



Q4 2020 Financial results

February 25th, 2021



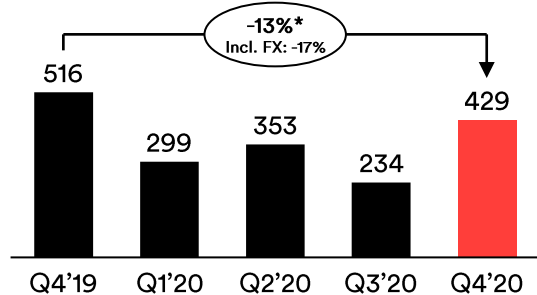
Highlights of the quarter

- Record financial results along with high M&A activity, bringing a strong ending to the year
- The esports vertical delivered a positive Adjusted EBITDA for the first time driven by an intensive event schedule
- The gaming vertical delivered a solid quarter and concluded a record year both in terms of net sales and Adjusted EBITDA
- Increased ownership in InnoGames, and consolidation of gaming investments in a new GamingCo
- Hutch acquired as first GamingCo investment - final MTG ownership of 77.35 percent in the new GamingCo following the acquisition

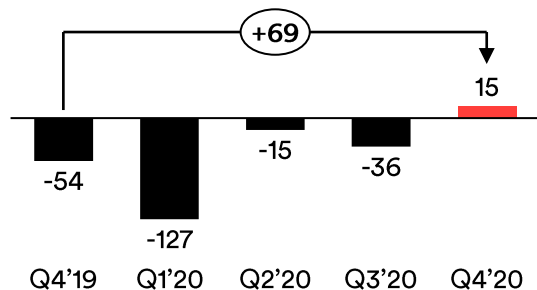


Esports: Ending the year on a high note

Esport net sales, reported (MSEK)



Esport adj. EBITDA, reported (MSEK)



A busy event schedule executed in an online format

- Six successful Master properties in the quarter, due to postponements from earlier in the year
- O&O revenue remains stable YoY thanks to high concentration of Master events
- ESL Pro League achieved new viewership records in the quarter
- DreamHack Sports Games executed the eSuperliga S5 finals and delivered the strongest quarter of the year
- ESL Gaming expanded Mobile Open to the MENA** region in the quarter
- The first quarter with a positive adj. EBITDA for the esports vertical



ESL Pro League S12 (CS:GO)
September 1–October 4
Format: Online, ESL Pro Tour



ESL One Germany (Dota 2)
October 5–November 1
Format: Online



IEM New York (CS:GO)
October 13–25
Format: Online, ESL Pro Tour



IEM Beijing (CS:GO)
November 6–22
Format: Online, ESL Pro Tour



DH Masters Winter (CS:GO)
November 30–December 6
Format: Online, ESL Pro Tour

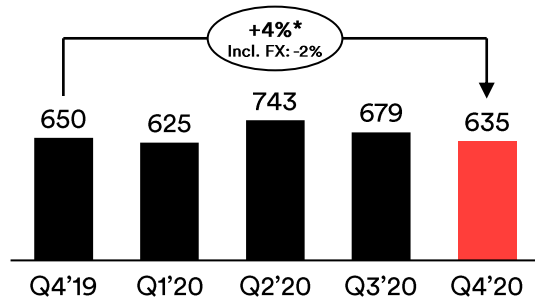


IEM Global Challenge (CS:GO)
December 15–20
Format: Online, ESL Pro Tour

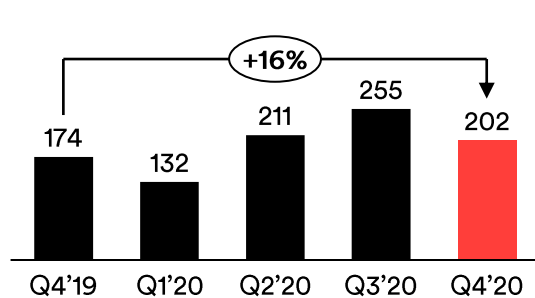


Gaming: High activity with M&A and organic development

Gaming net sales, reported (MSEK)



Gaming adj. EBITDA, reported (MSEK)

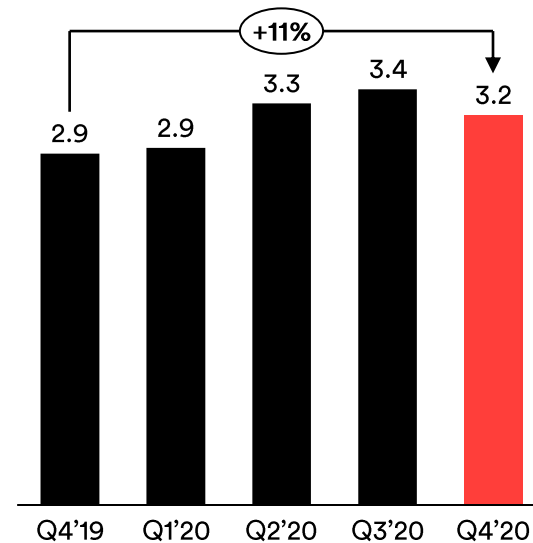


A solid quarter and a record year in sales and adj. EBITDA

- Solid quarter from InnoGames, rounding off a very strong year
- Successful holiday campaigns driving higher ARPDau** in InnoGames. Sequential decline due to campaign seasonality
- Kongregate showed stable progress in the fourth quarter. Underlying net sales decreased primarily due to the discontinuation of key third-party publishing titles in late 2019
- 5 new games planned for soft launch across 2021 driving marketing investments

Higher engagement in the underlying user base

Gaming ARPDau** (SEK)



- Gaming: A new GamingCo and the acquisition of Hutch -

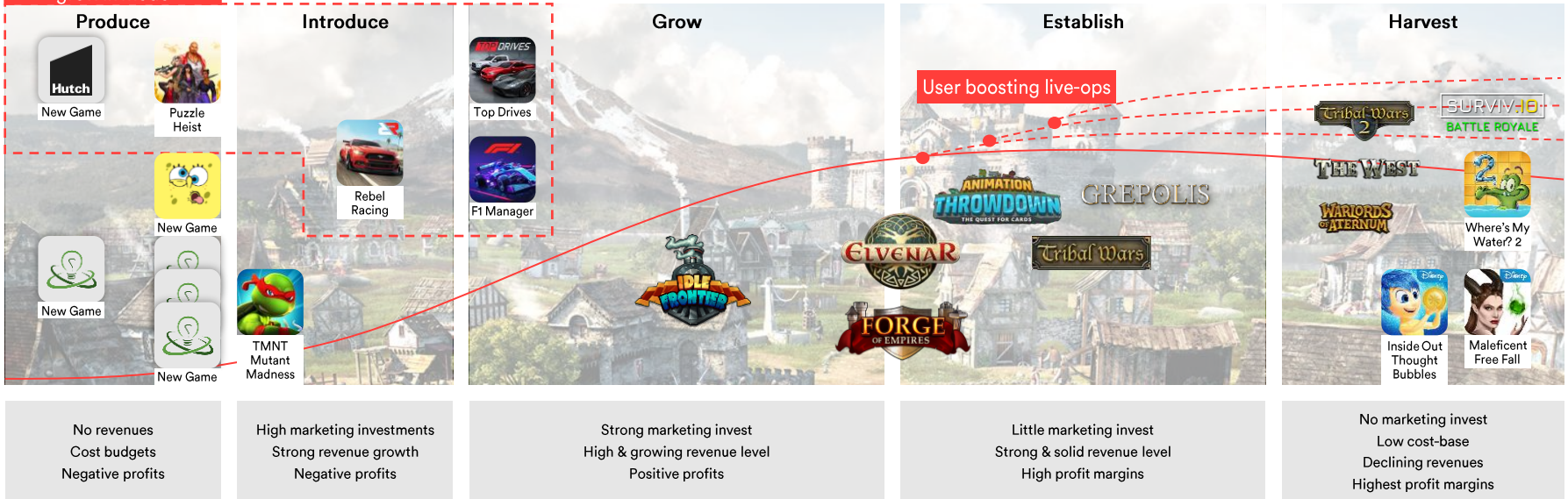


- Increased ownership in InnoGames to 68% for a total consideration of EUR 106 million
- Forming of a GamingCo holding company for current and future gaming investments
- Acquisition of Hutch, diversifying our gaming vertical with a new genre and strong IP's in early growth stage
- A rights issue to secure funding for financing, and to support continued ambitious M&A agenda

Gaming: A diversified and strong games portfolio with multiple new titles in the pipeline

With Hutch MTG adds a portfolio of games in growth mode

Overview of combined games portfolio

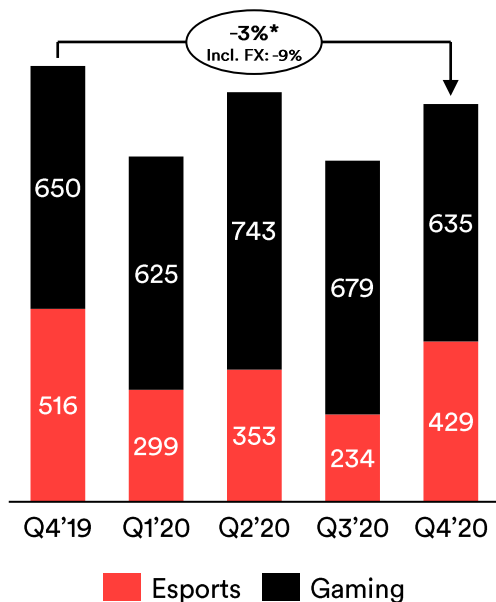


Multiple games in combined portfolio in early growth phase

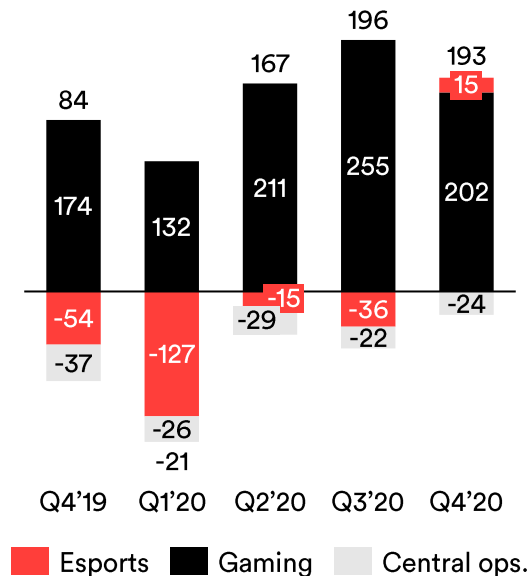


Quarterly revenue and adjusted EBITDA

Net sales, reported (MSEK)



Adjusted EBITDA, reported (MSEK)



- Consolidated group net sales declined by 9 percent in the fourth quarter. Organic net sales decreased by 3 percent
- The gaming vertical's underlying organic net sales grew by 4 percent
- The esports vertical's underlying organic net sales declined by 13 percent in the quarter
- Consolidated group adjusted EBITDA in the quarter amounted to SEK 193 (84) million, representing a margin of 18 (7) percent

*Organic net sales excluding currency headwinds of 6 percent. Net sales decreased by 9 percent.

Cashflow statement

(MSEK)	Q4 2020	Q4 2019	FY 2020	FY 2019
Cash flow from operations	54	-34	242	-71
Changes in working capital	41	-36	28	-117
Net cash flow to/from operations	95	-70	270	-188
Cash flow from/used in investing activities	-2,260	-71	-2,471	1,546
Cash flow from/used in financing activities	1,776	-30	1,558	40
Net change in cash, continuing operations	-390	-171	-644	1,398
Net change in cash, discontinued operations	-	-4	-	-653
Total net change in cash and cash equivalents	-390	-175	-644	746
Cash and cash equivalents at the beginning of the period	1,589	2,019	1,824	862
Translation differences in cash and cash equivalents	-47	-20	-28	4
Cash and cash equivalents at the end of the period	1,153	1,824	1,153	1,824

- Cashflow from operations before changes in working capital was SEK 54 (-34) million in Q4
- Depreciation and amortization charges were SEK 68 (83) million, of which SEK 24 (30) million to amortization of PPA
- Cash flow used in investing activities is mainly connected to the initial payment for the acquisition of Hutch. Total cash flow relating to investing activities amounted to SEK -2,260 (-71) million
- The fully subscribed rights issue provided MTG with proceeds of SEK 2,549 million before deduction of transaction costs
- The Group had cash and cash equivalents of SEK 1,153 (1,824) million at the end of the period.

Rights Issue



- The initial cash purchase price of Hutch was financed with existing cash and a bridge loan facility of SEK 1,800 million
- On December 17th, the MTG board of directors resolved on a new issue of class B shares of approximately 2,500 SEK million
- The rights issue was approved by the extraordinary general meeting of MTG on January 21st
- The subscription period of the rights issue ended on February 10th
- On February 12th, MTG announced that the rights issue had been oversubscribed by 101.8 percent
- The fully subscribed rights issue provided MTG with proceeds of SEK 2,549 million before deduction of transaction costs. The bridge loan facility was repaid on February 17th

Summary of Q4 and FY 2020

- A stronger Group despite a challenging year, delivering on our strategy and ambitious M&A agenda
- A packed esports tournament calendar for 2021 with online and studio entertainment. Return to live-audience events scheduled for H2 2021 – but visibility remains low due to the ongoing pandemic
- A stronger, more diverse gaming vertical with Hutch including new games pipeline expected to drive growth, on the back of increased marketing spend
- The new GamingCo and the acquisition of Hutch marks the beginning of a new growth journey for MTG's gaming vertical

