



MTG publishes Q1 January-March 2021 interim financial results report

STOCKHOLM, April 29, 2021 — Modern Times Group MTG AB (publ) (“MTG”) today publishes its Q1 2021 interim financial results report.

MTG’s Group President and CEO Maria Redin states in her CEO letter: “The first quarter results were mixed, reflecting the continuing impact of the pandemic on our two verticals. While gaming performed well, exhibiting increased user engagement with our expanding portfolio of titles, esports continued to be impacted by the postponed return of live audience events. Short term visibility remains low, reflected in our adjusted tournament schedule. As a consequence, we are experiencing longer decision-making processes from brand partners, and in the quarter delayed signing of a small number of anticipated larger sponsorship contracts, which negatively impacted adjusted EBITDA. Most of these contracts have now been closed in Q2, 2021.”

Maria Redin continues: “At the same time, Q1 2021 has also been a quarter of significant investments in both the gaming and the esports verticals to better position MTG for the future. On the gaming side we launched two new games (with an additional 10 games in the pipeline), onboarded Hutch and announced the acquisition of Ninja Kiwi. In esports, on the back of emerging trends and learnings from the pandemic, we have accelerated strategic and operational investments in our product portfolio and B2C platforms to strengthen our position and diversify our current offering,”

MTG’s Q1 2021 Interim Financial Results report highlights follows below. For the full report please see the attached file or www.mtg.com.

Operational Highlights

- The gaming vertical delivered a solid quarter in terms of net sales and EBITDA driven by high user engagement and the inclusion of Hutch
- In the esports vertical, three Master properties were delivered online. Due to the pandemic, live audience events are now assumed to return at the end of the year.
- MTG continued to deliver on its organic and inorganic strategy in gaming. Two new games were soft-launched, InnoGames’ “Rise of Cultures” and Hutch’s “Puzzle Heist”, showing early promising results across several important KPIs. MTG further announced an agreement to acquire Ninja Kiwi, a leading, New Zealand based tower defense mobile games developer and publisher
- MTG made accelerated strategic investments in its esports product portfolio and B2C platforms to strengthen its position and diversify its current offering

Financial highlights

- Net sales increased by 9 percent to SEK 1,011 (924) million or 18 percent at constant FX. Organic growth amounted to 2 percent
- Adjusted EBITDA of SEK 100 (-21) million, with adjustments in the quarter for long-term management incentive programs (LTI) SEK 19 (32) million and total M&A transaction costs of SEK 27 (13) million
- EBITDA of SEK 54 (-69) million
- EBIT of SEK -43 (-142) million
- Net income of SEK -124 (-132) million
- Basic earnings per share, before dilution of SEK -1.43 (-2.10)
- Net cash flow from operations of SEK 1 (-39) million

Financial overview

(SEKm)	Q1 2021	Q1 2020	FY 2020
Net sales	1,011	924	3,997
of which Gaming	767	625	2,682
of which Esports	244	299	1,315
EBIT	-43	-142	35
EBITDA	54	-69	319
Adjusted EBITDA	100	-21	535
Net income	-124	-132	-96
Earnings per share, before dilution, SEK	-1.43	-2.10	-2.99
<i>Sales growth, %</i>	<i>9%</i>	<i>-2%</i>	<i>-6%</i>
<i>Changes in FX rates, %</i>	<i>-9%</i>	<i>4%</i>	<i>-2%</i>
<i>Sales growth at constant FX, %</i>	<i>18%</i>	<i>-6%</i>	<i>-4%</i>
<i>of which organic growth, %</i>	<i>2%</i>	<i>-6%</i>	<i>-4%</i>

Shareholder information

Financial calendar

2021 Annual General Meeting	May 18 2021
Q2 2021 interim report	July 20 2021
Q3 2021 interim report	October 28 2021

Conference call

MTG AB will hold a conference call at 15.00 CEST which will be hosted by MTG Group President and CEO Maria Redin and CFO Lars Torstensson.

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The access pin code for the call is 71 749 49

To listen to a streamed webcast - listen only - of the conference call visit:

<https://edge.media-server.com/mmc/p/tq9j8okm>

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About MTG

MTG (Modern Times Group MTG AB (publ.)) (www.mtg.com) is a strategic acquiror and operator of esports and gaming entertainment companies. Born in Sweden, the shares are listed on Nasdaq Stockholm ('MTGA' and 'MTGB').