



**Shaping the future of entertainment**

**1 February 2018**

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# Why we are here

**Q4 results**

**Background**

**Combination with TDC Group**

**New MTG**

# Today's presenters



**Jørgen Madsen Lindemann**

President & Chief Executive Officer



**Maria Redin**

Chief Financial Officer



# Q4 Highlights

**10% organic sales growth  
& 14% profit growth**

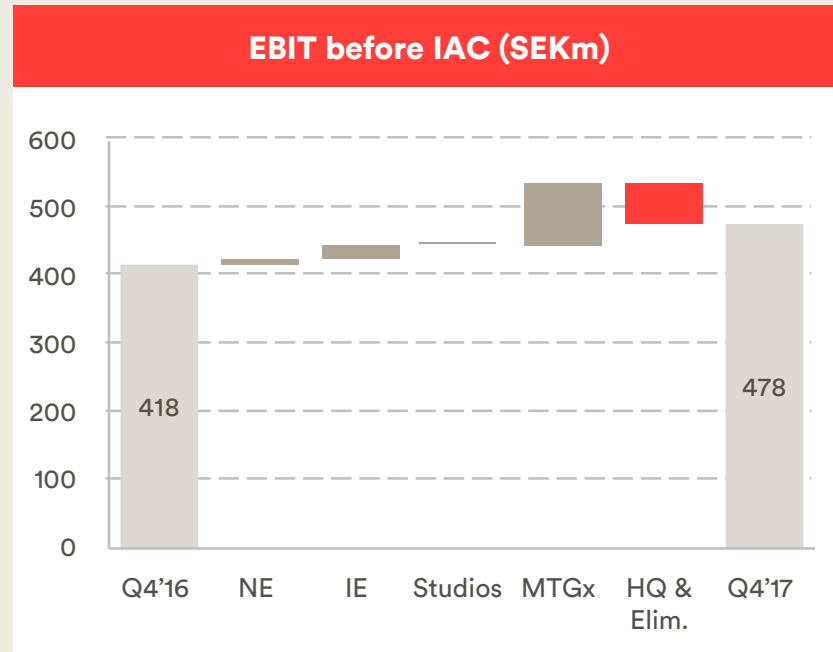
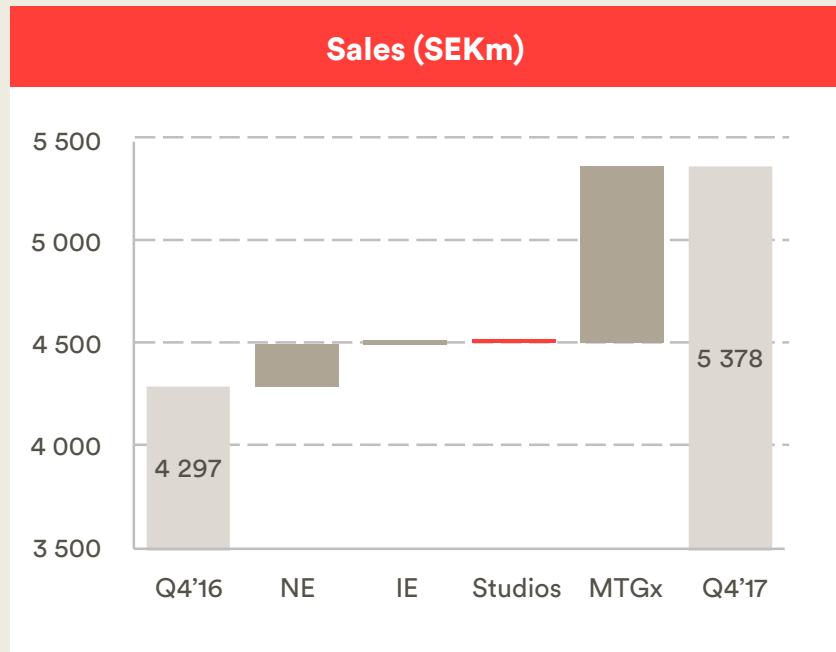
(incl. SEK 103m of M&A  
costs & impairments)

**Nordic & International  
Entertainment businesses  
up against tough comps  
but both reported higher  
sales & profits**

**71% MTGx organic  
sales growth & first  
quarterly profit**

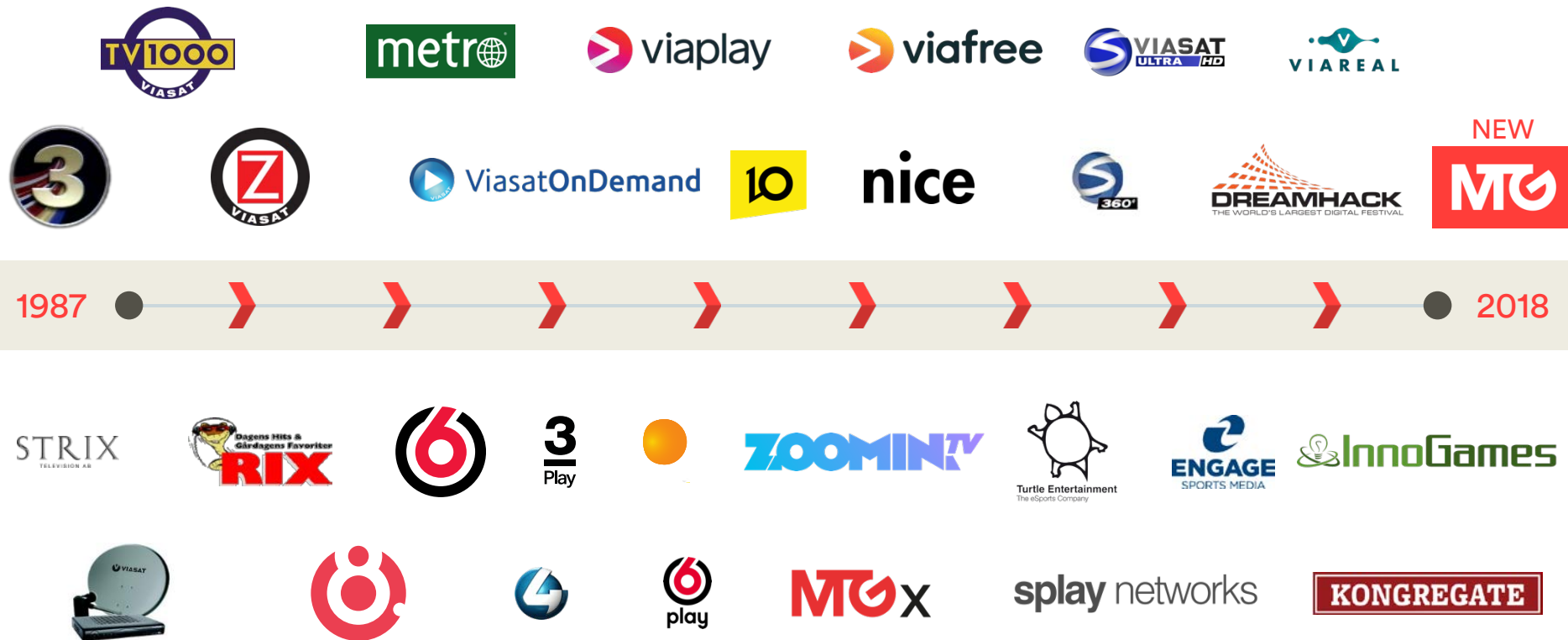
**Board proposes  
SEK 12.50 dividend per  
share for 2017  
= SEK 837m in total &  
95% pay-out ratio**

# Q4 sales & EBIT by division



MTGx EBIT includes SEK 60m in write-downs and HQ & Eliminations includes approximately SEK 40m in transaction costs

# Transformation is in our DNA



# And we have accelerated





# And now take the next step



Europe's first fully convergent media & communications provider



A pure play in digital entertainment

# First of its kind combination

Norway	
Pay TV <b>VIASAT</b>	Streaming <b>viaplay</b>
Free TV <b>3 4 6</b>	Streaming <b>viafree</b>
TV, BB <b>get</b>	Business <b>TDC</b>
<b>4</b> Lyden of Norge <b>5</b> Hits <b>6</b> Rock <b>7</b> <b>8</b> Pop <b>9</b> Retro <b>10</b> Country	

Denmark		
Mobile, TV, BB <b>youSee</b> <b>FULL RATE</b> <b>TEL MORE</b> <b>i r ti</b> <b>BLOCKBUSTER</b>	Pay TV <b>VIASAT</b>	Streaming <b>viaplay</b>
	Free TV <b>3 4 5 6 7 8 9 10</b>	Streaming <b>viafree</b>
	Business <b>TDC NetDesign</b>	Wholesale <b>Dansk Kabel TV</b>



Sweden	
Pay TV <b>VIASAT</b>	Streaming <b>viaplay</b>
Free TV <b>3 6 10</b>	Streaming <b>viafree</b>
Radio <b>I LIKE RADIO</b> <b>BANDIT</b> <b>RIX FM</b> <b>P1 R</b> <b>Play</b> <b>STAR</b>	
Triple Play <b>VIASAT</b>	
Finland	
Pay TV <b>VIASAT</b>	Streaming <b>viaplay</b>
Free TV Streaming <b>viafree</b>	
MTG Studios	
<b>nice one</b> <b>STRIX</b> <b>MONSTER</b> <b>DRG</b> <b>playroom</b> <b>RAKET</b> <b>baluba</b> <b>moskito</b> <b>strong</b> <b>paprica</b> <b>TITAN</b> <b>Brain Academy</b> <b>NOVEMBER FILM</b>	

# A scale Nordic player

## 2017 figures
















Revenue (DKKm)	20,270	10,293	30,563
Revenue Growth	(4%)	6%	(1%)
EBITDA (DKKm)	8,244	1,344	9,588
EBITDA margin	41%	13%	31%
EBITDA-CAPEX (DKKm)	3,756	1,230	4,986
Cash Conversion	46%	92%	52%
People	8,097	1,768	9,865

Source: Source: TDC Group and MTG

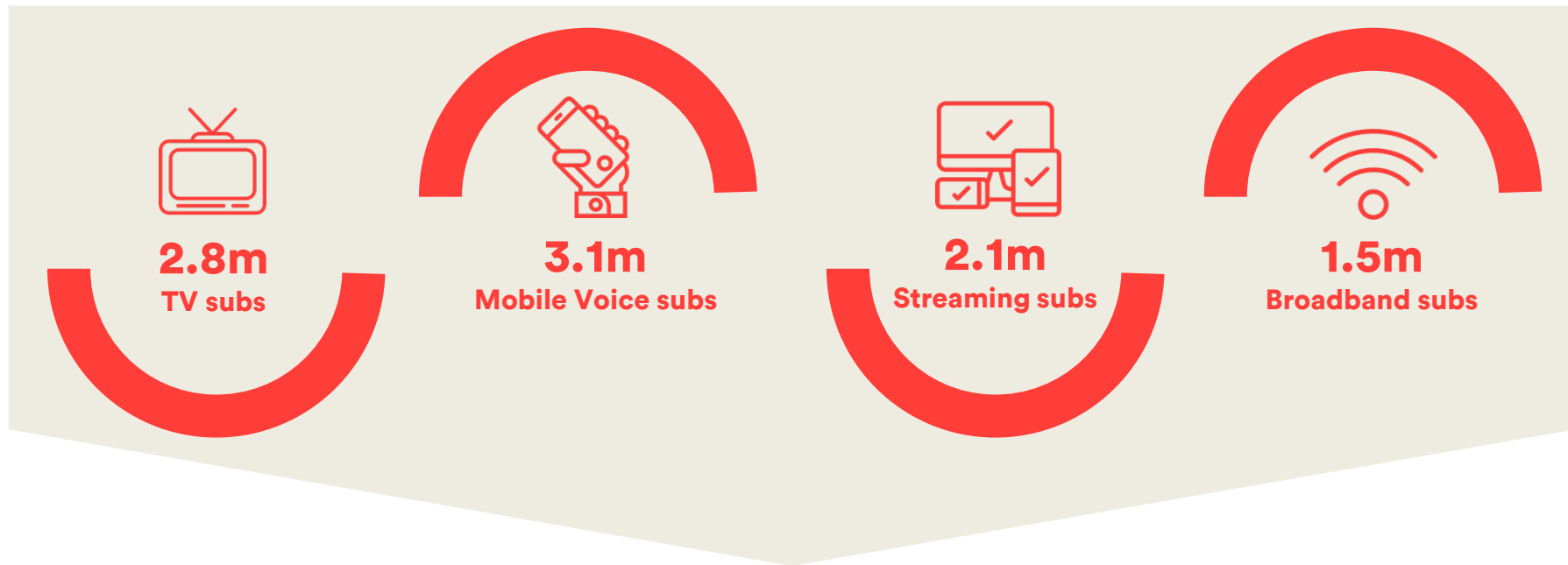
Note: DKK:SEK FX rate of 0.76. Inter-company exchange has not been eliminated in the numbers

# Present across the entire value chain

 <b>Content production</b>	
 <b>Content rights</b>	
 <b>Broadcasting</b>	
 <b>Streaming</b>	
 <b>TV distribution</b>	
 <b>Broadband</b>	
 <b>Mobile</b>	



# Pan-Nordic reach & market position



Ability to reach all **10 million** Nordic households on high quality networks

# Customer benefits



**Single source**  
for communications  
& content



**More choice**  
due to broader  
service offering



**Flexibility**  
to create unique  
products



**Personalised**  
offering based on  
consumer insight

# Compelling strategic rationale

1

**Combination of two highly complementary entertainment companies**

- Excellent content offering & scale
- Pan-Nordic reach & market position
- Best-in-class tech capabilities and consumer insight

2

**Providing attractive consumer propositions with broad, flexible and personalized services for everyone**

- Next generation entertainment services connecting the Nordics with the world of content
- Future proof advertising models

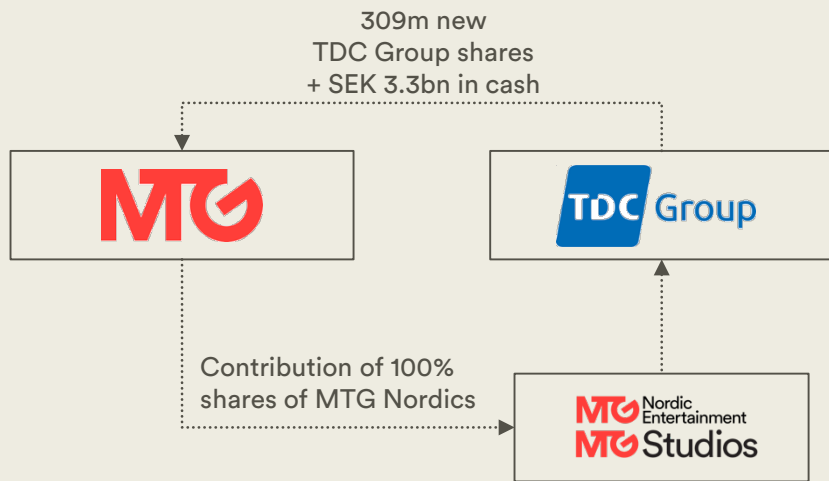
3

**Highly value creating for shareholders**

- Substantial synergies boosting cash flow growth
- Delivering immediate cash flow accretion
- Deleveraging enables higher shareholder returns

# Transaction overview

## Transaction structure

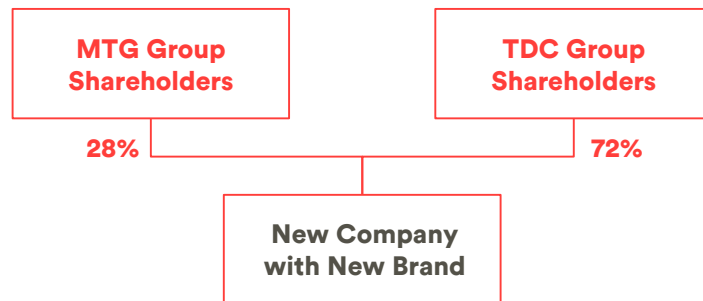


TDC Group and MTG Boards of Directors are recommending the combination

MTGs largest shareholder committed to supporting the combination

## Ownership of the combined entity

Post distribution of TDC Group shares to MTG shareholders

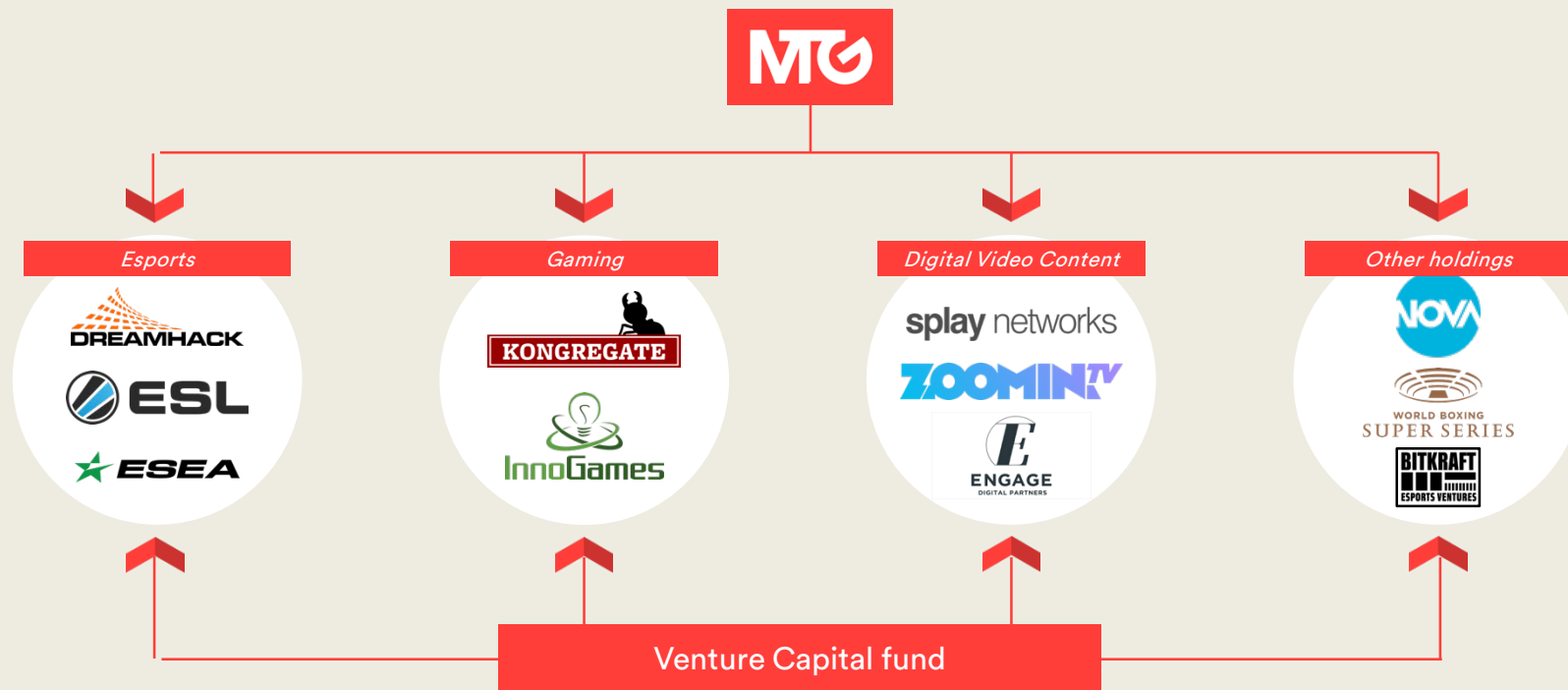




Shaping the future of



# “New MTG”



# “New MTG”

What we...

## ... ARE

- 8 majority owned portfolio companies with combined 2017 sales of SEK 4.2bn – up 70%
- SEK 3.65bn cumulative cash investment in MTGx to date
- Combined MTGx EBITDA profit in 2017 (SEK 119m if all companies consolidated since 1 Jan 17)
- Nova delivered 6% revenue growth & double digit EBIT margin in 2017

## ... DO

- We are the preferred partner in Europe for digital entertainment companies around the world
- We are investing in globally attractive digital entertainment businesses in specific verticals with portfolio synergy effects
- We are open to explore opportunities in new verticals

## ... ADD

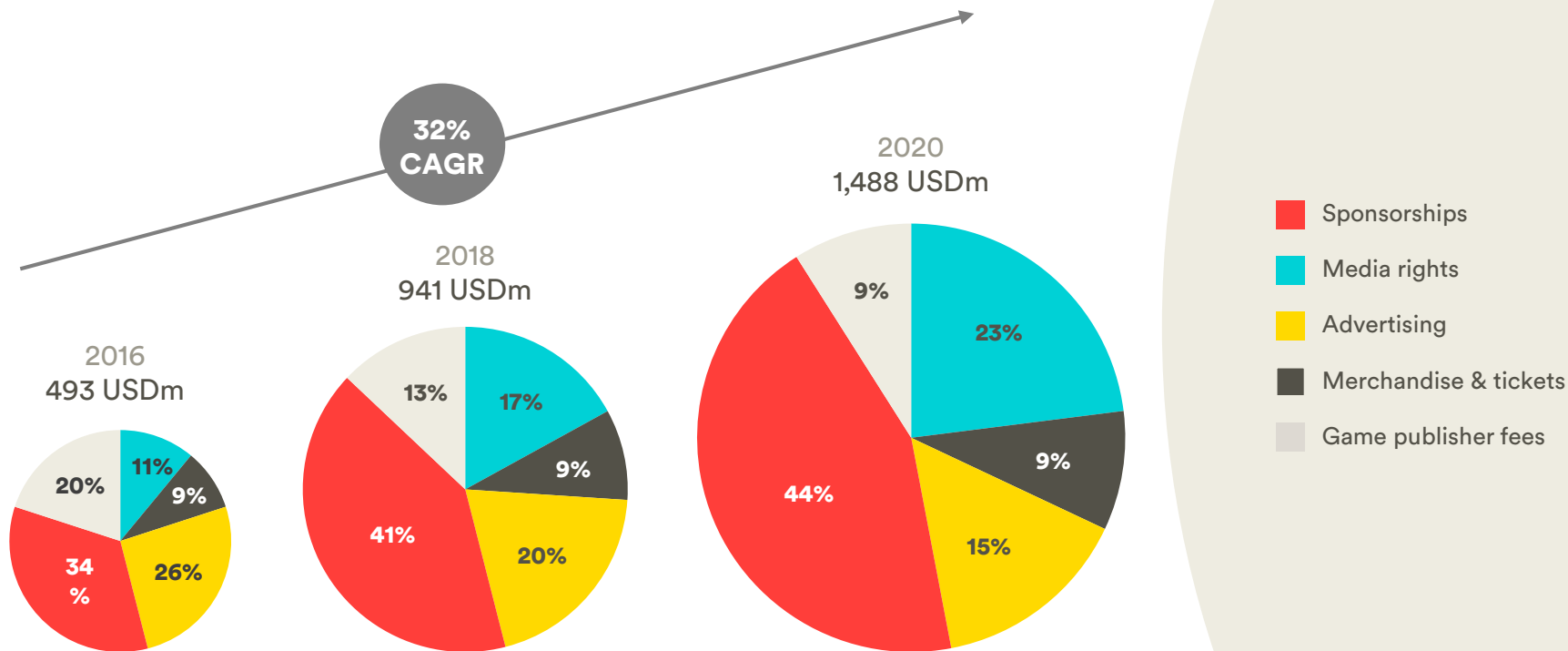
- Our highly experienced executive team adds strategic, commercial & operating value
- We are well financed to invest further organically and through M&A
- We take a flexible approach to investment sizes & structures

# Esports





# The fastest growing sport in the world



Source: NewZoo – 2017 Global Esports Market Report

# And our brands are shaping the industry



- 100% owned
- Grass-roots LAN parties & festivals
- Focus on interaction & gaming
- Building high engagement levels



- 75% owned
- The world's leading esports company and the category brand leader
- League operator, stadium events organiser and content producer

# From Amateur to Pro across all relevant games



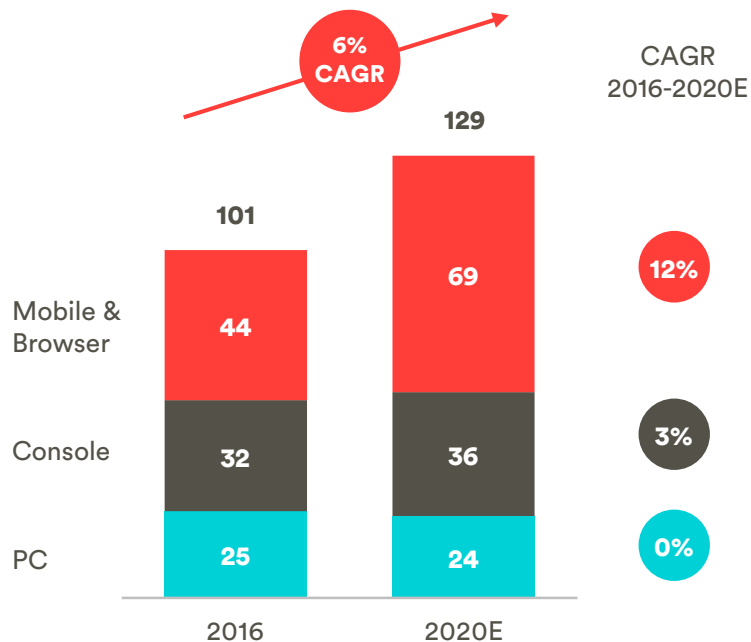
# Tribal Wars 2

Gaming



# A huge global market

Global Gaming Market (USDbn)



Source: Newzoo; OC&C Analysis

Key Growth Drivers

More players



More paying players



Higher spend per player





# And we have 2 proven developer publishers



## KONGREGATE

- 100% owned
- Proprietary publishing platform with more than 100,000 live games
- Expanding into 1st party games development with several bolt-on acquisitions of smaller studios
- Provides valuable network access and abilities to screen the game developer landscape
- 2017 pro forma (as if consolidated from Jan 2017) sales up 43% to SEK 428m with ~10% EBITDA margin



## InnoGames

- 51% owned
- Cross-platform games developer with six successful titles in mid-core strategy segment
- Highly sophisticated data-driven approach to maximise player engagement, churn reduction, return on marketing and monetisation
- 2017 pro forma (as if consolidated from Jan 2017) sales up 25% to SEK 1,547m with ~25% EBITDA margin

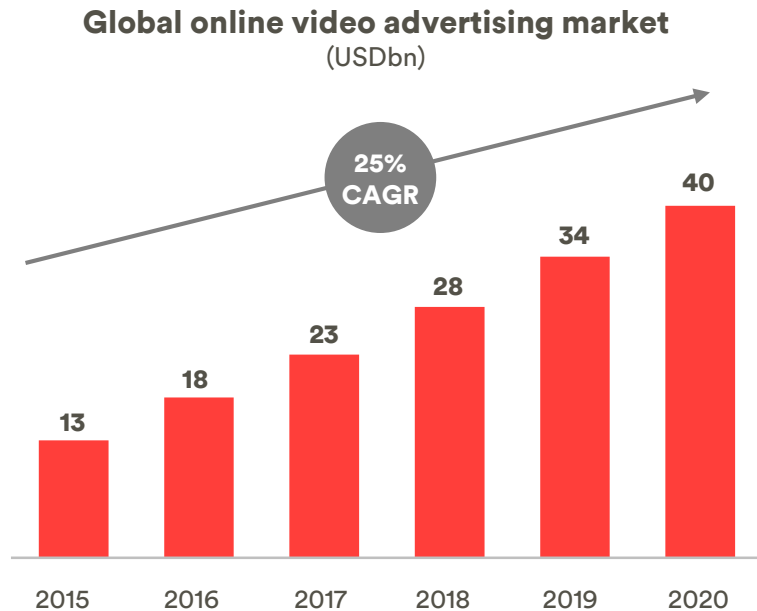




# Digital Video Content



# Well positioned to capitalise on global audiences



splay networks

ZOOMIN TV

**E**  
ENGAGE  
DIGITAL PARTNERS

# Helping Brands engage with Millennials & GenZ

**zoominTV**

**splay** networks



## Influencers & Creators

- Access to the best Influencers and Creators
- Influencer marketing campaigns connecting & engaging fans
- Authentic communication for Brands and Marketers

## Premium Content

- Developing & producing premium digital video content for Broadcast, Mobile, Social Media & Streaming platforms
- Short & Long form

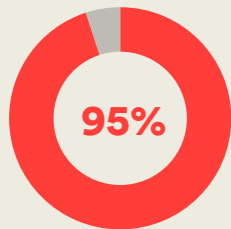
## Branded content & Native advertising

- Branded content productions to target & engage
- Helping Brands and Advertisers engage with Millennials and GenZs on Multiple Platforms

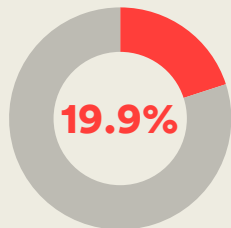
## Building Own Brands and IP

- Brand builders
- Own IP that can be monetized 360°
- Own & Operated Inventory offering Brand Safe environments

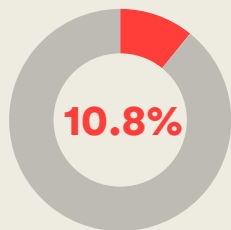
# Other holdings



of Bulgaria's #1 media group



of Comosa AG – owner of World Boxing Series and The Muhammad Ali Trophy



of Bitkraft esports early stage investment company



- SEK 1.2bn revenue media group
- 6% sales growth in 2017 with double digit profit margin
- Owner of 7 TV channels & 19 online businesses



- Founding shareholder in first of its kind annual global boxing tournament
- USD 50m prize money
- TV deals in >70 territories



- EUR 18.5m esports focused investment fund
- Established by ESL co-founder
- Portfolio includes Dojo Madness, Runtime, Level99

# A Global footprint



# Businesses builders

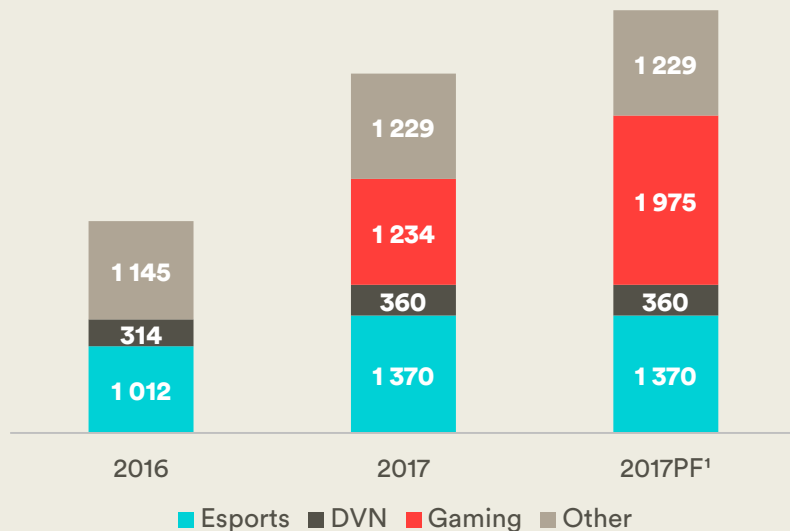


- Proven record of building companies
- Unique entrepreneurial culture
- Experienced value-oriented team
- Operational engagement & value-add
- Global networking capability
- Strategic long-term owner
- Flexible investment sizes & structures



# Hyper growth story

Revenue break-down  
(SEKm)

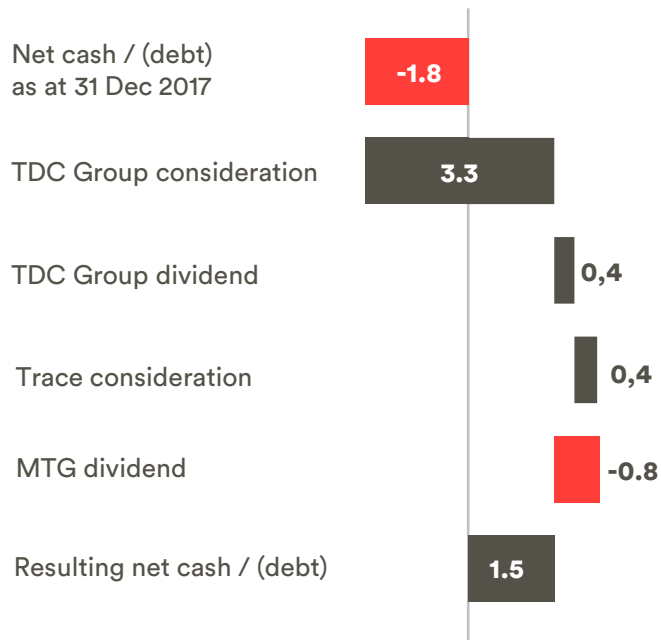


<sup>1</sup> 2017 results as if acquisitions had been consolidated since Jan 1

SEKm	2017	2017PF <sup>1</sup>
<b>Total Net Sales</b>	<b>4192</b>	<b>4933</b>
o/w MTGx	2964	3705
o/w International Entertainment	1189	1189
o/w Central operations & eliminations	40	40
<b>Total operating income (before IAC)</b>	<b>-344</b>	<b>-299</b>
o/w MTGx	-170	-125
o/w International Entertainment	176	176
o/w Central operations & eliminations	-349	-349

# Financial position

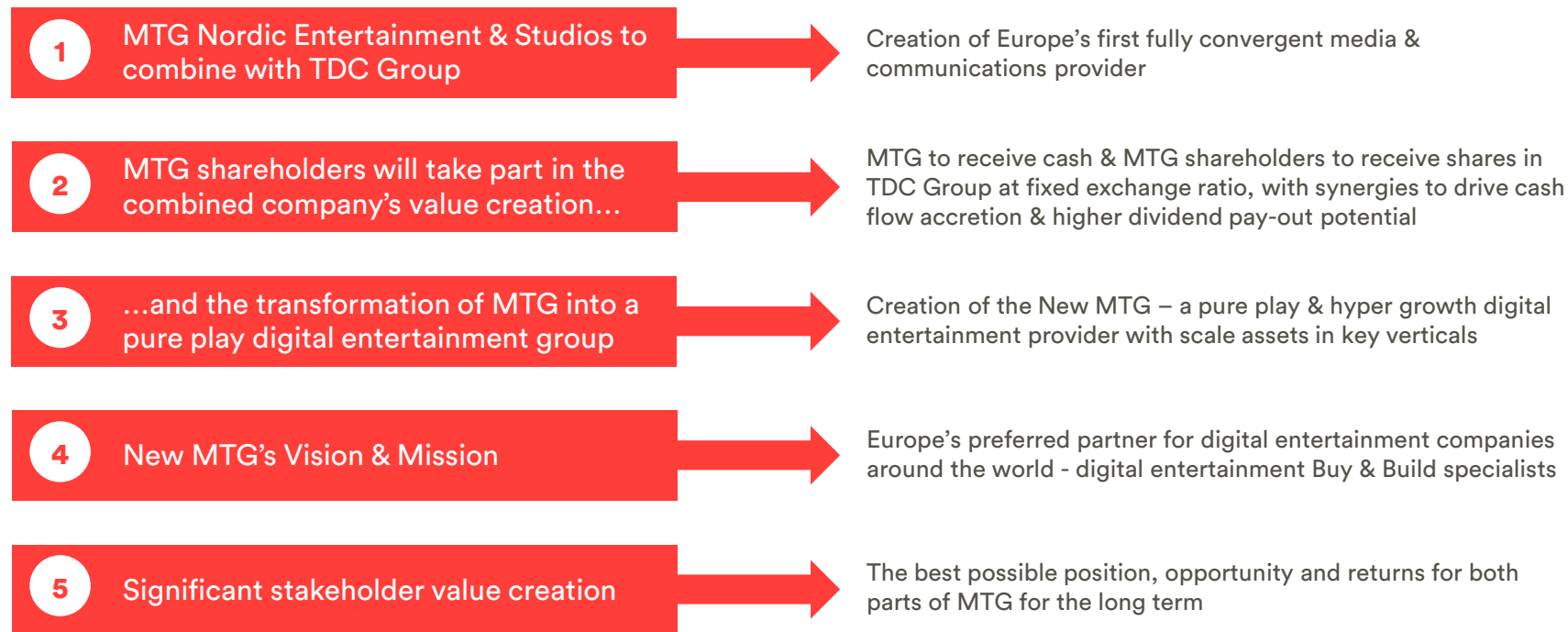
(SEKbn)



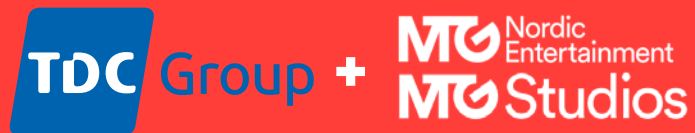
Note: DKK/SEK exchange rate of 0.76

- TDC Group to pay SEK 3.3bn in cash to MTG at closing
- MTG Board proposes SEK 12.50 annual cash dividend
- Ongoing portfolio realignment to yield further cash inflow
- A combined back-up facility and bridge financing of SEK 4bn with maturity in mid-2019 replaces current debt until completion of transaction
- Net cash position will:
  - Fund initially negative operating cash flow
  - Fund organic investment
  - Fund earn-out payments
  - Enable further acquisitions

# Summary



# Just the beginning



Europe's first fully convergent media & communications provider



A pure play in digital entertainment