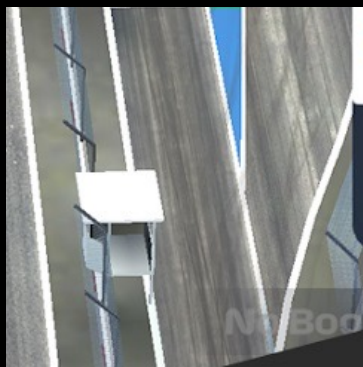
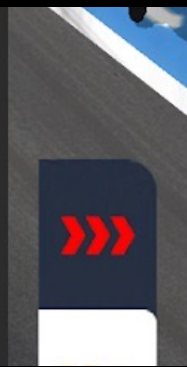
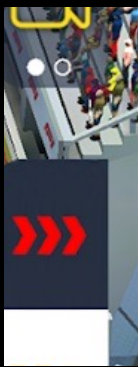




MTG Capital Markets Update 2022



Management Team



Maria Redin
President & CEO



Arnd Benninghoff
EVP Gaming



Christian Pern
CMO



Lasse Pilgaard
CFO

Maria	Our strategy, vision and ambition in a fast growing gaming landscape
Arnd	A deep-dive into MTG's portfolio
	Q&A
Break	
Christian	Optimizing growth: A deep dive into digital marketing
	Q&A
Arnd	Supporting growth through high value, accretive M&A
Lasse	Building a financial structure for long term growth
	Q&A and closing remarks



OUR VISION AND STRATEGY

Maria Redin,
President and CEO



A SUCCESSFUL START TO 2022

We've spent 2022 so far delivering on our strategy, vision and shareholder commitments



Divested ESL Gaming to Savvy Gaming Group for \$1 billion, creating the first esports unicorn and enabling the merger of ESL and Faceit



Returned over SEK 3 billion to shareholders through buybacks and cash distribution



Cleaned up the corporate structure by completing the roll-up of EHM to MTG shareholders



Became a pure-play gaming group with solid balance sheet primed for further growth



Gaming is the
entertainment of the
future.

**And mobile gaming
is the future of
gaming...**

Now is the time to invest in the future of entertainment



Gaming is part of our culture: 97% of teenage boys, 83% of teenage girls and 43% of adults play regularly



Young digital natives are fuelling an ever growing gaming audience



Gaming delivers strong, consistent growth with low macro correlation and a history of outperformance in crisis



COVID-19 has created a bigger market

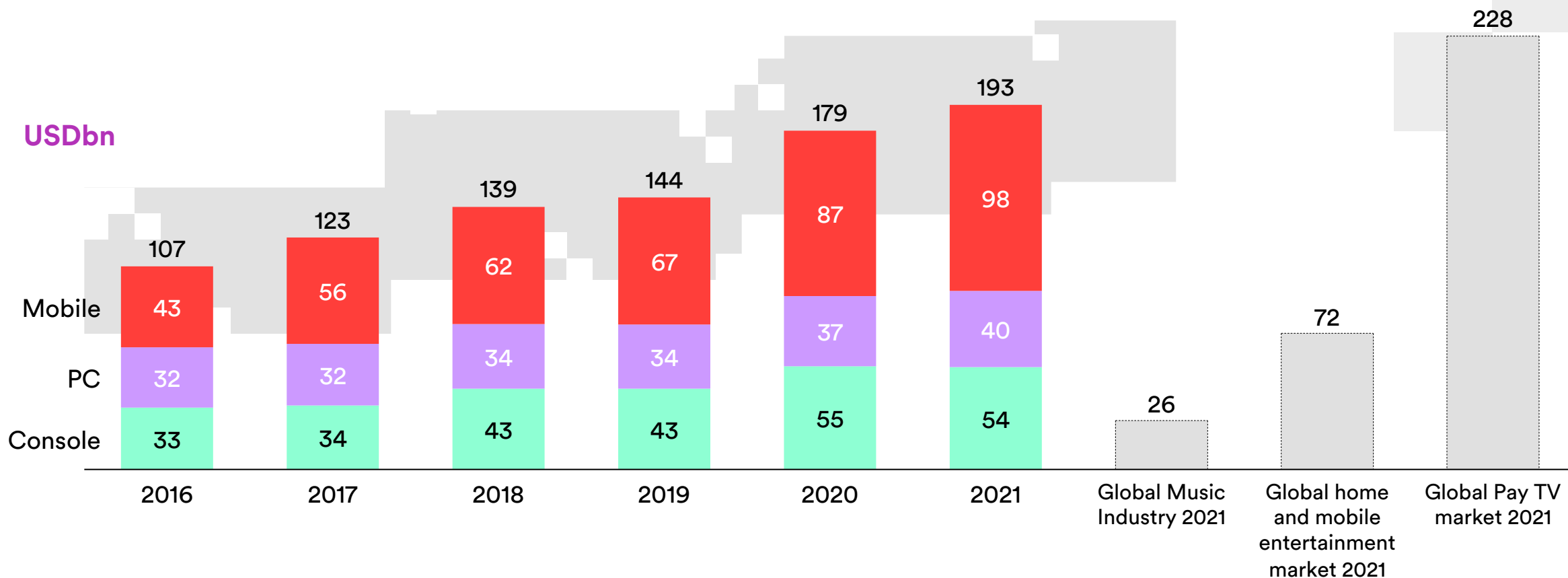


3 billion gamers worldwide, 50% of which spend money regularly



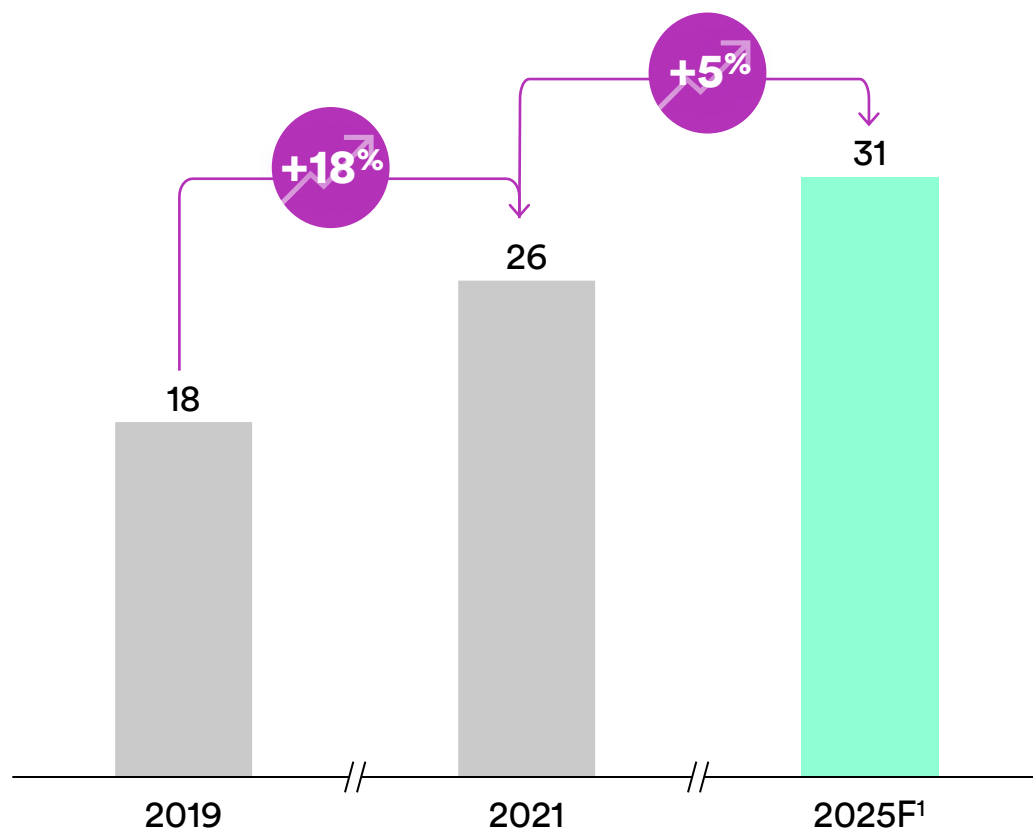
Mobile advertising hit \$295Bn in 2021 growing at a 24% CAGR in the last 3 years and fueling the in app advertising market

Gaming is the most relevant entertainment market today

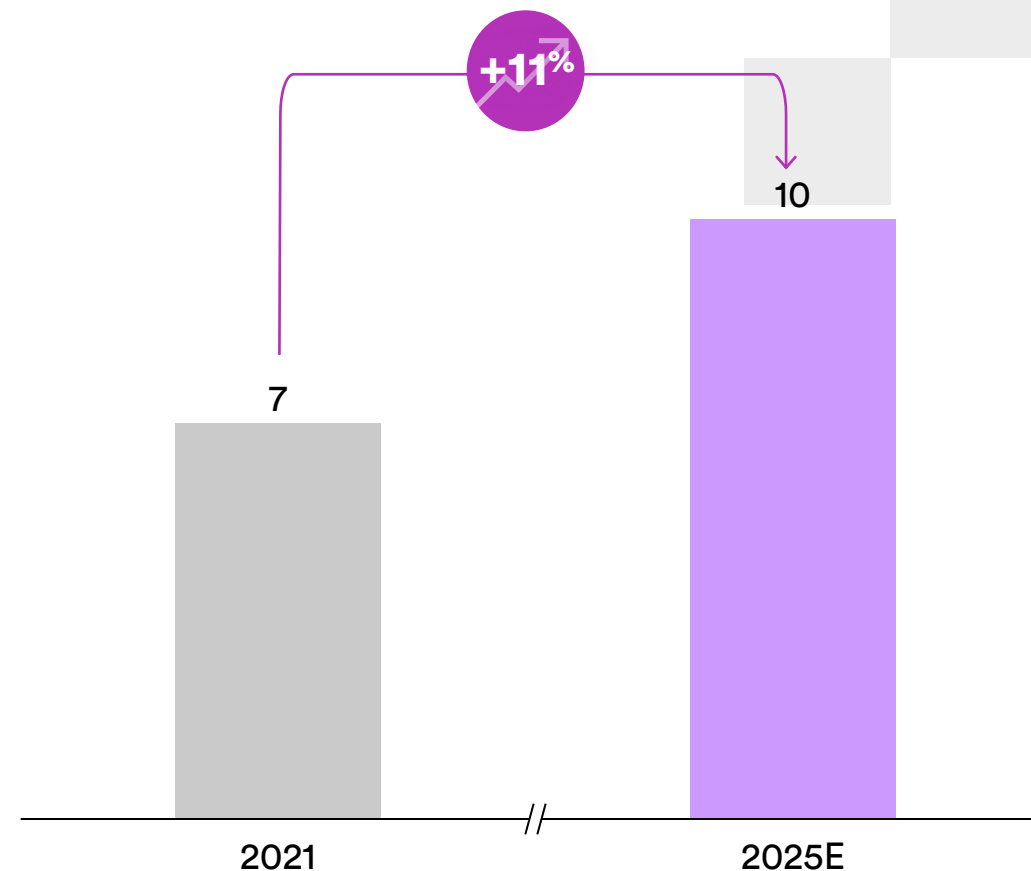


Both the IAP market and the mobile advertising market will continue to grow

Western European and North American mobile IAP market, USDbn

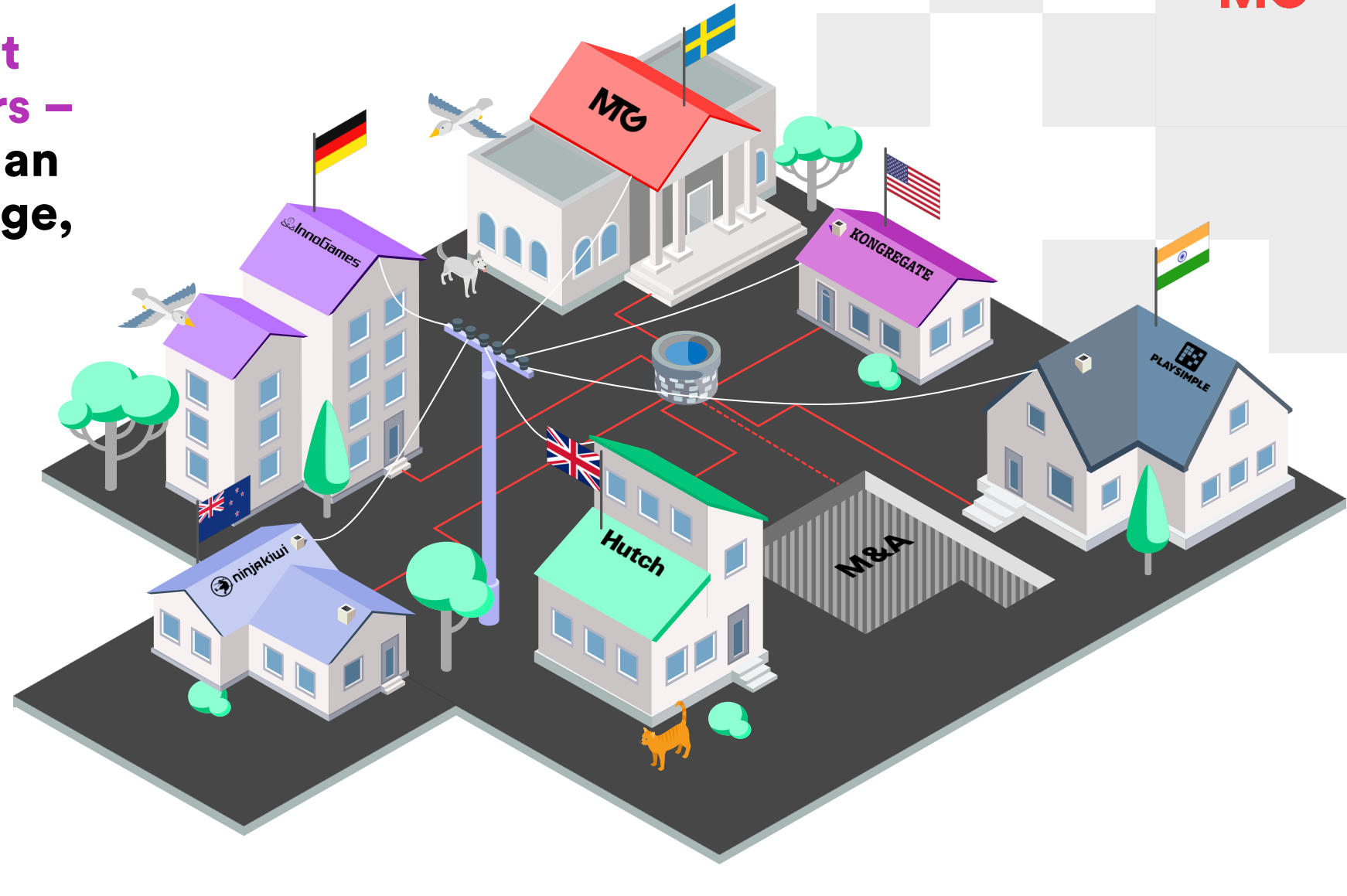


Global Gaming In-app advertising market, USDbn

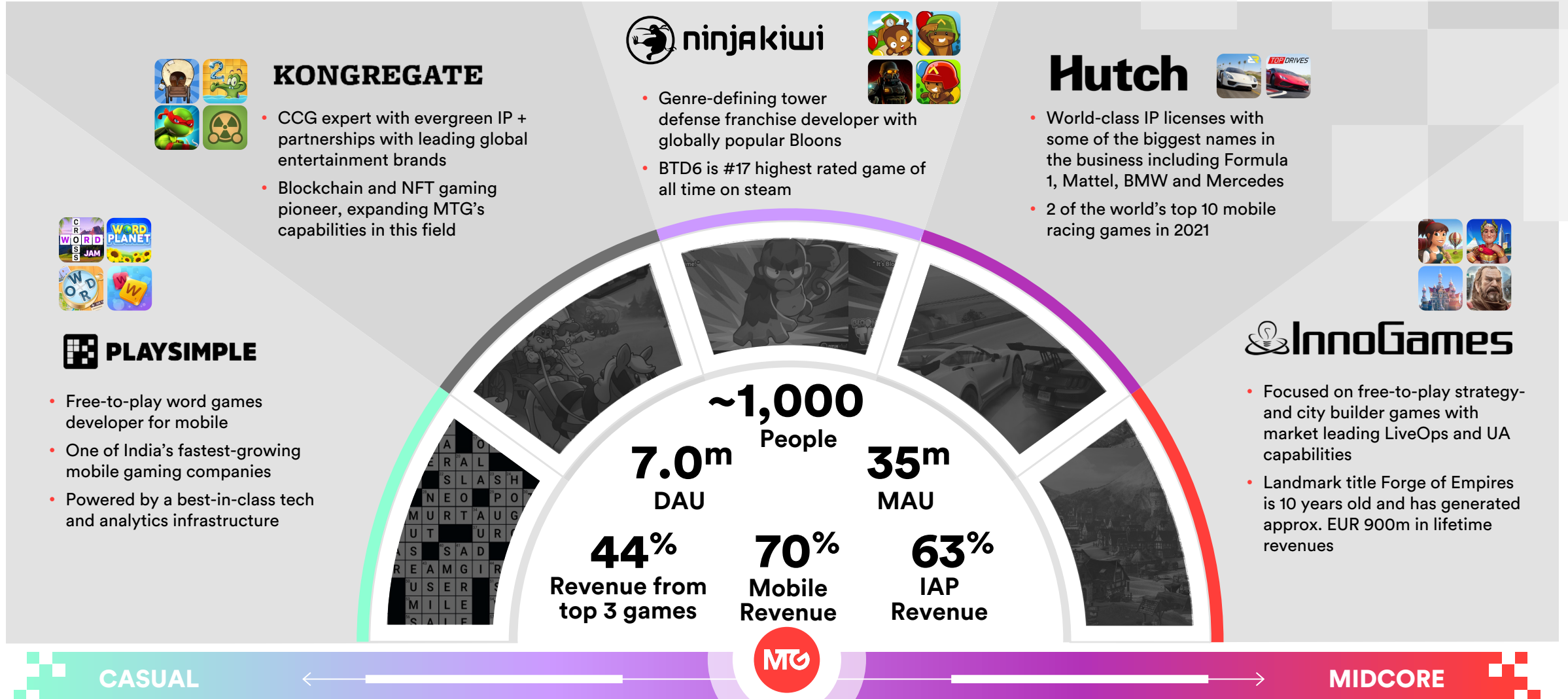


VISION AND STRATEGY

**We're building the best
Home for Game Makers –
a Gaming Village with an
ecosystem of knowledge,
skills and technology**



MTG is now a pure-play gaming group



With some of the best evergreen gaming franchises

MTG franchises

Strategy & simulation

Word games

Tower Defense

Racing

Other

Forge of Empires

Rise of Cultures

Elvenar

Sunrise Village

Lost Survivors

Bloons TD6

Battles 2

Bloons TD5

Bloons TD Battles

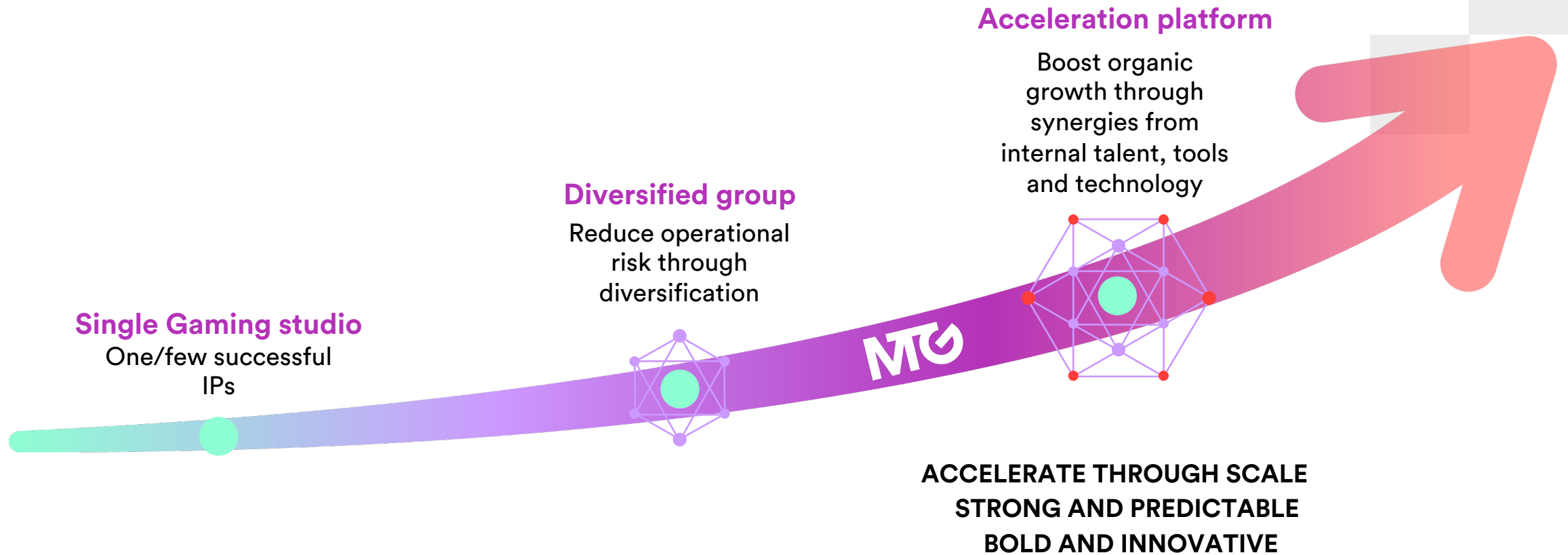
Franchise launched 2012

Today: 1.7m DAU¹

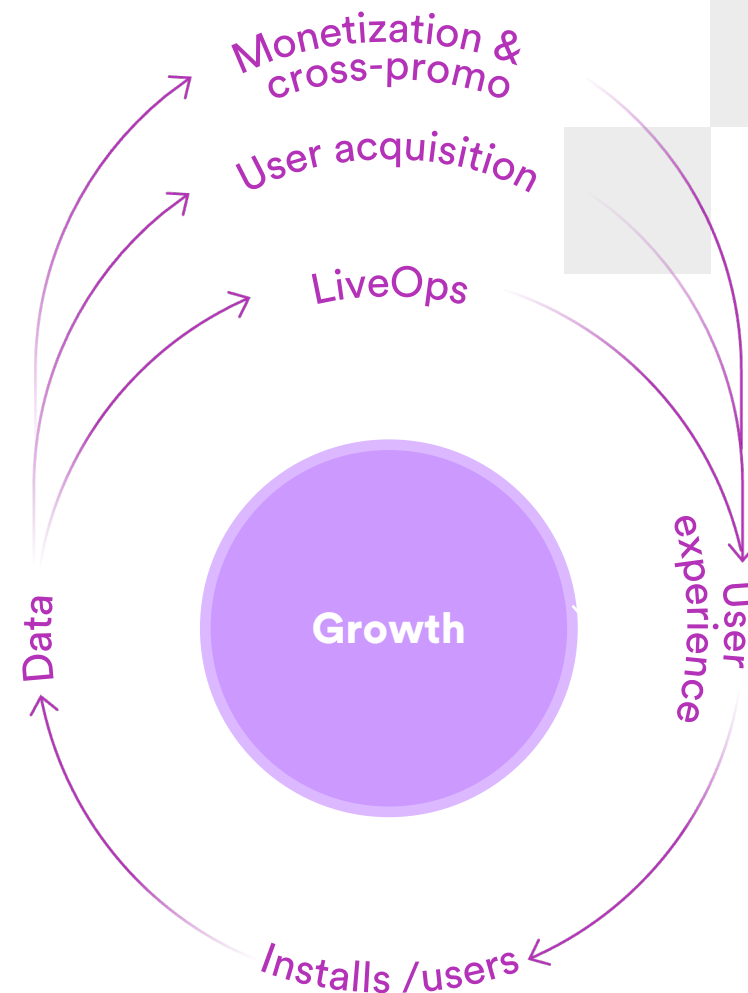
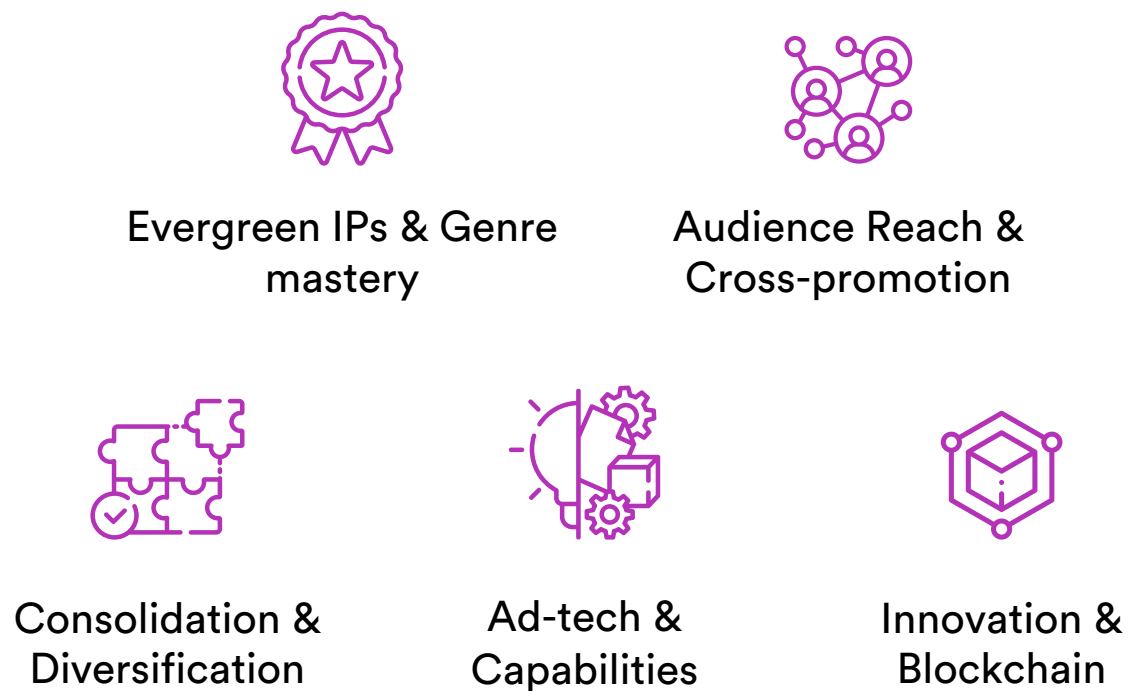
Franchise launched 2007

Today: 1.1m DAU¹

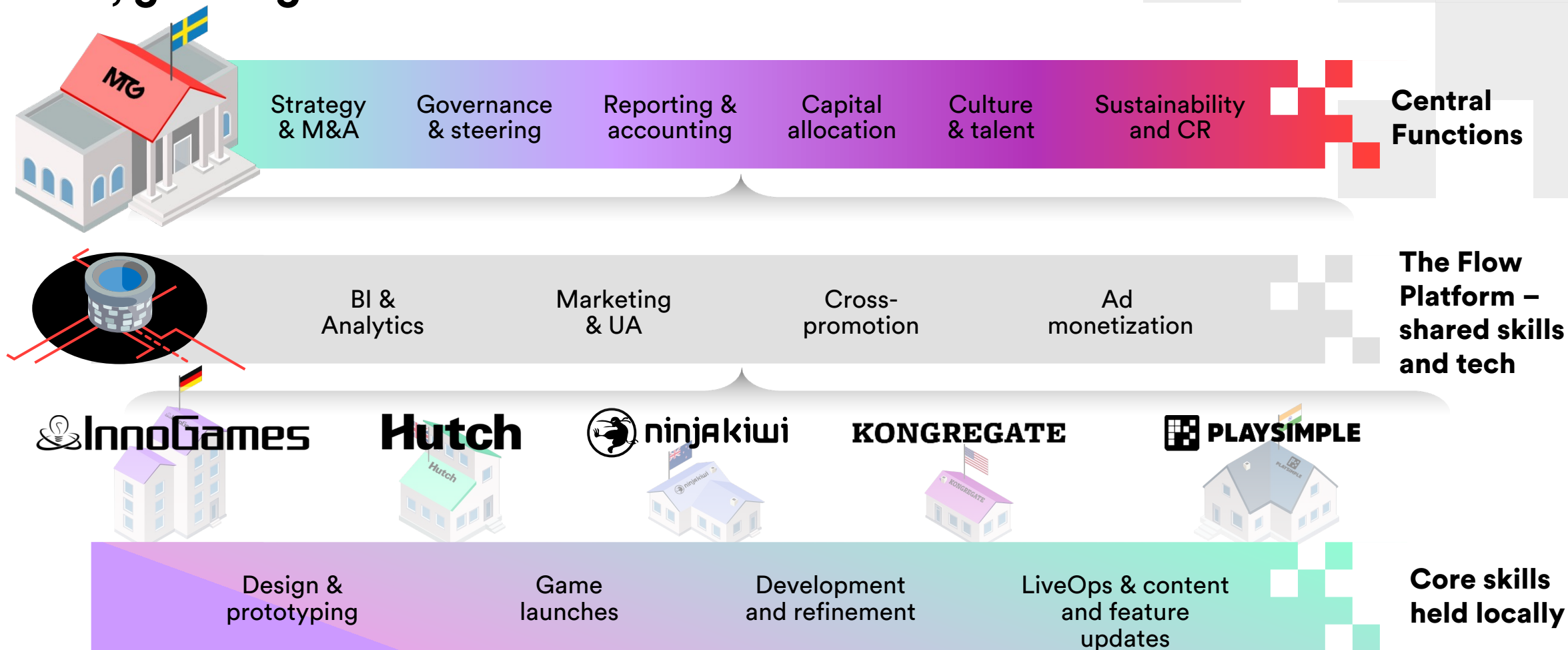
We're building a synergetic gaming acceleration platform



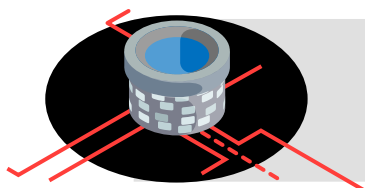
Our platform will deliver further growth and higher profitability



Building a strong operating model while still delivering a stable, growing and diversified cashflow



The Flow Platform – shared skills and tech



BI & Analytics

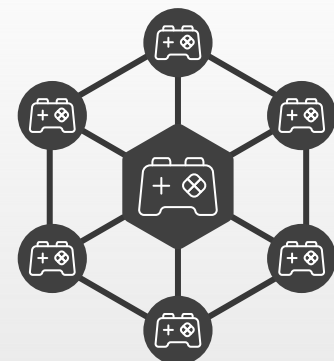
Marketing & UA

Cross-promotion

Ad monetization

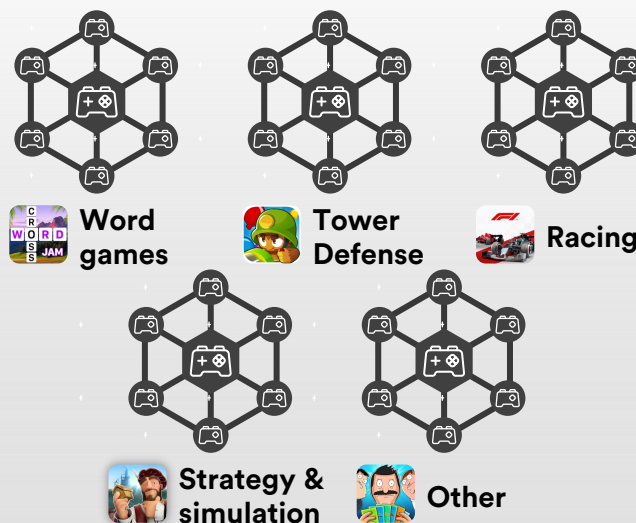
We are here

Step 1
Within word games franchise

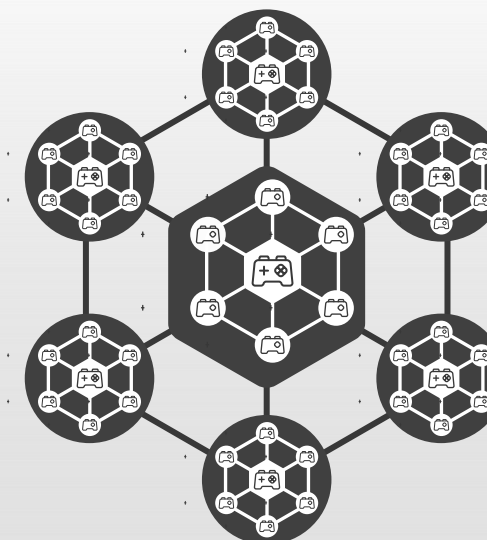


Word games

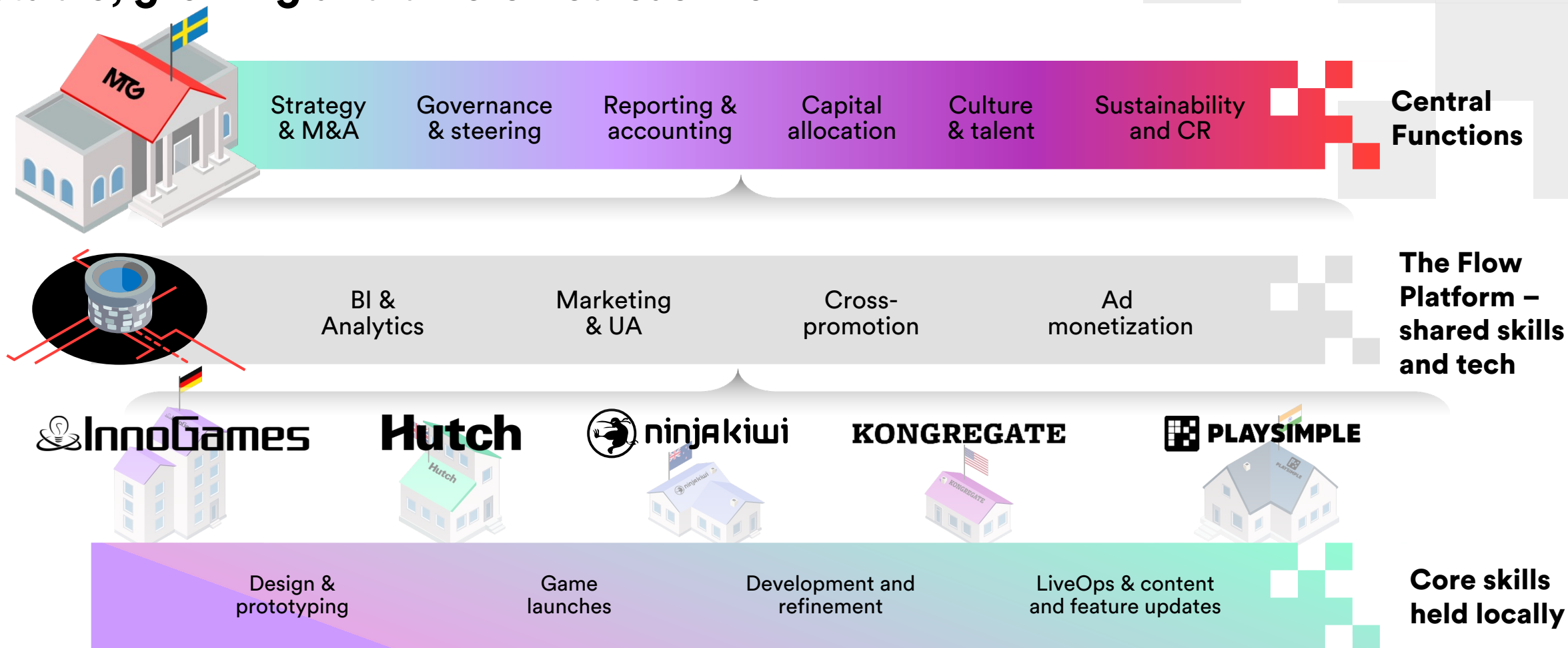
Step 2
Within all franchises



Step 3
Between all franchises



Building a strong operating model while still delivering a stable, growing and diversified cashflow



Supporting our growth with strategic and accretive M&A



Acquire studios with distinguishable games that are uniquely recognized, retain users for long periods of time and have franchise potential



Focus on strong financials, committed management and growth potential



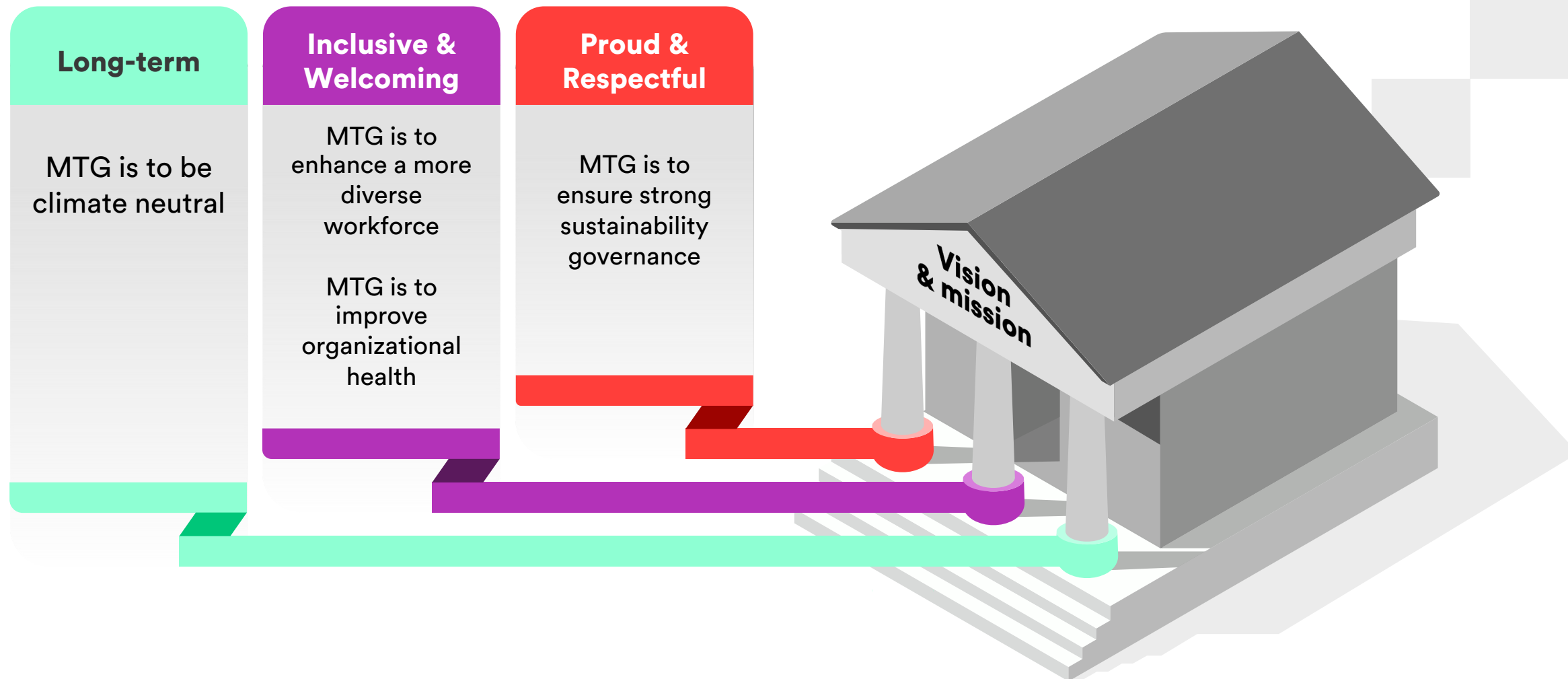
Pursue targets with synergies with the rest of the portfolio



Look for companies that fit our culture and values



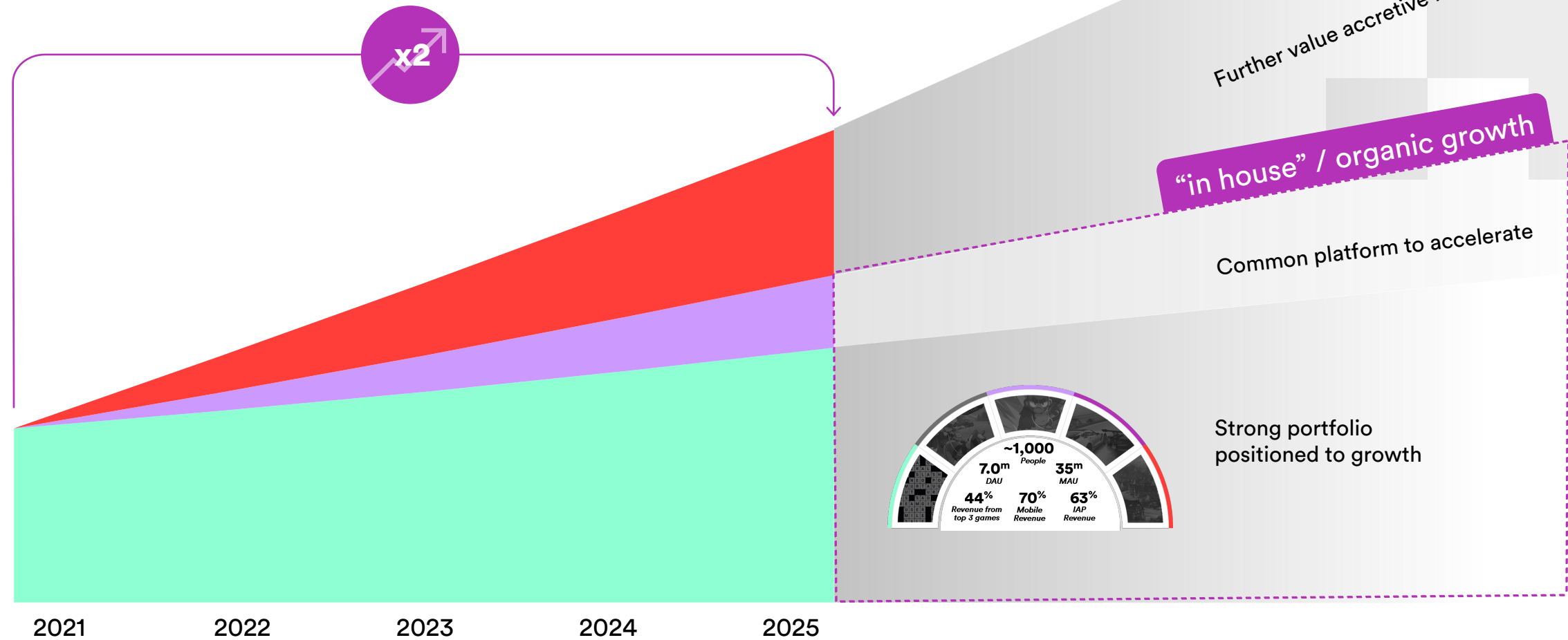
Creating a home for gaming entrepreneurs to thrive and grow sustainably



OUR GROWTH AMBITION



We will create a MTG that is 2x of what it is today through an organic and inorganic strategy



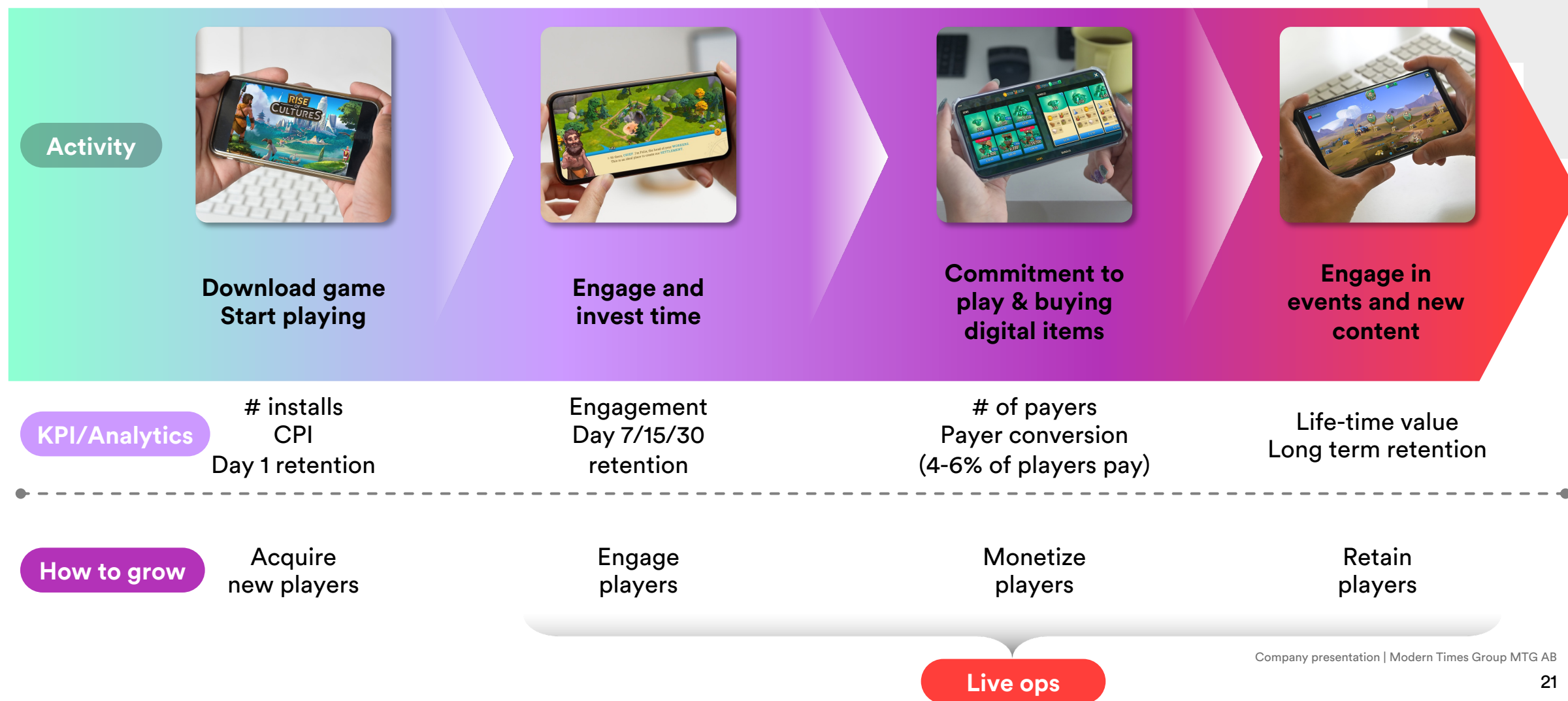


WHAT IT TAKES TO WIN

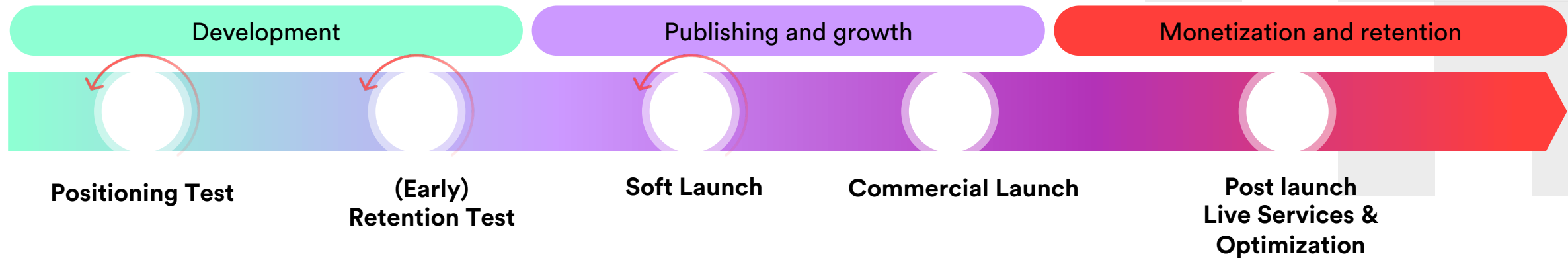
Arnd Benninghoff, EVP Gaming



A compelling business model: The F2P User Journey



The Gaming Value Chain – "Games as a Service" (GaaS)



Product development & Innovation

LiveOps: Content updates, events, new features

IAA & IAP

Cross Promotion

UA / Marketing

BI & Data

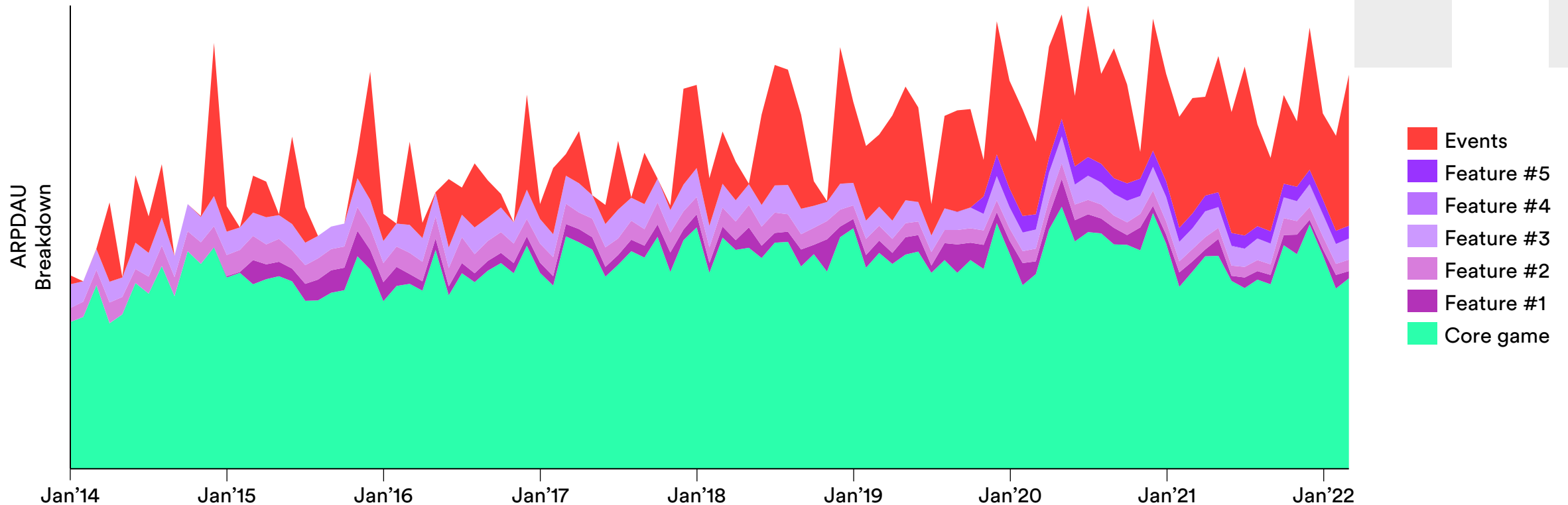
Once a game is out, it is a live service (GaaS)

Gaming is based on data and BI: A great game is only the beginning



Gaming is highly stable with predictable, recurring revenues

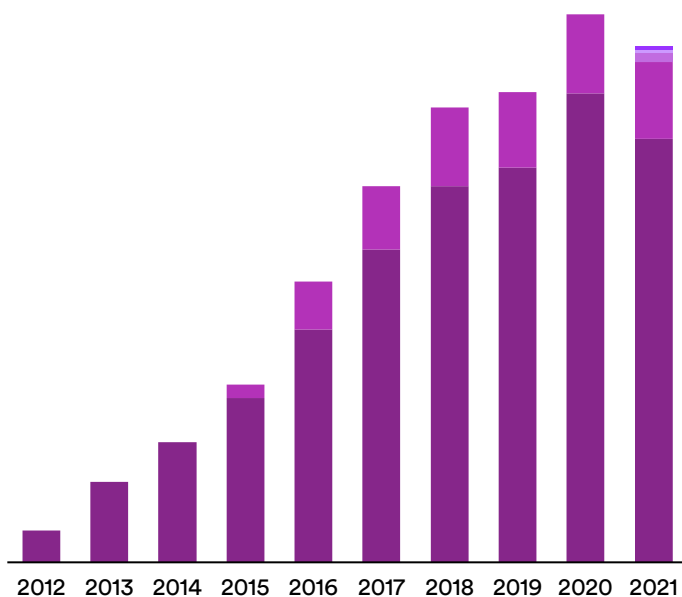
Forge of Empires, ARPDau contribution breakdown from in-game purchases



Evergreen franchises are long-lived with a highly loyal fan base

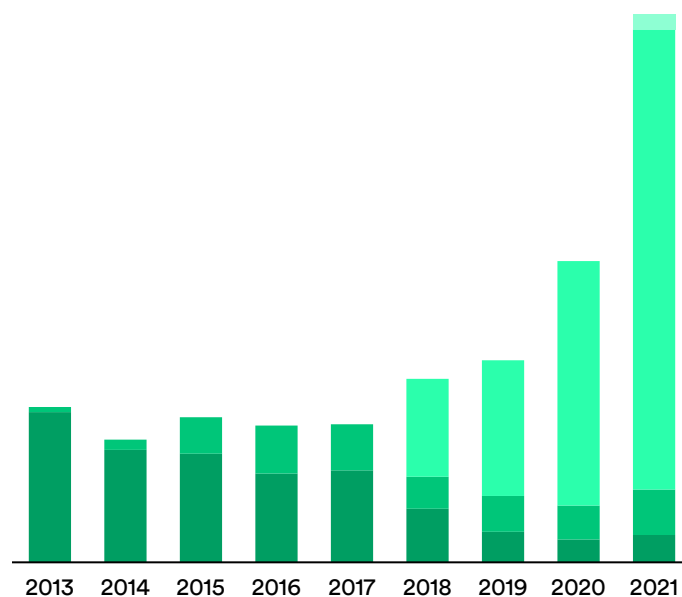
Strategy & Simulation gross revenue

- Forge of Empires
- Elvenar
- Rise of Cultures
- Sunrise Village
- Lost Survivors



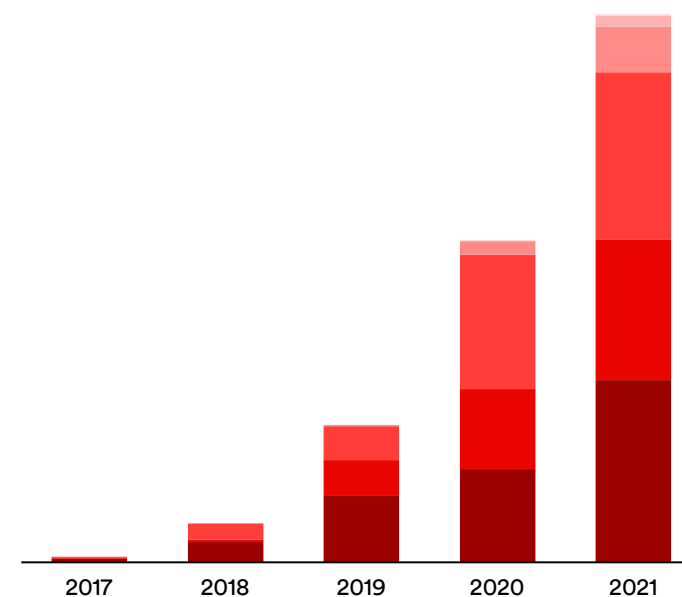
Tower Defense gross revenue

- Bloons TD5
- Bloons TD Battles
- Bloons TD6
- Bloons TD Battles 2



Word Games gross revenue¹

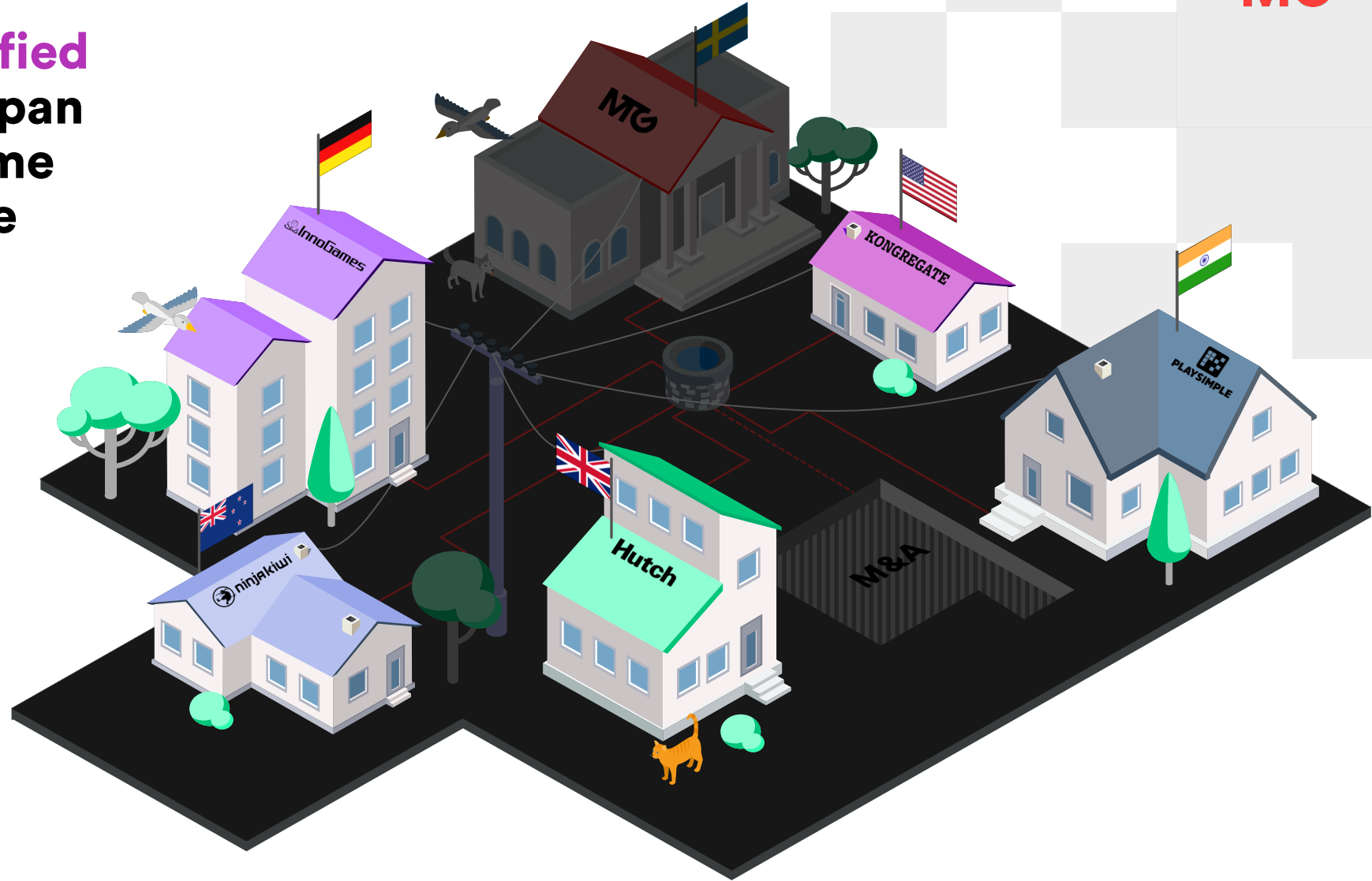
- Word Trip
- Crossword Jam
- Daily Themed Crossword
- Word Wars
- Crossword Explorer
- Word Bingo



Notes: 1) A few additional smaller titles included in the Word Games franchise that have not been included in the graph to avoid cluttering

OUR PORTFOLIO

We have a **well diversified portfolio** with a wide span of relevant genres, game play types and revenue streams



InnoGames: The specialist for strategy and simulation games



Hamburg, Germany

Founded in 2007

Part of MTG since 2016

~400 employees in Dec'21

10

Live
Games

2

Games in
Development

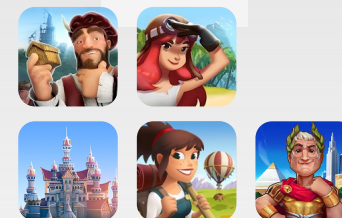
1.8m

Daily active
users¹

3.2 SEK

Average
revenue per
daily active
user¹

Key franchises:
Strategy and simulation



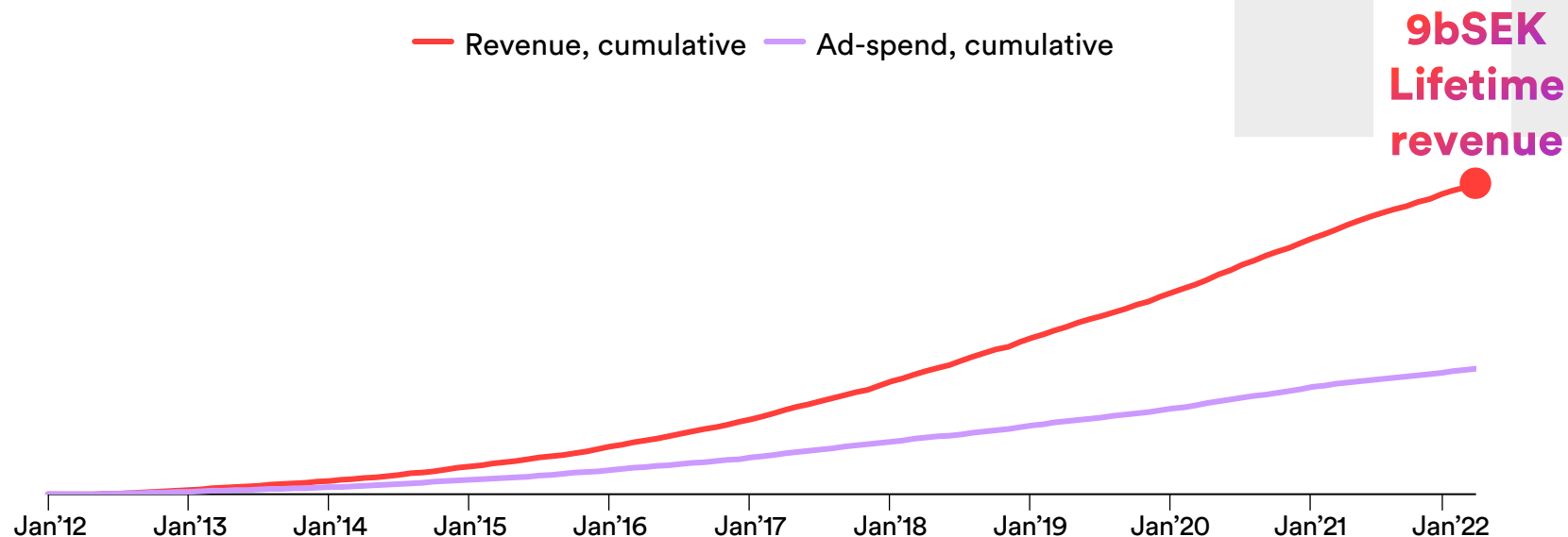
Share of group pro-
forma revenue 2021, %



Top-tier LiveOps driving game longevity, allowing for continued high UA spend



Forge of Empires revenue and ad-spend cumulative



Liveops has kept Forge of Empires relevant for 10 years with a consistent performance

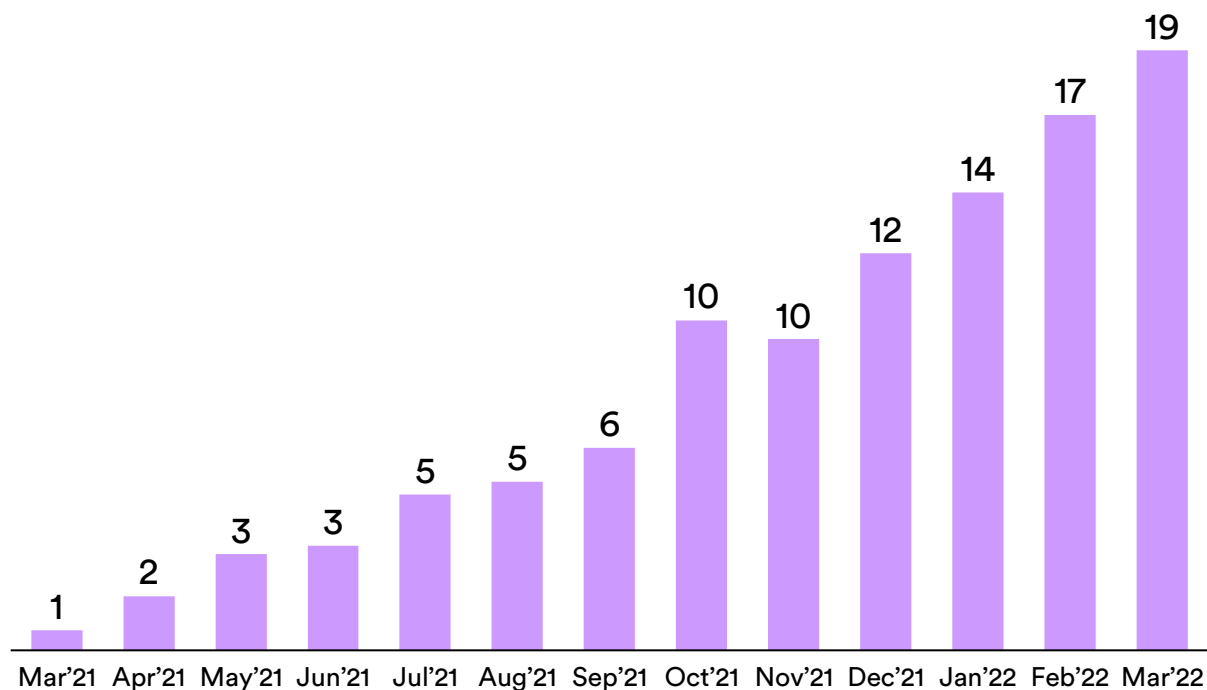


The stability of FoE revenues allow for meticulous marketing

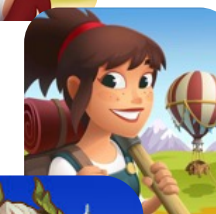
Very strong line-up of new games being in or awaiting commercial launch



Revenue from new game launches, mSEK¹



Lost Survivors



Sunrise Village

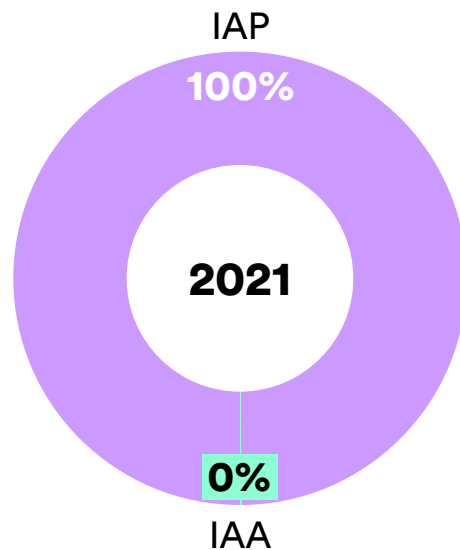


Rise of Cultures

Further opportunities to monetize non-payers through ads

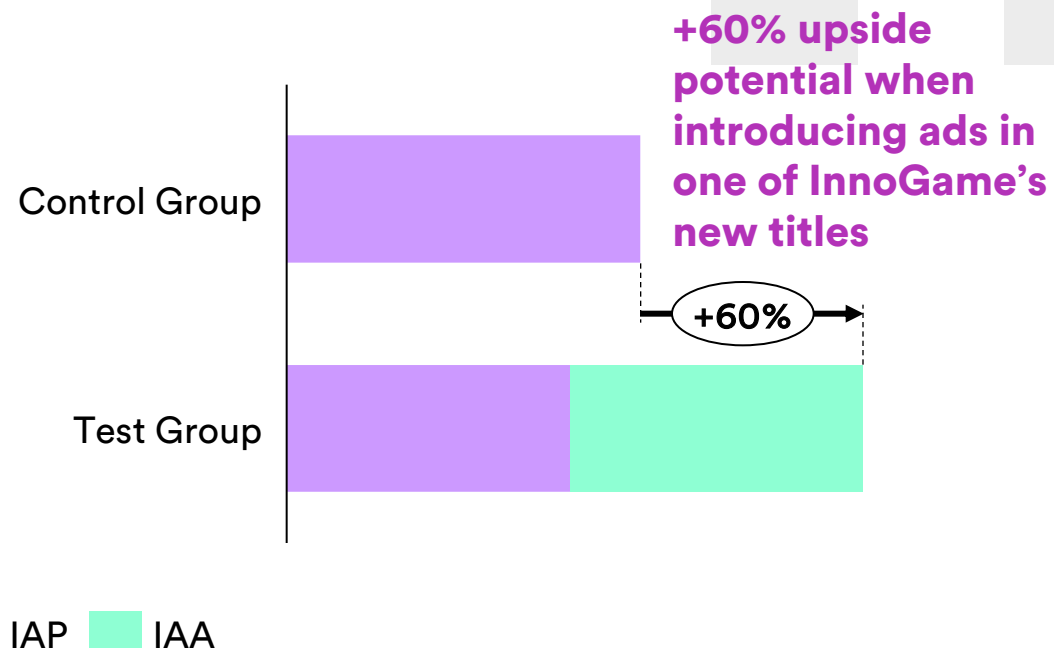


InnoGames revenue split 2021



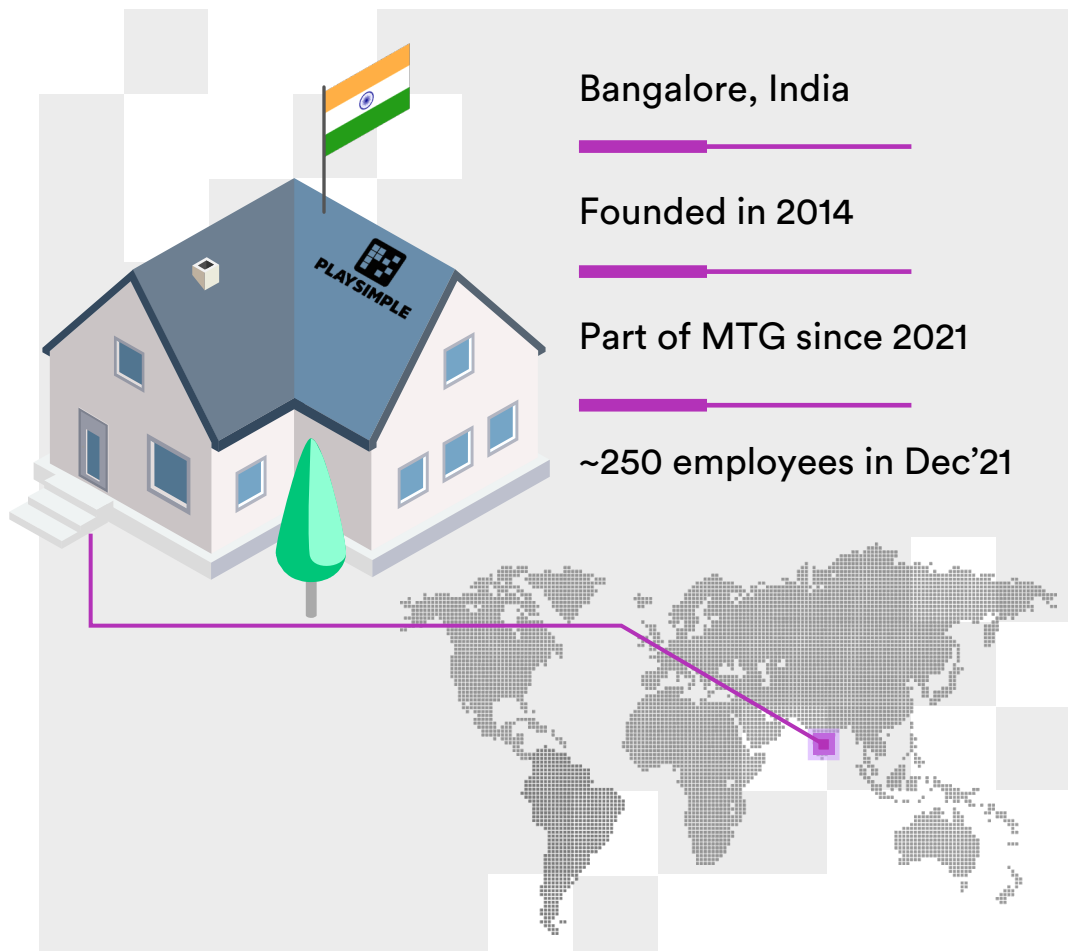
IAA testing (in one of the new InnoGame's titles)

Measured after 2-month runtime



OUR PORTFOLIO

PlaySimple: A leading word games developer



7
Live Games

2.6m
Daily active users¹

5
Games in Development

1.9 SEK
Average revenue per daily active user¹

Key franchise:
Word games²



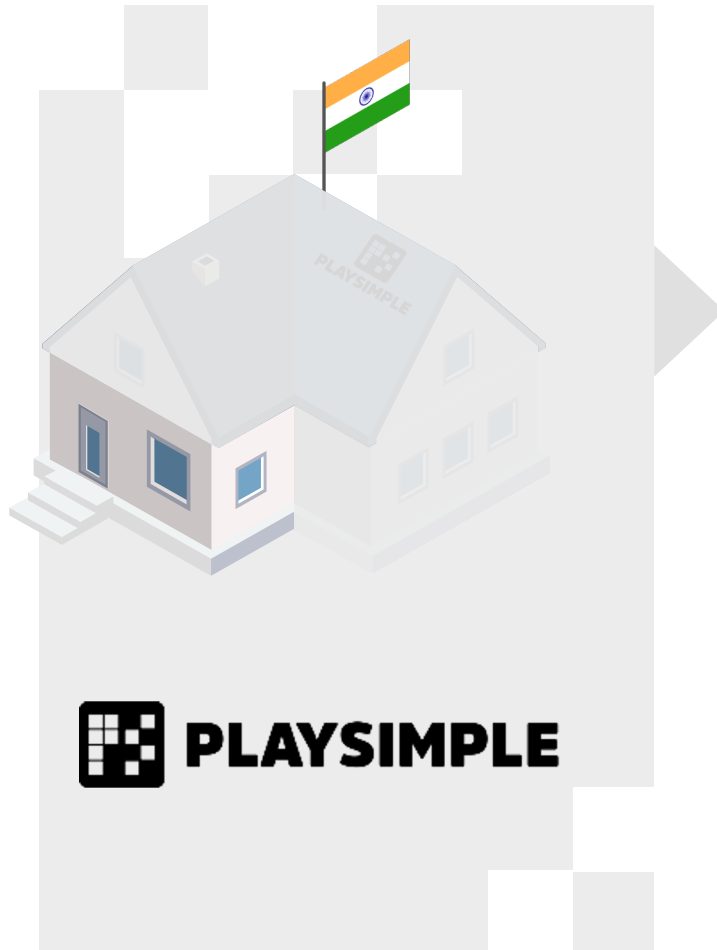
Share of group pro-forma revenue 2021, %



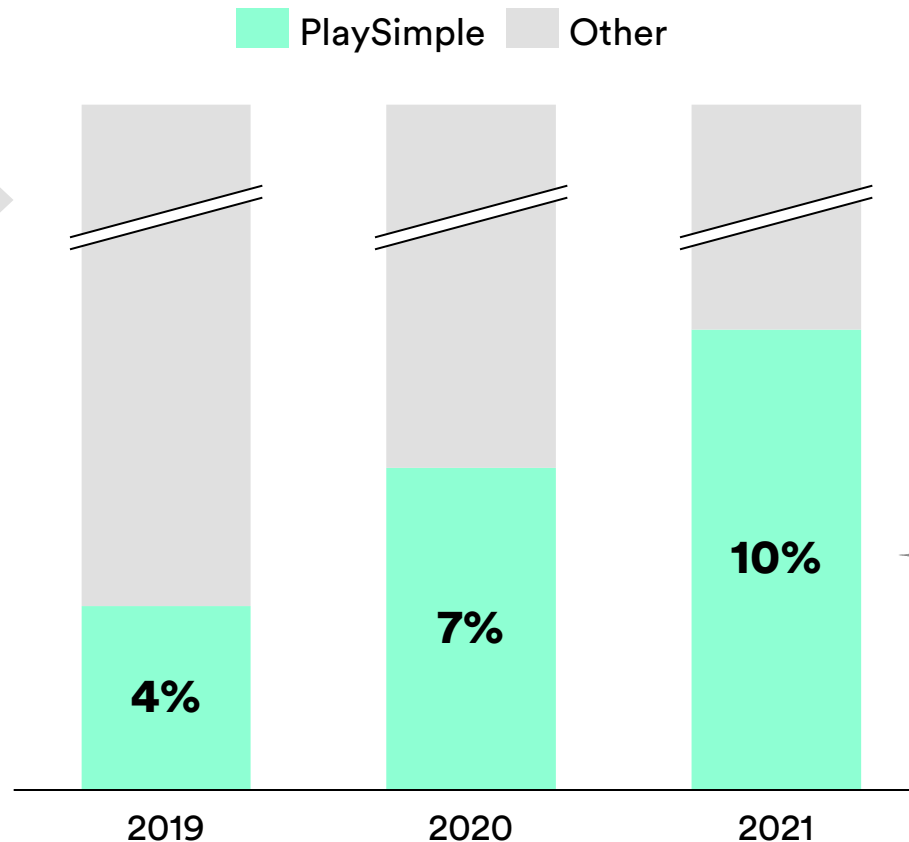
Notes: 1) Average Q1 2022; 2) Franchise also includes some smaller other games from PlaySimple

Company presentation | Modern Times Group MTG AB

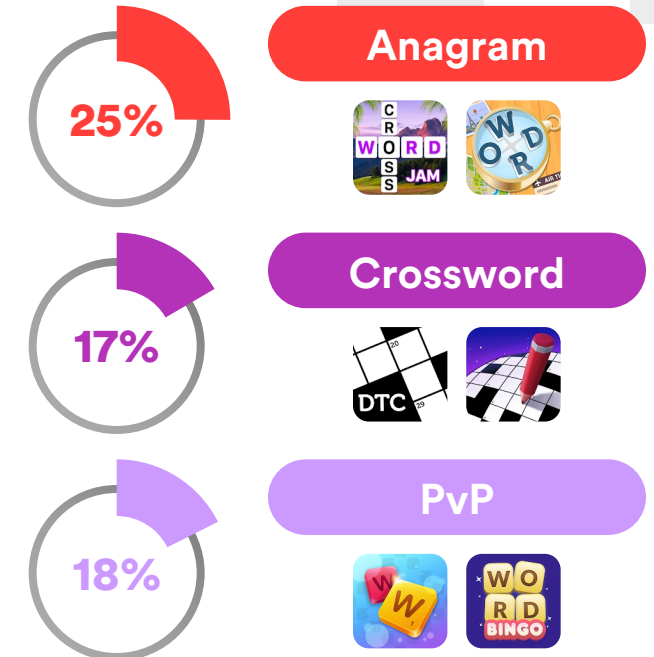
Tech company with live ops strength – gaining market share



Word Games genre market share

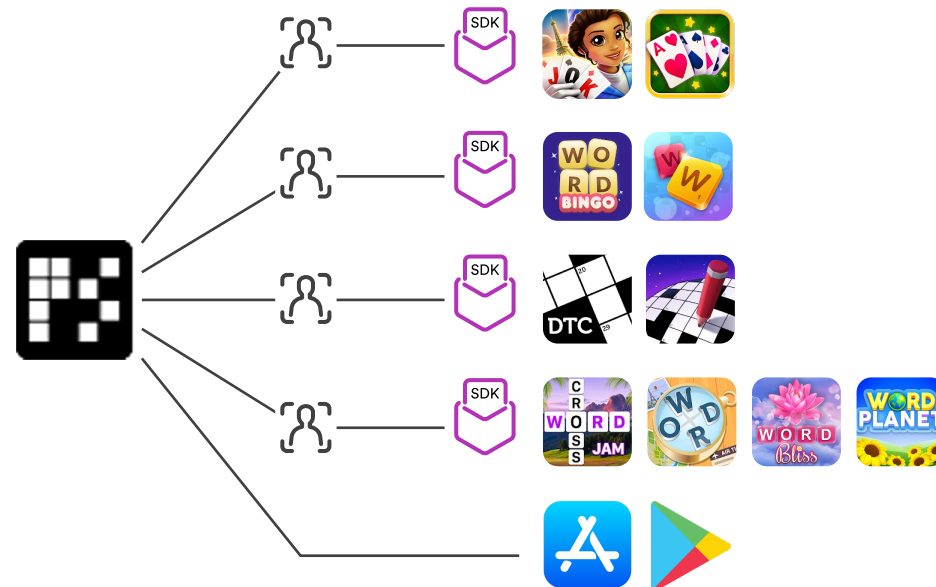


PlaySimple's market share in Word Games sub-genres, 2021



In-house ad stack and cross-promotion as key strenghts

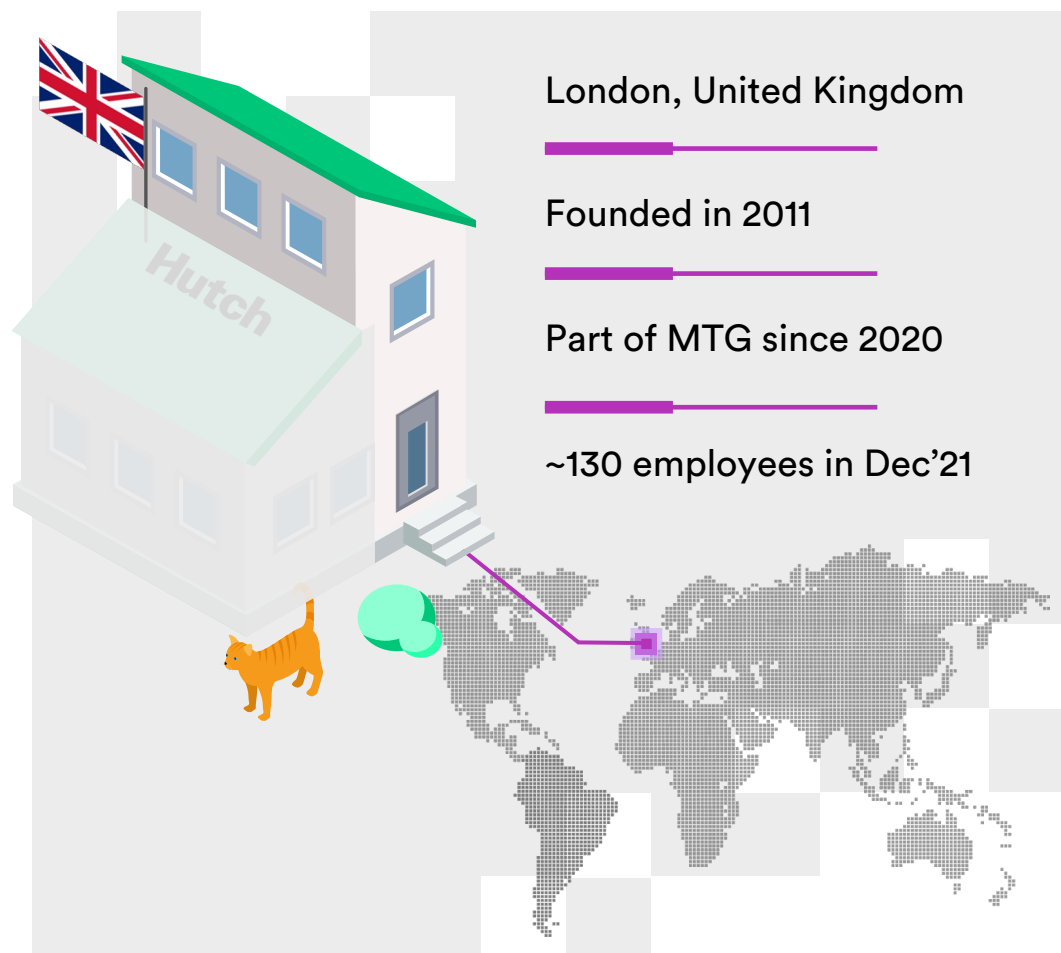
AdStack driving the monetization and retention across all games



PlaySimple
generate 8%
free installs
from cross-
promotion

OUR PORTFOLIO

Hutch: Re-inventing Mobile Racing



3
Live Games

0.6m
Daily active users¹

3
Games in Development

2.7 SEK
Average revenue per daily active user¹

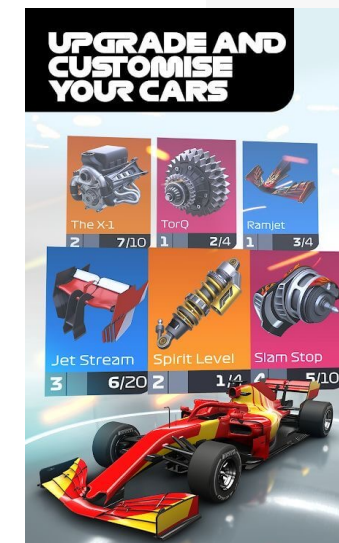
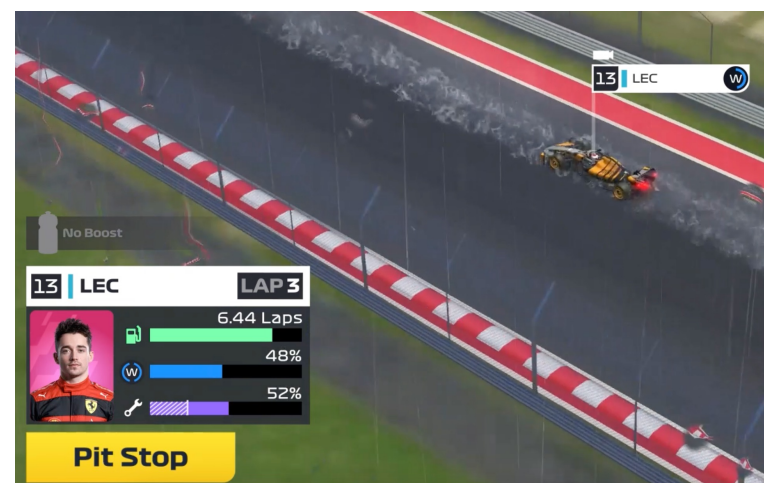
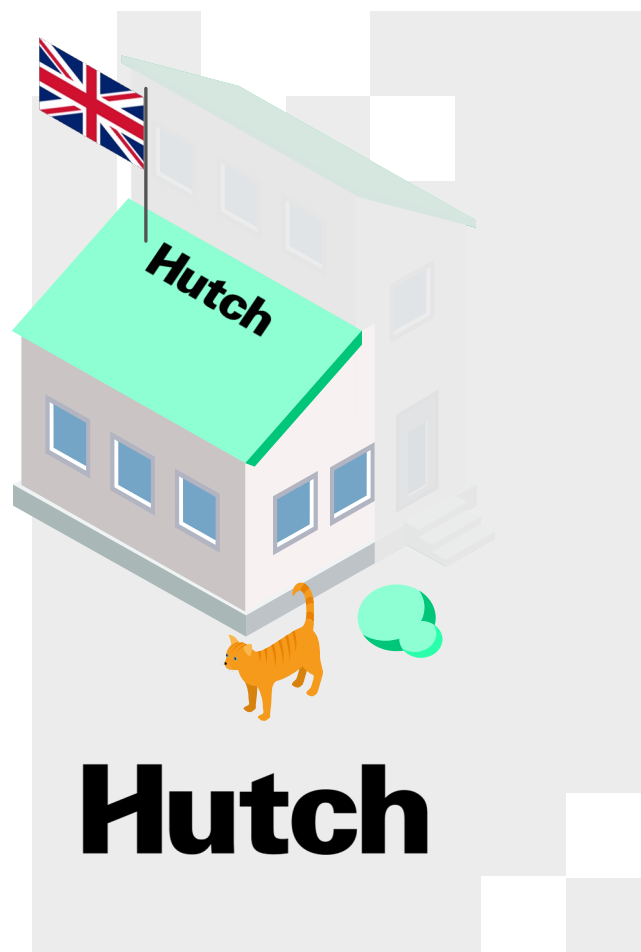
Key franchise:
Racing



Share of group pro-forma revenue 2021, %



Fast time to market and innovating the racing genre



Winning concepts



Strong licensing



Strong community

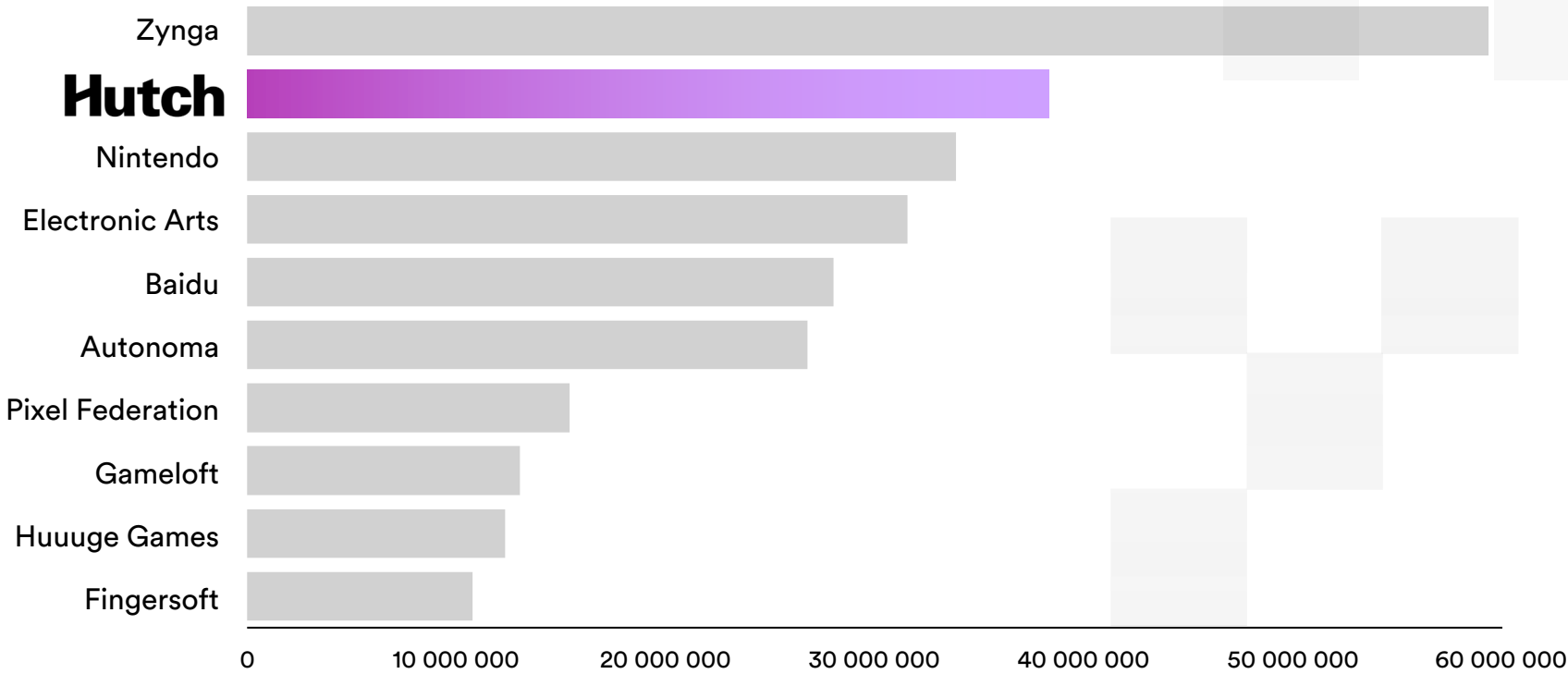


Category inventor

Hutch as one of the leading racing games developers

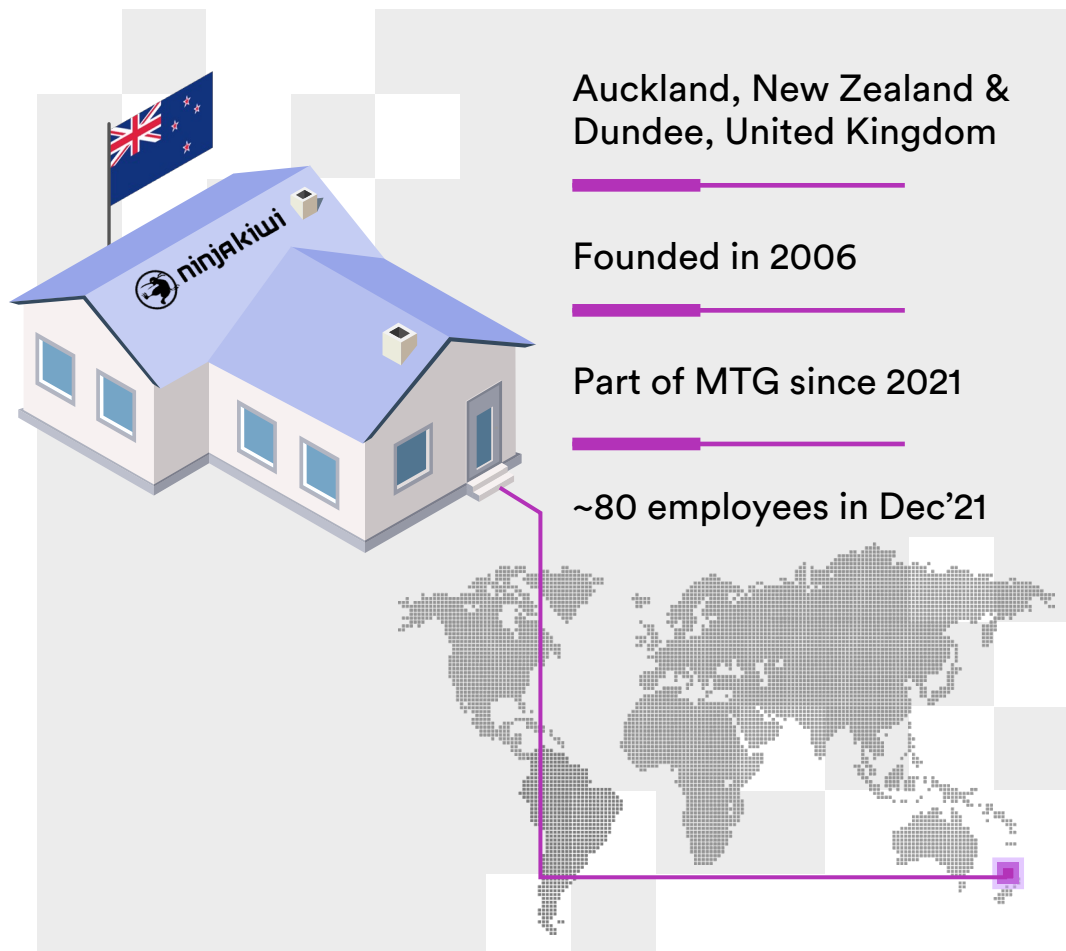


Highest grossing racing publishers by IAP 2021, USD¹



1) Sensor Tower data for the Racing genre in Europe and US

Ninja Kiwi: Pioneers of Tower Defense Genre



9

Live
Games

1.2m

Daily active
users¹

2

Games in
Development

1.2 SEK

Average
revenue per
daily active
user¹

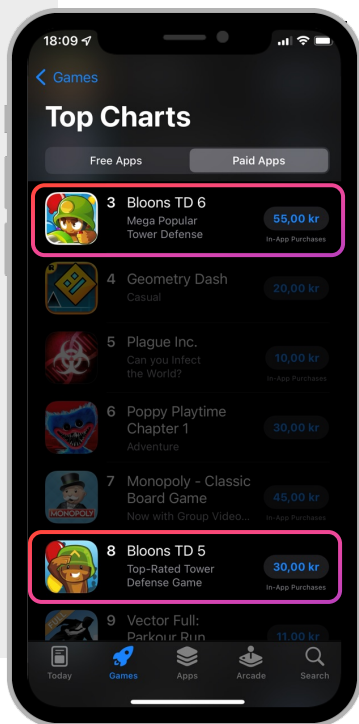
Key franchise:
Tower Defense



Share of group pro-
forma revenue 2021, %

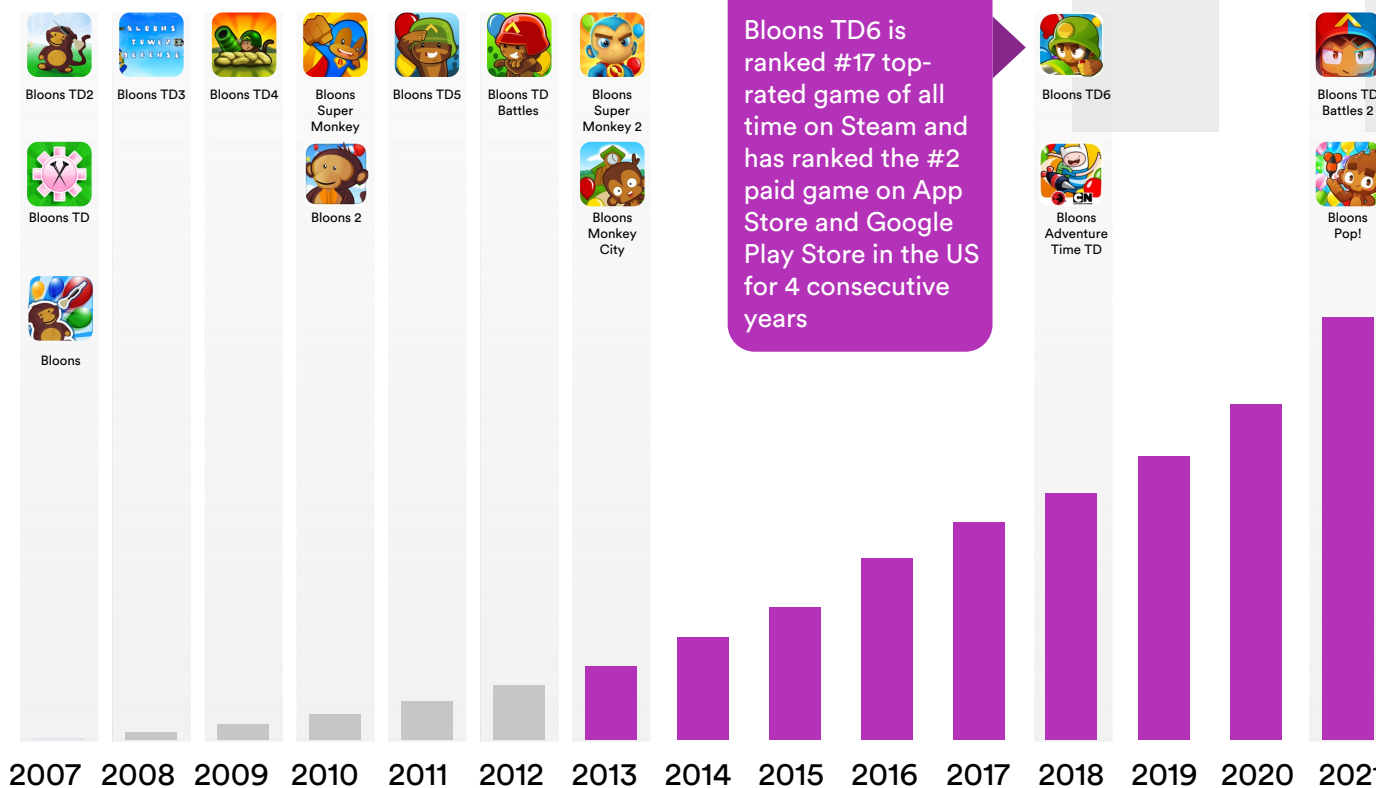


Bloons as evergreen IP and games platform



Swedish App-Store
2022-06-15

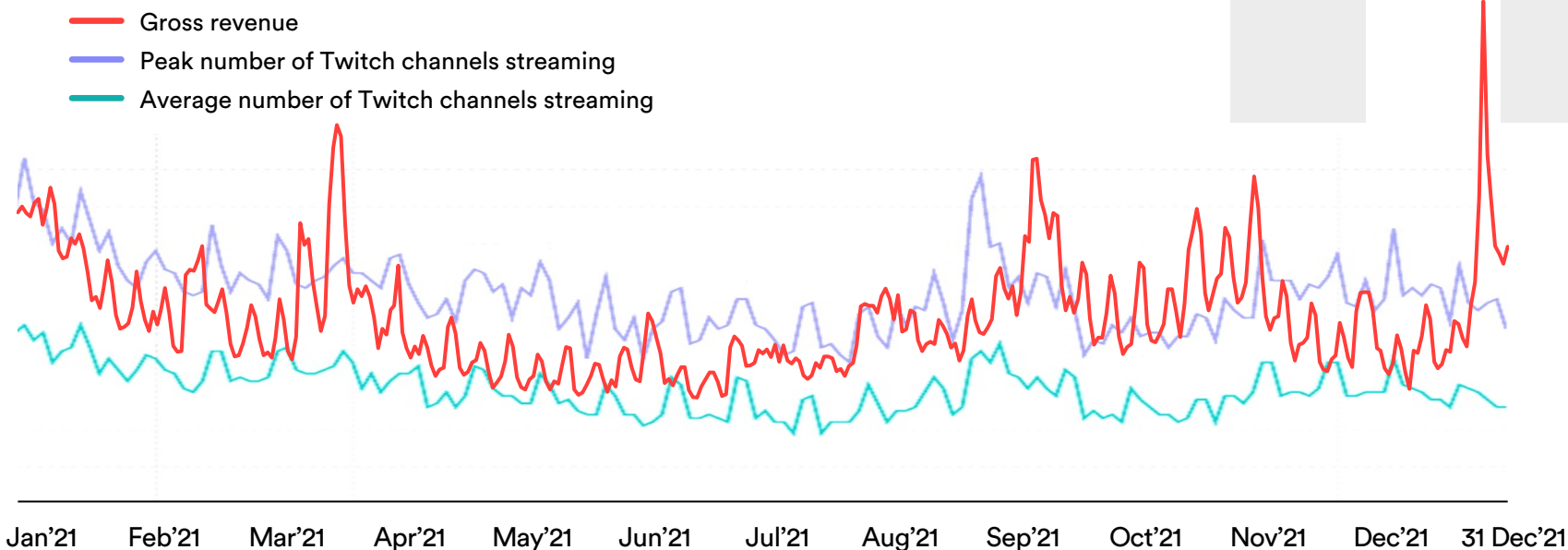
Bloons franchise cumulative revenue development



UA through organic community building – turning twitch viewers into players



Bloons TD6 Revenue and Streaming Twitch Channels comparison, 2021



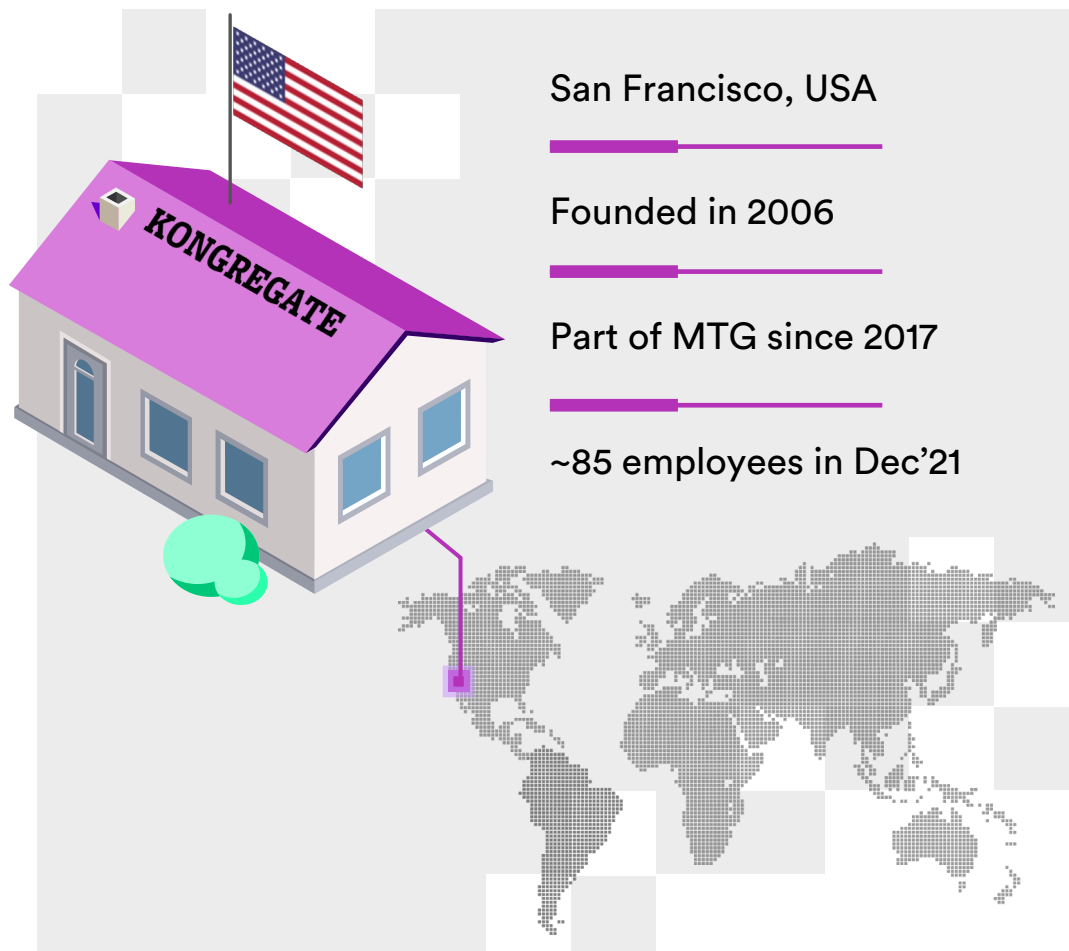
The Ninja Kiwi community:

200,000+
followers of
Reddit

32+ million
streamer hours watched
of Bloons TD6 on Twitch

500+ million
video views on
Youtube

Kongregate: The collectable card game (CCG) specialist



19

Live Games

Excl. publishing business

4

Games in Development

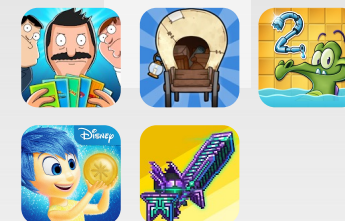
0.7m

Daily active users¹

0.9 SEK

Average revenue per daily active user¹

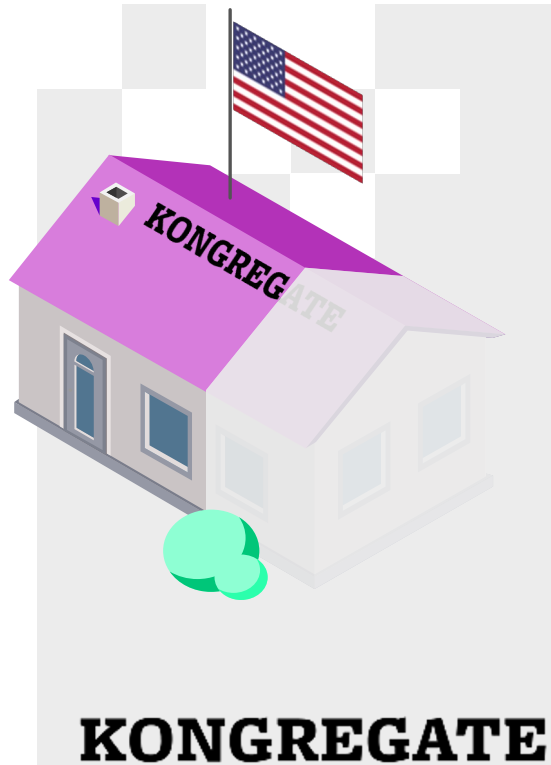
Key titles:



Share of group pro-forma revenue 2021, %



Strong track record of licensing with world class IP



Strong
in CCG

Proven
licensing
capabilities

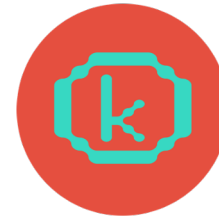
Collaborating with first-tier IP owners
such as Disney, Nickelodeon and Fox



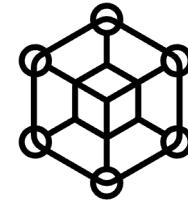
Kongregate set to become a frontrunner in blockchain gaming



Own NFT Games



Web 3.0
Gaming

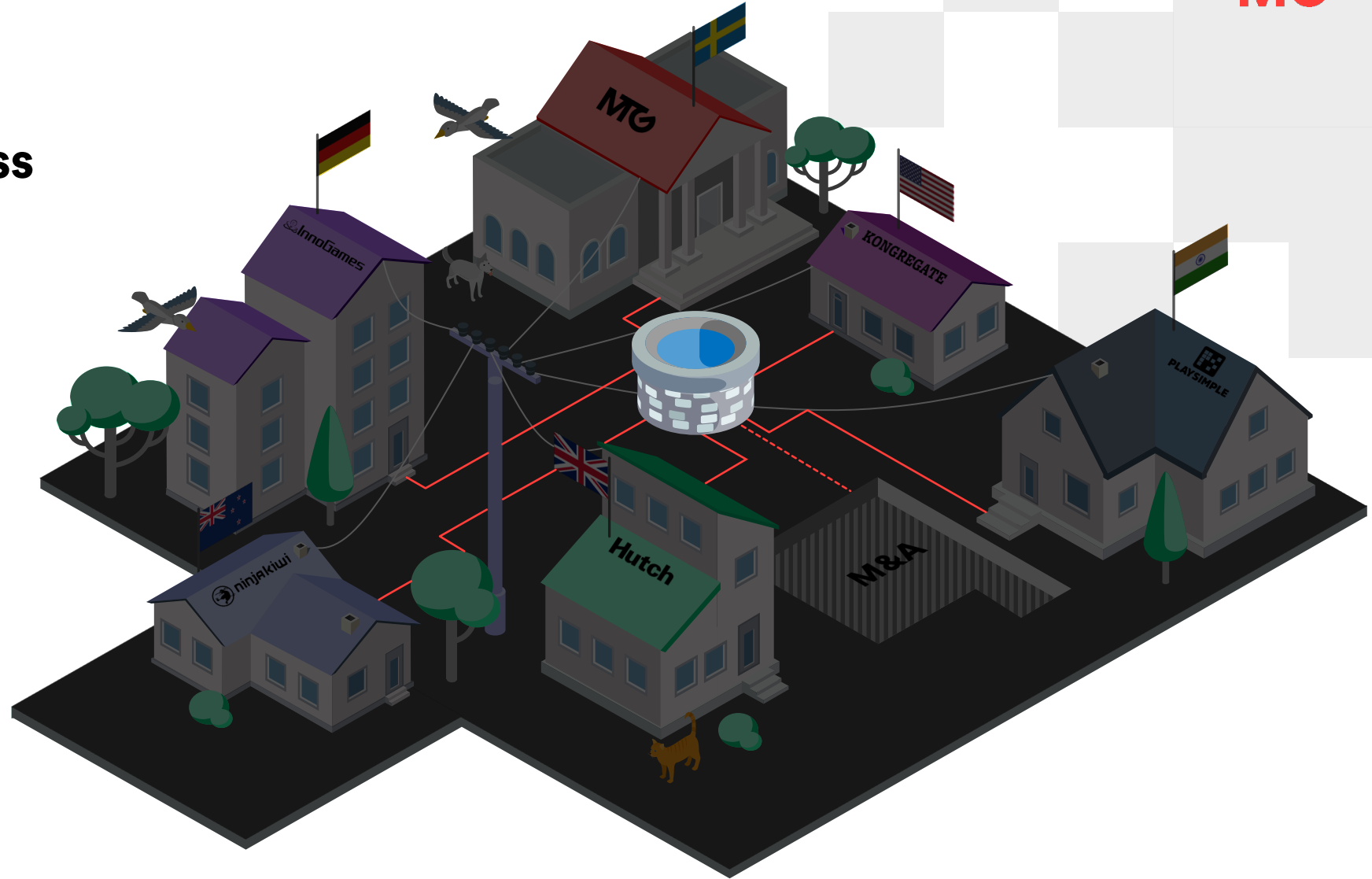
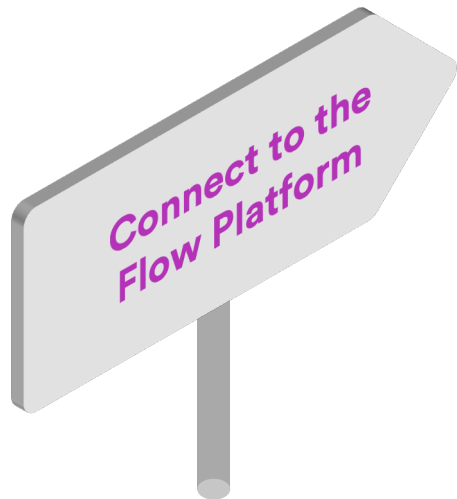


Platform

Token economy

OUR FLOW PLATFORM

MTG's **Flow Platform** enables gaming entrepreneurs to access an **ecosystem of knowledge, skills and technology** that helps them accelerate





Q&A



MARKETING GAMES AND
BRINGING IN PLAYERS THAT STAY

Christian Pern,
CMO



Our industry is fun, yet a serious business



Data Driven Games¹

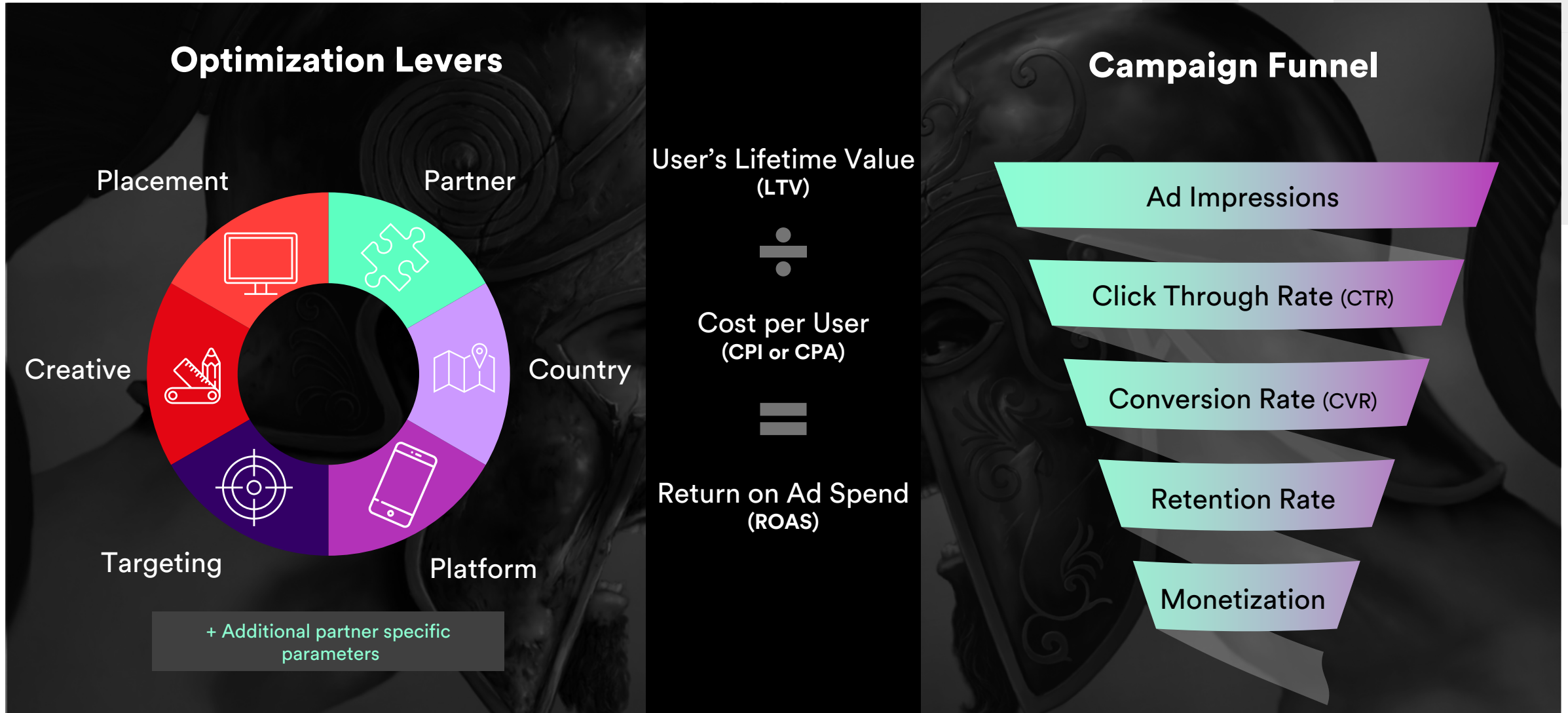


Performance Marketing

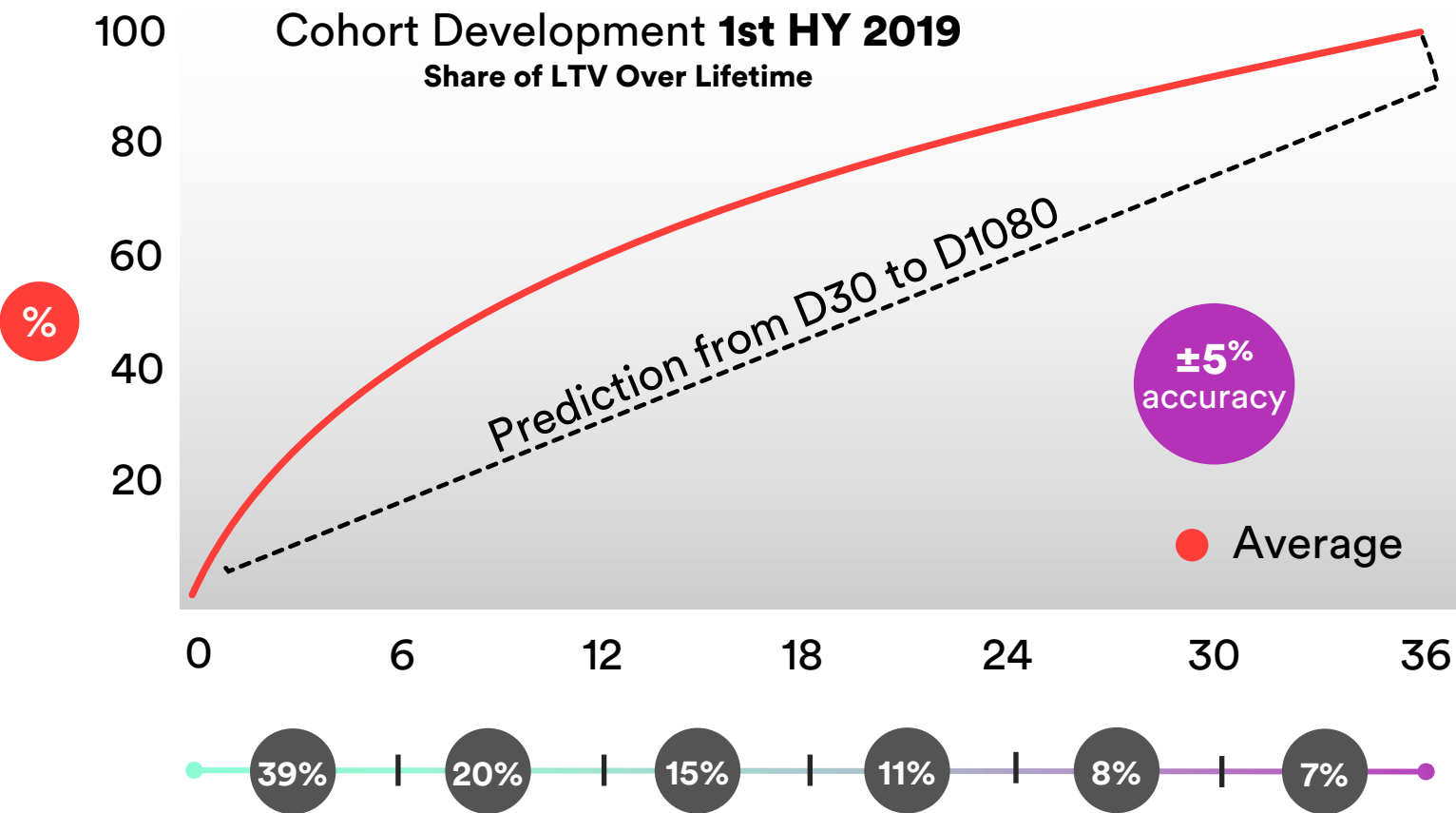


Economic Success

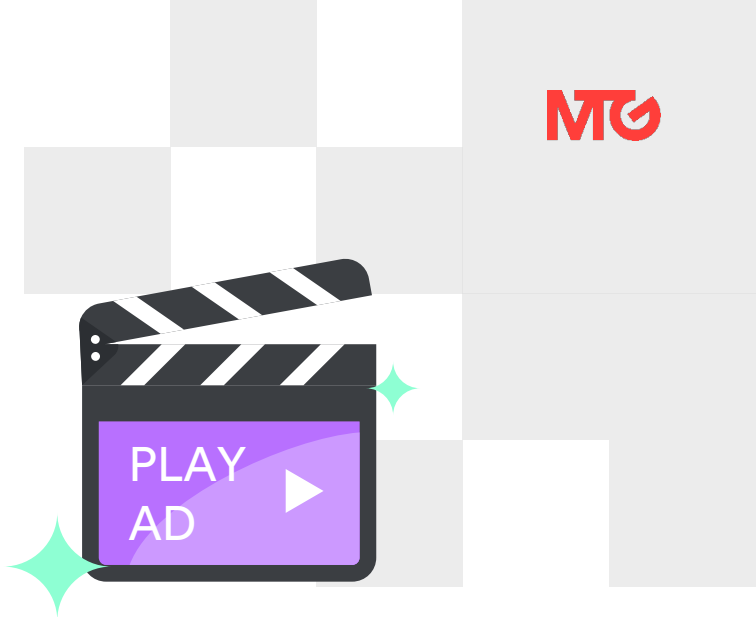
Constant improvement of marketing enabling long-term growth



Predictability of Marketing



$$LTV_{1080} = LTV_{30} \times \text{Factor } 60D \times \text{Factor } 90D \times \text{Factor } 180D \times \text{Factor } 360D \times \text{Factor } 720D \times \text{Factor } 1080D$$



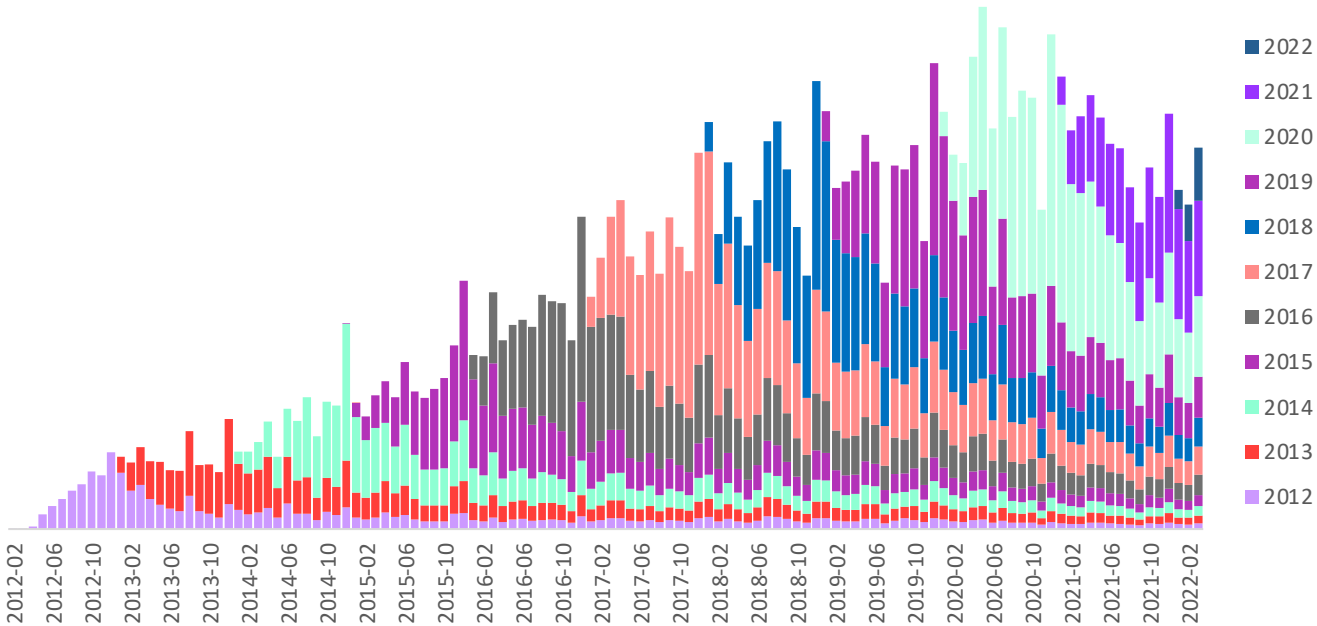
High accuracy in LTV predictions allows for precise ROAS estimation and hence enables performance marketing

Front loaded curves e.g. 40% in first 6 months

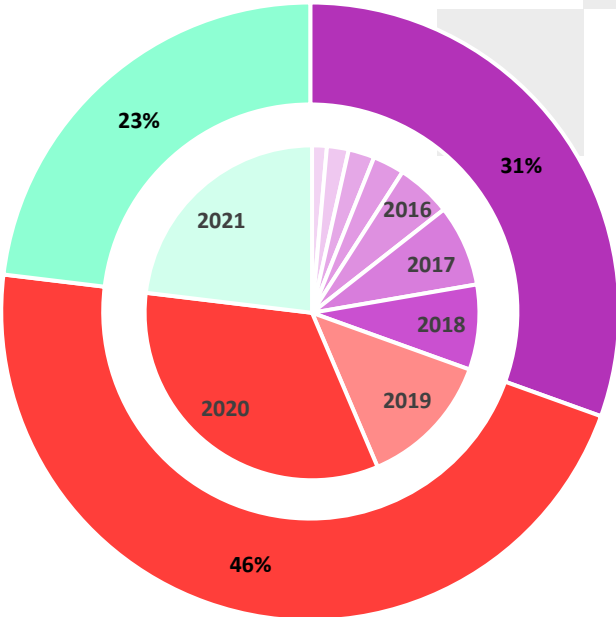
Notes: Chart based on percentage of Lifetime Value (= Net Payout of first 36 months after registration) of Forge of Empires all platforms. E.g. “~40% of LTV is generated in first 6 months”

Sustainable growth with cohorts stacking up

Contribution to monthly net revenue of Forge of Empires per year of registration



Contribution to 2021 net revenues per year of registration



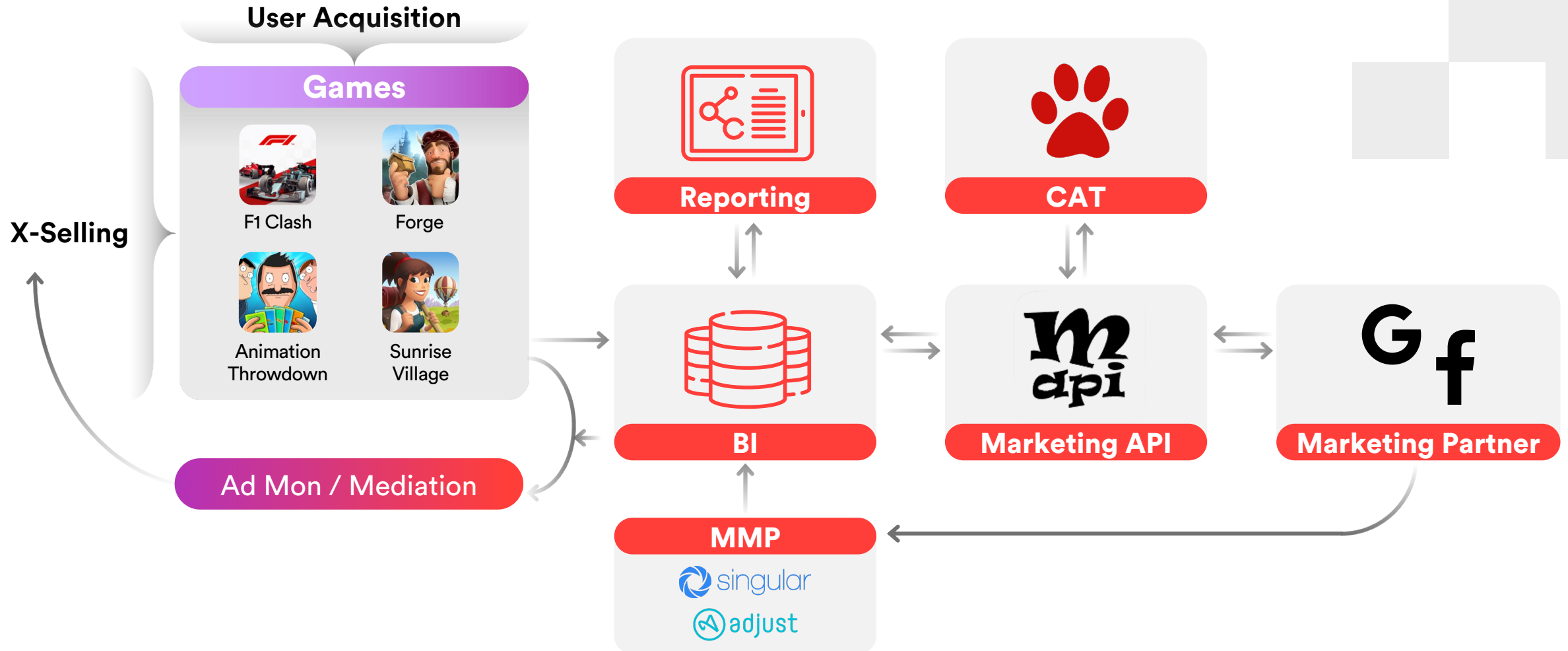
Upfront investment in cohorts results in long term net revenue benefit

MARKETING GAMES AND BRINGING IN PLAYERS THAT STAY

360° marketing automation



Platform to reduce operational costs while ensuring quality and efficiency of UA



MARKETING GAMES AND BRINGING IN PLAYERS THAT STAY

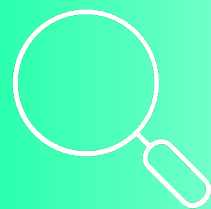
Marketing Tools: CAT (Creative Administration Tool)



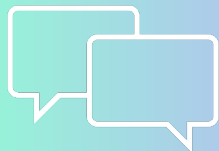
CAT



Creative Administration Tool



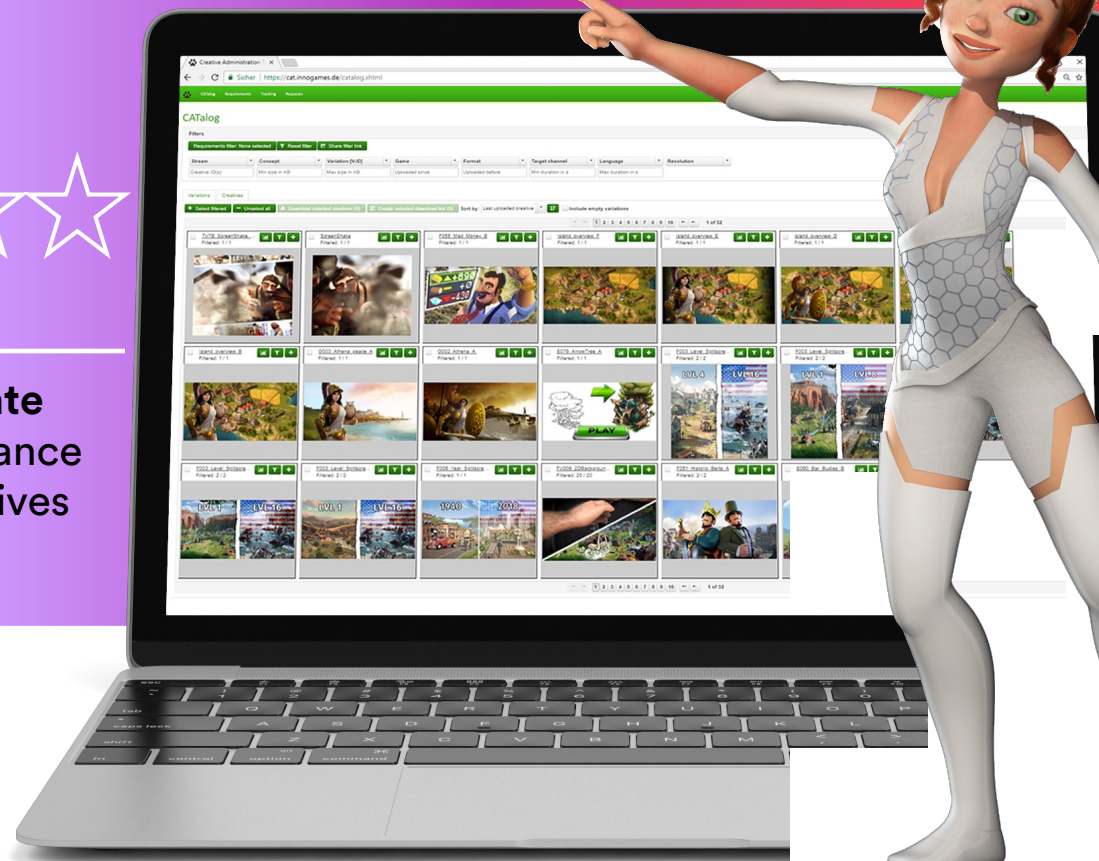
Store, search
and access
creatives

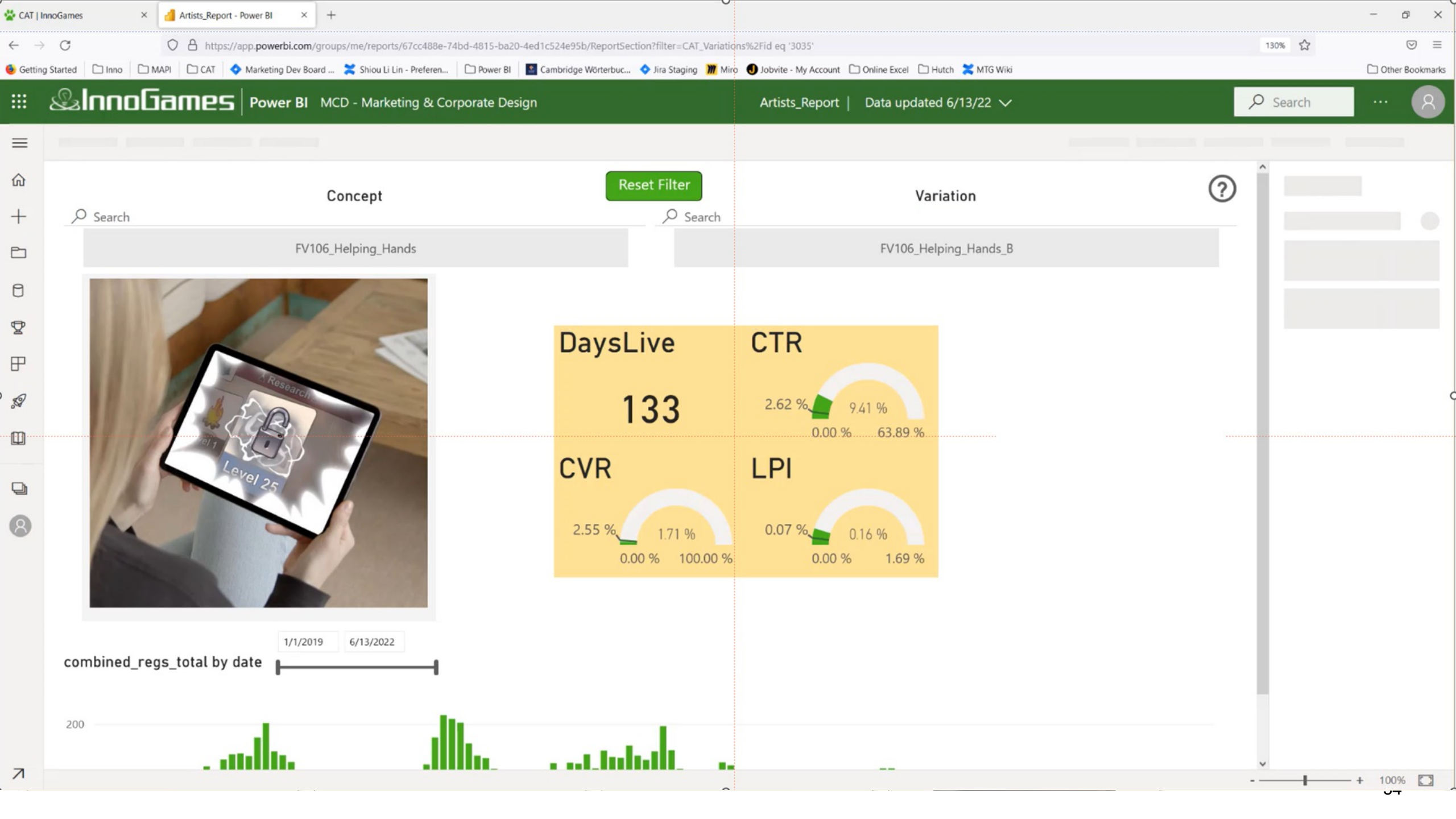


Request
new
creatives



Evaluate
performance
of creatives





Quality of creatives is a major driver for profitable user acquisition

Registrations
per day¹

6,000

5,000

4,000

3,000

2,000

1,000

0

Original

132k Regs
332k€ NPP

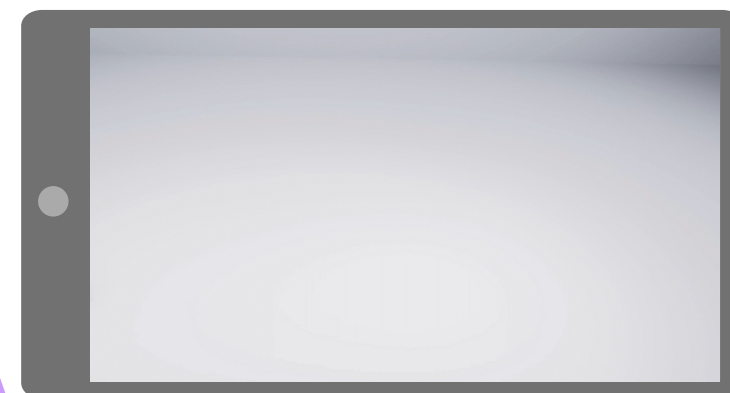
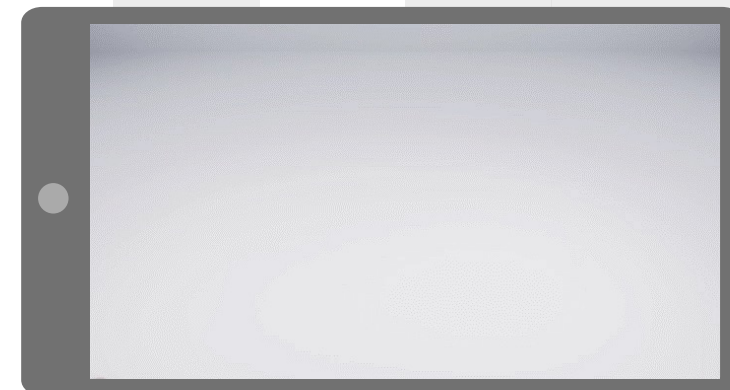
360°
Optimization

Variations

+110k Regs
+372k€
NPP

Extending a creative's
Net Payout Potential

+100%



■ Original ■ Variations

Notes: 1) Data of one specific test in 2HY 2020

Company presentation | Modern Times Group MTG AB

Marketing Tools: MAPI (Marketing API)

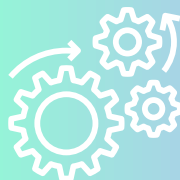
Marketing API



Create, edit,
analyze campaigns



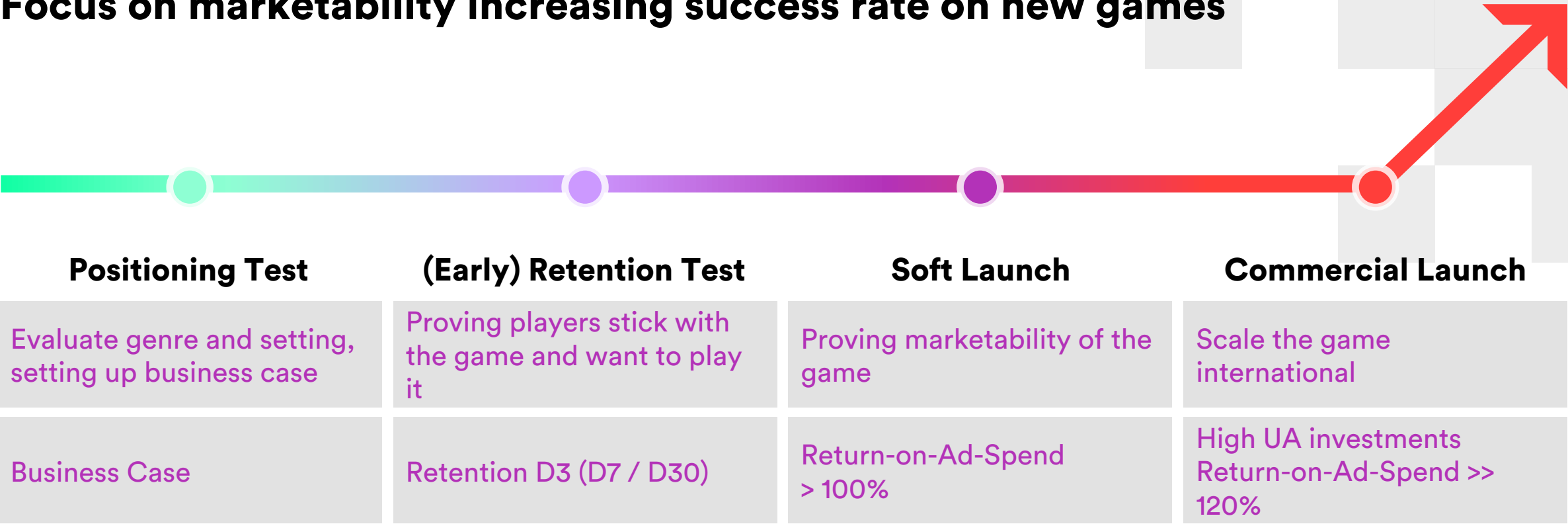
Pull partner data
directly via API



Campaign
Automation



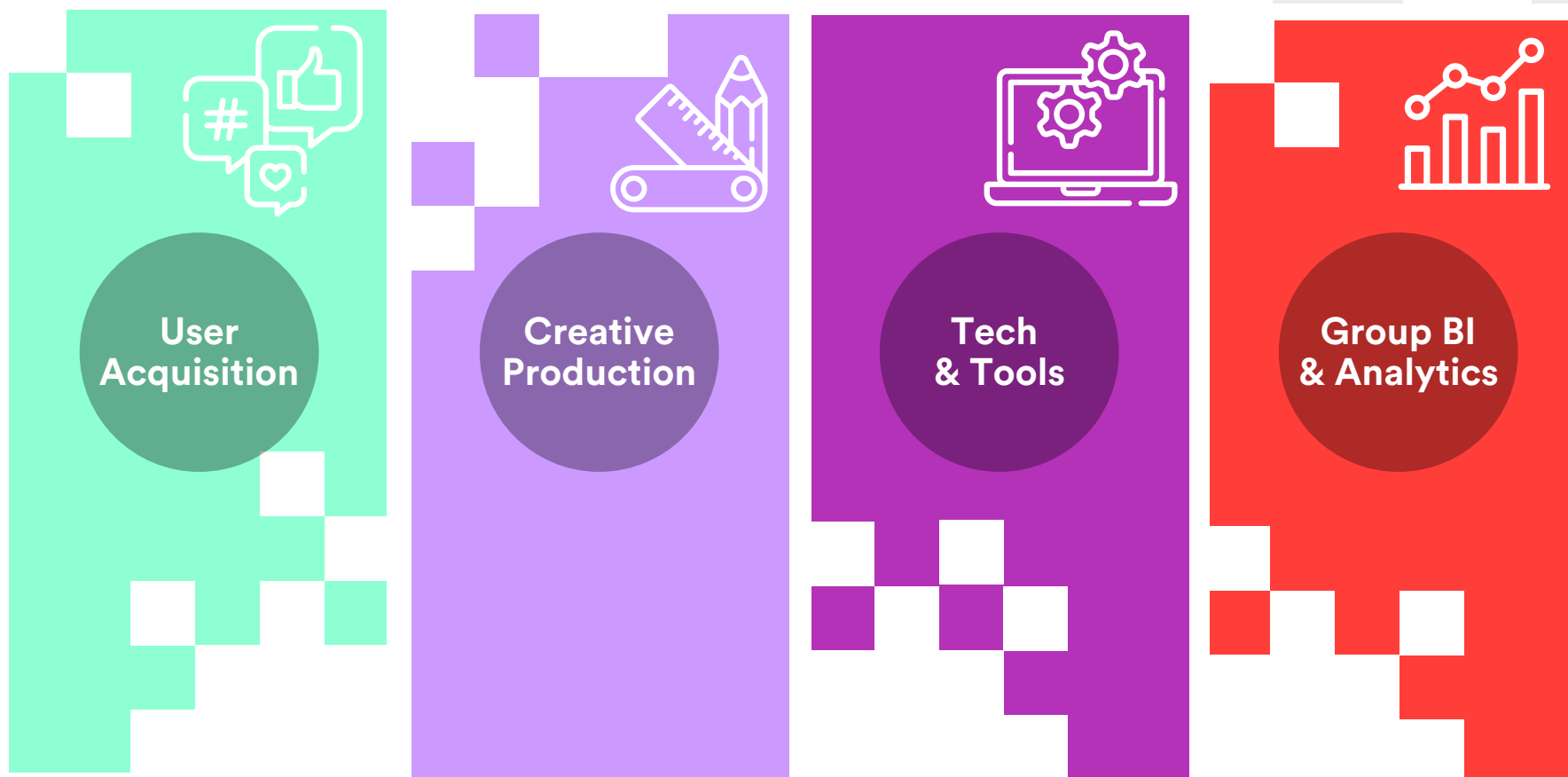
Focus on marketability increasing success rate on new games



Processes designed to reduce development costs while increasing the chances for successful launches

Notes: Schematic view on game launches, the different companies do have different processes in place.

Four pillars of the MTG Marketing Agency



Internal Marketing Agency supporting all group companies



Q&A





A LONG-TERM VALUE DRIVEN
APPROACH TO M&A

Arnd Benninghoff,
EVP Gaming



M&A STRATEGY

Based on a well-defined approach to M&A we will continue adding successful game studios to our village.

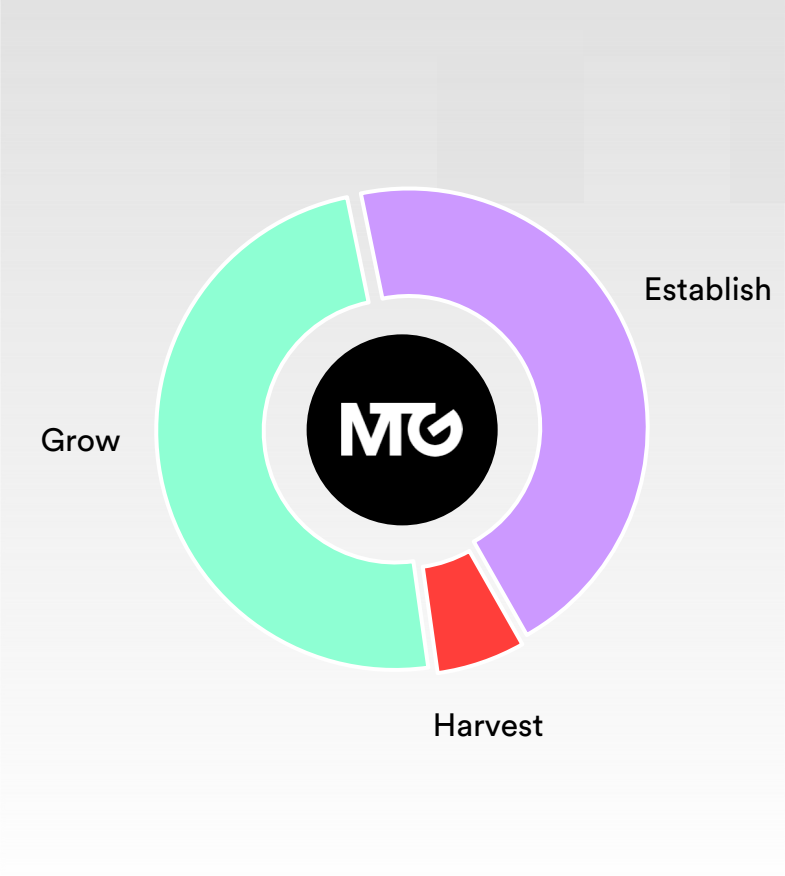
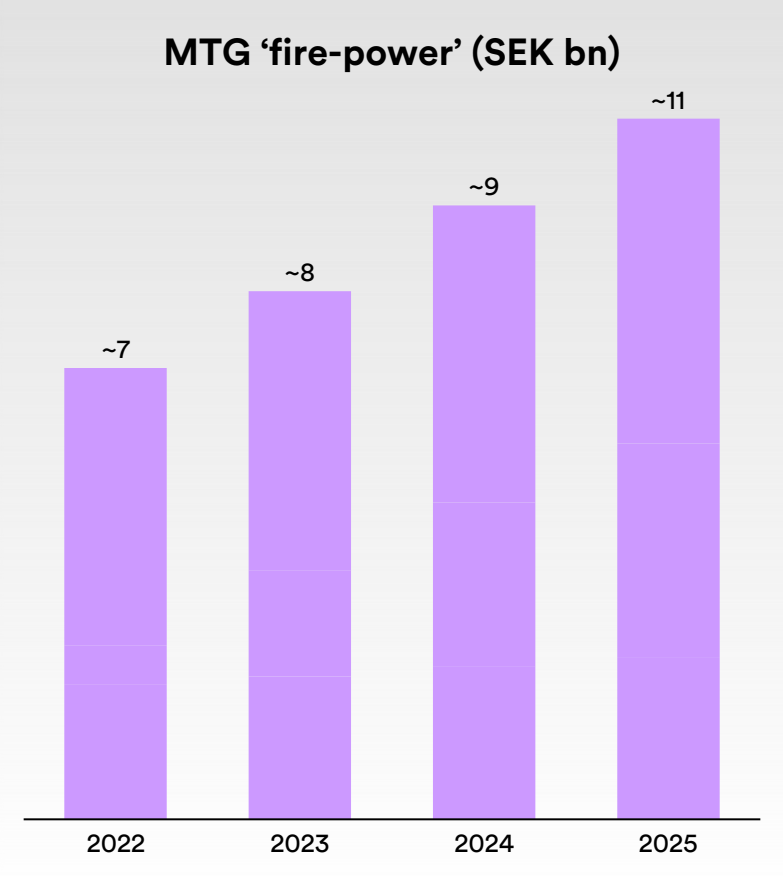


We are attractively positioned for further M&A

Great Reputation

Strong balance sheet

Great games portfolio

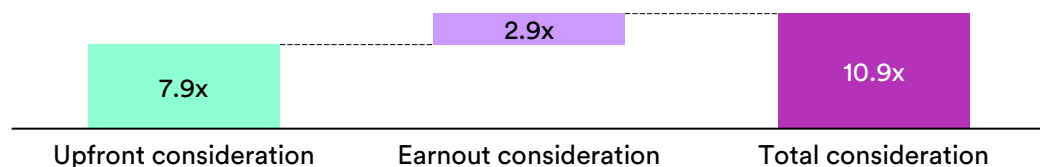


We have a proven track record of successfully acquiring and supporting our entrepreneurs in their success journey

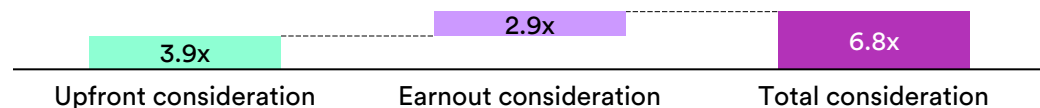
Enterprise value (SEKm) and Multiple paid (based on LTM Q1'22)



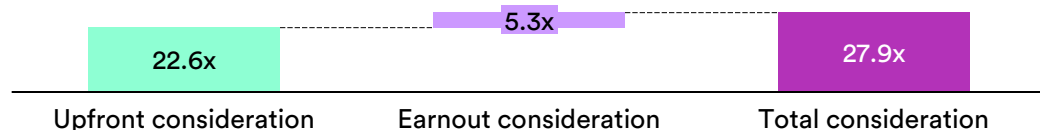
PLAYSIMPLE



ninjakiwi



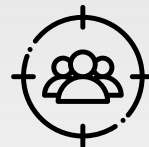
Hutch



Success enablers



+50% revenue growth
(2020 to Q1 2022 LTM)



Audience reach

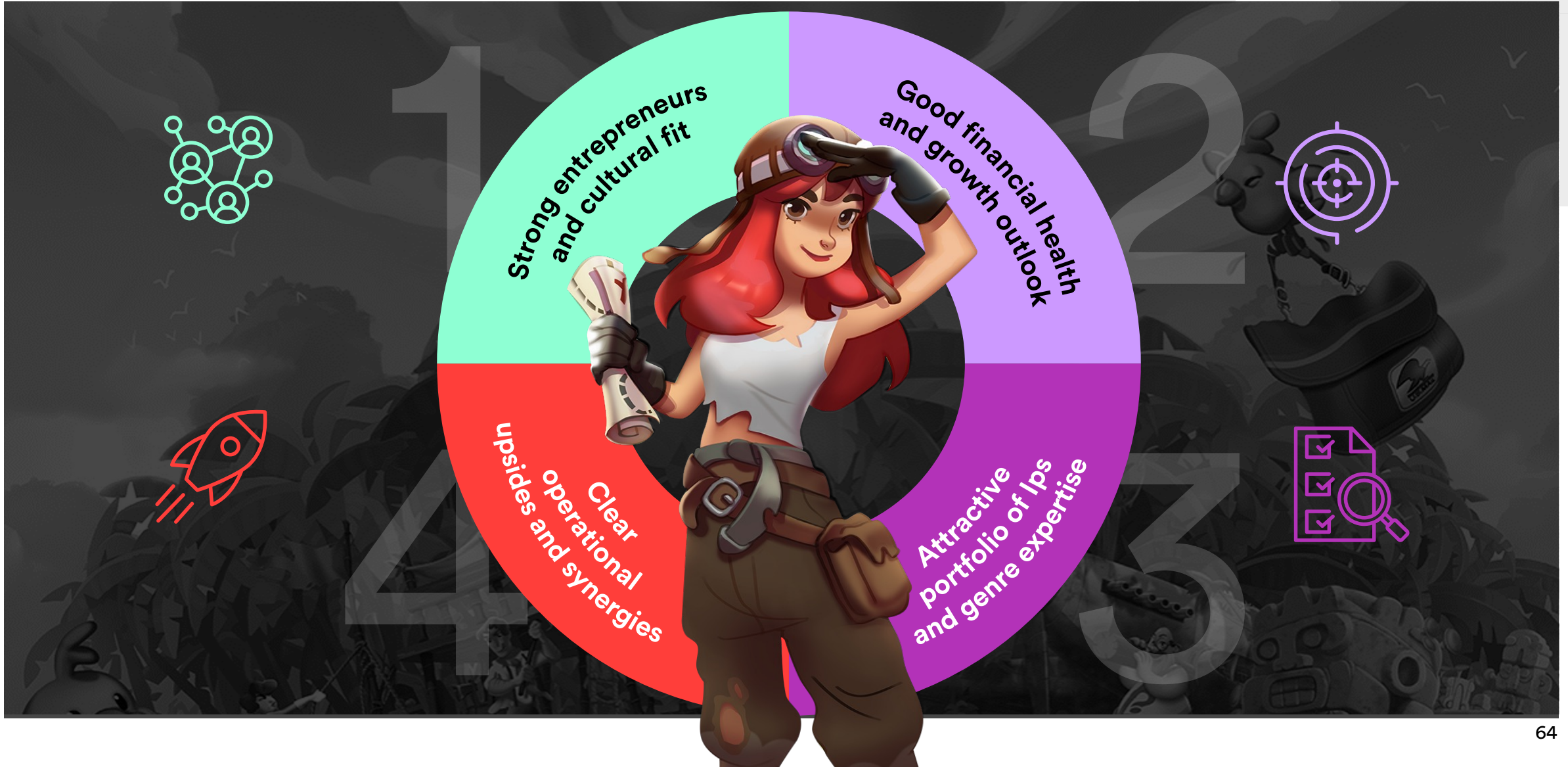


Knowledge sharing

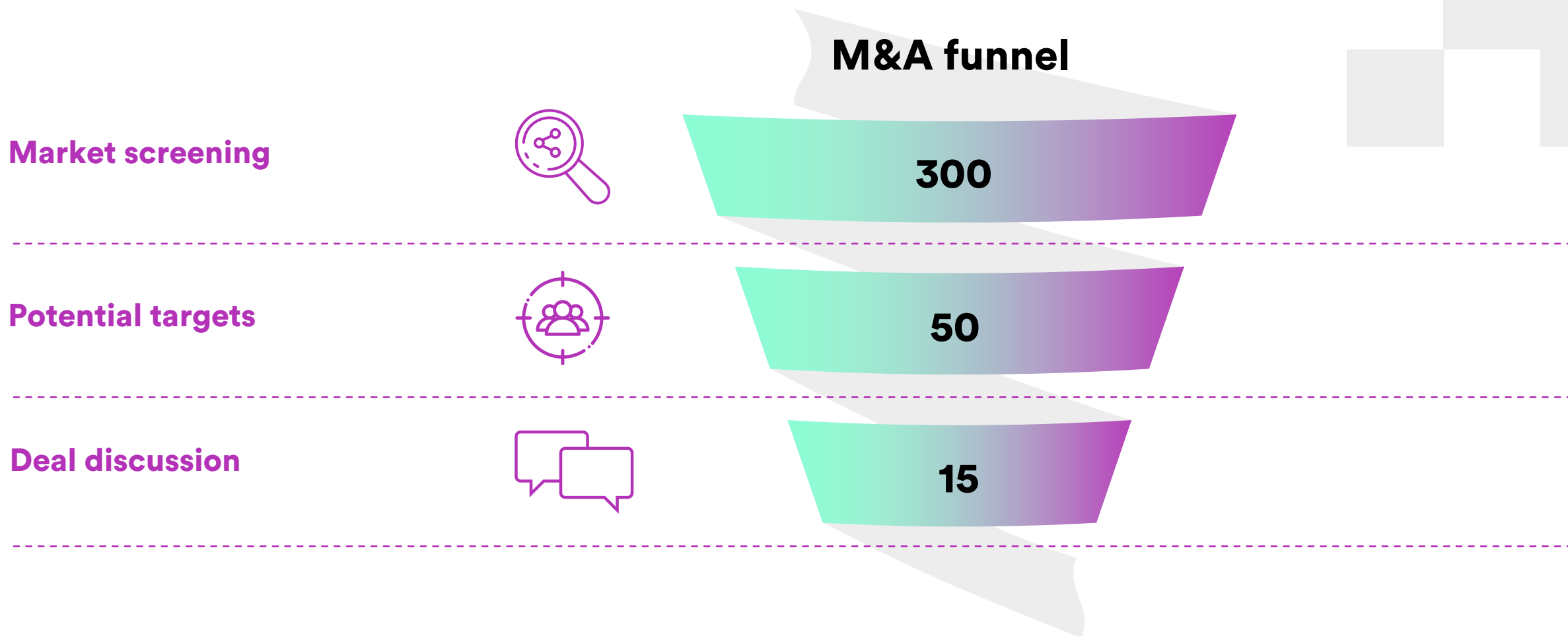


Engagement & Innovation

We have a clear M&A framework which resonates with Entrepreneurs



Based on our M&A criteria, we've identified highly attractive opportunities





BUILDING A FINANCIAL STRUCTURE
FOR LONG TERM GROWTH

Lasse Pilgaard,
CFO MTG



FINANCIAL AMBITION

A corporation with a mature approach to financial management and a shareholder value-driven approach



Trailing performance and new data disclosure of

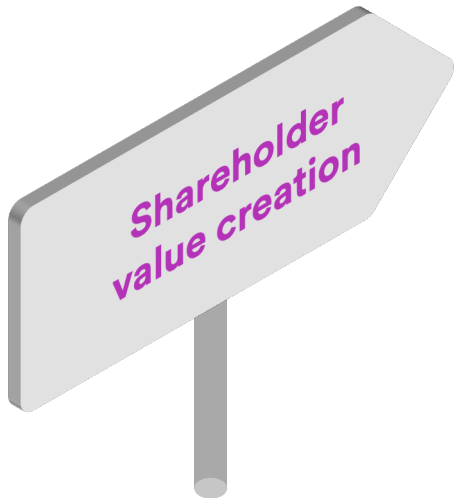
Revenue per major game franchise

UA spend as % of revenue

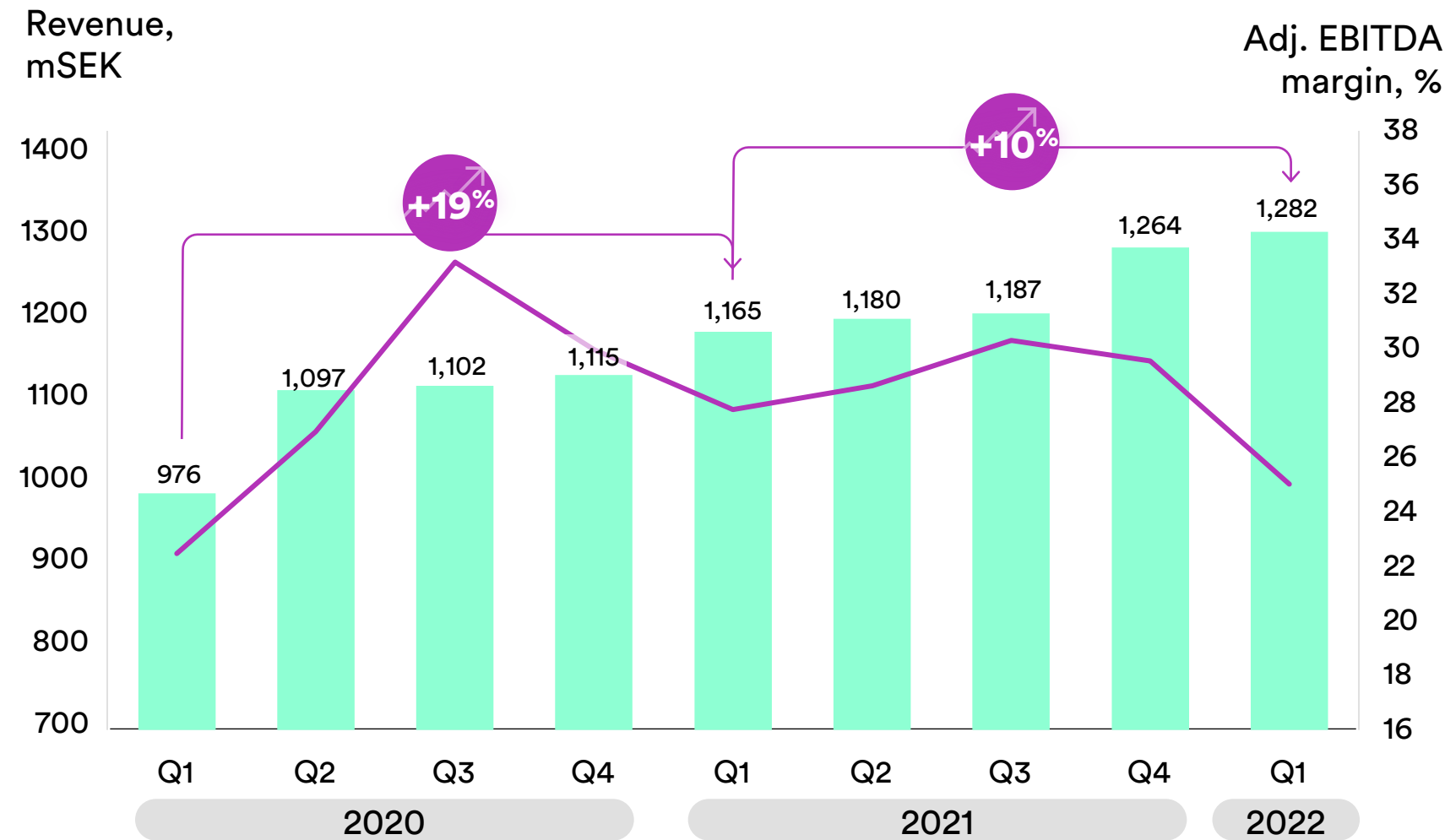
Cash conversion



Long term outlook (2022-2025) on revenue, profitability and cash conversion



Strong double digit growth the last 9 quarters



Re-iterating guidance provided as part of Q1

FX adjusted proforma growth for Q1 (10%) is indicative for where we see the full year

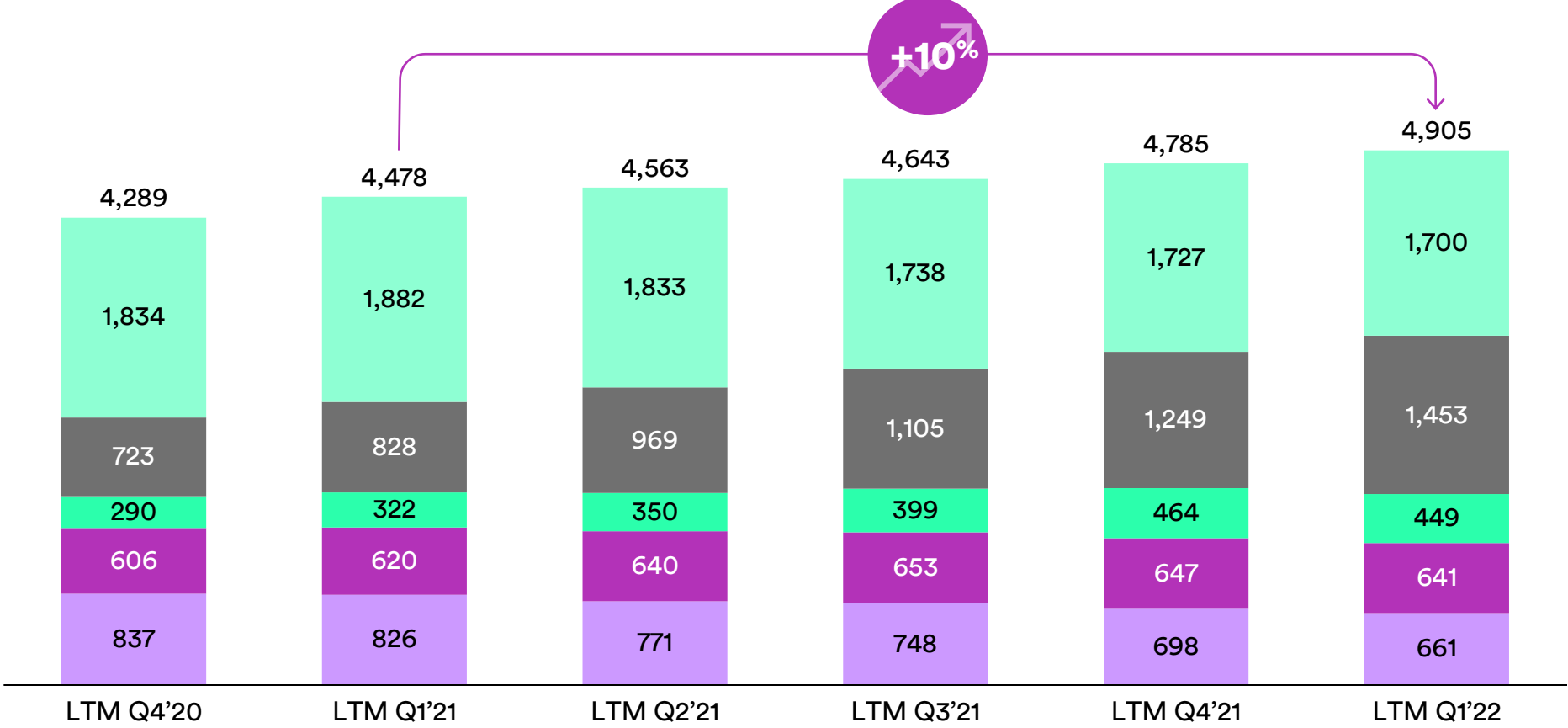
Adjusted EBITDA margins for Q1 (25%) also indicative for how we see the full year

Notes: Constant currency, 2021FX applied



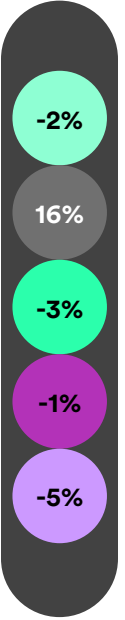
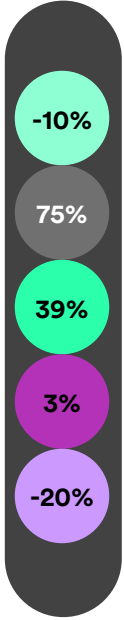
MTG: A family of strong game franchises

- Strategy and Simulation
- Wordgames
- Tower Defense
- Racing
- Other smaller franchises



YoY Growth
(LTM Q1 '22 vs
LTM Q1 '21)

Sequential
LTM Q1 22 vs
LTM Q4 21



Notes: Pro forma data for Hutch, NK and PS is in local GAAP and numbers will therefore not add with previous slide, constant currency, 2021FX applied

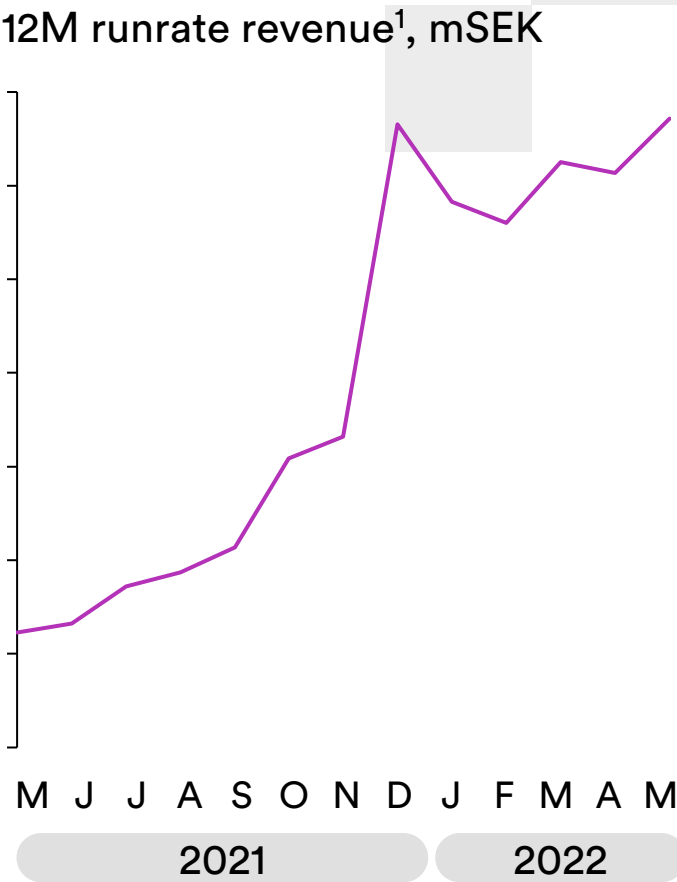
Stable revenue growth from top established titles, with further revenue growth driven by new titles

Revenue (rounded) mSEK

- New games
- Top 5 games
- Other established games

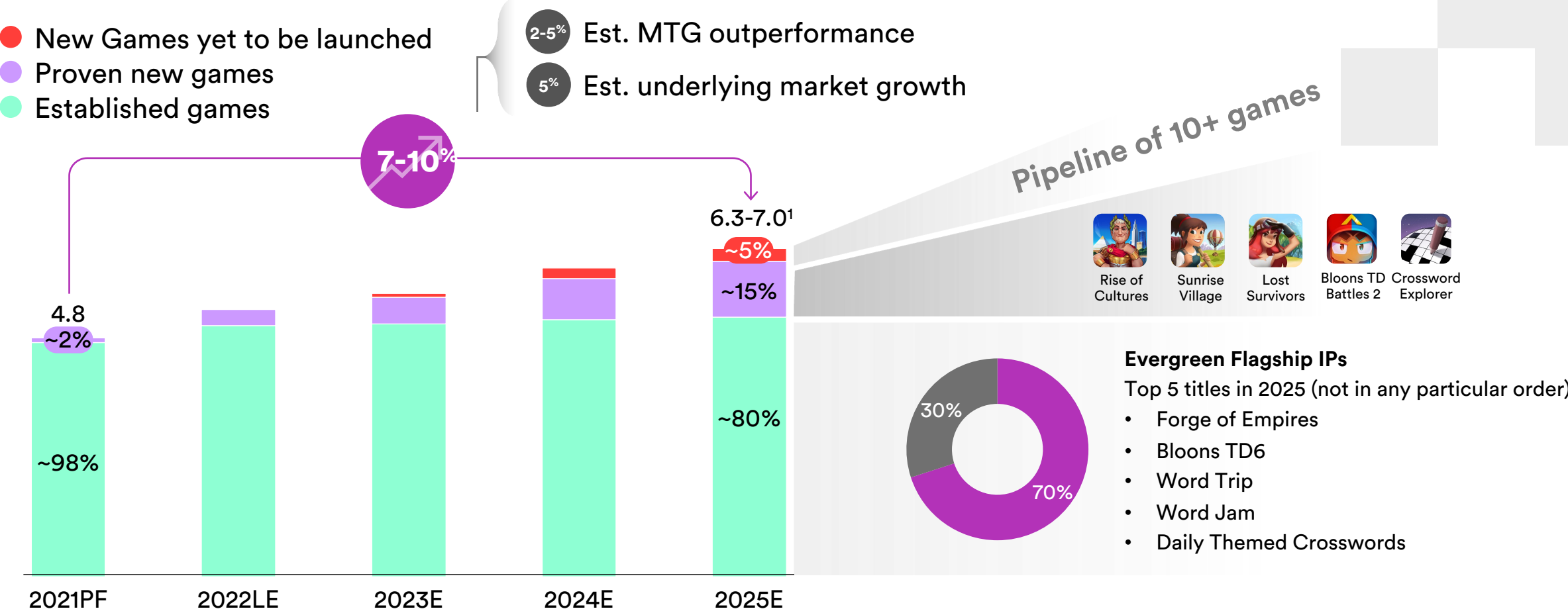


New games revenue development (5 games)



Notes: Constant currency, 2021FX applied; 1) Calculated as monthly revenue multiplied by 12

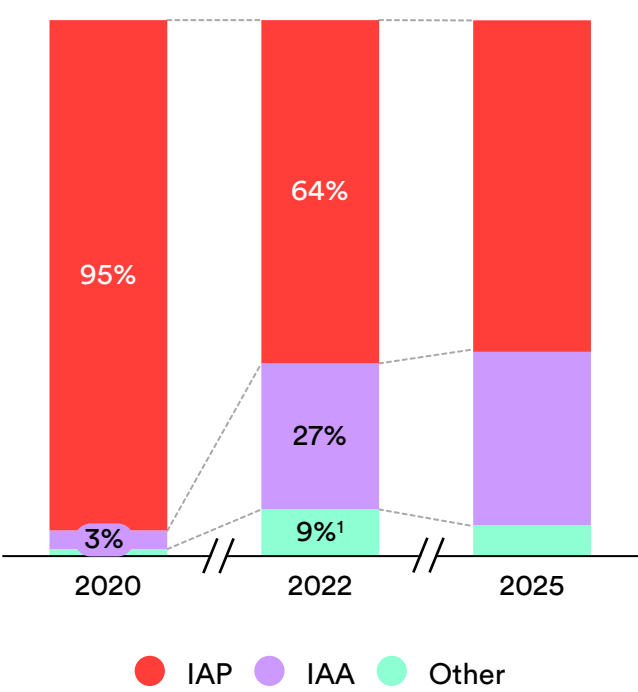
Looking ahead; Our ambition is to outgrow the market – growing with an est. 7-10% CAGR for the next 4 years, with new titles to account for ~20% of revenue in 2025



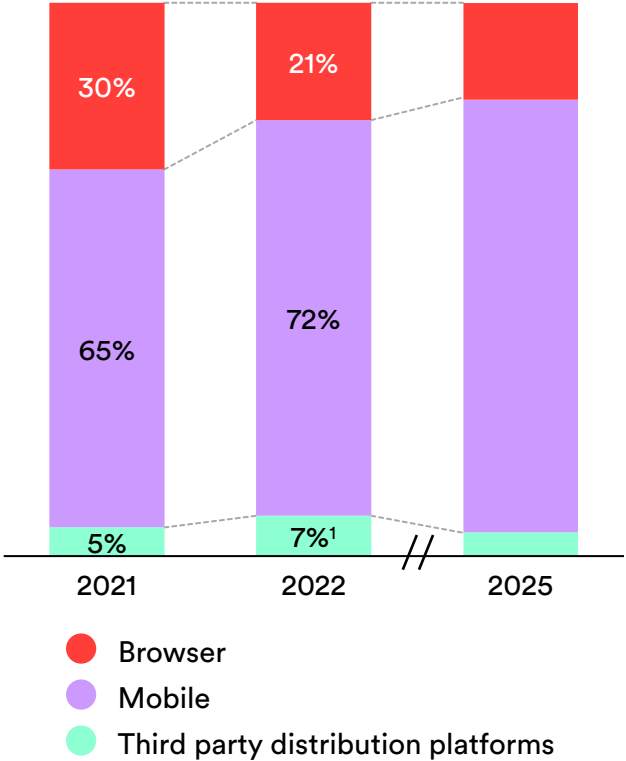
Notes: Constant currency, 2021FX applied; 1) CAGR 21-25

Which will create a unique diversification of revenue

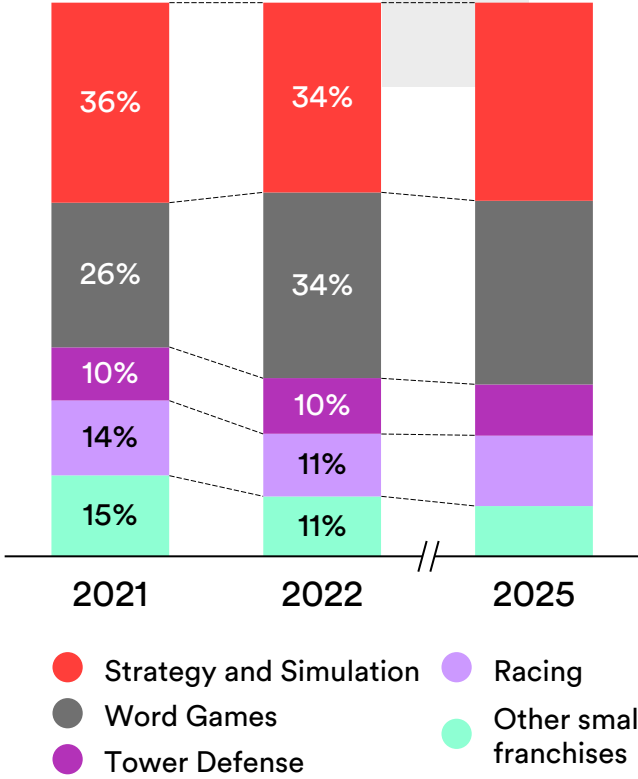
Type of revenue (IAP vs IAA)



Platform revenue



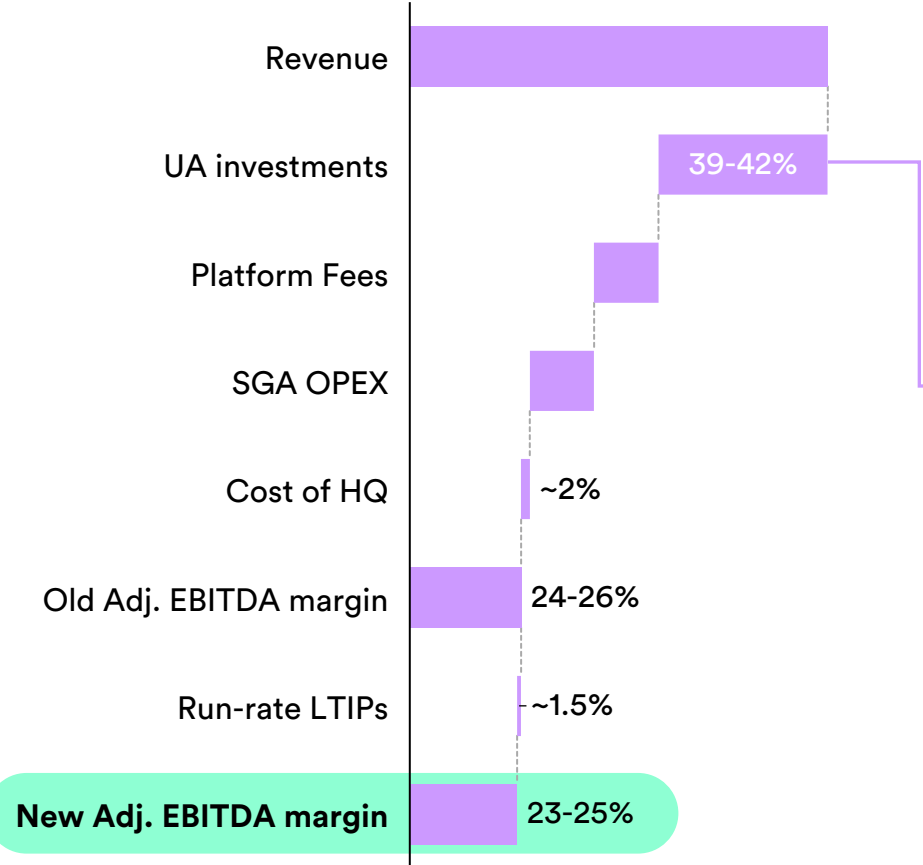
Game franchises



Notes: Constant currency, 2021FX applied; 1) Includes ad-mediation bonus

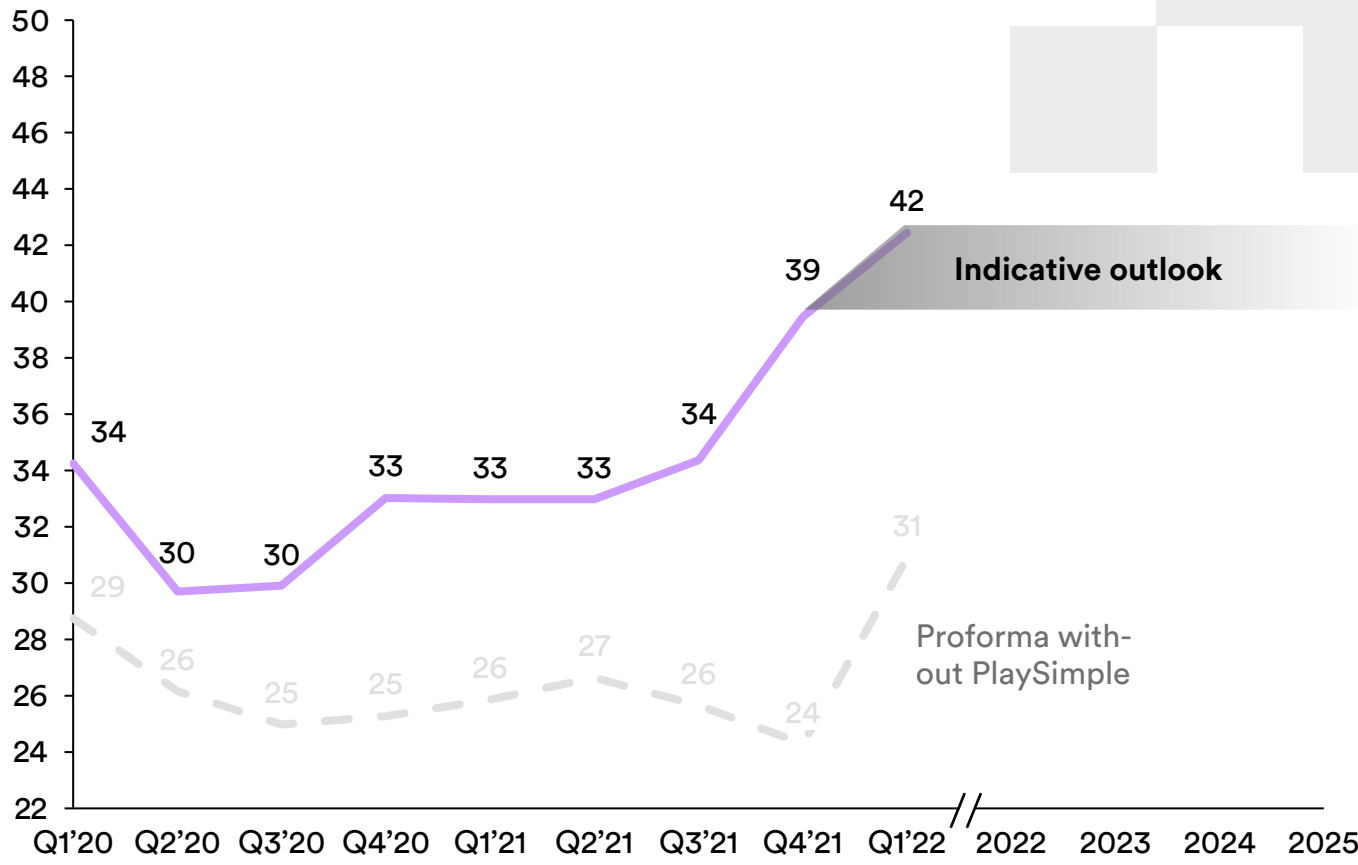
We estimate an adjusted EBITDA margin at 23-25% going forward (24-26% old definition)

2022-2025 avg. full year margin decomposition



New reporting measure

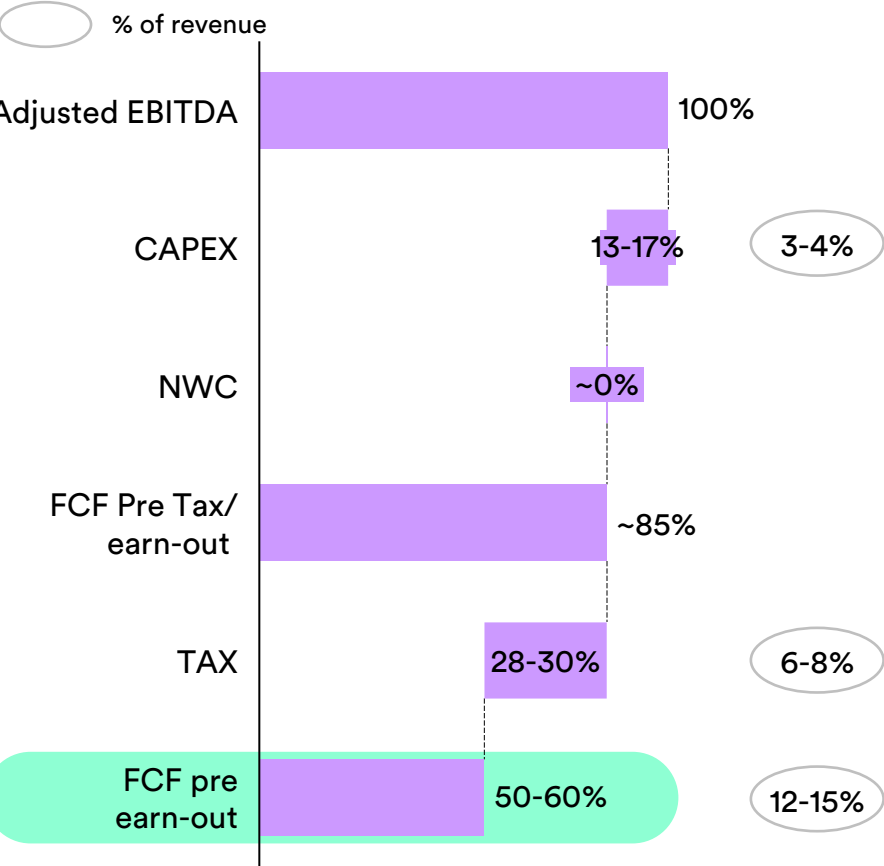
UA spend as percentage of revenue %



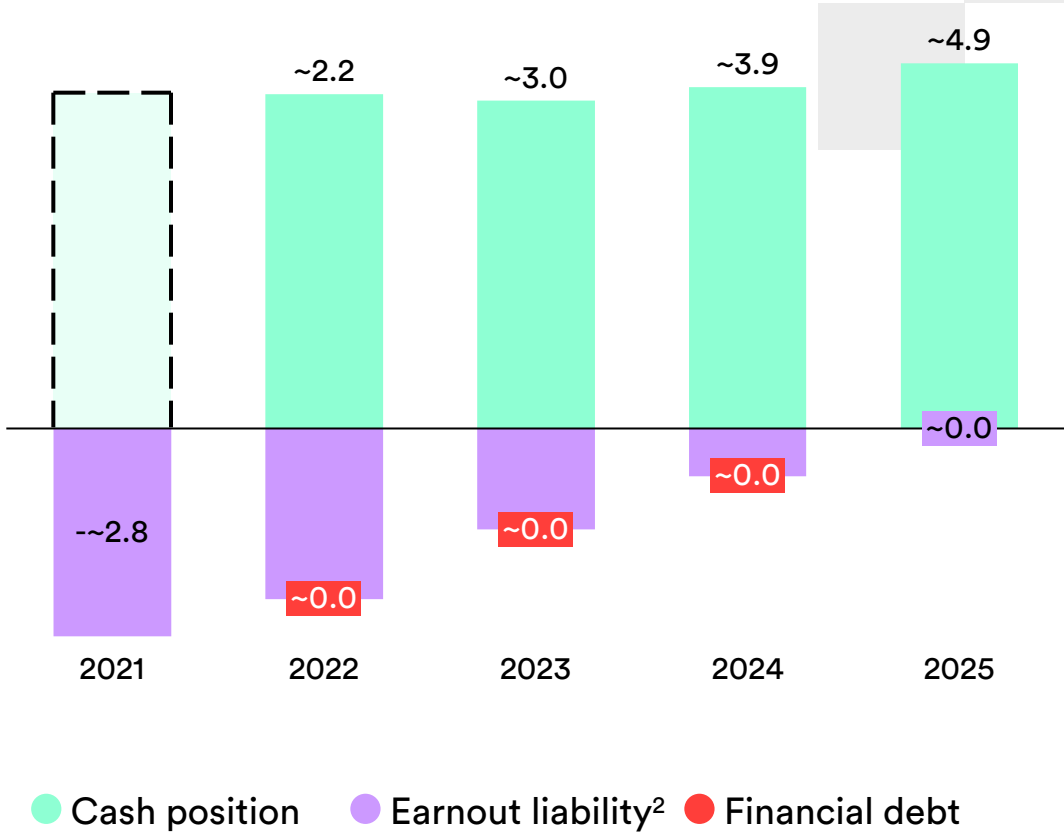
Notes: Pro forma data for Hutch, NK and PS is in local GAAP, constant currency, 2021FX applied

We est. 50-60% cash conversion delivering significant cashflow to shareholders or M&A

2022-2025 avg. Free cash flow composition¹



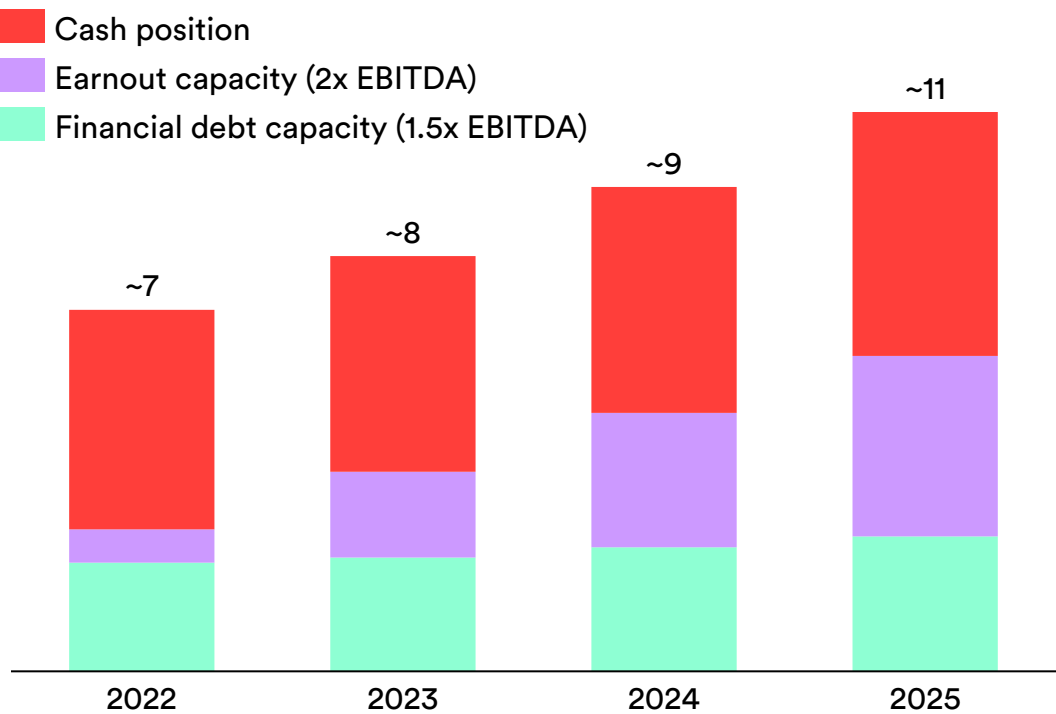
Balance sheet de-levering
bSEK



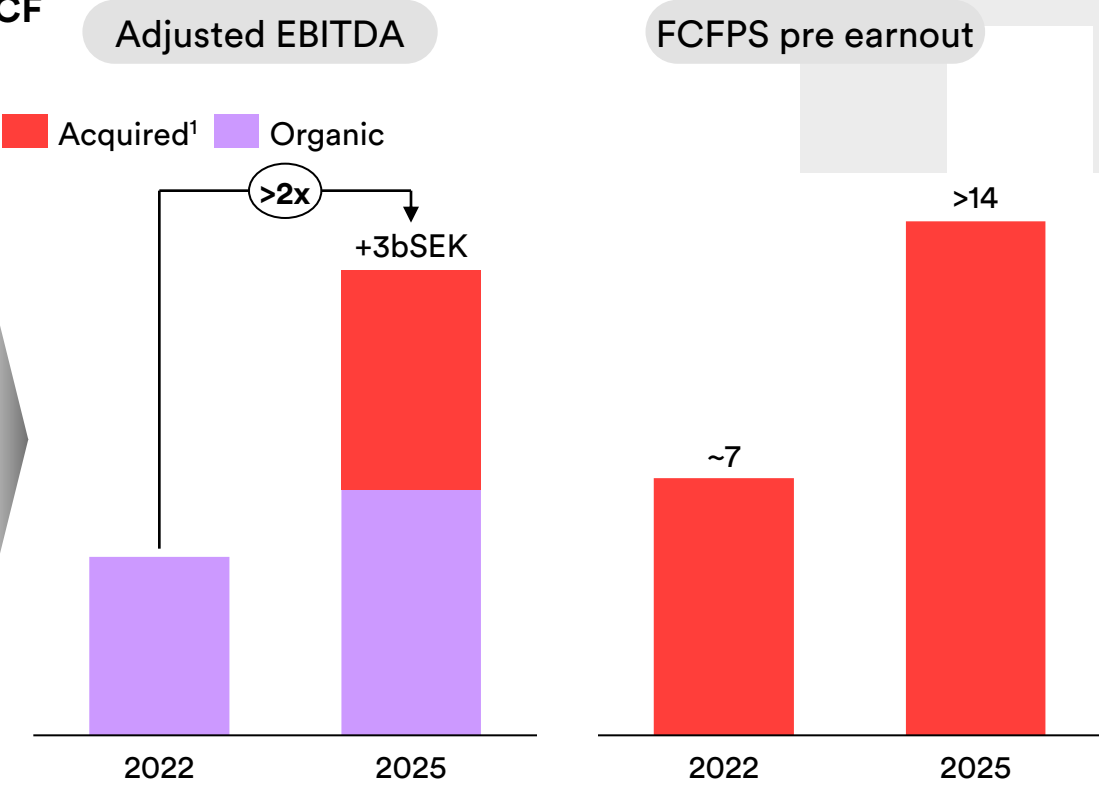
Notes: 1) Based on analysis on 2021 proforma and Q1 2022 cash flows; 2) Including both short term (12 month) and long term (post 12 month) liabilities

We estimate a potential to double EBITDA through M&A from balance sheet only

Free cashflow will create 11bSEK of capital ‘fire-power’ either enabling significant shareholder distributions or M&A



If all deployed through M&A: Potential to more than double EBITDA and deliver more than 14 SEK per share in FCF



Notes: 1) Adj. EBITDA utilizing full firepower at 10-12xEBITDA earnings multiple (including leverage on the acquired EBITDA)

Summary

	Definitions	2022 guidance (re-iterated)	Long term outlook (2022-25)	New disclosure items for Q2
Revenue	Pro forma FX adjusted growth rate (Based on actual 2021 FX rates)	Pro forma growth for Q1 (FX adjusted 10%) to be indicative for the full year	Estimated organic CAGR of 7-10%	Revenue by major franchise
EBITDA	EBITDA adjusted for non-recurring items (not adjusting for run-rate LTI costs as done previously, hence new measure)	Adjusted EBITDA margin for Q1 to be indicate for the full year (25%)	Estimated average adjusted EBITDA margin of 23-25% (old definition 24-26%)	New adjusted EBITDA UA spend as a percentage of revenue
Cash conversion	Cash conversion on the adjusted EBITDA	Same as for long term outlook	Estimated 50-60% cash conversion (post tax)	Cash conversion on adjusted EBITDA

To summarize the investment case

Fantastic market opportunity

- MTG is uniquely positioned to capture above-market growth in a very attractive and growing market
- We estimate delivering a **7-10% organic revenue CAGR, plus opportunities from M&A**

Strong operating model

- **MTG can utilize the reach and capabilities of its portfolio to build an operating model that leverages cap**
- As a result, we estimate delivering **long term EBITDA margins around 23-25% and FCF conversion around 50-60%**

Significant shareholder value opportunity

- With a strong balance sheet and significant deleverage from operational cashflow, **MTG estimates that the EBITDA could more than double towards 2025** through organic growth and using the balance sheet to do value accretive M&A, **increasing the potential FCF per share to more than 14 SEK**



Q&A



Thank you