure regulation

This release is an announcement issued pursuant to legal information obligations and is subject of the disclosure requirements pursuant to the Market Abuse Regulation (MAR) Article 17 no. 1 and section 5-12 of the Norwegian Securities Trading Act, and was submitted for publication by Arkus Fredriksson, Chief Strategy Officer of Play Magnus Group.

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About Play Magnus AS

Play Magnus Group is a global leader in the chess industry focused on providing premier digital experiences for millions of chess players and students. The company offers elearning and entertainment services via its market leading brands: chess24, Chessable, iChess, New In Chess, Everyman Chess, Silver Knights, CoChess, Aimchess, the Play Magnus App Suite, and the Meltwater Champions Chess Tour. The Group's mission is to grow chess to make the world a smarter place by encouraging more people to play, watch, study, and earn a living from chess.

Play Magnus Group is listed on Euronext Growth Oslo under the ticker PMG and OTCQX® Best Market under the ticker PMGMF. For more information visit pmg.me.

Attachments

- [Download announcement as PDF.pdf](#)
- [Play Magnus Group Q2 2022 Presentation.pdf](#)
- [Play Magnus Group H1 2022 Report.pdf](#)