



Q3 2021 financial results

October 28, 2021



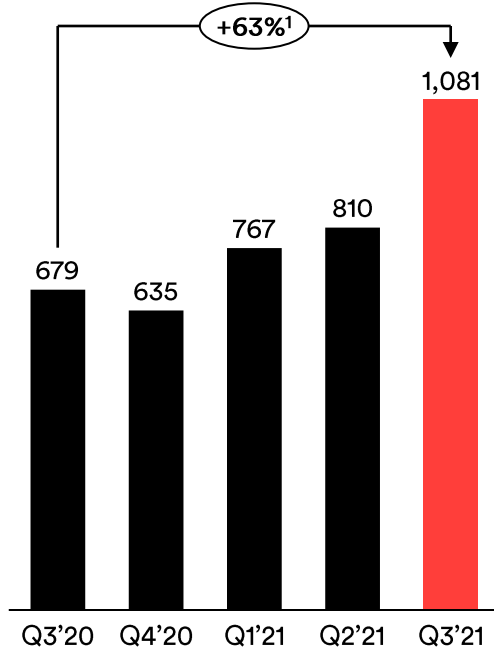
Highlights of the quarter



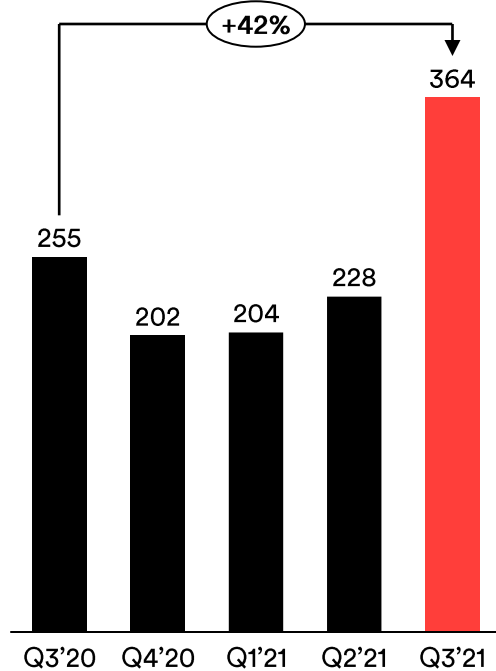
- Record results driven by a more diversified portfolio with organic pro forma¹ net sales growth of 16%
- Successful M&A execution building the foundation for the new gaming group. Net sales growth amounted to 59% or 8% growth on a pro forma¹ basis
- To leverage on our group capabilities Kongregate's CEO Markus Lipp and InnoGames' CMO Christian Pern will transition to new roles within the gaming vertical, taking up positions as gaming vertical CFO and CMO respectively
- Esports – Solid performance in the quarter and confidence regarding a return to normalcy during 2022 with live audience events lined up

Gaming: Consolidation and strong performance of the new acquisitions driving sales growth

Gaming net sales, reported (SEKm)



Gaming adj. EBITDA, reported (SEKm)



Comments

- On the back of successful M&A Net sales increased by 63% at constant currencies
- Bloons TD6 success displayed how an evergreen franchise can drive strong organic traffic and engagement levels
- Classic portfolio faced tough comparisons and less efficient marketing
- 10 new titles underway distributed across the group

1) Net sales growth excluding currency effects of -4%. Net sales increased by 59%

Highly profitable gaming vertical with an accelerating growth profile

MTG Gaming financial summary¹

Financials, SEKm	Reported YTD	Pro forma YTD	Reported Q3'21	Pro forma Q3'21
Companies included	InnoGames Kongregate Hutch Ninja Kiwi ² PlaySimple ³	InnoGames Kongregate Hutch Ninja Kiwi PlaySimple	InnoGames Kongregate Hutch Ninja Kiwi PlaySimple ³	InnoGames Kongregate Hutch Ninja Kiwi PlaySimple
Net sales	2,659	3,520	1,081	1190
Adj. EBITDA	796	1,098	364	386
Adj. EBITDA margin, %	30%	31%	34%	32%
Organic Net sales Growth, %	-9%	12%	-19%	8%

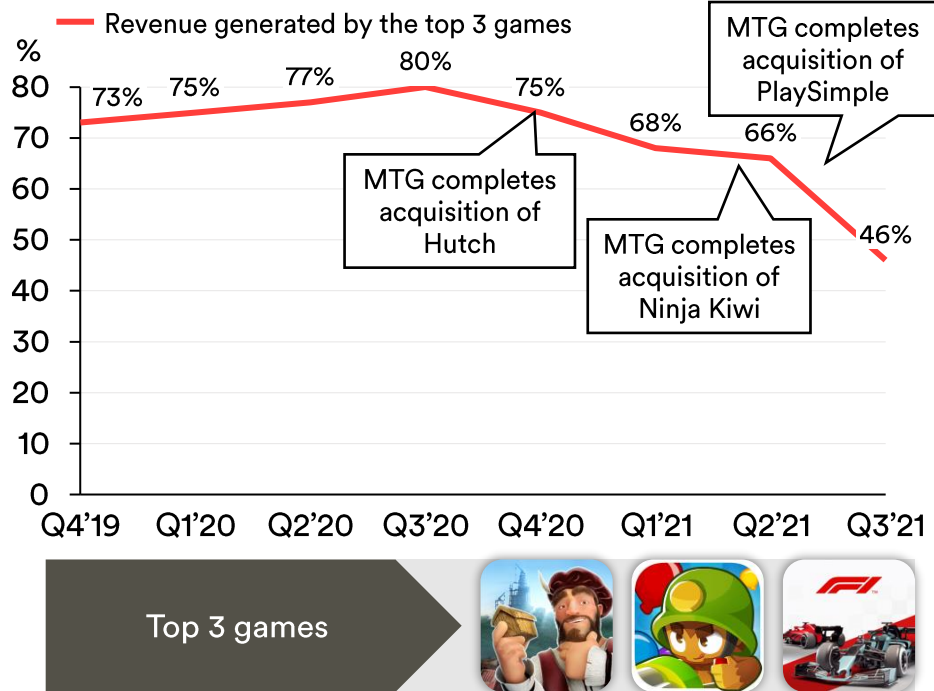
Comments

- Q3 Y-o-Y pro forma net sales growth of 8%, driven especially by Ninja Kiwi and PlaySimple
- More diversified revenue profile with no dependency on a single title
- Sustained margins with an accelerating revenue growth profile

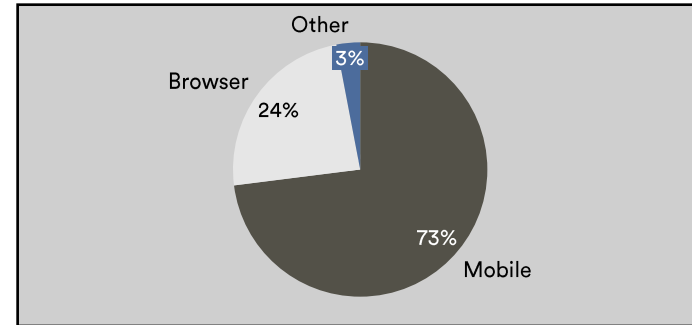
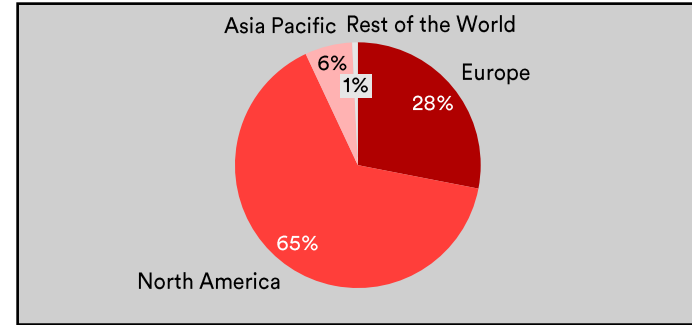


More diversified revenue profile

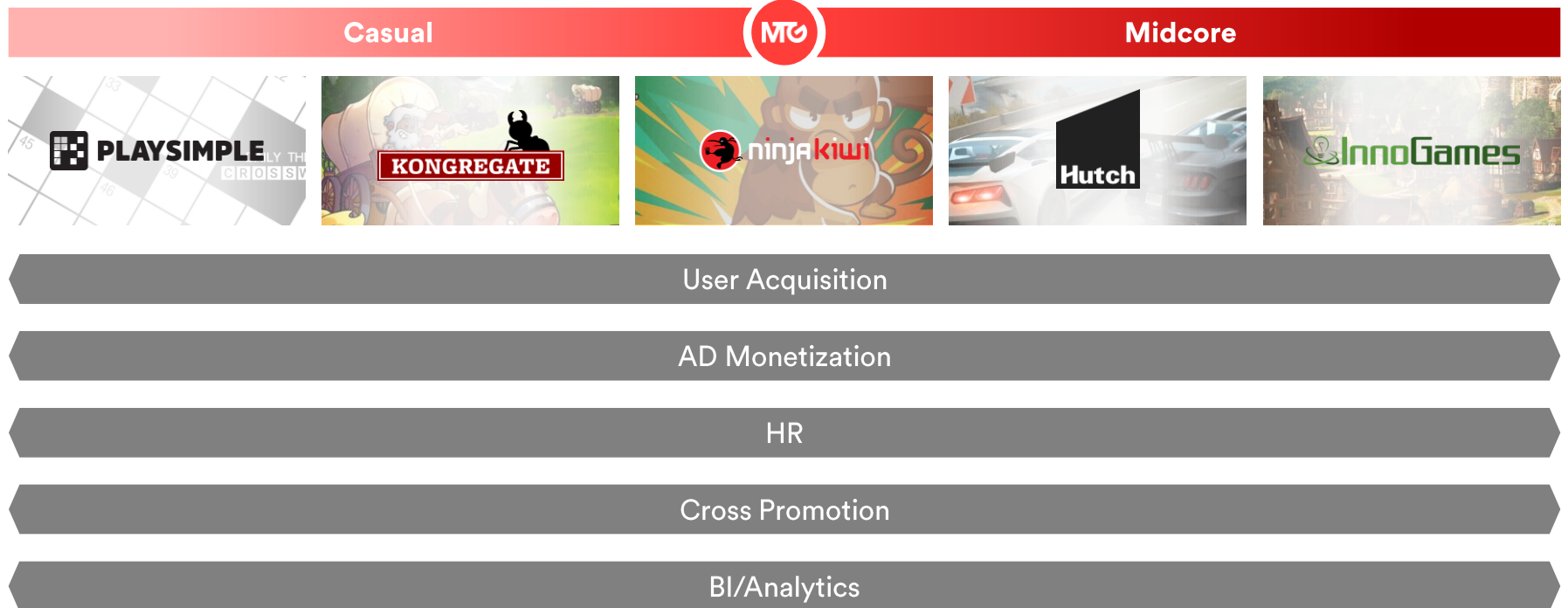
Game title diversification



Geographic and platform diversification, % of revenue

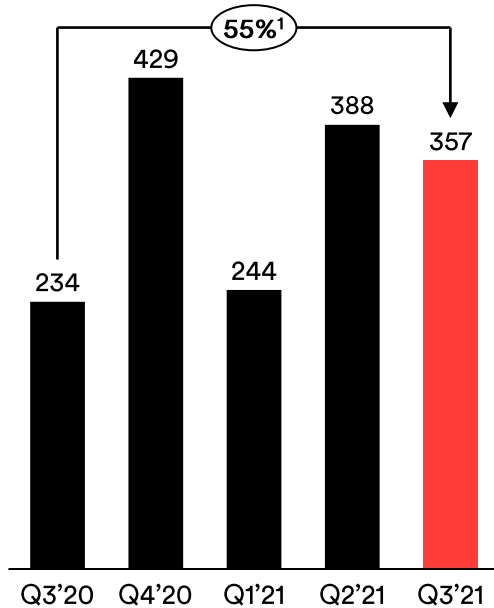


Scaling the vertical by driving synergies between the gaming companies

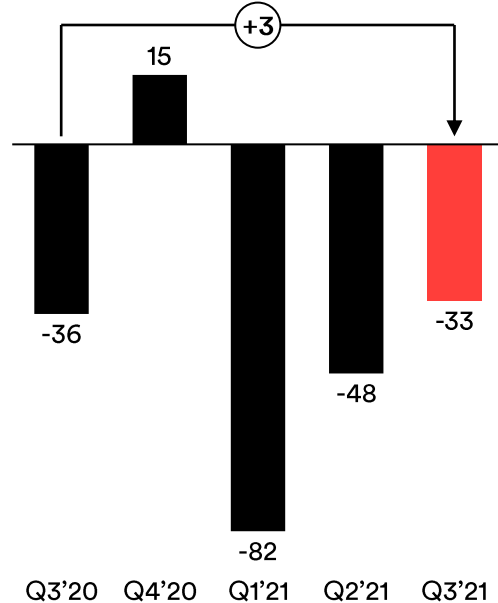


Esports: Strong organic sales growth due to full event schedule

Esports net sales, reported (SEKm)



Esports adj. EBITDA, reported (SEKm)






Comments






- Net sales increased by 55% at constant currencies on the back of a full event schedule and easier comparisons
- Adjusted EBITDA margin improved to -9%
- Improving sentiment among partners driving proportionally higher share of O&O² revenues
- Strong mobile product with events organized for PUBG Mobile and Wild Rift driving ESS³ revenue growth

Strong calendar and strategic investments in preparation for the return of live events

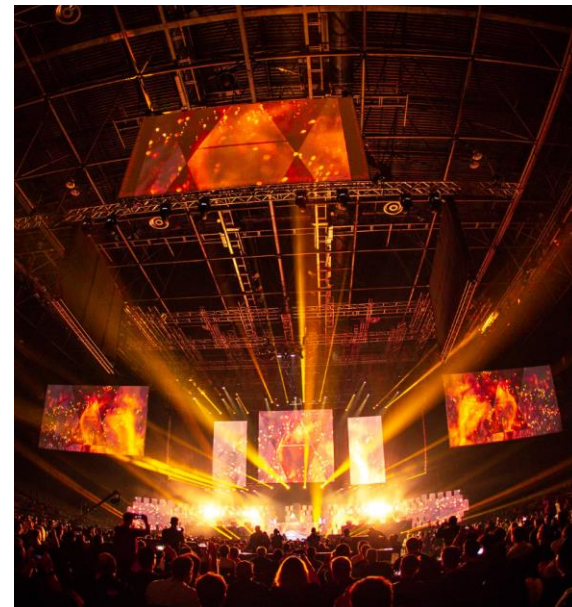
Strategic investments

	Competitive mobile gaming
	B2C Platforms
	Expansion into new geographies and markets

Executed Master events

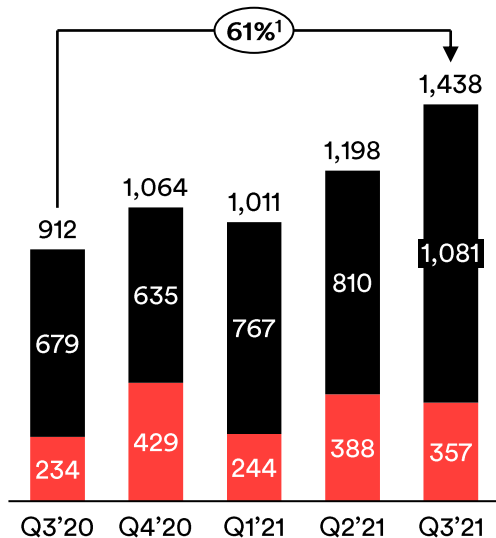
	DreamHack SC2 Masters Summer July 1-4 StarCraft 2
	IEM Cologne July 6-18 CS:GO
	ESL One Fall August 21 - 29 Dota 2
	ESL Pro League S14 August 16 – September 12 CS:GO
	DreamHack SC2 Masters Fall September 7 - 12 StarCraft 2

Return of live audience events starting with DreamHack Winter in November



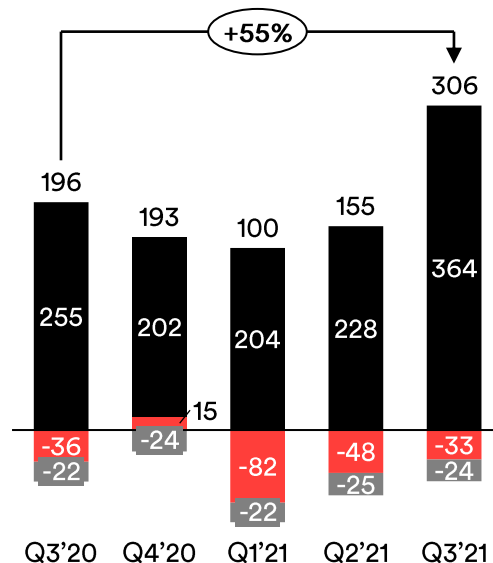
Group: Quarterly revenue and adjusted EBITDA

Group net sales, reported (SEKm)



■ Gaming ■ Esports

Group adj. EBITDA, reported (SEKm)



■ Gaming ■ Esports ■ Central ops.

Comments

- Net sales increased by 61% at constant currencies driven by the consolidation of acquisitions. Pro forma growth amounted to 16%
- Adjusted EBITDA increased and the margin remained stable Year-over-Year at 21%
- EBITDA adjustments of SEK 70m comprised of long-term incentive programs of SEK 28m, and M&A transaction costs of SEK 41m

1) Net sales growth excluding currency effects of -3%. Net sales increased by 58%

Group: Cashflow statement

Group cash flow statement (SEKm)

	Q3 2021	Q3 2020	FY 2020
Cash flow from operations	164	135	242
Changes in working capital	-173	-42	28
Net cash flow to/from operations	-9	93	270
Cash flow from/used in investing activities	-2,242	-83	-2,471
Cash flow from/used in financing activities	2,056	-7	1,558
Total net change in cash and cash equivalents	-196	3	-644
Cash and cash equivalents at the beginning of the period	1,229	1,571	1,824
Translation differences in cash and cash equivalents	14	16	-28
Cash and cash equivalents at the end of the period	1,048	1,590	1,153

Comments

- Payout of MIP programs impacting net cash flow from operations
- Acquisition of 77% of the shares in PlaySimple for net cash payment of SEK 2,161m SEK
- New debt facilities: RCF of SEK 1,000m of which drawn SEK 900m, and Bridge loan of SEK 1,000m
- Net debt amounting to SEK 950m

Summary of Q3 and 2021 outlook

- Successful strategy execution with record results for both esports and gaming resulting in 16% pro forma net sales growth
- Growing the gaming vertical with increased diversification, and potential for synergies and greater scale
- New central gaming organization put in place to accelerate collaboration between the gaming companies
- Esport preparing for a return to normal operations in 2022 with maintained investments into strategic initiatives. Also exploring new strategic partnerships
- Continue to execute on the Buy & Build strategy with both verticals having strong growth projections ahead of them





Q&A

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