



Play Magnus Group

Quarterly Presentation - Q4 2020

February 17th, 2021



Today's Presenters



Andreas Thome

Chief Executive Officer



Dmitri Shneider

Chief Financial Officer

By reading this presentation dated 17 February 2021 (the "**Presentation**"), or attending a meeting or an oral presentation held in relation thereto, you (the "**Recipient**") hereby acknowledge, agree and accept that you have read, and agree to be bound by the terms, conditions and limitations set out in this disclaimer.

This Presentation has been produced by Play Magnus AS (the "**Company**") solely for the purpose of presenting the Company's financial results for Q4, 2020 to the market and the investors. The financial results are based on the IFRS but do not meet the requirements for a full quarterly report under IFRS and the results have not been audited.

The Presentation does not constitute or form part of, and should not be construed as, an offer, invitation or recommendation to purchase, sell or subscribe for any securities in any jurisdiction and neither the issue of the Presentation nor anything contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity.

No representation or warranty / Disclaimer of liability: To the best knowledge of the Company, the information contained in this Presentation is in all material respects in accordance with the facts as of the date hereof and contains no material omissions likely to affect its import. Please note that none of the Company or its parent or subsidiary undertakings or affiliates, or any directors, officers, employees, advisors or representatives of any of the aforementioned (collectively the "**Representatives**") make any representation or warranty (express or implied) whatsoever as to the accuracy, completeness or sufficiency of any information contained herein, and nothing contained in this Presentation (including, but not limited to, projections, estimates, targets and opinions) is or can be relied upon as a promise or representation by the Company or any of the Representatives.

Forward-looking statements / Information from third parties: This Presentation contains certain forward-looking statements relating to inter alia the business, financial performance and results of the Company and the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements in this Presentation are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Forward-looking statements involve inherent known and unknown risks (including those described in the chapter "Risk factors" in the Presentation), uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions. None of the Company or the Representatives provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor do any of them accept any responsibility for the future accuracy of opinions expressed in this Presentation or the actual occurrence of forecasted developments, and the Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to its actual results.

This Presentation contains information obtained from third parties. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

No updates: This Presentation speaks as at the date set out on its front page. Neither the delivery of this Presentation nor any further discussions of the Company with the Recipient shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. The Company does not assume any obligation to update or revise the Presentation or disclose any changes or revisions to the information contained in the Presentation (including in relation to forward-looking statements).

No investment advice: The contents of this Presentation shall not be construed as technical, financial, legal, business, investment, tax or other professional advice. The Recipient should consult its own professional advisers for any such matter & advice. By attending or receiving this Presentation, you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.



Business Update

Quarterly Presentation - Q4 2020

February 17th, 2021



Highlights Q4 2020 and FY 2020

Bookings

- Bookings Q4 2020 \$3.73M up from \$1.26M Q4 2019 (196% Y/Y)
- Bookings FY 2020 \$9.26M up from \$3.59M* FY 2019 (158% Y/Y)

Revenue

- Revenue Q4 2020 \$2.95M up from \$1.16M Q4 2019 (154% Y/Y)
- Revenue FY 2020 \$7.90M up from \$3.76M* FY 2019 (110% Y/Y)

Monthly Paying Users

- Q4 2020 Average Monthly Paying Users 44.3K up from 23.4K Q4 2019 (89% Y/Y)

ARPPU

Average Revenue per Paying User

- Q4 2020 average ARPPU \$18.4 up from \$14.1 Q4 2019 (30% Y/Y)

Guidance

- FY 2020 Bookings of \$9.26M vs previous guidance of ~\$8M
- Updated FY 2021 Bookings target of \$19M - \$21M vs previous guidance of \$14M - \$16M

Cash Position

- Cash position of ~\$31M as of Feb 15, 2021

*Pro Forma

Note: iChess financials only included from post-acquisition (from Dec 2020)
Definitions on page 31

Q4 2020 Bookings & 2021 Guidance

Q4 Bookings

- Bookings Q4 2020 \$3.73M up from \$1.26M Q4 2019 (196% Y/Y)
- Bookings FY 2020 \$9.26M up from \$3.59M* FY 2019 (158% Y/Y)

- Growth in e-learning segment
- Positive traction with Tour partnerships
- Benefit across ecosystem from increased interest in chess driven by The Queen's Gambit Netflix series and Tour

2021 Guidance

- FY 2020 Bookings of \$9.26M vs previous guidance of ~\$8M
- Updated FY 2021 Bookings target of \$19M - \$21M vs previous guidance of \$14M - \$16M

- Expectations for continued positive development in e-learning
- Higher visibility on Tour partnership revenue, helped by improving Tour viewership numbers
- Bookings from entities acquired via M&A account for \$3M-\$3.5M of \$5M increase

**Pro Forma*

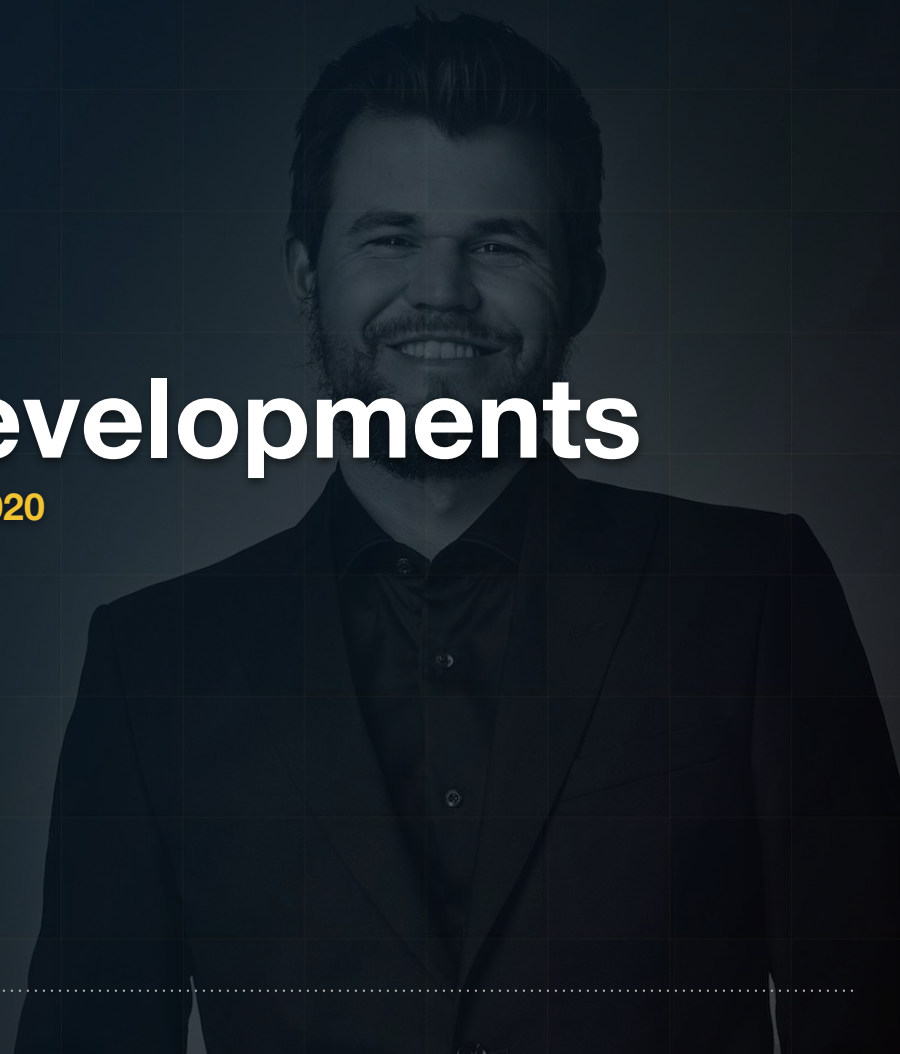
Note: iChess financials only included from post-acquisition (from Dec 2020)
Definitions on page 31



Recent Developments

Quarterly Presentation - Q4 2020

February 17th, 2021



Chess is a Global Sport with Favorable Attributes

The chess market is large and increasingly moving online

650M

Chess Players

(At least once per year)



Increasingly moving online



Booming

The chess market is experiencing a period of massive growth as the market increasingly shifts to digital platforms.



Untapped

The chess market is the last major sport yet to be commercialized. Play Magnus Group is the first true commercial player in the industry.



Global

Chess is played and loved globally. Play Magnus Group serves users around the world.



Positive Impact

Chess is positive for health, education and promoting gender equality, making it popular in schools and attractive for brands and partners to associate with.

650M = YouGov / Agon 2012 Survey extrapolated for population growth

Ecosystem of Valuable Brands & Services

Play Magnus Group is focused on creating the premier experiences and services for chess



High Growth Company with Significant Potential

Annual Bookings 2019-2021E & Long-Term (Pro-Forma)



Recent Highlights

Many new partners signed for the Tour



Meltwater
**CHAMPIONS
CHESS TOUR**
2021

Meltwater

AKER BIOMARINE



Julius Bär

AIRTHINGS

Opera



Skilling

Tour is off to a strong start with high viewership figures

ONLINE STREAMING PLATFORMS

Peak Viewers



145%

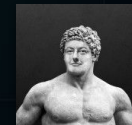
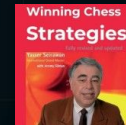
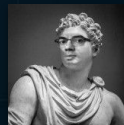
Average Viewers



169%

Opera Euro Rapid vs Magnus
Carlsen Chess Tour Average

Accelerated pace of content launches with premium authors



Announced acquisition of major publisher New In Chess

NEW IN CHESS

Strongest female chess player of all time, Judit Polgar, joins as educational ambassador



Many New Partners Signed for the Tour

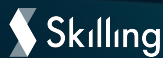
Why the Tour?

- Build Professional Online Chess
- Generate Value of Media Rights & Partnerships
- Drive Traffic to Play Magnus Group Ecosystem

Partner Timeline Q4 2020 - QTD 2021



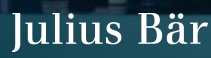
BROADCAST RIGHTS



TOURNAMENT
(EVENT 1)



TOUR SEGMENT
(AIR QUALITY)
TOURNAMENT
(EVENT 2)



TOUR SEGMENT
(EDUCATION)



TOUR SEGMENT
(BROWSER)
TOURNAMENT
(EVENT 3)



TOUR TITLE PARTNER



TOUR SEGMENT
(LEARNING)



**CHAMPIONS
CHESS TOUR**
2021

Tour is off to a Strong Start with High Viewership Figures

OTT & LINEAR TV

★EUROSPORT

- Live coverage of knock-out portion of each tournament broadcast in English, German, French and Spanish on Eurosport Player (Europe), D Play (Finland) and Discovery Plus (India)
- Highlights of each tournament broadcast on Eurosport 1, Eurosport Asia, and Eurosport India in prime time with following day replay

NRK 2

- Alternating full coverage of all ten tournaments on linear TV and OTT services

ONLINE STREAMING PLATFORMS

(YouTube, Twitch, Facebook)

PMG Tournaments	DATE	SERIES	PEAK VIEWERS	
 Meltwater CHAMPIONS CHESS TOUR OPERA EURO RAPID	Feb 6 - Feb 14	Meltwater Champions Chess Tour	1	282 909
 CHESS TOUR FINALS	Aug 9 - Aug 20	Magnus Carlsen Chess Tour	2	193 856
 CHAMPIONS CHESS TOUR Skilling Open	Nov 22 - Nov 30	Meltwater Champions Chess Tour	3	188 514
 CHAMPIONS CHESS TOUR AIRTHINGS MASTERS	Dec 26 - Jan 3	Meltwater Champions Chess Tour	4	138 392
 LINDORES ABBEY RAPID CHALLENGE	May 19 - Jun 3	Magnus Carlsen Chess Tour	5	125 952
 INVITATIONAL	April 18 - May 3	Magnus Carlsen Chess Tour	6	115 470
 LEGENDS OF CHESS	Jul 21 - Aug 5	Magnus Carlsen Chess Tour	7	75 925
 chessable MASTERS	Jun 20 - Jul 5	Magnus Carlsen Chess Tour	8	69 145

Announced Acquisition of Major Publisher New In Chess

NEW IN CHESS



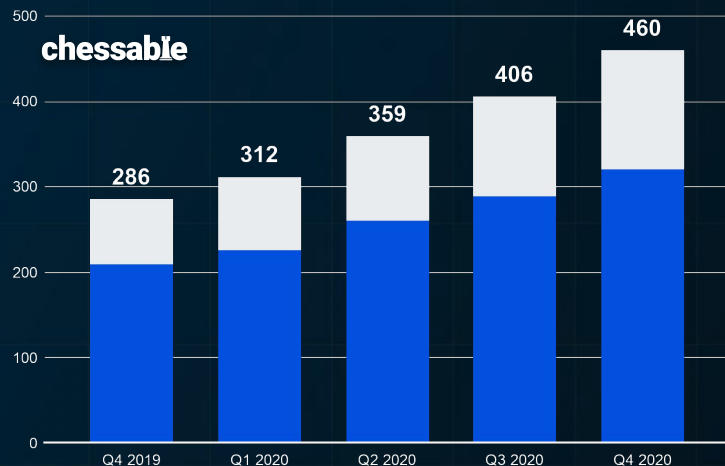
New In Chess is a Netherlands-Based chess publisher

- One of the most respected and known brands in chess
- Publishes books and the New In Chess magazine
- Top grossing publisher on Chessable
 - ◆ Highest number of titles (34)
- ~€2M in 2020 revenue and cash flow positive
- Significant subscription business
- Strategy will be to create more Chessable courses and own the content

Accelerated Pace of Content Launches with Premium Authors

2019 - 2020 Cumulative Number of Published Courses on Chessable

■ # of Free Courses
■ # of Paid Courses



chessable

COURSES

460

iChess.net

COURSES*

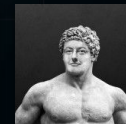
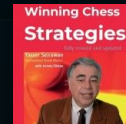
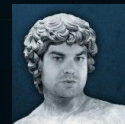
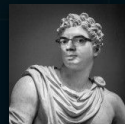
503

NEW IN CHESS

TITLES

200+

→ New tier 1 content launched every week



→ Plan to launch Spanish in Q1

→ Synergies on content creation and distribution

Judit Polgar joins Play Magnus Group as Ambassador

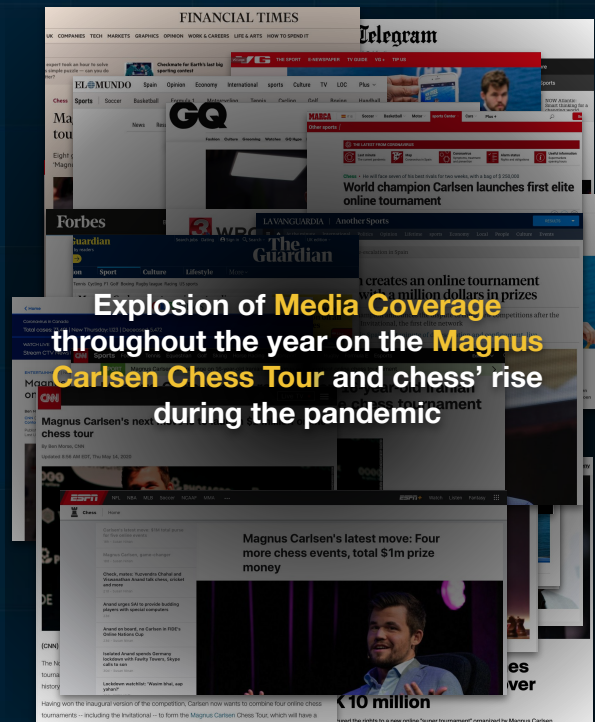


Judit Polgar is the strongest female chess player of all time

- One of the most famous personalities in chess
- Peak ranking at #8 in the world
- Founder of the Global Chess Festival, and many chess education initiatives
- Advocate for gender equality as United Nations Planet 50/50 Champion
- Judit will create courses on Chessable and commentate on chess24
- Initiatives to promote chess as a powerful tool in education and encourage more women to play chess

Chess Reached New Heights of Popularity in 2020

Key drivers and events significantly increased chess' presence in mainstream media and culture



twitch

Chess becomes one of the top eSports on Twitch, and one of the fastest growing categories on the platform



Strong Momentum into 2021

Alongside the Tour, the return of over-the-board play and the Championship cycle will continue to grow chess interest



Over-the-board tournaments returning, beginning with Tata Steel Chess in January 2021



World Chess Championship to be held from November 24 - December 16, 2021 at Dubai World Expo



7 events left in the 2021 season of the Meltwater Champions Chess Tour with final expected to be held physically in San Francisco in September 2021



Finance Update

Quarterly Presentation - Q4 2020

February 17th, 2021

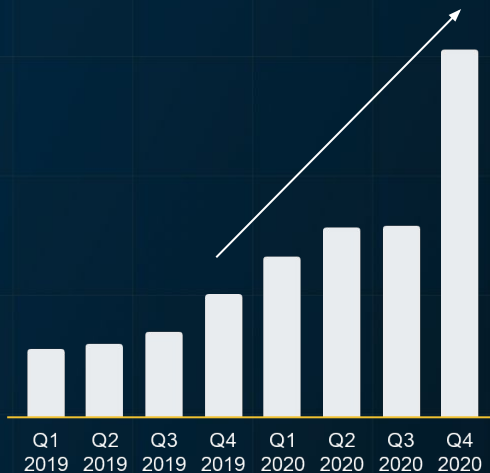


Core KPIs Continuing Strong Growth Trend

- Strong growth in e-learning segment and Tour partnerships
- Benefit across ecosystem from The Queen's Gambit Netflix series
- Strong holiday sales boosted seasonality impact

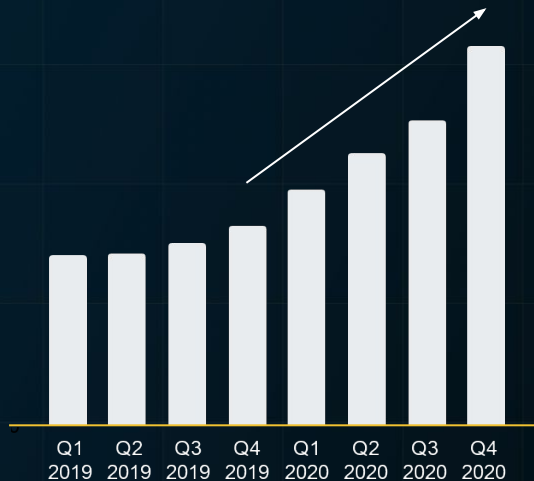
BOOKINGS

196% Y/Y



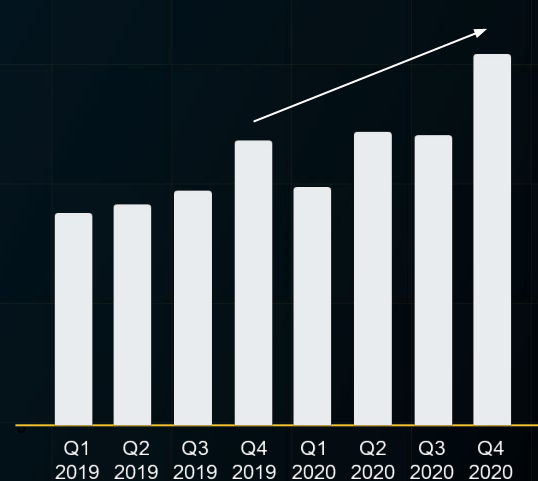
MONTHLY PAYING USERS

89% Y/Y



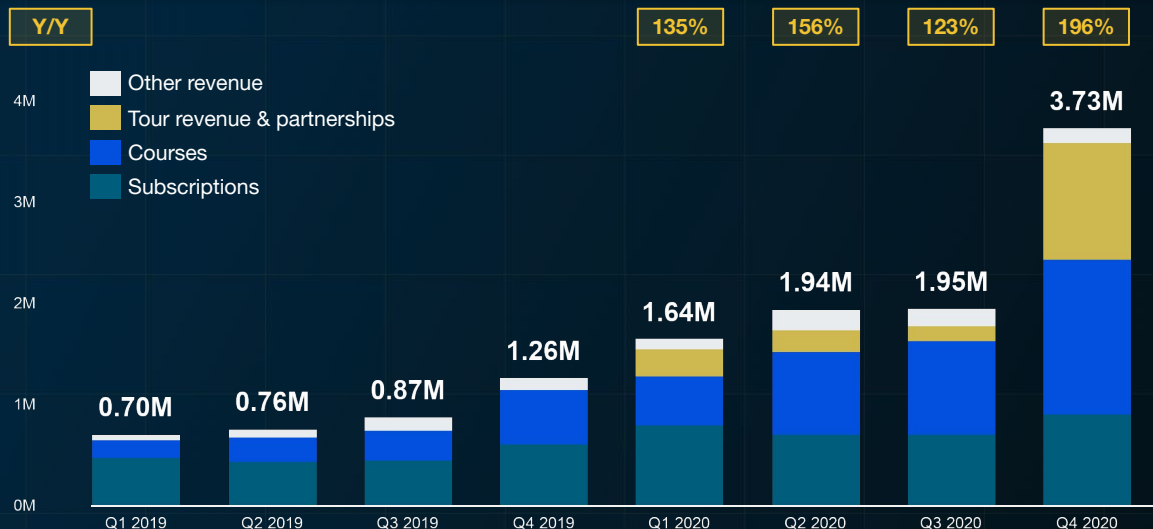
AVERAGE REVENUE PER PAYING USER

30% Y/Y

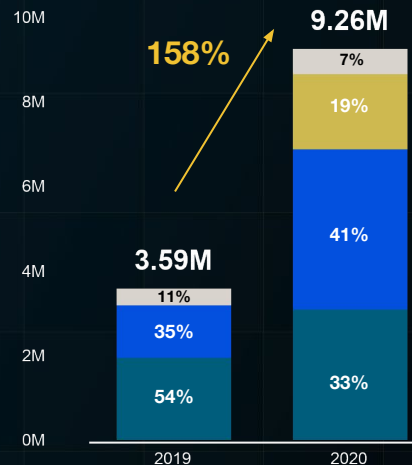


Bookings by Segment

Quarterly Bookings Q1 2019 - Q4 2020 (Pro Forma)



FY Bookings Y/Y



- **Strong bookings growth of 196% Y/Y**
 - Course segments driving growth, up 185% Y/Y
 - Subscriptions up 48% Y/Y
 - Partnerships at ~\$1.15M in Q4 2020, helped by multiple signed deals
- **Chessable continues to benefit from an increase in user growth and ARPPU**
- **Tour partnership pipeline continues to be strong** (Meltwater and Aker Biomarine signed in Q1)

Note: iChess financials only included from post-acquisition (from Dec 2020)
Definitions on page 31

Accelerating Growth in Monthly Paying Users

Quarterly Average Monthly Paying Users Q1 2019 - Q4 2020 (Pro Forma)

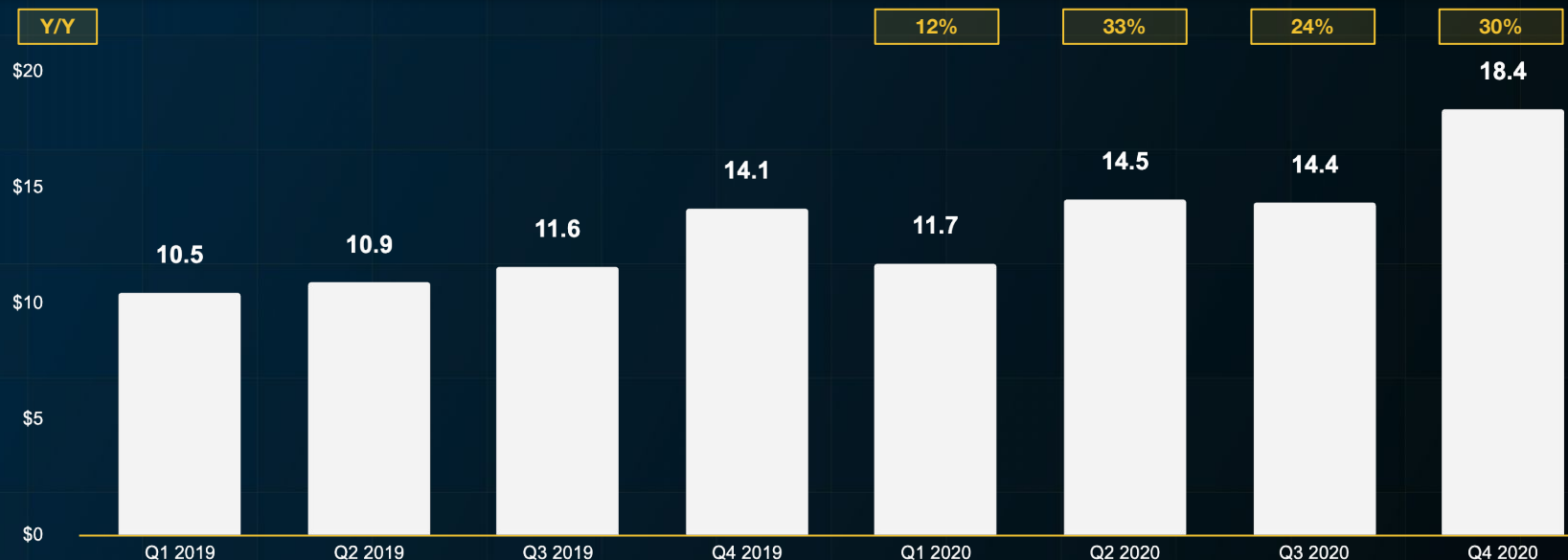


- Steady growth in monthly paying users helped by:
- Queen's Gambit impact leading to significant growth in users at Play Magnus
 - Traffic from Meltwater Champions Chess Tour
 - Popular Chessable authors had launched new titles

Note: iChess financials only included from post-acquisition (from Dec 2020)
Definitions on page 31

Average Spend by Paying Users Growing Y/Y

Quarterly Average ARPPU Q1 2019 - Q4 2020 (Pro Forma)



- ARPPU Y/Y growth driven by improving product mix, primarily due to Chessable
- Well executed holiday sales
 - Increased sales of premium content as more video courses by high profile content creators were published
 - Benefit from inclusion of iChess in December already showing

Note: iChess financials only included from post-acquisition (from Dec 2020)
Definitions on page 31

Tour Partner Financial Impact

Typical Revenue Recognition

- Revenue recognized over contract period
- Sales commissions on some contracts

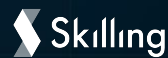
Q4 Revenue Recognition

- ~\$400K revenue recognized in Q4
- ~\$1.15M bookings in Q4

Partner Timeline Q4 2020 - QTD 2021



BROADCAST RIGHTS



TOURNAMENT
(EVENT 1)



TOUR SEGMENT
(BROWSER)
TOURNAMENT
(EVENT 3)



BROADCAST RIGHTS



TOUR SEGMENT
(AIR QUALITY)
TOURNAMENT
(EVENT 2)

Julius Bär

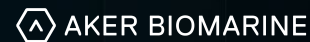
TOUR SEGMENT
(EDUCATION)

Q4 2020

Q1 2021



TOUR TITLE PARTNER



TOUR SEGMENT
(LEARNING)

Bookings to Accounting Revenue Bridge

Q4 higher bookings vs. accounting revenue, primarily due to:

- Tour partnerships signed and booked in Q4 are recognized over the course of the 2021 Meltwater Champions Chess Tour
- Revenue from subscriptions that are one year or longer in duration

Amounts in USD	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2020
Bookings	3,729,299	1,946,032	1,938,501	1,644,338	9,258,170
Net change unrecognized revenue	780,016	-30,607	108,766	498,446	1,356,621
Accounting Revenue	2,949,283	1,976,639	1,829,735	1,145,892	7,901,547

Profit & Loss

- Adjusted EBITDA at approximately -\$0.8M per month in Q4, up from \$0.5M per month in Q3.
- Euronext Growth Oslo listing in Q4 led to increased expenses:
 - ◆ Equity funding transaction expenses of \$1.96M
 - ◆ Share-based compensation and employee benefit expenses due to vesting of options of \$1.87M
 - ◆ Advisor fees related to the listing (in opex)
- Increased operating expenses in Q4:
 - ◆ Ongoing Tour production and operational costs
 - ◆ Ramp up of hiring particularly in product / development
 - ◆ M&A activity leading to increased advisor fees
- Modest increase in marketing spend to benefit from Queen's Gambit and holiday season
 - ◆ Marketing expense of ~\$105K in Q4 due to in-kind contribution of ads from media partner (also recognized as revenue in prior quarters)

Accounting principles used in 2020 are the same as those used in the 2019 Financial Statements

Amounts in USD	3-months ending		
	31 Dec 2020	Year 2020	Year 2019
	UNAUDITED	UNAUDITED	AUDITED
Revenue from customers	2,949,283	7,901,547	2,925,598
Total operating revenue	2,949,283	7,901,547	2,925,598
Course content and subscription sales expenses	711,989	1,812,407	546,979
Tournament prize expenses	304,180	1,411,673	-
Employee benefit expenses	1,281,415	2,586,694	1,161,800
Other operating expenses	3,053,987	7,355,223	2,644,604
Core operating expenses	5,351,571	13,165,996	4,353,383
Adjusted EBITDA	-2,402,288	-5,264,448	-1,427,784
Depreciation and amortization	834,555	3,087,673	2,143,559
Adjusted operating profit (loss)	-3,236,843	-8,352,121	-3,571,343
Share-based compensation expense	1,868,964	2,660,519	676,751
Equity funding transaction expenses	1,959,048	2,638,269	-
Loss on contingent consideration	-	881,901	-
Other expenses	3,828,012	6,180,690	676,751
Operating profit (loss)	-7,064,855	-14,532,811	-4,248,094
Financial income (expense), net	-1,204,037	-1,480,909	-214,590
Profit (loss) before tax	-8,268,892	-16,013,721	-4,462,684

Strong Cash Position - Balance Sheet (1)

ASSETS Amounts in USD	31.12.2020 UNAUDITED	31.12.2019 AUDITED
Deferred tax assets	32,101	13,049
Goodwill	7,040,854	6,887,200
Intangible assets**	14,999,776	14,310,771
Tangible and right-of-use assets	1,024,387	658,846
Non-current financial assets	50,997	58,611
TOTAL NON-CURRENT ASSETS	23,148,116	21,928,477
Other current assets	965,808	146,260
Other current financial assets	239,742	240,727
Accounts receivable	227,148	104,067
Cash and cash equivalents	35,276,258	2,147,358
TOTAL CURRENT ASSETS	36,708,956	2,638,413
TOTAL ASSETS	59,857,072	24,566,890

Strong cash position with ~\$31M as of Feb 15, 2021

- Includes payments for iChess and New In Chess in January 2021
- Cash position tilted towards NOK and benefiting from its strengthening

Accounting principles used in 2020 are the same as those used in the 2019 Financial Statements

***Capitalized employee and consultant fees were USD 677,042 in Q4 and USD 2,140,958 in 2020*

Balance Sheet (2)

EQUITY AND LIABILITIES	31.12.2020	31.12.2019
Amounts in USD	UNAUDITED	AUDITED
Share capital	60,734	31,593
Share premium	72,339,592	21,948,160
Retained earnings	-23,634,429	-7,056,808
Other components of equity	3,403,107	1,800,662
TOTAL EQUITY	52,169,004	16,723,606
Non-current financial liabilities	636,559	455,880
Non-current portion of deferred revenue	106,759	61,197
Deferred tax liabilities	1,956,607	1,644,996
Total non-current liabilities	2,699,926	2,162,073
Convertible loan	-	1,889,161
Current portion of deferred revenue	1,512,439	725,866
Accounts payable	1,051,826	207,764
Taxes payable	1,234	-
Other current financial liabilities	394,971	1,915,749
Other current liabilities	2,027,674	942,671
Total current liabilities	4,988,142	5,681,210
TOTAL LIABILITIES	7,688,068	7,843,284
TOTAL EQUITY AND LIABILITIES	59,857,072	24,566,890

Accounting principles used in 2020 are the same as those used in the 2019 Financial Statements

Top 20 Shareholders

As of February 15, 2021

Shareholder	%
LT Holdings Ltd	9.5%
Magnus chess AS	9.5%
Clearstream Banking S.A.	9.5%
Investinor AS	7.3%
UBS Switzerland AG	4.9%
MP Pensjon PK	4.3%
Myrliid AS	4.1%
Morgan Stanley & Co. LLC	3.9%
T.D.Veen AS	2.9%
Skandinaviska Enskilda Banken AB	2.7%
State Street Bank and Trust Comp	2.7%
Idekapital AS	2.3%
Espen Agdestein AS	2.0%
David Tenemaza Kramaley	2.0%
Verdipapirfondet DNB SMB	1.5%
LGT Bank AG	1.5%
Merrill Lynch	1.5%
AS Straen	1.2%
Nordnet Livsforsikring AS	1.1%
Ro Invest AS	0.8%
Other	24.6%

Warrants outstanding if exercised would increase total number of shares outstanding by: 4,240,100

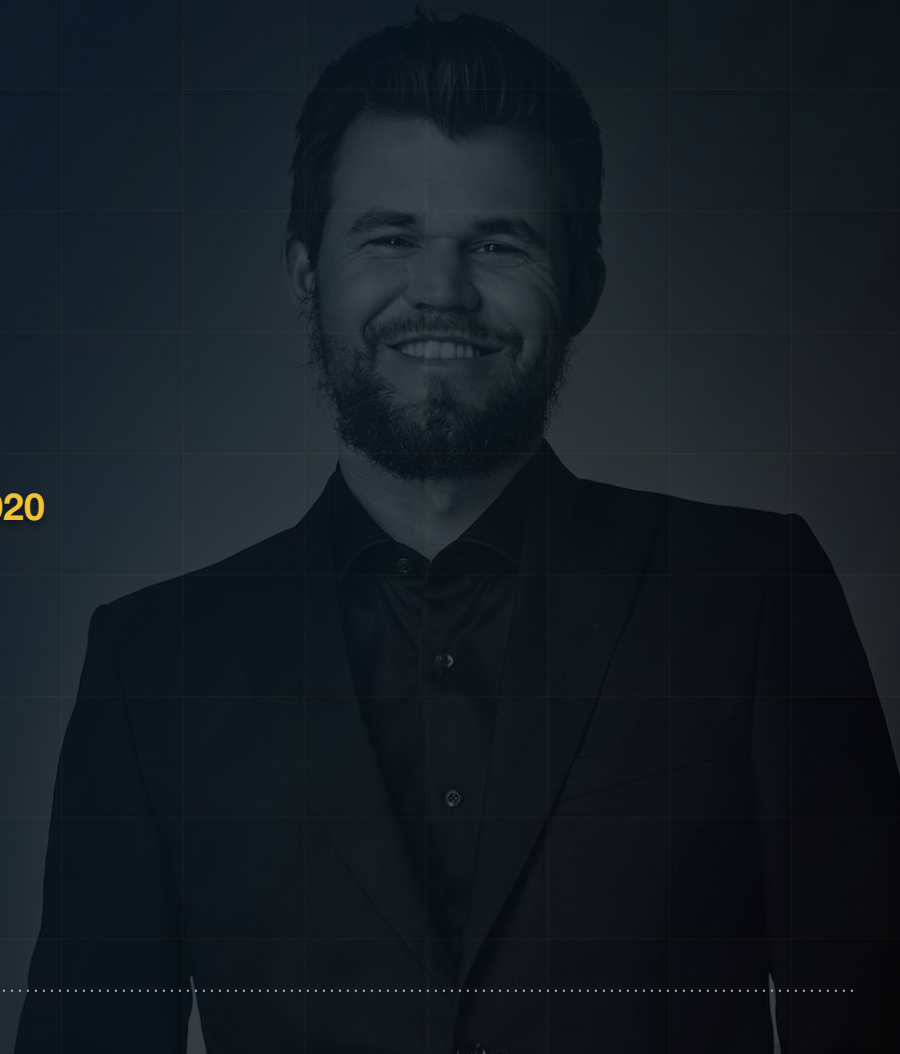
Note: Some shareholders listed under nominee account names



Q&A

Quarterly Presentation - Q4 2020

February 17th, 2021



Play Magnus Group is in the leading position to capture the chess market

3.4M+

Registered users
across platforms

650M

Chess players
addressable worldwide



158% FY 2020 Y/Y
bookings growth

\$60M+

Long-Term 2025
bookings target



Market-leading ecosystem
within the chess industry



High barriers to entry

 Meltwater

**CHAMPIONS
CHESS TOUR**

Tour is driving significant
traffic to the ecosystem



Highly scalable
business model

Key Definitions

Adjusted EBITDA is revenue less operating expenses, including: course content and subscription sales expenses, employee benefit expenses, tournament prizes, and other operating expenses. It excludes expenses related to depreciation and amortization, share-based compensation and equity funding transaction costs.

Average Revenue Per Paying User (ARPPU) is the average of the monthly accounting revenue from subscriptions and courses divided by the average number of monthly paying users

Bookings is defined as revenue that has been paid or contractually agreed to be paid for by the customer. Revenue is considered booked at the time of the sale or signing of contract. Accounting revenue is recognized at the time of delivery of the service.

Monthly Paying Users is the average in the quarter of the number of paying users each month which is comprised of users who made a purchase each month and the number of active subscribers at the end of each month

Pro Forma numbers include chess24 and Chessable financials for the full year 2019. Chess24 was acquired in February 2019, Chessable in August 2019

Registered Users is the cumulative aggregate number of user accounts held by any of the Play Magnus Group entities at the end of each period