Shaping the future of entertainment
Agenda

13.00  **Group strategy & financial review**  
       Jørgen Madsen Lindemann (President & CEO) & Maria Redin (CFO)

13.50  **Nordic Entertainment**  
       Anders Jensen (EVP; Chairman of the Nordic Entertainment Management Board & CEO of MTG Sweden) 
       & Jakob Mejlhede Andersen (EVP; Group Head of Programming & Content Development)

15.00  **Refreshment break**

15.20  **MTGx**  
       Arnd Benninghoff (MTGx, Games & Esports)

15.40  **Turtle Entertainment**  
       Ralf Reichert (CEO & Founder of Turtle Entertainment)

16.20  **InnoGames**  
       Hendrik Klindworth (CEO & Founder of InnoGames)

17.00  **Closing remarks**  
       Jørgen Madsen Lindemann (President & CEO)
30 years of transformation
Value-driven culture
Bold, Smart, Fun, Engaging

Can-do attitude
30 years of constant innovation

Passionate professionals
Love to challenge & create together

Responsible organisation
Acting responsibly & embracing diversity

+29% eNPS
MTG is a preferred workplace
A simple story

Managing the transformation of a traditional broadcaster
Into a leading digital video entertainment provider
With long-term sales & profits growth
And returning value to shareholders
Supported by a clear strategy

**Value creation strategy**
Long term revenue and profit growth

**Drive performance in traditional**
- Innovation
- Profitability
- Consolidation

**Drive growth in digital**
- #1 online video player
- Expansion
- Diversification

**Strategic transformation**
- Cost transformation
- Portfolio management
- Capital allocation
Why change?
Simply to follow the eyeballs!

how
when
what
Video entertainment consumption is rising

On-demand viewing has increased by 11% over the years.

Source: Ericsson Consumer & Industry Insight Report, October 2017
From a traditional broadcaster into a digital entertainer

Gaming & Esports

Digital video

- viaplay
- splay networks
- zoomini.tv
- viafree
Transformation accelerated by active portfolio management

**Acquisitions**
- Engage Sports Media
- Turtle
- Splay
- Zoomin
- Kongregate
- InnoGames
- ESEA
- DreamHack

**Disposals**
- Hungary
- Baltics
- Czech Rep.
- Russia
- Ukraine
- Sappa
- Africa
- Zitius
- Ukraine
- Hungary
- Russia
- Sappa
- Africa
Enterprise value of SEK 5.6 bn

Revenues of SEK 3.4 bn

Break Even before PPA

Note: Enterprise value is for 100% ownership (MTG share equals SEK 3.6 bn). Revenues and EBIT are on LTM pro forma basis. EBIT is before PPA amortisations
A stronger & more relevant MTG

- An integrated broadcast & online media house
- With a global digital entertainment arm

Digital accounted for 34% of Q3 sales
We tell relevant stories

Hassel
Under Hundringen
Nobel
World Boxing Super Series
Forge of Empires
Dreamhack Jönköping
ESL One New York
Champions League
An integrated broadcaster
Changed from the ground up
A portfolio of strong digital brands

Pricing power

High quality content

Loyalty & Customer satisfaction

Engagement
Never been a bigger opportunity in MTG’s history

1. Huge & growing audiences
   Secular tailwinds from broadband speeds & mobility

2. Products & brands that our customers love
   Strong growth in usage of our products
Gaming – a secular growth industry

Global Gaming Market (USD bn)

- **Mobile & Browser PC**
  - 2016: 44
  - 2020E: 69
  - CAGR: 6%
- **Console**
  - 2016: 32
  - 2020E: 36
  - CAGR: 3%
- **PC (traditional)**
  - 2016: 25
  - 2020E: 24
  - CAGR: 0%

CAGR 2016-2020E

**Key Growth Drivers**

- More players
  - 12%
- More paying players
  - 3%
- Higher spend per player
  - 0%

Source: Newzoo; OC&C Analysis
Esports - a huge and growing audience

Sports enthusiasts (M)

- Esports enthusiasts: 191
- Volleyball: 186
- American Football: 151
- Handball: 147
- Ice Hockey: 94
- Swimming: 76

Esports & Gaming viewing more popular than sports amongst male Americans aged 18-25

1. Movies
2. Online gaming and esports
3. TV shows
4. Sports
5. User generated content
6. News
7. Other

Increased usage

Viaplay, Viafree, ESL and DreamHack refers to growth in started streams. InnoGames and Kongregate refers to growth in mobile monthly active users (MAU)
We continue to invest with a disciplined approach

- Digital Entertainment
- Video-centric
- Local hero or Universal appeal
- MTG can Add value
Significant progress since last CMS

Organic sales growth
Q416-Q317 (YoY)

8%

Digital sales growth
Q416-Q317 (YoY)

48%
Significant progress since last CMS

**EBIT growth**
Q416-Q317 (YoY)
23%

**Record dividend**
Paid out in Q217
SEK 800m
Significant progress since last CMS

Strong and improving cashflow generation

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<th>Quarter</th>
<th>2015/16</th>
<th>2016/17</th>
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Strategic working capital investments

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<td>Q1 17</td>
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Viaplay Originals WC | Other Working Capital
Significant progress since last CMS

Acquisitions Q416-Q317

InnoGames & Kongregate

Divestments Q416-Q317

Czech Rep. Baltic’s Africa
Significant progress since last CMS

Sales split Q3 2016
- Digital revenue: 21%
- Other: 79%

Sales split Q3 2017
- Digital revenue: 34%
- Other: 66%
Improved disclosures for MTGx

Revenue breakdown

- Online Gaming
- Esports
- Digital Video Networks

EBITDA and EBIT for the segment
MTGx - improved disclosures

Revenue break-down by type (jan-sep)

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<th>9M 2016</th>
<th>9M 2017</th>
<th>9M 2017 Pro forma</th>
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<td>eSports (SEK)</td>
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EBITDA of SEK 6m in Q3
Solid financial profile

Net Debt development

Timeline of key transactions

- **Q2 2016** – divestment of CTC
- **Q4 2016** – initial investment in InnoGames
- **Q2 2017** – divestment of Prima (Czech Rep.)
- **Q2 2017** – increase stake in InnoGames
- **Q3 2017** – acquisition of Kongregate
- **Q4 2017** – complete sale of Baltic operations
- **Q4 2017** – acquire Synapse and Chinzilla

* Q3 17 Adjusted for proceeds received for the sale of MTG's Baltic operations
Remain committed to distribute money to shareholders

A focused capital allocation

Investing in video entertainment services

Disciplined approach to acquisitions

Focus our capital where the opportunities are the biggest
The strategy is working

Share price performance in 'MTG B' and 'STOXX Europe 600 Media' since 2016 CMS (10 Nov 2016)

MTG B
+36%

Media index
+5%
5 initiatives to drive future returns

1. Win in the Nordics – unique concept & strong VOD positions
2. Scale up MTGx – capitalise on consumer trend shifts
3. Strategic partnerships
4. Strict cost control & capital allocation
5. Active portfolio management
Time is on our side!

We have great products

With strong market positions

Now all about scaling them