



Q2 2019 Financial Results



Q2 in summary - highlights

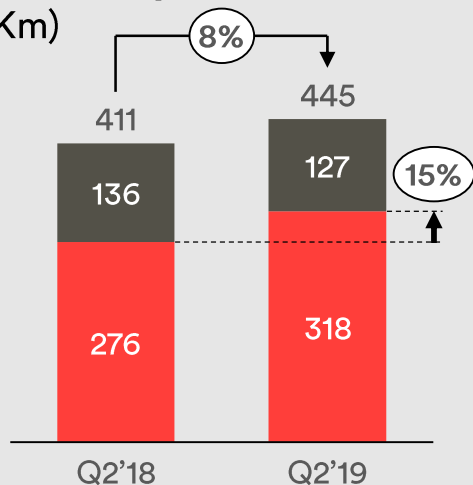


**Lifetime revenue
> EUR 500 million**

- Solid operational development with Q2 2019 reported sales growth 11 % and adjusted EBITDA margin 6 %
 - Sales in our two verticals was up 14 % in the quarter. Adjusted EBITDA improved by SEK 97 million
- Esports continued to deliver on its strategic ambition and sales growth for O&O was up by 15 % in the quarter
- Exceptionally strong revenue and margin trends in gaming. Sales up 19 % and adjusted EBITDA margin at 29 %
- In Q2 2019 the VC fund invested approximately SEK 22 million in three exciting growth companies
- Nova sold in April - generated SEK 1.8 billion cash to fund acquisitions and deliver on our strategy. Total cash balance SEK 2.1 billion
- FY sales ambition for our 2 verticals of 8-12 % with adjusted EBITDA margin in the mid single digits

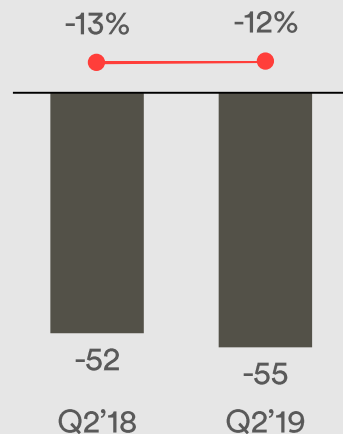
Continued growth in esports

Net sales, reported
(SEKm)



■ Esports services
■ Owned and operated

Adjusted EBITDA
(SEKm, %)



■ Adj. EBITDA
—●— Adj. EBITDA margin

O&O properties activated

Q2'18

Q2'19

Masters

5

5

Challengers

19

29

Open

3

5



ESL One Birmingham was our most watched ESL Dota 2 event

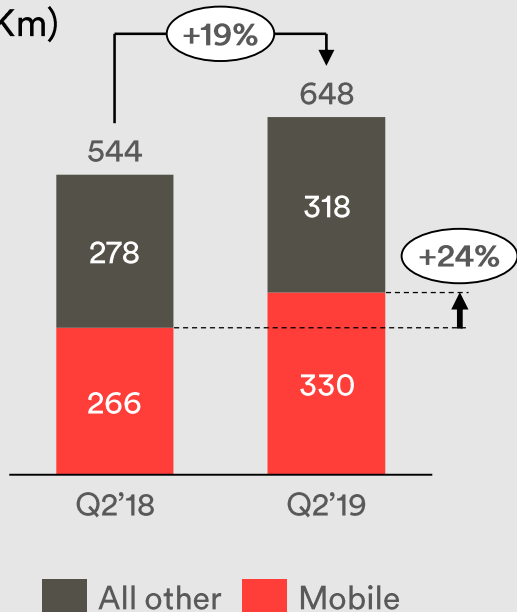


DreamHack Masters Dallas viewership 3.5 million hours



Mobile driving Gaming revenue growth

Net sales, reported
(SEKm)



- Mobile > 50% of revenue
- Surpassed EUR 500 million in lifetime revenue



- Successful soft launch
- Encouraging initial KPIs

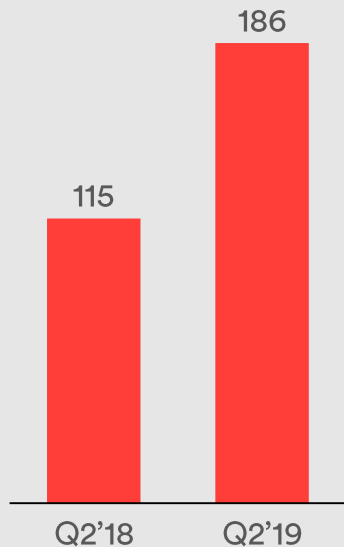


Kongregate starting to turn around

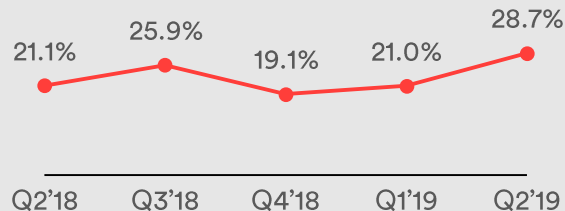
- Acquisition of success game Bit Heroes
- Focusing on fewer and stronger games

Improving trends in Gaming

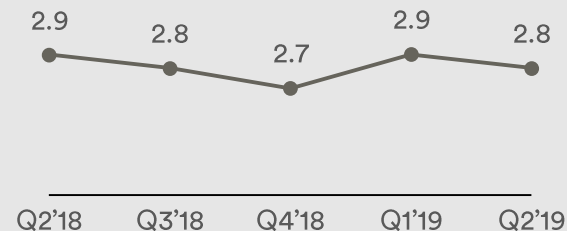
Adjusted EBITDA
(SEKm)



Adjusted EBITDA margin
(%)



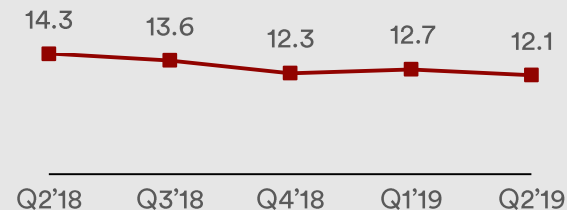
Daily active users (DAU)
(million)



ARPDau
(SEK)



Monthly active users (MAU)
(million)



MTG VC Fund

- Investments in 1H 2019 totals SEK 103 million including capital commitments and span start-up and growth companies in the United States and Germany
- Among the investments are Redwood City-based Dorian, Austin based game developer Tonk Tonk Games, gamer rewards platform Playfull from Los Angeles, German game studio Sviper founded by Ex-InnoGamers and San Diego-based GoMeta
- MTG has to date made 20 investments in 16 companies totalling SEK 195 million thus far from its VC fund
- The ambition is to make 8-10 deals per year in gaming and esports



TONK
TONK
GAMES

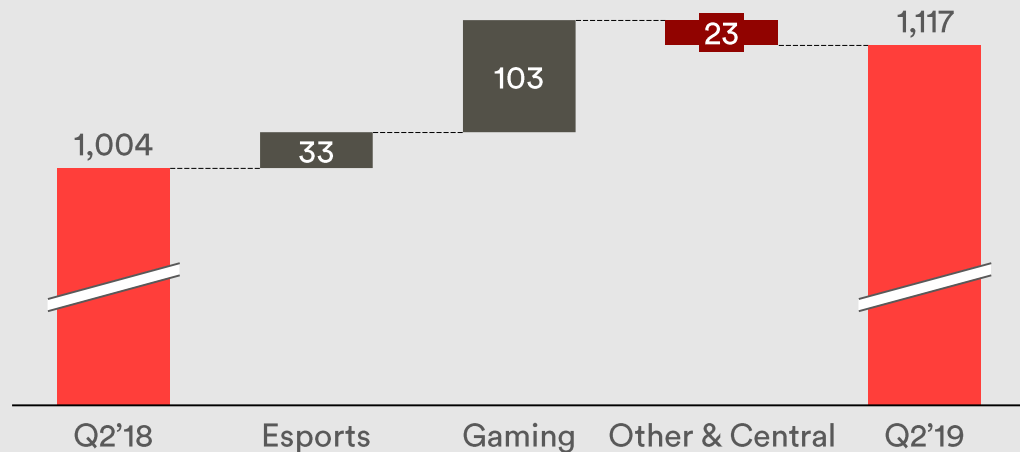
playfull™



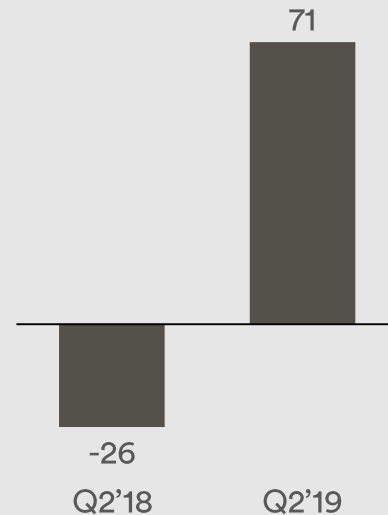
GoMeta

Q2 sales and adj. EBITDA – improvements driven predominantly by gaming

Net sales by vertical
(SEKm)



Adjusted EBITDA
(SEKm)



Q2 income statement

(SEKm)	Q2 2019	Q2 2018	Q2 2019 Comments
Adjusted EBITDA	71	-26	<ul style="list-style-type: none"> Improved profitability in gaming Including -43 million in central operations cost
<i>Adjusted EBITDA margin</i>	<i>6.3%</i>	<i>-2.6%</i>	
Adjustments	-31	-41	<ul style="list-style-type: none"> IAC: SEK 4 million due to Zoomin restructuring LTI: SEK 23 million for total group M&A: SEK 4 million related to project costs
EBITDA	39	-67	
D&A	-74	-59	<ul style="list-style-type: none"> Includes SEK -13 million impact from IFRS 16
<i>Of which PPA</i>	<i>-32</i>	<i>-30</i>	
EBIT	-35	-125	
<i>EBIT margin</i>	<i>-3.0%</i>	<i>-12.5%</i>	
Net Income – Continuing Ops	-71	-136	<ul style="list-style-type: none"> Financial net SEK -10 million Group tax SEK -26 million
Basic EPS (SEK)	-1.68	-2.35	
Discontinued Operations	1,490	399	<ul style="list-style-type: none"> The sale of Nova completed

Capex, cashflow and cash balance

SEKm	Q2'19	Q2'18
Capex	-68	-46
<i>of which Gaming</i>	-58	-34

VC Fund investments of SEK 22 million, one new and two follow-on. Fund now SEK 195 million invested in 16 companies

Cash flow from operations	-69
<i>of which working capital</i>	-29

SEKm	Q2'19
Net cash at end Q2	2,085
Cash proceeds from Nova sale	1,868

Summary and outlook

- Solid operational development in Q2 2019 with sales in our two verticals up 14 %
- Esports continued to deliver on its strategic ambition with O&O sales growth of 15 %
- Exceptionally strong revenue and margin trends in gaming
- VC fund invested SEK 22 million in three companies in the quarter
- Nova sold in April . Total cash balance SEK 2.1 billion to fund acquisitions and deliver on our strategy
- FY sales ambition for our 2 verticals of 8-12 percent with adjusted EBITDA margin in the mid single digits

