



2020 ANNUAL AND CORPORATE RESPONSIBILITY REPORT

MTG

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The statutory annual report is available on the pages 23–115 and 121–131. MTG's statutory sustainability report covers pages 23-41 and 121-131. MTG also prepares Sustainability Reporting in accordance with GRI Standards, the scope of which is defined on pages 132-134.



MTG OVERVIEW

MTG (Modern Times Group MTG AB) is a strategic acquirer and operator of companies in gaming and esport entertainment. Founded in Sweden and headquartered in Stockholm, our shares (MTG A and MTG B) are listed on Nasdaq Stockholm.

Gaming vertical

Our gaming vertical consists of German-based InnoGames, US-based Kongregate and UK-based mobile racing pioneer Hutch Games. The subsidiaries develop and publish multi-platform free-to-play games such as Forge of Empires, Teenage Mutant Ninja Turtles: Mutant Madness, Top Drives, and Rebel Racing, that constantly evolve through live ops and new content creation. All three companies engage with global online communities. Their primary revenue streams are in-game purchases and in-game advertisement.

In 2020, MTG acquired Hutch Games – a leading developer and publisher of free-to-play mobile racing games. Hutch has an attractive financial profile with strong and sustained year-over-year sales growth while also showing a trend of improving margins. The acquisition of Hutch is in line with MTG’s strategy to build up a vertical of high-quality gaming companies and marks the beginning of a new journey with the ambition for further organic and acquisitive growth for MTG.

Esports vertical

Our esports vertical is led by ESL Gaming under our brands ESL, the world’s largest esports company, and DreamHack, the premier gaming lifestyle festival company. Primary revenue streams comprise of sponsorship deals, media rights sales, event tickets and branded merchandise.

The two brands have a track record of developing leading category brands such as Intel Extreme Masters (IEM), ESL One and DreamHack Masters. During 2020, ESL has successfully converted their live audience events to all digital or in studio events, while still maintaining a high level of fan engagement. DreamHack has similarly worked to develop a digital concept for its live-audience events, yet to be unveiled.

ESL Gaming will continue to drive new innovations to serve fans and communities across events, platforms, formats and game titles – to maximize value for gamers, brands and publishers worldwide.

DreamHack Sports Games develops, produces and distributes esports leagues in close cooperation with some of the leading traditional sports leagues internationally.

The aim is to capitalize on the trend of convergence between sports leagues, and the world of esports.

DreamHack Sports Games currently operate eFootball leagues in Denmark with eSuperligaen, Sweden with eAllsvenskan, the Netherlands with eDivisie and golf’s first esports proposition the European eTour, creating media products – attracting viewers, media- and sponsorship-partners.

GRI 102-1-6

25

Number of games

+32%

Growth



223

Numbers of developers



10.8

MAU - Monthly Active Users (million)

535

Group adjusted EBITDA, SEKm

800

Gaming adjusted EBITDA, SEKm

2,682

Gaming sales, SEKm



3,997

Group sales, SEKm



+124%

Growth

* A country where MTG operates is a country where MTG's legal entities are based/registered.

KEY EVENTS

■ The COVID-19 effect

While the esports vertical was negatively affected by the pandemic, the company's gaming vertical received a boost from it. The pandemic reduced the organic revenues in the esports vertical by around 22 percent in 2020, due to the postponement and in some cases cancellations of large live events. However, ESL Gaming managed to successfully convert competitions to be delivered online and in studio environment, and created new business opportunities. ESL and DreamHack also made cost savings of SEK 445 million during the second half of the year to ensure business continuity and the future potential of the operations. MTG's gaming vertical instead saw a boost from the pandemic circumstances, resulting in record performance through the year.

■ DreamHack ran new Fortnite tournament series with Epic Games

The agreement with Epic Games involved a monthly tournament featuring Fortnite from July 2020 to January 2021 with a total prize pool of USD 1.75 million. Fans throughout Europe and North America were able to participate in the tournament, which was broadcast live on Twitch.

■ ESL and DreamHack entered new streaming agreements with DouYu and Huya

Chinese live-game streaming platform Huya acquired exclusive rights to broadcast and distribute ESL's and DreamHack's major esports competitions in Mandarin and other Chinese languages, including ESL Pro Tour and the rights to broadcast DreamHack CS:GO and Dota 2 tournaments via a sub-licensing agreement.

The one-year DouYu deal allowed the exclusive digital live streaming of major ESL and DreamHack esports competitions in Mandarin and other Chinese languages, covering ESL Pro Tour for StarCraft II and WarCraft III, live streamed exclusively on DouYu until August 2021.

■ Maria Redin became MTG CEO

In September, Maria Redin became Group President and CEO. Redin was previously the Group Chief Financial Officer, and has been a member of the Group Executive Management team since 2015 after joining MTG in 2004.

As a result of Maria Redin's promotion, the company also announced that Lars Torstensson has been appointed CFO for the company.

■ Kongregate launched TMNT

Developed by Kongregate's Chicago-based studio, Synapse, TMNT: Mutant Madness was launched to the excitement of fans and reviewers in September as a free-to-play title in App Store and Google Play. The game features a unique approach to the franchise with exciting real-time combat, a deep character collection system, and both PvE (player versus environment) and PvP (player versus player) modes.

■ ESL and DreamHack combined

The combination of ESL Gaming and DreamHack is intended to increase competitiveness, accelerate products and events innovation and to offer the widest portfolio to the market. MTG has been the principal owner of both companies since their acquisition in 2015, and the new combined company – ESL Gaming – will manage and retain both brands.

■ ESL Gaming expanded Mobile Open to MENA for Season 2

ESL Gaming announced details of ESL Mobile Open Europe & MENA Season 2. It builds on the success of 2019's Season 1, which saw over 500,000 participants in total, by expanding to include competition in the MENA region as well as Europe., featuring Asphalt 9, Auto Chess, Clash of Clans and PUBG Mobile. and an €85,000 prize pool.

■ ESL Gaming announced 2021 direction and event calendar

The direction for 2021 sees the majority of ESL and DreamHack esports competitions scheduled to be played in a studio setting without a live audience in 2021. ESL One Cologne powered by Intel® remains planned as an in-person competition with an audience in July 2021, pending local regulation and guidelines, with more live-audience competitions and in-person DreamHack festivals following in late 2021.

■ InnoGames' classic title Tribal Wars released on Steam

What started out as a hobby project in 2003 became the foundation that the gaming powerhouse InnoGames is today. While Tribal Wars is available and widely enjoyed on mobile platforms iOS and Android today, the launch of this strategy classic on Steam enables even more players to enjoy it across the globe.

■ Increased ownership of InnoGames and forming of GamingCo

In December, MTG acquired an additional 17 percent of the shares in leading German games developer and publisher InnoGames GmbH for a total consideration of EUR 106 million (on a cash and a debt free basis), which brought its ownership in the company to 68 percent. The transaction was completed in December and was financed through a vendor note, which is due on March 31 2021. The transaction also involved the establishment of a new holding company for MTG's entire gaming business, including Kongregate. The formation of MTG Gaming AB is an important step toward creating a stronger gaming vertical that will be able to fully realize synergies, values and strategic opportunities going forward.

■ MTG acquired Hutch, a leading developer and publisher of mobile racing games

Hutch Games, which was acquired at the end of 2020, is a leading developer and publisher of free-to-play mobile racing games. The company's top three titles are F1® Manager, Top Drives, and Rebel Racing, which are all in the early growth phase with large future growth potential. Additionally, Hutch has a promising pipeline of new titles planned for launch in 2021 and 2022.

■ InnoGames reported record-breaking EUR 220m revenue

In 2020, InnoGames achieved a record-breaking revenue of EUR 220m, which is a plus of more than 15 percent compared to the previous year. 2020 marked the 14th year of consecutive revenue growth for InnoGames. InnoGames once again managed to prove business efficiency and sustainability with an EBITDA margin of 29 percent.

■ A rights issue to fund an ambitious M&A agenda

On 17 December 2020, the MTG Board of Directors resolved on a new issue of class B shares of approximately SEK 2,500 million with preferential rights for existing shareholders which was subject to approval by an Extraordinary General Meeting which it later received (the "Rights Issue"). The purpose of the Rights Issue was to repay the bridge loan facility used to finance the acquisition of Hutch Games and to repay the vendor note incurred in connection with the acquisition of an additional 17 percent of the shares in InnoGames.

■ Extraordinary General Meeting

As referred to above, the Extraordinary General Meeting, held on 21 January 2021, resolved to approve the MTG Board of Directors' resolution on the Rights Issue. The Extraordinary General Meeting also resolved, in accordance with the Board of Directors' proposals, on:

- an authorisation for the Board of Directors to up until the next annual general meeting, resolve on the issue of class B shares representing, in aggregate, not more than 10 per cent of the total number of shares in the company as of the time when the Board of Directors exercises the authorisation for the first time.
- an issue of not more than 627,431 class B shares directed to certain sellers of Hutch Games with payment through set-off against a vendor note of SEK 81,442,288.
- the approval of an issue of new shares in a subsidiary with payment in-kind for the purpose of enabling a consolidation of MTG's holding of certain esports assets.
- The implementation of a long-term incentive program (LTIP 2021) and certain arrangements to ensure delivery of shares to the participants in the program.

■ Rights issue oversubscribed and concluded

A maximum of 28,320,697 class B shares were offered in the Rights Issue at a subscription price of SEK 90 per share. 27,913,880 class B shares (corresponding to 98.6 per cent of the Rights Issue) were subscribed for by exercise of subscription rights. The remaining 406,817 class B shares were allotted to those who have applied for subscription for shares without subscription rights. The Rights Issue provided MTG with proceeds of SEK 2,549 million before deduction of transaction costs. Investors' interest was high and the Rights Issue was oversubscribed by 101.8 per cent.

■ Acquisition of Ninja Kiwi and a directed new shares issue

On March 24 2021, MTG acquired New Zealand-based leading tower defense mobile games developer and publisher Ninja Kiwi. The up-front consideration amounted to approximately SEK 1,217 million (NZD 203 million) and earn-out payments at an expected value of SEK 406 million (NZD 68 million) in aggregate, including cash and share components. Furthermore, MTG financed the acquisition and improved on the company's financial flexibility through a directed new share issue by means of an accelerated book building process.

LETTER FROM THE CEO

Maria Redin, Group President and Chief Executive Officer of MTG, reflects on a 2020 full of unexpected challenges and unprecedented opportunity.

Looking back on an extraordinary business year - incidentally, also my first as Group President and CEO - I am struck by how much we have accomplished as a company, as well as by the intensity of the year itself.

It's no exaggeration to say that 2020 has been a year unlike any other. The arrival of the pandemic in February 2020 rocked society and the world of business in equal measure; while MTG felt the initial impact, we quickly regained our footing through the impressive hard work and dedication of everyone within the group. Our teams have remained focused, confident and resilient and we've dared to leave no stone unturned to ensure business continuity. While we certainly continue to be impacted by the pandemic circumstances, we now stand stronger as a group concluding the 2020 financial year than we did coming into it.

Gaming: A milestone year

2020 was a milestone year for our gaming vertical, bringing strong performance in the face of the pandemic, significant M&A activities, and an ambitious new growth journey that involves growing the vertical both organically and through acquisition.

Our gaming companies saw a positive boost from the pandemic circumstances, with lockdowns and changed player behaviours leading to increased gaming on a global scale. InnoGames delivered strong performance

over the course of the year and progressed at pace with its new games pipeline, while Kongregate launched a well-reviewed September title based on the Teenage Mutant Ninja Turtles IP. Overall, our new games pipeline looks stronger than ever, and we look forward to an intense 2021 during which we plan to see up to seven new titles launched across our gaming vertical.

In December we increased our ownership in InnoGames to 68% for a total consideration of EUR 106 million; as part of this transaction, we deepened our relationship with the InnoGames founders and agreed to form a new jointly-owned company, GamingCo, for MTG's gaming investments, including InnoGames, Kongregate and future gaming acquisitions.

Shortly after creating the GamingCo, we announced the acquisition of Hutch Games as our first investment through the new company.

Hutch is not only a great addition to our portfolio in its own right, with three hit games and a creative and highly-experienced team, but also introduces the category of mobile racing to our vertical and complements the GamingCo's already strong position in the mid-core city-building/strategy and the idle categories. The transactions resulted in a 77.35% ownership in the new GamingCo.

GRI 102-14
GRI 102-15



**“We’ve dared to leave no stone
unturned to ensure business
continuity. Because of this, we
now stand stronger as a group”**

MARIA REDIN
GROUP PRESIDENT AND CEO, MTG

To secure funding for this renewed growth journey, our Board of Directors resolved in December on a rights issue of class B shares with preferential rights for existing shareholders, enabling all our shareholders to participate and join us on that journey, which we confirmed as over-subscribed on February 12th.

Our offering to M&A gaming targets continue to resonate well. We offer them a long-term home for their companies, people, brands and games - and in turn provide opportunities for them to grow by learning from best-in-class group peers on topics like marketing efficiency, user acquisition, customer insight and relationship methodologies, upsell mechanisms, access to enhanced technology platforms and more. The gathering of some of the best people in the global gaming business working towards a common goal, motivated through the forming of our GamingCo, creates clear group synergies – and in time therethrough shareholder value.

We now move into the 2021 business year emboldened by the progress made in 2020, with a maintained focus on M&A activity and organic growth to deliver on our strategy and create shareholder value. Over the next year, we will be seeking out more high quality gaming businesses that create great games, potentially further diversifying our gaming vertical.

Esports: A challenging but rewarding year

For our esports vertical, 2020 has demanded flexibility and nimbleness in the face of the ever-changing circumstances of the pandemic, particularly given its implications for live events.

In February 2020 we were informed that we would not be able to host live audiences for the 2020 IEM Katowice esports competition in Poland, Europe. It is a testament to the strength and tenacity of the team we have in ESL Gaming that we quickly adapted to this unexpected challenge, and were able to produce a successful event for a virtual audience.

As the year continued, we successfully converted the rest of our esports calendar to be digital-only.

Alongside a successful virtual events programme, the esports vertical maintained its relationships and forged new strategic partnerships with key stakeholders and industry players in 2020. In a major devel-

opment for the commercialisation of esports, the first quarter saw the signing of the “Louvre Agreement” by the world’s thirteen leading CS:GO teams, representing a long-term commitment to the future of the ESL Pro Tour. Over the course of the year we announced extensions of strategic agreements with the likes of Blizzard Entertainment, PUBG Mobile, Epic Games (Fortnite), Psyonix (Rocket League) and Twitch, while new streaming deals were secured with leading Chinese game streaming platforms Huya and Douyu, increasing the reach of our esports entertainment distribution across the significant Chinese-speaking audience.

In September, we announced the combination of ESL and DreamHack to form ESL Gaming. We have been the principal owner of both companies since 2015, and the new combined company marks a significant milestone in the ownership of both brands and creates a solid foundation for further scaling. The combination will accelerate innovation across products and events, increase competitiveness, and result in the widest portfolio for esports available to the market.

DreamHack Sports Games continued to deliver on its strategy to partner with traditional sports leagues to create esports leagues and media products. During the year the company has operated eFootball leagues in Denmark with eSuperligaen, Sweden with eAllsvenskan, the Netherlands with eDivisie and golf’s first esports proposition the European eTour during the business year.

In the business year we saw a decline in revenue in esports, mainly due to Master, Challenger and Open properties being moved to be executed online, and less publisher activities due to the coronavirus pandemic circumstances. With that said, we’re pleased with how we successfully delivered and produced a range of high profile esports events online and in studio environment.

As we look ahead to the operation of our esports vertical in 2021 it’s evident that visibility remains low. We look forward to hopefully see the re-introduction of live-audience events in the second half of the year, but we expect the pandemic to continue to have an impact on our business with key stakeholders, such as brand sponsors and publishers.

“We now move into the 2021 business year emboldened by the progress made in 2020, with a maintained focus on M&A activity and organic growth to deliver on our strategy and create shareholder value.”

MARIA REDIN
GROUP PRESIDENT & CEO, MTG

Responsible entertainment: Our approach to Corporate Responsibility

Following an exciting and challenging year, our Corporate Responsibility strategy, rolled out in 2019, has remained at the core of our business. Our subsidiaries have further integrated the CR strategy into their new company structures and made changes across their everyday business. As we continue to change the future of entertainment, our vision to offer responsible gaming and esports entertainment remains the same: we believe that responsible entertainment is the best form of entertainment, for all involved.

As CR gains importance in gaming and esports, we want to proactively turn risks into opportunities, and play a driving role in building an industry that is sustainable now and in the future. In 2021 we will refine our CR strategy further, and review our processes to ensure we continue to not only meet the expectations of our partners, suppliers and peers, but also those of our end users: the players playing our games and the fans entertained by our esports content.

New for this year is the publishing of our CR report integrated with our Annual Report, enabling a more integrated approach for readers. I'd also like to highlight our inclusion in SAM ESG Sustainability Yearbook 2021 – which is recognition for our efforts, but certainly nothing that makes us rest on our laurels.

Conclusion

It is safe to say that 2020 was not the one any of us expected. Nevertheless, we enter into the 2021 business year driven by our commitment to an ambitious growth journey across both our gaming and esports verticals, and encouraged by the flexibility and optimism demonstrated by our teams and group companies in 2020.

Entering 2021 visibility remains low, despite the hopeful progress with vaccines rolled out across markets and we expect the pandemic to impact our business also in 2021.

With the continued hard work from our teams, support from our partners and loyalty from our end users in both gaming and esports - gamers and esports fans – motivates us to continue to excel, whatever the challenges we will face.



Maria Redin
Group President & CEO, MTG

MTG EVOLVED — THE HOME OF GAMING AND ESPORT ENTERTAINMENT

MTG'S VISION

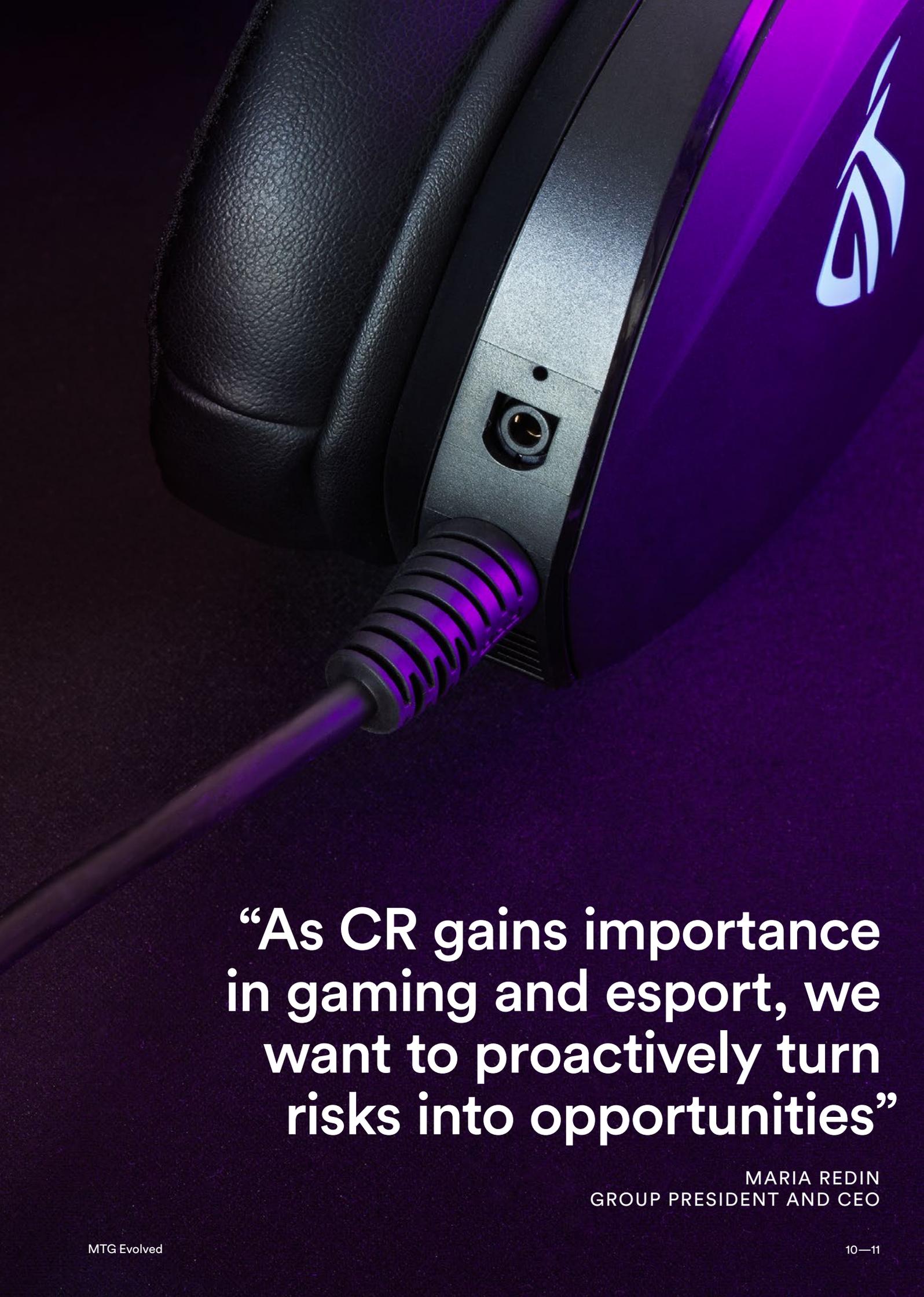
IS TO BECOME THE HOME OF GAMING AND ESPORT ENTERTAINMENT.

MTG'S MISSION

IS TO GROW THE GAMING AND ESPORT ECOSYSTEMS AND BENEFIT THE COMMUNITIES THROUGH RELEVANT PRODUCTS AND STORYTELLING WITH CRAFTMANSHIP, INNOVATION AND SUSTAINABILITY AT ITS CENTER.

OUR STRATEGY

IS TO DRIVE PROFITABILITY AND ORGANIC GROWTH IN GROUP COMPANIES AND INVEST IN HIGH-POTENTIAL GAMING AND ESPORT BUSINESSES THAT COMPLEMENT MTG'S BRANDS AND PRODUCTS.



**“As CR gains importance
in gaming and esport, we
want to proactively turn
risks into opportunities”**

MARIA REDIN
GROUP PRESIDENT AND CEO

OUR STRATEGY

A strategic acquirer and operator in esports and gaming

MTG's strategy provides flexibility and agility in a rapidly evolving entertainment landscape. Combined with a Build and Buy strategy, MTG seeks to drive profitable and organic growth in vertical companies and invest in high potential esports and gaming businesses.

Build

MTG's gaming and esports verticals span the entire gaming customer journey – from watching and interacting to learning and sharing. With original IP, competitive gaming platforms and international mega-events, MTG's owned and operated brands are leaders within their respective categories.

Our gaming vertical consists of German-based Innogames, US-based Kongregate and UK-based mobile racing pioneer Hutch. The subsidiaries develop and publish multi-platform free-to-play games such as Forge of Empires, Teenage Mutant Ninja Turtles: Mutant Madness, Top Drives and Rebel Racing, that constantly evolve through live ops and new content creation. All three companies engage with global online communities. Their primary revenue streams are in-game purchases and in-game advertisement.

Our esports vertical is led by ESL Gaming including our brands ESL and DreamHack. The vertical develops existing as well as new IPs to capitalize on the rapid growth of competitive and lifestyle gaming. Original content includes national and international leagues, tournaments and festivals in multiple languages that under normal non-pandemic circumstances are attended by hundreds of thousands of fans around the globe and followed by millions of online esports fans via various media distribution platforms. During 2020 due to the pandemic circumstances, esports has successfully converted live audience events to be digitally produced and broadcasted esports entertainment.

Activities during the year

- Building on a track record of developing leading esports events, DreamHack ran a monthly tournament featuring Fortnite from July 2020 to January 2021 for Epic Games.
- ESL and DreamHack signed streaming exclusive deals in Mandarin and other Chinese languages.

- ESL and DreamHack announced a combination to form ESL Gaming – one company housing both brands.
- MTG formed the new group GamingCo together with InnoGames founders to better drive synergies between group gaming companies.

Buy

Besides growing organically, MTG's strategy is to also grow through acquisitions and investments in high potential young businesses and the talented entrepreneurs behind them. Such investments are evaluated based on their complementary nature and the cultural alignment with MTG's values. By nurturing innovative ideas and the passionate and entrepreneurial teams behind them, MTG strengthens the gaming and esports sector and scales new and innovative solutions for the benefit of the entire ecosystem – including players, fans, sponsors and publishers.

Activities during the year

- Hutch Games which is a leading developer and publisher of free-to-play mobile racing games was acquired December 18 2020.

Values-driven entertainment

As a values-driven company with its brand identity rooted in Corporate Responsibility, MTG is built by motivated and competent professionals from diverse backgrounds and a shared culture.

Drivers of future returns

Our vision, mission and strategy are intended to accommodate the nature of global gamers, and esports fans and communities. In this context, MTG's seven long-term initiatives for driving performance in its existing assets and growth are:

1. Organically grow esports as mainstream entertainment through increased distribution and new game genres
2. Scale the esports business through strategic partnerships
3. Establish a strong position throughout the entire esports ecosystem from grassroots amateur cups to pro leagues
4. Increase the usage and longevity of products and games-as-a-service
5. Continuously cross-promote and share knowledge across the group's verticals
6. Innovate by developing existing and new games, products and brands
7. Maintain an efficient and well-balanced capital allocation



WHY GAMING MATTERS

Rewind fifty years, and the gaming industry is almost unrecognizable. From humble beginnings with the first home computers, gaming has grown, evolved, and professionalized immensely in recent decades.

Today, it marks one of the largest and most profitable entertainment industries in the world, with the global gaming market valued at USD 152 billion in 2019¹.

But with new modes of entertainment emerging every day, can gaming continue to dominate the market?

Gaming has an incredibly rich history, but the industry is far from past its prime. A quick look at the current state of play, and it's clear that the best is yet to come.

From single to multiplayer: Growing a global community

In the early days, gaming was all about the single player. The gamer tackled the challenges of the developer – whether it was solving a complex puzzle or defeating the hordes of hell in first person shooters.

But the rise of the internet, enhanced connectivity, and mobile technology has revolutionized, and socialized, the way we play. Whether casually or professionally, it's no longer just about what you play, but who you play with.

Naturally, this shift led to a surge in new gamers, and over recent decades, the industry has continued to grow and evolve at pace. In 2020, this growth was catalyzed once again, as countries around the world

went into lockdown due to the COVID-19 pandemic, with millions of people turning to gaming as a safe and fun way to socialize. Through games, people are building and nurturing social networks, as well as finding comfort, joy and creativity.

In 2020, there were as many as 2.7 billion gamers worldwide. According to Statista, we can expect this figure to rise to over 3 billion by 2023. With the widespread accessibility of mobile technology today, many of these new gamers are opting for mobile games. In fact, globally, 2.4 billion people now play mobile games.

That's almost one-third of the world's population – and this number is still growing.

An integral part of society – both today and tomorrow

With such a significant – and growing – reach, gaming is becoming a platform for influence across society. Gaming has already changed the way that many other forms of media, from music to film, are produced and consumed, as well as the way people socialize and bond with each other. From pop stars such as Stormzy to politicians such as Alexandra Ocasio-Cortez, leading figures around the world are beginning to recognize the incredible power and influence of gaming, and are joining the in-game conversation.

¹Mordor Intelligence (2019). Gaming market – growth, trends, forecasts (2020 – 2025); Newzoo (2019). Global Esports Market Report.



Crucially, they recognize that it's not just about reaching kids. In fact, the average age of gamers today is around 35. The first generation of gamers – raised in the 1970s, 1980s, and 1990s surrounded by now legendary gaming consoles such as the SNES and Sega Mega Drive – are today's parents, who continue to enjoy the benefits of gaming while playing socially with their children, encouraging the next generation of gamers.

As the role of gaming in society evolves, not only does it offer new opportunities for education, but recent studies have found that playing video games is also positively associated with emotional well-being¹ – a claim that many gamers themselves support². And while there is relevance in continued discussion and dialogue over the effects of gaming, we'd argue that it is fair to say that as a whole, the gaming industry and gaming community has matured over the years, for the better.

The gaming community continues to grow and evolve, and so too does its power, potential, and influence. For innovators, entrepreneurs, and leaders across the gaming industry, that's a truly exciting prospect.

The best is yet to come

Gaming is clearly becoming increasingly interwoven with every aspect of society, from education to pop culture. The Metaverse – a digital place for seamless social interaction – is rising, and the digital economy booming alongside it.

For gaming, the opportunities this brings are endless. The global gaming market is expected to reach a value of USD 257 billion by 2025. Notably, around 45 percent of this market comes from mobile games – an area which still has huge untapped potential.

At MTG, we're committed to being the home of gaming as it enters this next chapter. Our newly formed gaming holding company – GamingCo – marks the beginning of a new journey and uniquely positions us to capitalize on industry developments through both organic and acquisitive growth.

GamingCo's first move? Acquiring mobile-first developer and publisher Hutch. It's next move? You'll have to wait and see, but we can tell you this: we're only just getting started.

¹ Groundbreaking new study says time spent playing video games can be good for your well being – Oxford University (November 2020)

² 2018 Quete Data Report: Gaming and You:

- 89% of gamers stated they believe gaming is beneficial to themselves and society as a whole
- 44% of respondents claiming the biggest benefit is their improved emotional well-being



“As the role of gaming in society evolves, not only does it offer new opportunities for education, but recent studies have found that playing video games is also positively associated with emotional well-being”



OUR VALUE CHAINS

Our gaming and esport value chains are the eco-systems of our business that create value for our customers, partners, employees and shareholders, as well as society as a whole.

GRI 102-4
GRI 102-6
GRI 102-7
GRI 102-9

Gaming

Our gaming companies InnoGames (Germany), Kongregate (US) and Hutch (UK) develop free-to-play mobile and browser games. They work with all aspects of the development and launch of a game – from idea generation and IP development, to coding, artwork and marketing.

IP Licensing

Kongregate regularly works with large known IP owners, such as entertainment and broadcasting companies, which license the rights to develop and publish games based on their IPs. Kongregate's title 'TMNT: Mutant Madnes' is an example of such a title.

All InnoGames' IPs are fully owned by the company.

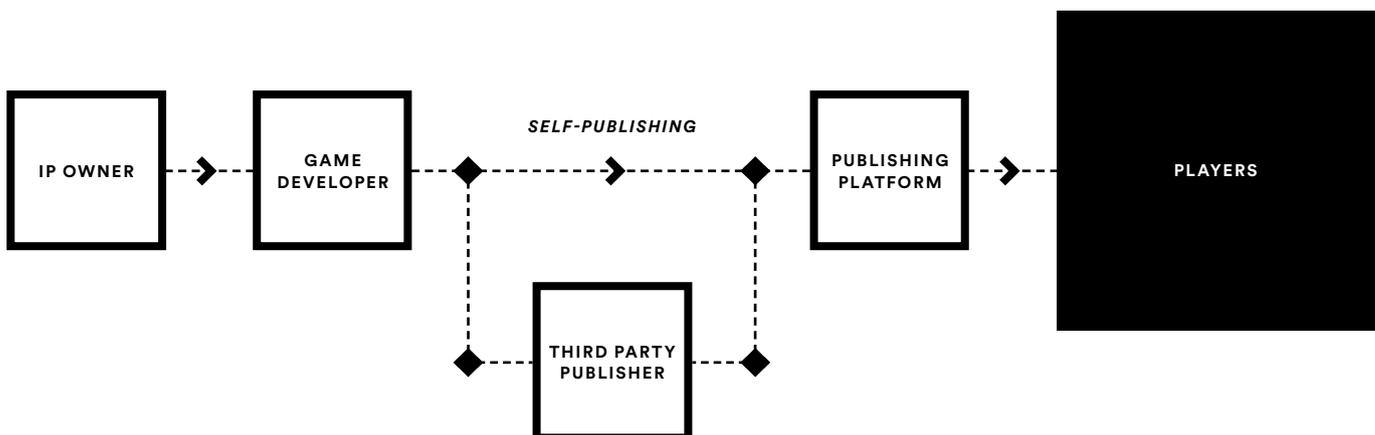
Hutch has the license to develop and market mobile games under the F1 IP license, which is the foundation for the F1® Manager title.

Distribution and publishing

Our free-to-play games are distributed through different publishing platforms. For our owned titles, we operate as a self-publisher using the common smartphone app stores (Google Play and App Store). Kongregate also operates as a third-party publisher, which means it distributes and markets for other external game developers. Additionally, Kongregate operates its own publishing platform Kongregate.com, which is a large community of indie game developers and players.

Players

Game developers and publishers interact with their players on an ongoing basis and have a broad range of tools to monetize its users, primarily through in-app purchases and advertisements. As Kongregate, Hutch and InnoGames focus on free-to-play games, the companies generate the vast majority of their revenue through in-app purchases from a fraction of the total userbase that wishes to progress faster or unlock additional in-game features.



Esport

Our esports value chain centers around our esports brands housed within ESL Gaming: DreamHack (Head office in Stockholm, Sweden) and ESL (Head office in Cologne, Germany). They are two of the world’s largest independent esports tournament organizers. They organize esports tournaments and gaming festivals around the world, mainly in Europe and North America, that attract a spectrum of esports audiences and players – from enthusiasts to professional (esport) athletes. Additionally, we operate DreamHack Sports Games (Head office Copenhagen, Denmark) which partners with sports leagues to develop and operate esports leagues.

Distribution (online and offline)

Our esport content is distributed through online and offline channels. For online distribution, esport enthusiasts can consume our events and BYOD, LAN festival content using digital third-party distribution platforms. As our esport companies own the distribution rights to the original esport production, the content rights are sublicensed to networks and digital services in multiple

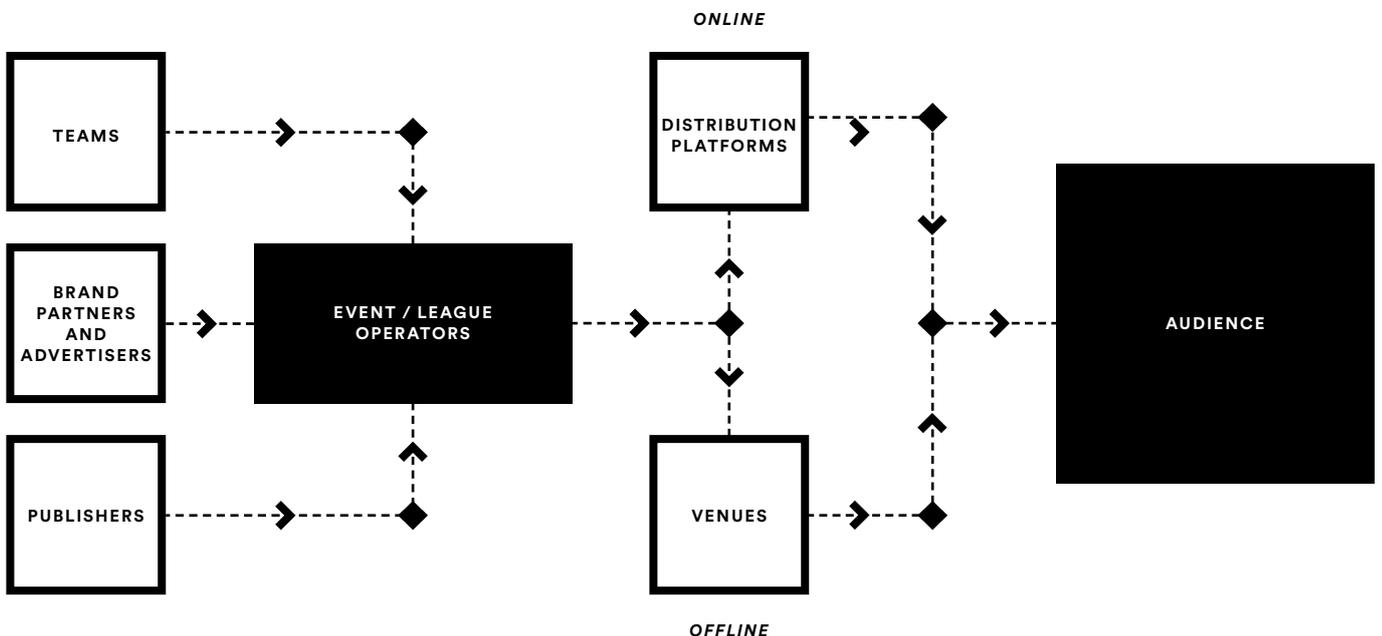
languages. Enthusiasts can experience the action live at a venue after purchasing event tickets.

Brand partners and advertisers

At esport events (online and offline) and festivals, we sell sponsoring opportunities and advertising space to brand partners and advertisers. There are a variety of purchasing opportunities to promote products at different stages of the value chain (such as commercial breaks, social media marketing and venue activations). We provide both endemic and non-endemic brands with effective exposure channels toward the esports audience.

Other stakeholders

ESL and DreamHack work closely with all stakeholders throughout the value chain. This includes collaborating with game publishers on a license basis to ensure the effective management of their games. Furthermore, we continuously interact with esport organizations, athletes and teams to ensure they are able to compete at their best level at our tournaments.



A photograph of two women in a professional setting, possibly a meeting or discussion. One woman is standing and looking towards the other, who is seated. They are in front of a window with curtains and a potted plant.

BUSINESS OPERATIONS

In 2020, MTG's operations included two business segments/verticals – gaming and esports – as well as its central operations.

Gaming

The gaming vertical is made up of InnoGames, Kongregate, Hutch and MTG VC-fund's investment in gaming-related companies. MTG is investigating various synergies between its gaming companies.

InnoGames, based in Germany, is a leading developer and publisher of mobile and online games. The company is based in Hamburg and is best known for Forge of Empires, Elvenar and Tribal Wars. InnoGames' complete portfolio encompasses seven live games and several mobile titles in production. InnoGames is focused on the free-to-play segment and provides players with a cross-platform experience on PC and mobile devices. By the end of 2020, the company had earned a lifetime revenue of over EUR 1bn.

Kongregate, based in San Francisco, is a leading mobile game publisher and developer, and is a recognized innovator in breakout genres like Idle games. Kongregate develops games through first-party studios Ultrabit in San Diego and Synapse in Chicago. Among their most acclaimed and appreciated titles are Idle Frontier, Animation Throwdown and the most recently launched Teenage Mutant Ninja Turtles: Mutant Madness. Kongregate also publishes and scales cross-platform games, working closely with third-party developers and providing a host of services that include product recommendations, analytics,

user acquisition and platform relations. Kongregate's mobile games have been downloaded hundreds of millions of times and have billions of gameplay.

Hutch Games, which was acquired at the end of 2020, is a leading developer and publisher of free-to-play mobile racing games. The company's top three titles are F1® Manager, Top Drive, and Rebel Racing, which are all in the early growth phase with large future growth potential. Additionally, Hutch has a promising pipeline of new titles planned for launch in 2021 and 2022.

Esport

The esports vertical is led by ESL Gaming, which was formed in 2020 following the combination of our brands ESL and DreamHack. Despite being part of the same organization, ESL and DreamHack continue to operate as separate brands.

Through ESL Gaming, MTG is the world's leading esports company and operates national and international tournaments as well as grassroots amateur cups, leagues and festivals. In this relatively new cultural phenomenon, ESL and DreamHack are established global brands and the preferred choices for viewers, players, partners and publishers.

ESL is the world's largest esports company. Founded in 2000, ESL has shaped the industry through the most popular computer

games over the years with numerous online and offline esports competitions. The company operates high profile, branded international leagues and tournaments under the ESL Pro Tour, including ESL One, Intel® Extreme Masters, ESL Pro League, and other premier stadium-size tournaments. ESL also produces National Championships in multiple countries, grassroots amateur cups and online matchmaking systems to create a sport where everybody can become somebody. The combined ESL events (at Pro Tour level) attract hundreds of millions of viewers each year with a significantly younger demographic compared to established sports such as American football and ice hockey.

DreamHack is an immersive, gaming lifestyle experience where the community comes to life. Millions of fans tune in to DreamHack broadcasts each year, and the 24 hour-a-day festival weekends feature everything gaming under one roof. Attendees experience professional esports tournaments, amateur and varsity gaming tournaments, world-famous bring-your-own-computer (BYOC) LAN party, cosplay championship, panels, art, activities, expo, screenings, live music and more.

SEGMENTAL PERFORMANCE

The Group's sales from continuing operations decreased by 6 percent and adjusted EBITDA increased by 124 percent.



(SEKm)	2020	2019
Net sales by segment		
Gaming	2,682	2,531
Esport	1,315	1,712
Central operations and eliminations	0	0
Total net sales	3,997	4,242
Adjusted EBITDA by segment		
Gaming	800	605
Esport	-163	-213
Central operations and eliminations	-102	-153
Adjusted EBITDA	535	239
Items affecting comparability	-9	-152
Impairment own capitalized costs	-20	-93
Long-term incentive programs	-132	-76
M&A transaction costs	-56	-28
EBITDA	319	-109
Adjusted EBITDA margin per segment		
Gaming	30%	24%
Esport	-12%	-12%
Total Adjusted EBITDA margin	13%	6%



CR STRATEGY AND RISK MANAGEMENT

Corporate Responsibility is a key pillar of our business, and our vision is to offer responsible gaming and esports entertainment as we believe that responsible entertainment is better entertainment for all.

Our vision of responsible entertainment is reflected in our Corporate Responsibility (CR) strategy, which is organized around three focus areas: Environmental, Social and Governance (ESG) principles – Environmental Care (e.g. climate footprint), Social Impact (e.g. diversity & inclusion) and Governance (e.g. training and policies).

To formulate our CR strategy, a materiality analysis was conducted in 2019 to reflect the new MTG structure and organization with a focus on gaming and esports. The analysis included a benchmark, risk analysis and the identification of the most material topics for MTG as a whole and specifically for our two verticals – gaming and esports. In 2021, we will further refine our CR strategy to accommodate our new company structure, and this will include defining objectives and key results to measure our CR performance.

Risk management

When developing our new strategy in 2019, Corporate Responsibility risks were identified and analyzed for our entire business and our subsidiaries within our two verticals. We believe the main risks for MTG are:

Gaming

- Discrimination
- Irresponsible marketing
- Exploitation and/or exposure of minors
- Insufficient internet safety
- Game addiction and mental health issues
- Occupational health risks for workers

Esport

- Discrimination
- Event security
- Exploitation of minors
- Corruption
- Occupational health risks for workers
- Mental health and the perceived negative social impact of games

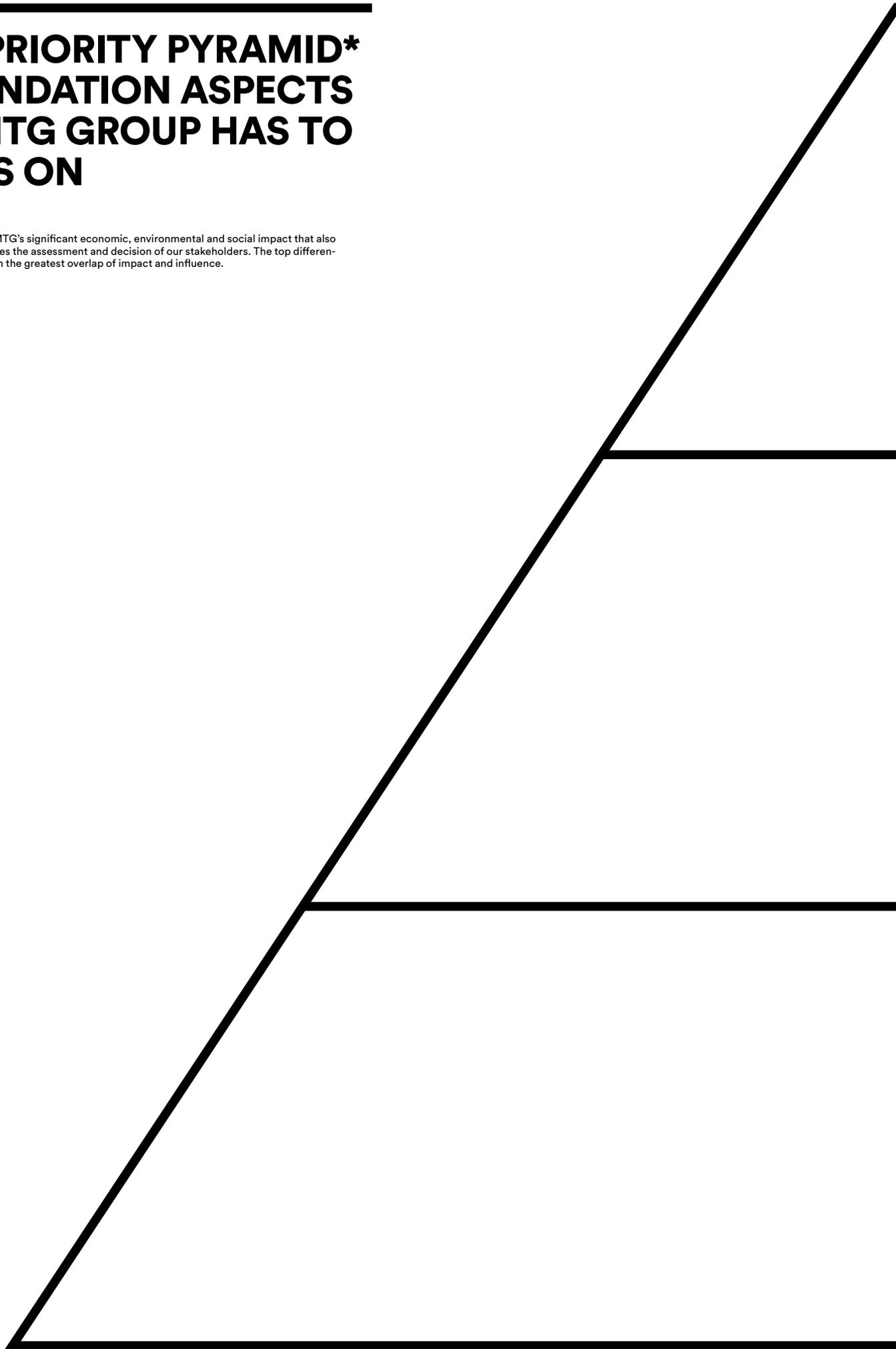
Our material topics

Our most material topics were identified through questionnaires, surveys and interviews with our main internal and external stakeholders – including our employees at all levels, our board, customers, investors, suppliers and NGOs. The stakeholder analysis was cross-referenced with an impact analysis of MTG's positive and negative impacts on the economy, society and environment throughout its entire value chain. It also considered legal requirements and our ability to have an impact. This resulted in the development of our priority pyramid, which forms the basis for our CR strategy.

GRI 102-15
GRI 102-46
GRI 102-47

MTG PRIORITY PYRAMID* – FOUNDATION ASPECTS THE MTG GROUP HAS TO FOCUS ON

* The pyramid reflects MTG's significant economic, environmental and social impact that also substantiates, influences the assessment and decision of our stakeholders. The top differentiators being those with the greatest overlap of impact and influence.



UNIQUE

These top 2 aspects are our top differentiators where we can create the biggest impact in our industry

- Health and well-being
- Gender equality

FOCUS

These are our focus aspects, areas that we need to prioritize and continuously work with and improve

- Education and training for employees, children and parents
- Internet safety
- Fair market practices
- Doping, corruption and other forms of cheating

BASE

These are our base aspects, areas that we continuously work on in our daily operations

- Accessibility of events
- Protection of minors
- Community impact
- Diversity and inclusion
- Environmental care
- Safety and security at events



THE PROTECTION OF MINORS AND RESPONSIBLE GAMING FOR ALL

Everyone – including minors, should be provided with safe, trusted and enjoyable gaming and esports experiences.

Protecting minors in gaming

Both InnoGames and Kongregate believe it is important that children and minors are protected. InnoGames targets players that are aged 16 and above and their games are classified by the International Age Rating Coalition (IARC).

Mobile games from InnoGames and Kongregate use the Google Play and the Appstore rating systems to provide age recommendations to parents and players. Country or region-specific age limits may also vary.

Kongregate’s Children’s Privacy Policy, which applies to children under the age of 13 within the United States (or up to the age of 16 for children located in certain European countries), defines and clarifies what information on its users are collected and how parental consent practices can be used. Children under the age of 13 are not allowed to create accounts on Kongregate.com – in line with the US COPPA legislation and the privacy requirements for children.

A Kongregate.com account is also a prerequisite to create a Kartridge.com account, which is our direct sales platform.

In 2020, Kongregate began an audit of games that are considered Kid-Appealing, in accordance with the kidSAFE COPPA Certification Program. kidSAFE is an independent, third-party organization that is committed to safeguarding children’s personal information collected online. Once the audit has been completed, Kongregate will continue to be compliant with the protection of children’s data.

Chat filters, moderators and age-gating

InnoGames and Kongregate have clear guidelines, in multiple languages, on what is acceptable and unacceptable behavior within the respective gaming community.

InnoGames has a set of Global Rules that clearly prohibit the use of discriminatory language and publication of violent material. Additionally, each game has its own set of Global Rules. Kongregate has a set of

**GRI 103-1-3
PROTECTION
OF MINORS**

Behavior Guidelines that describes how to behave in its chat rooms and forums. The guidelines are written in a simple and accessible manner, and include sections such as *Be nice to one another*, a section where players are informed not to use discriminatory language, and *Be nice to children*.

As a way to ensure that users uphold the guidelines, Kongregate and InnoGames have implemented different tools and processes. Both companies have support teams that players can contact and have their concerns and complaints investigated following a negative chat experience.

Kongregate also utilizes an automated chat filter, which evaluates words and statements using textual clues and blocks users that breach its guidelines.

If a user regularly ‘misbehaves’, they will be classified as untrusted and their chats will be subject to an even stricter filter. The filter can also be used in forums to manage the sharing of links and images. To add an additional protection to our chats, Kongregate has a group of volunteer moderators with the task of moderating chats to keep them free from bad behavior and to create an inclusive environment. The moderators have the power to punish anti-social behavior – with measures ranging from a temporary removal of access to social functions to a warning followed by a permanent ban.

Protection of minors in esports

During 2020, both ESL and DreamHack shifted esports events and tournaments to a digital format, which slowed the implementation of new processes and measures to protect minors at our esports events. However, the protection of minors is a priority, and we are aware of the risks involved as well as the opportunities to create safe and inclusive events.

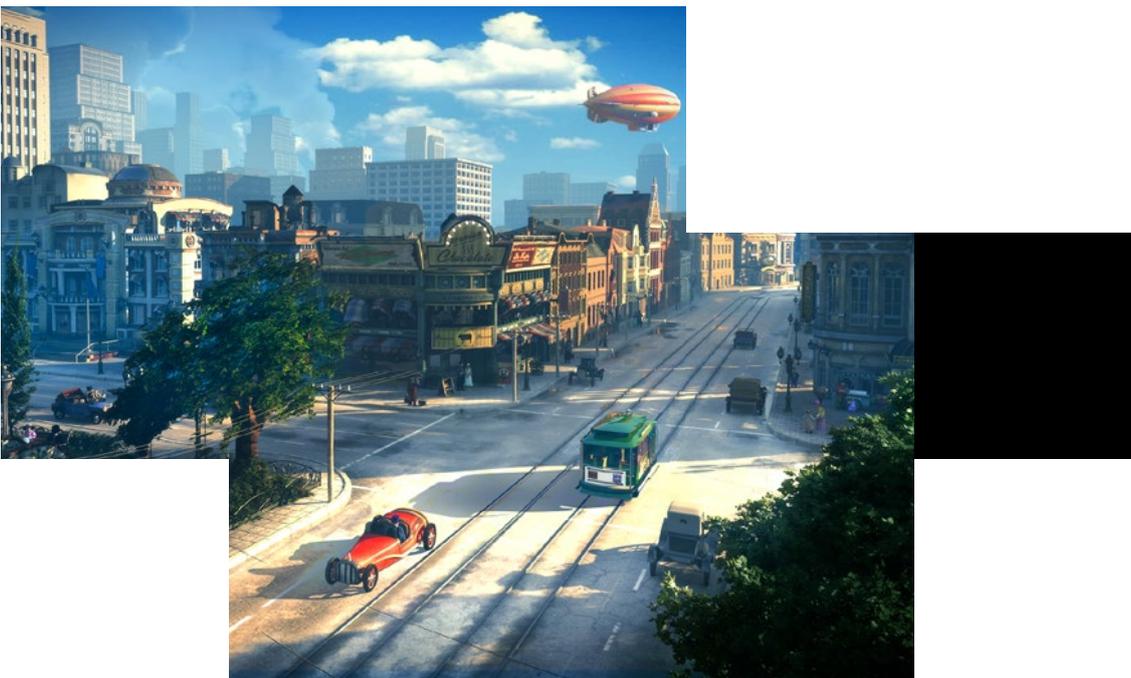
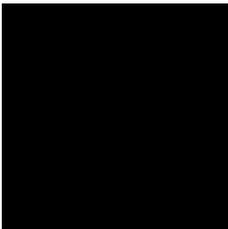
DreamHack

The general age gating at DreamHack festivals is that children under the age of 18 years must have a waiver signed by their parent or legal guardian to attend. Under 13s must be accompanied by their parents or legal guardian. To ensure that kids attending a DreamHack event are prepared, basic information is provided on the event homepage for parents on how to prepare their kids and what to expect at the event. This information covers subjects such as getting enough rest, staying hydrated, the importance of eating regularly and updating their kids’ mobiles with ICE (in case of emergency) phone numbers.

In 2020, DreamHack began the development of a new policy framework and process for handling and mitigating risks such as the harassment and discrimination of young adults. The plan is to implement the framework and the new processes once live events can be resumed.

ESL

ESL age categorizes its events according to the age rating of the game played as well as local laws and regulations. Professional gamers must be 16+ to compete.





MAXNOMIC®

DREAMHACK

“Our offering to M&A gaming targets continue to resonate well. We offer them a long-term home for their companies, people, brands and games - and in turn provide opportunities for them to grow”

MARIA REDIN
GROUP PRESIDENT & CEO, MTG



GENDER EQUALITY, DIVERSITY AND INCLUSION

Our Corporate Responsibility strategy highlights the need to continue to focus on gender equality, diversity and inclusion – both internally within our business as well as externally toward our customers and various stakeholders.

Our approach

Our vision, which is also expressed in our Code of Conduct, is to create and promote equality, diversity and inclusion within MTG and our subsidiaries. We believe this is essential not just for the future success of MTG, but the entire gaming and esports industry. Our holistic approach to these topics involves being a good workplace, free from discrimination, bullying, victimization or any kind of harassment, as well as having open and inclusive products to drive our future business success and corporate responsibility work. We aim to continue to create a more diverse workforce that attracts and retains talent from different backgrounds.

The internal perspective

MTG acknowledges that a workplace that is open and inclusive, with a diverse workforce where employees are treated equally, is more creative, innovative and competitive. However, both gaming and esports are currently male dominated, which is also reflected within MTG with females making up 24 percent of our workforce and 17 percent of our management.

Traditionally, there has been low interest among women to pursue careers in gaming and esports as well as gender bias in recruiting and unclear career paths. However, we strive to change this by creating the right internal structures within our subsidiaries to both attract and retain more women. We must also collaborate more with schools and universities to create an early interest in career opportunities in the gaming and esports industry.

Although gender equality and diversity are issues within the gaming and esports industry, diversity of nationalities is typically not an issue. MTG's employees, represent 50 different nationalities.

Ongoing competence and career development are in the interest of both employers and employees. At InnoGames, career planning is divided into two strands – specialist and management. Depending on the path chosen, employees will be offered a variety of personal development measures such as conference attendance, as well as hard and soft skill training. InnoGames also offers various opportunities to begin careers through

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GRI 404-3
GRI 405-1

apprenticeships, internships and as a working student, such as through the InnoMaster, which is a three-year package that combines a university degree with work experience.

All subsidiaries conduct performance and career development reviews with their employees to maximize and unlock the potential of each individual, which benefits both the employee and the company. In 2020, 95 percent of all employees received these reviews. At ESL, a new 360-assessment program was implemented in 2020 to further assess and develop internal leadership and management and in 2021 a leadership training program will be rolled-out to all employees globally to further boost leadership. At InnoGames, some employees have enrolled in a German state program with the purpose of training and developing leadership skills to further their career and take on new roles within InnoGames.

In 2020, the esports industry faced challenges regarding misconduct and both ESL and DreamHack further developed tools and processes to ensure their work to mitigate and manage misconduct. In the fall of 2020, ESL and DreamHack implemented an external whistleblower system where all types of misconduct can be reported and managed through a third party. ESL has also set up a diversity and inclusion council to further knowledge on misconduct among employees to drive change internally. New guidelines and policies on misconduct have also been developed and implemented at ESL and DreamHack.

MTG's CR strategy highlights the importance of fair recruitment practices and gender diversity, for example through leadership programs and support to individuals who want to explore new career opportunities.

InnoGames has fair play as one of its core values. To strengthen this value in terms of equal pay, the management uses pay grading to ensure that salaries are set on a fair and equal basis. InnoGames COO Michael Zillmer signed up to the 'Hier spielt Vielfalt' (diversity plays here) campaign to promote all kinds of diversity within the industry. Additionally, InnoGames partnered with a local university to create a program for increasing the number of

female engineers as a way to expand the pool of potential recruits during the year. Another initiative carried out to increase the diversity at our workplaces are Kongregate's restructuring of their job description template to have a more diverse recruitment sourcing strategy and to lower the risk of recruitment bias.

MTG believes that work-life balance is an important part of employee well-being and promoting staff retention. Both the gaming and the esports industry are known for issues with intense work periods. InnoGames has a clear set of guidelines on project management and planning to reduce the risk of 'crunch time' and in 2020 DreamHack developed overtime guidelines, including overtime compensation and the importance of taking regular breaks.

The external perspective

We want all our customers and visitors to enjoy and feel included when playing our games and attending our events. This is why we extend our work on gender equality, inclusion and diversity to external stakeholders.

Our game developers at InnoGames work to increase diversity and inclusion in games by for instance offering a broad range of avatars, including different genders and ethnicities but also avoiding stereotypes. Some games also offer the customization of equipment, cosmetics or gender, which broadens diversity in games.

For Halloween 2020, InnoGames partnered with MAC Cosmetics in the game Elvenar to raise awareness of diversity in both real and virtual worlds. "We encourage players to come as they are and to express themselves in the virtual worlds of our games. Our games are created for all people – anywhere, anytime," says InnoGames Chief Product Officer Christian Reshöft.

ESL is a founder and partner of the advocacy group AnyKey, which supports diversity, inclusion and fairness in competitive gaming. One of the initiatives that ESL continues to support is the 'Good Luck, Have Fun (GLHF) Pledge' that had collected almost 1 million signatures by the end of 2020. The pledge aims to create a more inclusive online experience by encouraging people to speak up when harassment or discrimination occurs online.

Following the success of 'DreamHack Showdown' in 2019, which was an all-women CS:GO tournament in Valencia (Spain) with the same prize pool, support and facilities as male tournaments, DreamHack organized an online Summer and Winter Edition in 2020, in Europe and North America. The tournament aimed to promote female CS:GO players and provide a dedicated platform to support them as global esports players in their professional growth. DreamHack Showdown aims to increase the visibility of female esports players, to provide an equal access to competitive support and inspiration to turn pro.



ENSURING SAFETY AND SECURITY

We aim to ensure the physical safety and security of all our stakeholders – both at our esports festivals and tournaments, and our offices.

In our risk and materiality analysis, safety and security at our esports festivals and tournaments are ranked highly by our stakeholders. Our events and tournaments may involve hazardous working environments that risk the health and safety of employees and external personnel.

How we manage safety and security

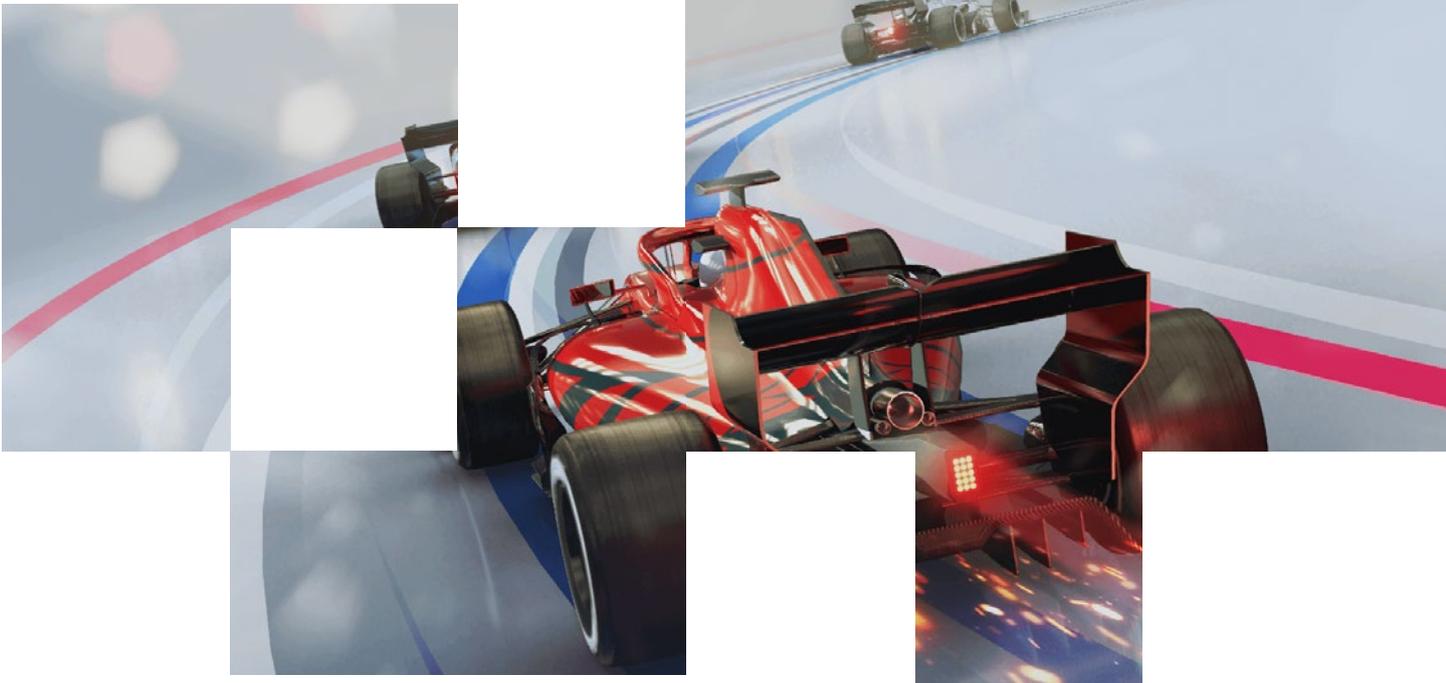
As a global business, MTG's Code of Conduct is our overarching governing policy that applies to all employees, contractors, freelancers and consultants of the MTG Group and the entities in which MTG exercises decisive control. Our Code of Conduct clearly expresses our aim to maintain a safe working environment that promotes physical and psychosocial well-being. The Code also states that our offices and facilities where we operate shall comply with all applicable health and safety regulations. Each company has developed its own policies adapted to local law, based on their specific health and safety risks. It is on this basis, each company has developed and implemented their own health and safety management system to ensure a good and safe working environment for all employees.

Promoting safety and security

Prior to events, local safety officers at both ESL and DreamHack identify and evaluate potential risks together with the event project manager and ocular risk and hazard assessments are conducted. Verbal safety briefings before an event discuss topics such as emergency evacuation, crowd control as well as individual risks.

At events, metal detectors and bag checks are used to ensure the safety and security of visitors. All visitors and employees wear badges or wristbands and everyone entering the backstage area is checked. Medical teams are on hand to assist with any injuries or health issues. We work to ensure that everyone in the event team can report any identified risk situation and maintain their right to be removed from situations they do not feel comfortable with. During events, the event security officer provides daily debriefs to the project manager on the current situation and any identified operational issues. A plan for mitigating new identified risks and issues is developed and carried out together with the project manager for the event.

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GRI 403-9



Due to events and tournaments involving hazardous work environments, it is essential that all employees understand our health and safety policies, how to report on injuries or ill-health, or raise suggestions for improvements. The majority of our subsidiaries have a worker council and committee with the responsibility of addressing work-related injury and ill-health topics, as well as making suggestions on changes and adjustments to current policies and processes. The frequency of these meetings varies as all our companies have different structures. For example, InnoGames communicates regularly via email to all employees on work environment issues and any updates made in policy framework and processes.

Our progress during the year

DreamHack implemented a policy on reporting work-related injuries and ill-health for employees and workers to ensure all incidents are directly reported to local HR. Reported incidents are investigated by HR together with external experts where needed, and the authorities may be involved in serious cases.

During the COVID-19 pandemic, the majority of our employees worked from home to promote employee well-being. At InnoGames, employees were asked to complete a survey on their work environment at home, to ensure they had a good

working conditions despite changes in the way of working.

For our esports companies, it is important, due to the hazardous work conducted at events and tournaments, that all employees, workers and volunteers understand the policies and process for ensuring a safe event. In 2020, DreamHack updated and implemented new processes and routines for understanding the health and safety framework that is used for DreamHack events. Training in the updated framework was postponed until live events can be conducted again following the pandemic. One of the new components of the framework is the pre-event presentation and training that will be held by DreamHack HR for all employees, workers and volunteers before an event to ensure that everyone understands the policies and processes for ensuring a safe and secure event.

Continuous improvement in safety and security

To ensure continuous improvements, we work with due diligence and routines that can be replicated, regardless of event organizer. Both DreamHack and ESL use scouting sheets that include safety and security criteria to verify that a potential venue is suitable for an esports event. ESL and DreamHack implement good practice from previous events to continuously improve safety and security

procedures, and follow recommendations from local experts, venue security teams and local law enforcement. DreamHack's Working Environment Committee also annually review their work environment policy to drive constant improvement.

Managing our indirect health and safety impacts

We acknowledge our impact on health and safety beyond our direct operations. Our Supplier Code of Conduct include requirements on our suppliers to provide employees and workers with safe and healthy work environments. We also operate in accordance with international standards such as the Fundamental Conventions of the International Labour Organization and the UN Universal Declaration of Human Rights.

GIVING BACK TO SOCIETY

Being a positive force in society is important for MTG and our subsidiaries as our businesses directly and indirectly impact on the society in which we operate.

We touch the lives of many people through our mobile games, and our esports festivals and tournaments. We also support a variety of initiatives that aim to benefit society, and donated over 678,000 SEK, and products and services worth over 299,000 SEK to a variety of organizations and causes during the year. It is up to each subsidiary to choose what organizations and initiatives to support and collaborate with. We believe that our subsidiaries know best how to support local communities and organizations.

InnoGames supports school digitalization

In an increasingly digital world, schools need digital learning tools. During 2020, InnoGames donated over 80 computers, tablets and IT equipment to local schools and youth centers in northern Germany to enhance their capabilities to teach remotely and support their digital transformation.

DreamHack raises awareness on recycling

Together with Pantamera (a Swedish PET-recycling company), DreamHack raises awareness on recycling and collects money for charity. In 2020, a talk show was produced in a DreamHack studio where esports players were interviewed and played games, all with the purpose of raising awareness on recycling.

ESL promotes more inclusive gaming

By working with AnyKey on the 'Good luck, have fun' pledge, ELS contributes to a more inclusive gaming and esports community regardless of gender, race, disability and belief. "There is increasing awareness around the cultural patterns of toxicity and harassment in gaming that disproportionately impact marginalized players," said Morgan Romine, Director of Initiatives, AnyKey. Twitch users that have signed up to the pledge receive a chat badge to display on their account to show their commitment.

Kongregate supports food and direct relief programs during the pandemic

In 2020, Kongregate donated money to food programs and provided direct relief to support local communities at a time where food and health services were limited.

**GRI 103-1-3
CORPORATE
GIVING**



COMPLIANT BUSINESS

We want to create a culture of openness, responsibility and accountability through our continued efforts within Corporate Governance.

MTG and its subsidiaries aim to conduct business in compliance with laws, regulations, international initiatives and standards. Through our policy framework and diligent processes, we strive to achieve openness, responsibility and accountability.

Updated Group policies

In 2020, we reviewed our Group policy framework to reflect the new MTG and its operating model, as well as part of the annual re-approval of the policy framework. The policies that were reviewed in December 2020 and will be approved by the Board in Q2 2021:

1. Insider Trading Policy
2. Whistleblower Policy
3. Sanctions Compliance Policy
4. Risk Management Policy
5. Data Protection Group Policy
6. Code of Conduct
7. Corporate Responsibility Policy
8. Asset Protection Group Policy
9. Anti-Bribery & Corruption Policy
10. Supplier Code of Conduct

Code of Conduct

Our Code of Conduct ('Code'), which expresses our values and helps us navigate ethical and legal issues, is the governing document of our entire policy framework and is a practical guide to how we conduct our business. Individual policies give further detailed information on specific topics highlighted in the Code, for example anti-

corruption practices, data privacy and asset protection.

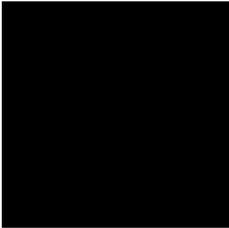
The Code of Conduct covers all areas of Corporate Responsibility, human and labor rights, environment and anti-corruption. The Code is based on our commitment to international initiatives and standards such as the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the Fundamental Conventions of the International Labor Organization, the UN Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights.

All MTG Group employees, including employees of entities in which MTG exercises decisive control, are expected to abide by our Code. In 2020, 98 percent of all employees had annually signed the Code of Conduct and 96 percent of all new employees had signed the Code of Conduct. The percentage of signed Code of Conduct do not include ESL or MTG Central Operations due to changes made in the process for signage of the Code of Conduct in 2020. They will be accounted for in 2021.

Whistleblower Policy

MTG's whistleblower policy encourages employees to report illegal, unethical or inappropriate behavior or practices. The policy only applies to serious irregularities committed by employees in key leading positions within MTG AB or its subsidiaries.

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GRI 102-16
GRI 102-17
GRI 103-1-3
for 205
GRI 205-3



Matters such as harassment, grievance, compliance, disciplinary or other procedures are not addressed as they are typically covered by other policies and processes directly in our subsidiaries. Although if local measures fail, the whistleblower process can be used as a last resort. Regardless of who makes a report and when, the whistleblower can do so without fear of retribution.

The escalation process typically involves the whistleblower reporting to their manager or to the next level of management. If this is not possible, they can send an e-mail to whistleblower@mtg.com, which is managed by the Group General Counsel and Chief Financial Officer. All reported issues will be reviewed according to their seriousness, credibility and the likelihood of confirming the allegation from reliable and independent sources. The majority of MTG's subsidiaries have their own policy and process regarding the whistleblower system. DreamHack and ESL have both developed new routines and processes for whistleblowing that are adjusted to their organizational structure and need.

Anti-Bribery & Corruption

The Anti-Bribery & Corruption policy was adjusted and further clarifications provided to further ensure compliance as we take anti-corruption and bribery seriously and have a zero-tolerance approach.

The policy provides guidance on how we conduct business to ensure compliance with the policy and international standards.

During the year, there were no confirmed incidents of corruption and no incidents that have led to employee dismissal or disciplinary action. There were also no contracts with business partners that were terminated or not renewed due to violations related to corruption, and no legal cases were brought against our company or employees.

Continued GDPR compliance

All MTG companies continued their work on General Data Protection Regulation (GDPR) compliance though the continued focus on risk assessment and further implementation of the Privacy Compliance Framework they are required to adopt and continuously report on to our Group Data Protection Officer. The framework includes areas such as governance structure, personal data inventory, data privacy policies, data transfer mechanisms, training and awareness programs, notices and data access requests. The progress varies between our companies and the work was slowed due to the pandemic. However, in our commitment to privacy, an audit of the Privacy Compliance Framework was conducted in 2020 to review and identify gaps in compliance covering all aspects of the framework. A plan for mitigating identified gaps, and adjusting the current process for follow up and monitoring will be set in 2021.

MTG has a privacy team at Group level comprised of a Group Data Protection Officer and a temporary GDPR Project Manager. Each subsidiary has been tasked with employing a full-time DPM to drive and facilitate the continued compliance efforts.

STRATEGIC ASSOCIATION MEMBERSHIPS

To develop the gaming and esports industry as well as the society we operate in, our subsidiaries maintain memberships in industry associations, national and international organizations.

The following memberships are considered strategic to our subsidiaries:

AnyKey

ESL is a partner and sponsor of AnyKey, which is an organization that advocates diversity, inclusion and equity in gaming and livestreaming. Its aim is to amplify, connect and empower underrepresented players and their allies through research and strategic initiatives.

Dataspelsbranschen

DreamHack is a supporting member of Dataspelsbranschen – the Swedish Games Industry – which is an organization that compiles and communicates the computer and video game industry’s shared responsibilities. Dataspelsbranschen focuses on the industry as a whole and its advocacy in the media.

ESBD

ESL is one of the founding members of the German esports federation – Esport Bund Deutschland (ESBD). ESBD is the point of contact for esports, and the interests of esports athletes and organizations.

ESIC

Both DreamHack and ESL are members of the Esports Integrity Commission (ESIC) – a non-profit association established by esports stakeholders with the purpose of working with integrity issues, particularly the prevention, investigation and prosecution of all forms of cheating and match manipulation. ESIC acts as a neutral third party to help mediate and monitor situations in which integrity can be questioned.

Fair Play Alliance

Kongregate is a member of the Fair Play Alliance, which is a global coalition of gaming professionals and companies within the gaming industry. The organization provides a forum for gaming professionals and companies to work together to promote best practice, healthy communities and player interactions in online gaming. Their vision is to be part of creating a world where games are free of harassment, discrimination and abuse, and where players can express themselves through play without fear.

GRI 102-13

game

Both ESL and InnoGames are members of the German Games Industry Association (game), which has a mission to make Germany the best games location. game is an expert partner for media, social and political institutions and addresses topics regarding market development, games culture and media literacy.

Leaders for climate action

InnoGames is a member of Leaders for climate action, which aims to combat climate change through various actions and initiatives, together with its over 900 members from a variety of German digital enterprises. Their vision is a global economy powered by 100 percent renewable energy by 2050.

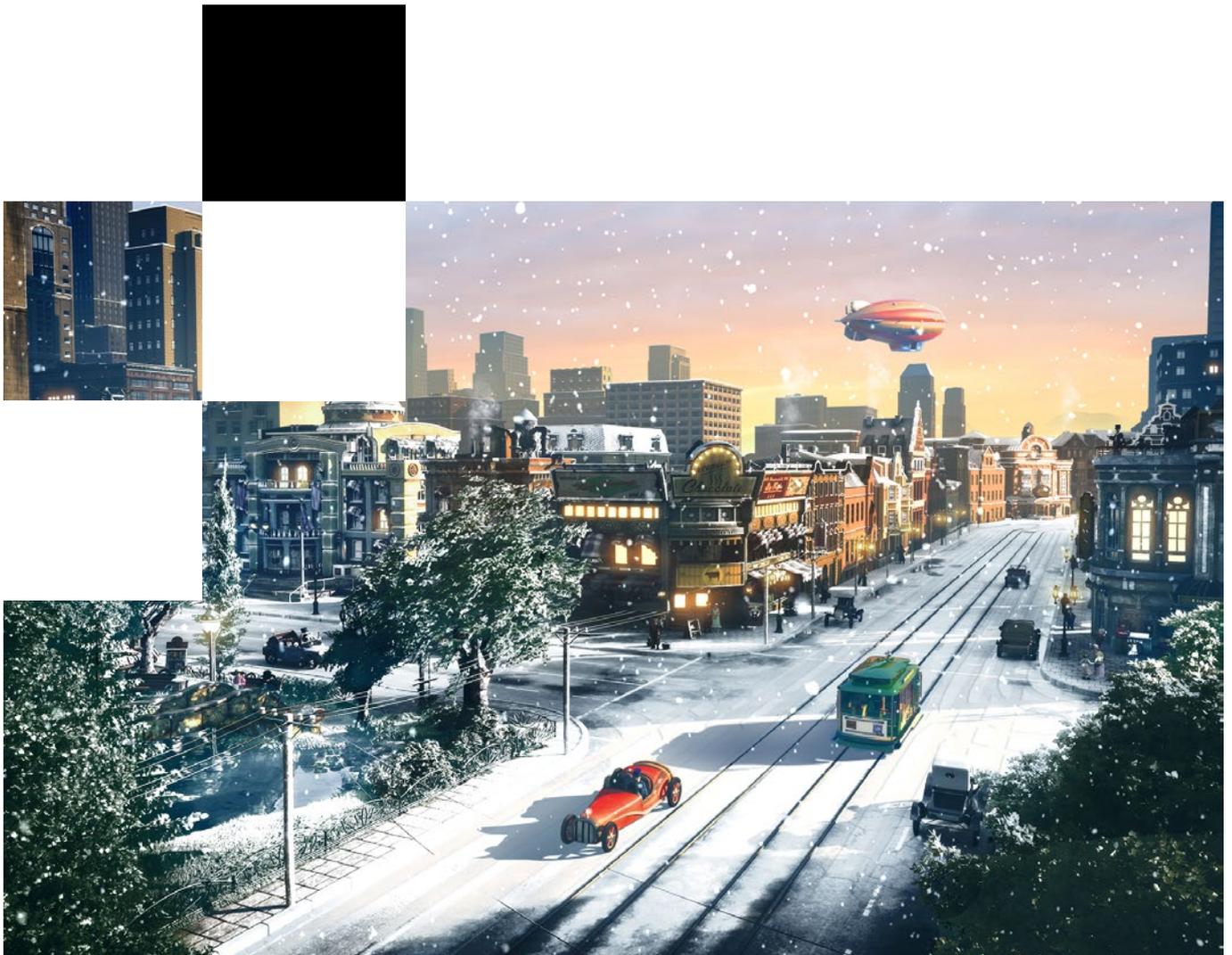
USK – Unterhaltungssoftware

Selbstkontrolle

InnoGames and ESL are members of the German Entertainment Software Self-Regulation Body (USK), which offers a wide range of services for developers, publishers and content providers, such as information on the classification of games, apps, online content, and trade fairs and events. The USK ensures that games can be tested both technically and in terms of their content for a wide range of game platforms. It also oversees Classification Committees, classification deadlines and regulations, and provides ongoing training for everyone involved in classification procedures.

WESA

ESL co-founded the World Esports Association (WESA) and has a position on its Executive Board. WESA aims to further professionalize esports by developing and implementing elements of player representation, standardized regulations and revenue shares for teams.



OUR ENVIRONMENTAL WORK

We aim to act in an environmentally responsible manner and work with partners that support our approach. We implemented a new data collection process in 2020 that will enable our companies to better report environmental data.

How we work with environmental topics

It is our long-term ambition to provide people with experiences that are both entertaining and sustainable. This involves being environmentally responsible by working with the right partners that support our approach, be it with venues or merchandising suppliers. In our Code of Conduct and Supplier Code of Conduct, we express the need to monitor our carbon footprint, map our energy consumption, and promote waste recycling and the reuse of equipment where possible.

We aim to implement the right guidelines and structures internally so that everyone acts in the same way. We believe that we can achieve a more sustainable approach by collaborating together with our partners and suppliers and setting out what we expect and want to achieve going forward. Travel is a key area where we can act smarter – both by only travelling when needed to avoid unnecessary travel and by traveling more sustainably, such as by train when possible.

We apply the precautionary principle when assessing the environmental impacts of our operations. We have no entities that, by local law or regulation, require separate environmental reporting or licensing to operate.

A new approach to reporting and monitoring

In the fall of 2020, MTG implemented a new online tool and process for reporting and monitoring environmental data throughout all the company's subsidiaries. The online tool enables our companies to report environmental data and information related to their operations and calculate their greenhouse gas emissions.

The new data collection process will help achieve our ambition to measure the climate impact from our esports festivals and events, as we acknowledge the significant impact these have on our overall footprint. We want to create a more systematic and structured approach to our environmental requirements on venues as their environmental footprint varies between countries.

Our performance

During the year, the global pandemic resulted in events and tournaments being postponed to 2021 or moved to an offline broadcast and our employees working from home, which reduced our overall climate impact due to less travel and lower energy consumption. The new data collection process also impacted our energy and climate reporting as new emission factors have been used as well as changes made to how data is collected. Our ambition is for the data collection process and the overall changes in travel and energy use to be more stable during 2021, which will increase our ability to measure and compare data in the long term. Despite the restrictions and changes made in our operations during the year, our businesses have implemented measures to reduce greenhouse gas emissions. For example, InnoGames increased their fleet of electric cars to reduce emissions from company cars.

Going forward, our vision is to raise environmental awareness among our colleagues, audiences and the societies we interact with. We also want to become more environmentally responsible by being better at selecting the right partners that share our approach and vision.

GRI 102-11
GRI 103-1-3
for 305
and 302



DIRECTORS' REPORT

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BUSINESS OPERATIONS

Modern Times Group MTG AB (publ.) (MTG) is a publicly listed holding company investing in esports and gaming entertainment. Its Class A and Class B shares are listed on Nasdaq Stockholm's Mid Cap list under the symbols MTG A and MTG B. MTG's registered office is located at Skeppsbron 18, P.O. Box 2094, SE-103 13 Stockholm, Sweden. MTG's registration number is 556309-9158.

MTG's vision is to become the home of gaming and esports entertainment. The company's mission is to grow the gaming and esports ecosystem and benefit its communities through relevant products and storytelling with craftsmanship, innovation and sustainability at its center. MTG's strategy is to drive profitability and organic growth in its vertical companies and invest in high-potential esports and gaming businesses that complement MTG's brands and products.

In 2020, MTG's financial reporting structure included three verticals – gaming, esports and central operations. The gaming vertical is made up of InnoGames, Kongregate and MTG VC-fund's investment in gaming-related companies. In December 2020 the gaming vertical was expanded with the acquisition of Hutch. The esports vertical is made up of ESL Gaming (made up of the combined ESL and DreamHack), DreamHack Sports Games, and MTG VC-fund's investments in esports related companies.

Acquisitions and divestments

Active vertical realignment is a natural part of MTG's transformation into the home of gaming and esports entertainment. During 2020 and after the year, a number of strategic disposals, acquisitions and strategic partnerships were completed or announced, including:

January 7, 2020 – MTG's ESL and DreamHack entered into a three-year agreement with Blizzard Entertainment

MTG's esports vertical companies ESL and DreamHack announced a three-year-long strategic agreement with Blizzard Entertainment. The world's largest esports company (ESL) and the premier gaming lifestyle festival organizer (DreamHack) will create new ESL Pro Tour formats for both StarCraft® II and Warcraft® III: Reforged™, with Blizzard providing a respective prize pool of over USD 1.8 million and over USD 200,000 for the first season.

January 21, 2020 – MTG announced termination by mutual agreement with HUYA of negotiations on definitive agreement for China Joint Venture and ESL investment

MTG announced that MTG and HUYA Inc. have mutually terminated the negotiations related to the definitive agreement for the forming of a strategic Joint Venture for esports expansion into China and a minority stake investment in MTG's esports vertical company ESL.

January 21, 2020 – MTG announced plan for annual savings and write down of assets

MTG announced annual savings and write down of assets. The company booked one-off charges in Q4 2019 related to redundancy costs and impairment charges at its headquarter and in group companies. This was an effect of the company's ongoing strategic review, operational efficiency programs and evaluation of the gaming vertical.

February 18, 2020 – ESL and DreamHack sign historic agreement with globally leading esports teams, known as "Louvre" agreement

MTG's esports vertical companies ESL and DreamHack announced an agreement with the world's thirteen leading esports teams for participation in their esports circuits, among these the ESL Pro League.

March 19 – 3 April, 2020 – Changes to ESL and DreamHack's esports schedules for festivals and Master properties

MTG's esports vertical companies ESL and DreamHack announced new and revised festival and Master properties schedules, adjusted for impacts caused by precautionary measures taken by regulators in many markets worldwide as a result of the continued spreading of the new Coronavirus and the related COVID-19.

March 25, 2020 – Impact of Coronavirus and update on strategic review

MTG provided a preliminary assessment of how the Coronavirus pandemic is expected to affect its esports and gaming verticals as well as an update of the strategic review of its gaming vertical.

March 26, 2020 – ESL and PUBG MOBILE entered into a new partnership agreement

MTG's esports vertical company ESL announced a new partnership on an Esport Program with PUBG MOBILE – the most popular title from publishers PUBG Corp. and Tencent Games.

April 16, 2020 – Marjorie Lao proposed to be elected to the Board of MTG

MTG announced that its Nomination Committee proposes the election of Marjorie Lao to MTG's Board of Directors at the Annual General Meeting in May 2020.

April 24, 2020 – Chris Carvalho proposed to be elected to the Board of MTG

MTG announced that its Nomination Committee proposes the election of Chris Carvalho to MTG's Board of Directors at the Annual General Meeting in May 2020.

April 28, 2020 – MTG’s esports companies ESL and DreamHack entered streaming deal with Twitch

MTG’s esports vertical companies ESL and DreamHack announced that they had entered into a three-year streaming agreement with Twitch, the leading service and community for multiplayer entertainment.

May 4, 2020 – DreamHack presented an updated 2020 esports schedule for festivals and Master properties

MTG’s esports vertical company DreamHack announced further changes to its 2020 festival and Master properties schedule, adjusted for impacts from the ongoing coronavirus pandemic.

May 5, 2020 – ESL presented an updated 2020 esports schedule for Master properties

MTG’s esports vertical company ESL announced further changes to its 2020 Master properties schedule, adjusted for impacts from the ongoing coronavirus pandemic.

May 18, 2020 – MTG held its Annual General Meeting 2020

MTG held its Annual General Meeting (AGM). The AGM resolved in accordance with all the proposals of the Board and Nomination Committee.

May 18, 2020 – Marjorie Lao, Chris Carvalho and Dawn Hudson elected to the Board of MTG

MTG announced that Marjorie Lao, Chris Carvalho and Dawn Hudson were elected to the Board of MTG at the AGM in May 2020.

June 22, 2020 – DreamHack announced an agreement with Epic Games on new Fortnite tournament series

MTG’s esports vertical company DreamHack announced the launch of a new tournament series featuring Fortnite following the conclusion of a new agreement with Epic Games. The tournament – with a monthly prize pool of USD 250,000 and a total of USD 1.75 million – will be broadcast live on Twitch.

July 4, 2020 – DreamHack announced agreement for DreamHack to be the production partner for Rocket League Championship Series X

The Rocket League Championship Series (RLCS) is the premier esports league in Rocket League hosted by Psyonix, the game’s developer. RLCS Season X introduces a brand new format for the league, starting in July this year and ending in the first half of 2021. As part of the partnership, DreamHack will produce all of the series.

July 23, 2020 – ESL and DreamHack extended streaming portfolio with Huya Inc deal

ESL and DreamHack announced a one-year deal with Huya for The ESL Pro Tour for CS:GO and Dota2 that will be live streamed exclusively on Huya in 2020 and 2021, covering standard Mandarin and other Chinese languages and dialects.

August 3, 2020 – DreamHack and ESL expand reach with DouYu streaming deal

ESL and DreamHack announced a one-year deal with DouYu for The ESL Pro Tour for StarCraft II and WarCraft III that will be live streamed exclusively on DouYu in 2020 and 2021, covering standard Mandarin and other Chinese languages and dialects.

August 5, 2020 – ESL and DreamHack in three-year media rights deal with Brazil’s leading media outlets

ESL and DreamHack announced the entering into a three-year media rights deal with Brazil’s leading media outlets Globo and Omelete. The partnership aims to bring Counter-Strike: Global Offensive (CS:GO) in Portuguese to the passionate Brazilian CS:GO community.

September 3, 2020 – MTG appointed new President and CEO and CFO

MTG announced the appointment of Maria Redin as Group President and CEO with immediate effect. The appointment follows the resignation in July of Jorgen Madsen Lindemann. MTG also announced the appointment of Lars Torstensson as new Chief Financial Officer.

September 30, 2020 – MTG announces combination of its two globally leading esports companies ESL and DreamHack

ESL Gaming and DreamHack announced a combination in order to increase competitiveness, accelerate products and events innovation and to offer the widest product portfolio to the market.

The transaction will be finalized during Q4 2020 and the new combined company ESL Gaming will be led by Co-CEO’s Craig Levine, a long serving ESL Gaming executive, and Ralf Reichert, co-Founder of ESL.

MTG will after the transaction hold 91.46 % in ESL Gaming and ESL Gaming in turn will hold 100% of DreamHack.

October 5, 2020 – ESL Gaming expanded Mobile Open to MENA for Season 2

In October ESL Gaming announced details of ESL Mobile Open Europe & MENA Season 2. It builds on the success of 2019’s Season 1, which saw over 500,000 participants in total, by expanding to include competition in the MENA region as well as Europe. The tournament will also double the gaming titles in Season 2, with the online esports tournament featuring Asphalt 9, Auto Chess, Clash of Clans and PUBG Mobile. Players will compete for a €85,000 prize pool.

December 7, 2020 – Increased ownership of InnoGames and forming of GamingCo

In December, MTG acquired an additional 17 percent of the shares in leading German games developer and publisher InnoGames GmbH for a total consideration of EUR 106 million (on a cash and a debt free basis), which brought its ownership in the company to 68 percent. The transaction was completed in December and was financed through a vendor note, which is due on March 31 2021. The transaction also involves the establishment of a new holding company – GamingCo - for MTG’s entire gaming business, including InnoGames, Kongregate and future gaming investments. The creation of the GamingCo represents an important step toward creating a stronger gaming vertical that will be able to fully realize synergies, values and strategic opportunities going forward.

December 8, 2020 – MTG acquired Hutch, a leading developer and publisher of mobile racing games

Hutch Games, which was acquired at the end of 2020, is a leading developer and publisher of free-to-play mobile racing games. The company's top three titles are F1® Manager, Top Drives, and Rebel Racing, which are all in the early growth phase with large future growth potential. Additionally, Hutch has a promising pipeline of new titles planned for launch in 2021 and 2022.

December 17, 2020 – A rights issue to fund an ambitious M&A agenda

MTG resolved on a new issue of class B shares of approximately SEK 2,500 million with preferential rights for existing shareholders which was subject to approval by an extraordinary general meeting which it later received. The purpose of the rights Issue was to repay the bridge loan facility used to finance the acquisition of Hutch Games Ltd. ("Hutch") and to repay the vendor note incurred in connection with the acquisition of an additional 17 per cent of the shares in InnoGames GmbH.

December 21, 2020 – Extraordinary General Meeting

The EGM resolved to approve the board of directors' resolution on 17 December 2020 on a new issue of class B shares with preferential rights for the shareholders (the "Rights Issue"). It was decided that no more than 28,320,697 class B shares would be issued in the Rights Issue at a subscription price of SEK 90 per share.

January 21, 2021 – ESL Gaming announced 2021 direction and event calendar

The direction for 2021 sees the majority of ESL and DreamHack esports competitions scheduled to be played in a studio setting without a live audience in 2021. ESL One Cologne powered by Intel® remains planned as an in-person competition with an audience in July 2021, pending local regulation and guidelines, with more live-audience competitions and in-person DreamHack festivals following in late 2021. The decision whether ESL One Cologne will remain an in-person tournament will be reevaluated closer to the competition start date.

February 12, 2021 – Rights Issue oversubscribed and concluded

MTG announced on 17 December 2020 that its board of directors had resolved on a new issue of class B shares with preferential rights for existing shareholders (the "Rights Issue"). The board of directors' resolution on the Rights Issue was approved by the extraordinary general meeting of MTG on 21 January 2021. The subscription period of the Rights Issue ended on 10 February 2021. On 11 February 2021, MTG announced that preliminary estimates indicated that the Rights Issue had been oversubscribed by 101.8 per cent. MTG later on February 12 confirmed that 27,913,880 class B shares had been subscribed for by exercise of subscription rights and that 406,817 class B shares had been allotted to those who have applied for subscription for shares without subscription rights. Accordingly, the rights issue was fully subscribed for.

February 17, 2021 – Repayment of bridge loan facility using funds from the rights issue

On February 17th MTG repaid the bridge loan facility of SEK 1,800 million which financed the acquisition of Hutch Games in December 2020.

March 24, 2021 – Acquisition of Ninja Kiwi and a directed new shares issue

On March 24 2021, MTG acquired New Zealand-based leading tower defense mobile games developer and publisher Ninja Kiwi. The up-front consideration amounted to approximately SEK 1,217 million (NZD 203 million) and earn-out payments at an expected value of SEK 406 million (NZD 68 million) in aggregate, including cash and share components. Furthermore, MTG financed the acquisition and improved on the company's financial flexibility through a directed new share issue by means of an accelerated book building process.

FINANCIAL OVERVIEW

2020 HIGHLIGHTS

- Net sales declined by 6% to SEK 3,997 (4,242) million
- Adjusted EBITDA of SEK 535 (239) million
- EBITDA of SEK 319 (-109) million
- Operating income (EBIT) of SEK 35 (-407) million
- Net income from continuing operations of SEK -96 (-458) million
- Basic earnings per share of -3.39 (-8.19)
- Total net income of SEK -96 (14,394) million
- Net Cash flow from operations of SEK 270 (-188) million
- Board of Directors propose that MTG does not pay any dividend for 2020

Consolidated financial results (SEK million)	2020	2019
Continuing operations		
Net sales	3,997	4,242
<i>of which esport</i>	1,315	1,712
<i>of which gaming</i>	2,682	2,531
<i>of which central operations and eliminations</i>	0	0
Costs before depreciation and amortization	-3,678	-4,352
<i>Adjusted EBITDA</i>	535	239
<i>Adjusted EBITDA margin</i>	13%	6%
<i>Adjustments</i>	-217	-349
EBITDA	319	-109
Amortization	-195	-202
Depreciation	-88	-96
<i>of which PPA</i>	-112	-120
EBIT	35	-407
EBIT margin	1%	-10%
Net income	-96	-458
Basic earnings per share (SEK)	-3.39	-8.19
Discontinued operations ¹⁾		
Net income	-	14,852
Total operations		
Net income	-96	14,394
Basic earnings per share (SEK)	-3.39	212.68
Net cash flow from operations	270	-188
CAPEX	208	238
<i>Net sales growth y-o-y</i>		
<i>Organic growth</i>	-4%	7%
<i>Acquisitions/divestments</i>	-	-1%
<i>Changes in FX rates</i>	-2%	4%
<i>Change in reported net sales</i>	-6%	10%

1) Consists of the adjusted result for NENT, Nova, Zoomin and other business in 2019

Continuing operations

Net sales

Net sales on a reported basis declined by 6 percent year-on-year to SEK 3,997 (4,242) million. On an organic basis, sales declined by 4 percent as exchange rates changes contributed with negative 2 percent.

Gaming net sales increased by 6 percent, of which organic growth accounted for 7 percent. This was offset by net sales in esport that declined by 23 percent in 2020, of which organic growth declined by 22 percent.

Operating expenditure

Operating costs before depreciation and amortization decreased by 15 percent to SEK 3,678 (4,352) million. This included SEK 9 (152) million in Items affecting comparability (IAC), SEK 20 (93) million in impairment of own capitalized costs, 132 (76) million in costs related to Long-term Incentive (LTI) programs and SEK 56 (28) million in Merger & Acquisition (M&A) transaction costs.

Adjusted EBITDA

The Group's adjusted EBITDA amounted to SEK 535 (239) million. The improvement was driven by both verticals where gaming vertical reported higher sales following the lockdown effect due to the ongoing pandemic as well as continued strong user engagement and high in-game monetization. Esport adjusted EBITDA increased mainly as a result of cost savings due to online events replacing offline events and in the end of the year operational synergies thanks to the combination between ESL and DreamHack. During the year, adjusted EBITDA included a positive effect from government subsidies connected to Covid-19 of SEK 17 million. The adjusted EBITDA margin was 13 (6) percent.

Group central operations impacted adjusted EBITDA by SEK -102 (-153) million.

EBITDA was SEK 319 (-109) million.

EBIT – continuing operations

Depreciation and amortization amounted to SEK -283 (-298) million and included amortization on purchase price allocations (PPA) of SEK -112 (-120) million. Excluding PPA, depreciation and amortization decreased by SEK 7 million to SEK -171 (-178) million.

Group EBIT was SEK 35 (-407) million. The EBIT margin was 1 (-10) percent.

Net financials and net income from continuing operations

Net financial items amounted to SEK 46 (-27) million, predominantly driven by gain from financial assets with revaluation of VC funds and unrealized exchange gain. The Group's tax was SEK -177 (-23) million. Current tax amounted to SEK -197 (-149) million and deferred tax to SEK 20 (121) million, of which SEK 14 (32) million related to untaxed reserves in the Swedish entities.

Net income and earnings per share

The Group reported a net loss from continuing operations of SEK -96 (-458) million, and basic earnings per share before dilution of SEK -3.39 (-8.19) and after dilution of SEK -3.39 (-8.19).

Total net income and earnings per share

The Group reported total net income of SEK -96 (14,394) million and basic earnings per share of SEK -3.39 (212.68) and after dilution of SEK -3.39 (212.68).

Cash flow and financial position

The Group reported a SEK 28 (-117) million change in working capital. Net cash flow from operations amounted to SEK 270 (-188) million.

Group capital expenditure on tangible and intangible assets amounted to SEK 208 (238) million, mainly consisting of capitalized development costs for games and platforms that have not yet been released. Investment in the VC fund was SEK 31 (98) million during the year. Initial payment of Hutch was SEK 2,202 million. Total cash flow relating to investing activities amounted to SEK -2,471 (1,546) million.

Cash flow from financing activities amounted to SEK 1,558 (40) million. MTG financed the initial cash purchase price of Hutch with existing cash and through a bridge loan facility of SEK 1,800 million from DNB Bank ASA, Sweden branch and Swedbank. Dividend was paid to minority owners with SEK 188 million.

The net change in cash and cash equivalents for continuing operations amounted to SEK -644 (1,398) million.

The Group had cash and cash equivalents of SEK 1,153 (1,824) million at the end of the period.

Cash flow (SEK million)	2020	2019
Cash flow from operations	242	-71
Changes in working capital	28	-117
Net cash flow from operations	270	-188
Investment activities	-2,471	1,546
Financial activities	1,558	40
Net change in cash, continuing operations	-644	1,398
Net change in cash, discontinuing operations	-	-653
Total net change in cash and cash equivalents	-644	746
Cash and cash equivalents	1,153	1,824

BUSINESS SEGMENTS

Gaming

Gaming (SEK million)	2020	2019
Net sales	2,682	2,531
Adjusted EBITDA	800	605
Adjusted EBITDA margin	30%	24%
Adjustments	-153	-120
EBITDA	648	485
Amortization	-172	-176
Depreciation	-40	-40
of which PPA	-97	-105
EBIT	436	269
EBIT margin	16%	11%
CAPEX	177	203
Net sales growth y-o-y		
Organic growth	7%	6%
Acquisitions/divestments	-	-
Changes in FX rates	-1%	5%
Reported growth	6%	10%

Net sales in 2020 grew by 6 percent to SEK 2,682 (2,531) million, including a 1 percent negative impact from exchange rate changes. On an organic basis, net sales in 2020 increased by 7 (6) percent.

InnoGames sales and adjusted EBITDA improved significantly compared to last year. This was driven by the strong underlying in-game monetization and boosted by high user engagement following lockdown due to the pandemic. The performance of InnoGames largest title, Forge of Empires, continued to grow supported by improved in-game features and improving DAU. InnoGames' portfolio of classic games continued to record solid performances.

Kongregate did not record growth in net sales during 2020. This was mainly attributable to the discontinuation of two of its key third-party publishing titles in the late 2019. Kongregate successfully launched a new licensed IP, "Teenage Mutant Ninja Turtles - Mutant Madness" (TMNT) during the third quarter and also started onboarding acquired licensed IP titles from the Disney universe. Kongregate, in contrast to InnoGames, has overall experienced a negative impact from the coronavirus pandemic on its in-game advertisement sales and engagement within the idle games segment.

Adjusted EBITDA was SEK 800 (605) million, representing a margin of 30 (24) percent.

EBITDA adjustments of SEK -153 million during 2020 comprised of items affecting comparability (IAC) SEK -5 million, write-downs of capitalized development costs of SEK -20 million, M&A transaction costs of SEK -37 million and reversed costs for long-term management incentive programs of SEK -91 million.

EBITDA amounted to SEK 648 (485) million.

Capex of SEK 177 (203) million was lower compared to previous year, mainly related to an IP acquisition in 2019.

Browser sales grew by 15 percent to SEK 1,335 million, representing 50 percent of total revenue in the gaming vertical driven by fans have played more from home than "on the go" as a result of countries having lockdown due to the pandemic. Due to this temporary shift and discontinued third-party games, AdCom and AdCap last year, mobile sales declined by 1 percent to SEK 1,312 million.

InnoGames share of mobile sales amounts to 43 percent and more than 80 percent of Kongregate's total revenue is attributable to mobile platforms.

There was no significant movement in the revenue split by territory, with more than 95 percent of revenue in the North American and European markets, which are the target territories for both gaming businesses.

The top three titles have changed during the year and are now Forge of Empires, Elvenar and Tribal Wars, the latter of which replaced Animation Throwdown. Net sales generated by these titles represented 77 percent.

Esport

Esport (SEK million)	2020	2019
Net sales	1,315	1,712
Adjusted EBITDA	-163	-213
<i>Adjusted EBITDA margin</i>	-12%	-12%
Adjustments	-56	-138
EBITDA	-220	-351
Amortization	-23	-26
Depreciation	-45	-53
<i>of which PPA</i>	-15	-15
EBIT	-288	-430
<i>EBIT margin</i>	-22%	-25%
CAPEX	34	34
<i>Net sales growth y-o-y</i>		
<i>Organic growth</i>	-22%	8%
<i>Acquisitions/divestments</i>	-	-
<i>Changes in FX rates</i>	-1%	5%
<i>Reported growth</i>	-23%	13%

The esport vertical comprise of ESL, the world's largest esport company, DreamHack, the premier gaming lifestyle festival organizer and DreamHack Sports Games, which is focused on traditional sports in a digital format. The merger of ESL and DreamHack that was announced 30 September 2020 will continue to deliver and achieve operational synergies and strengthen the commercial proposition of the esport vertical.

Net sales in 2020 declined by 23 percent to SEK 1,315 (1,712) million, including 1 percent decrease due to the negative impact of exchange rate changes. Organic net sales decline in 2020 was 22 (+8) percent with 15 (14) Master property compared to last year.

ESL held 12 Master properties across 2020 - despite the impact of the Coronavirus pandemic, by running them as digital events, broadcasted through a studio instead of as arena events with live audience attending, which contributed net sales declining compared to last year. ESL's B2C (ESEA, ESL Play and other products) business continued to experience sequential growth in monthly active users on the back of the ongoing pandemic and improved product features. The long-term goal is to elevate the B2C business, enabling it to become a much more meaningful contributor and to improve diversification of ESL and DreamHack's revenue streams.

DreamHack net sales decreased in 2020 due to physical events being cancelled as a result of the pandemic. Nevertheless, DreamHack still managed to execute 3 Masters properties events during the year.

Adjusted EBITDA loss of SEK -163 (-213) million in 2020, where the improvement was driven by an intensive event schedule, continued cost savings due to online events replacing offline events, and the combination between ESL and DreamHack delivering cost synergies. During the year, adjusted EBITDA included a positive effect from government subsidies of SEK 17 million. The adjusted EBITDA margin remained flat at -12 (-12) percent.

EBITDA adjustments of SEK -56 (-138) million comprised costs for long-term management incentive programs SEK -41 million and M&A transaction costs of SEK -15 million.

EBITDA amounted to SEK -220 (-351) million.

Sales to O&O properties decreased by 25 percent in 2020 to SEK 884 million, with same number of Master properties compared with last year but negatively impacted by the pandemic, the scope and format have shifted to online events.

ESS net sales decreased by 22 percent in 2020 to SEK 430 million, representing 32 percent of total esport net sales. The focus in ESS is to establish more strategic publisher relationships and, during the year, ESL ran amongst other some significant events on behalf of the publisher Epic Games.

OTHER GROUP INFORMATION

Parent Company

Modern Times Group MTG AB (publ.) is the Group's parent company and is responsible for Group-wide management, administration and finance functions. MTG's treasury function provides a central cash pool or financing through internal loans to support the operating companies.

The MTG parent company reported internal sales of SEK 16 (20) million in 2020. Net interest and other financial items amounted to SEK -33 (2,302) million, where main part contain exchange effects and net interest amounted to SEK -4 (-1) million. Income after tax and appropriations amounted to SEK -9 (2,285) million. The parent company had cash and cash equivalents of SEK 516 (1,123) million at the end of the period. The MTG parent company had an external loan at the end of the reporting period of SEK 1,800 million.

Dividend and proposed appropriations of earnings

The following funds are at the disposal of the shareholders:

Dividend and proposed appropriation of earnings

(SEK)	2020
Premium reserve	351,386,104
Retained Earnings	4,956,053,076
Net income for 2020	-8,613,273
Total at disposal	5,298,825,907

The Board of Directors propose that no dividend to be paid to MTG shareholders for the financial year 2020 and that the retained earnings amount of SEK 5,298,825,907 be carried forward.

Outlook

MTG is a strategic operational and investment holding company that combines investment expertise with "hands-on" operational engagement and intends to take majority ownership in the established companies in which it invests, with founders maintaining a minority interest and/or being incentivized to succeed.

MTG's ownership of high growth digital entertainment businesses is focused on two core verticals – gaming and esports – and MTG's own gaming and esports focused venture fund. MTG intends to further develop and expand its verticals with a flexible "Buy and Build" strategy.

Due to the maintained impact from the corona virus pandemic, the operational performance of MTG's operations will be difficult to predict in 2021.

Sustainability

The statutory sustainability report according to Chapter 6 of the Annual Accounts Act can be found on pages 23-41 and 121-131.

THE MTG SHARE

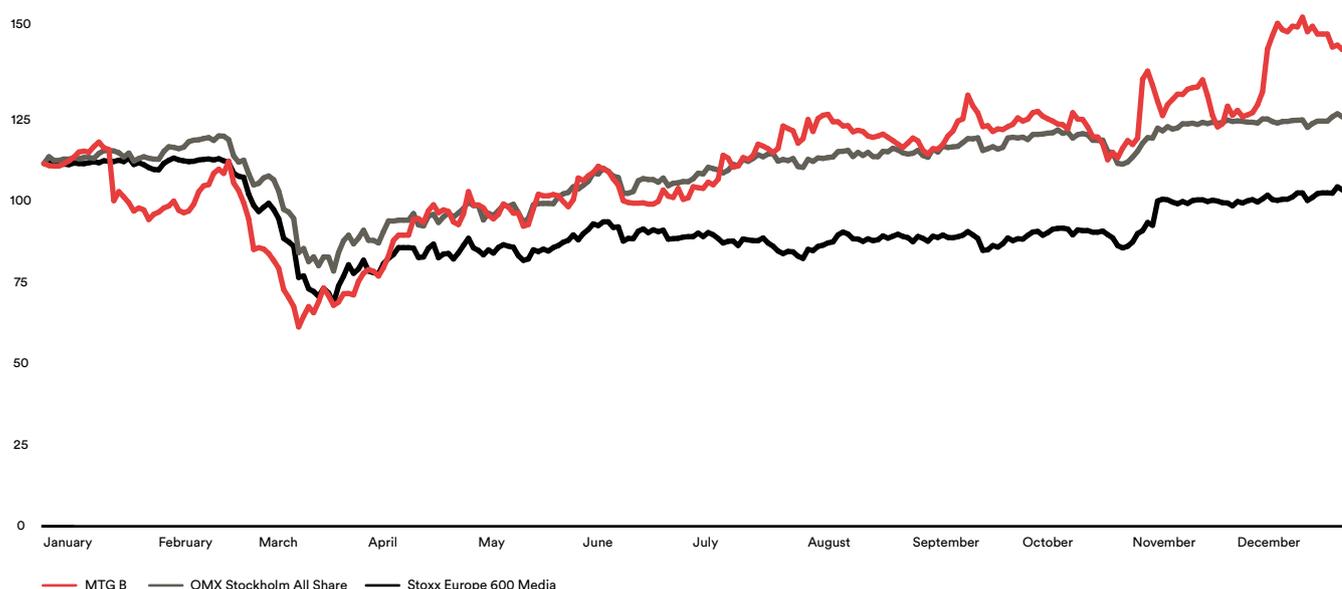
Share price performance and total return

MTG's shares are listed on Nasdaq Stockholm's Mid Cap list under the symbols 'MTG A' and 'MTG B'. The price of MTG's series B share increased by 31.39 percent (-8) in 2020 to SEK 146.7 (112.00), corresponding to a market capitalization of SEK 9.9 (7.6) billion. The parent company did not pay any dividend.

Ownership structure

The total number of shareholders according to the share register held by Euroclear Sweden AB (Swedish Securities Centre) was 54,698 (61,112) at the end of 2020. The shares held by the 10 largest shareholders corresponded to approximately 49 percent (46) of the share capital and 45 percent (43) of the voting rights. Swedish institutions and mutual funds owned approximately 46 percent (48) of the share capital, international investors owned approximately 54 percent (52).

Share price development 2020, indexed



Shareholders as of 31 December 2020

#	Owners	MTG A	MTG B	Capital	Votes	Verified
1	Active Ownership Capital S.à r.l.		5,718,626	8.45%	7.88%	2020-12-31
2	Swedbank Robur Funds		5,714,732	8.45%	7.91%	2020-12-31
3	Evermore Global Advisors, LLC		3,863,336	5.71%	5.32%	2020-12-31
4	Nordea Funds		3,379,785	5.00%	4.66%	2020-12-31
5	Lannebo Funds		3,027,209	4.48%	4.17%	2020-12-31
6	Länsförsäkringar Funds		2,613,211	3.86%	3.62%	2020-12-31
7	Norges Bank		2,500,706	3.70%	3.46%	2020-12-31
8	Marathon Asset Management LLP		2,232,997	3.30%	3.08%	2020-12-31
9	Vanguard		1,926,122	2.85%	2.65%	2020-12-31
10	Lansdowne Partners		1,864,649	2.76%	2.57%	2020-05-12
Total top 10				48.56%	45.33%	
Others						
Total						

Share capital and votes

The holder of a MTG Class A share is entitled to 10 voting rights and the holder of a MTG Class B and MTG Class C share is entitled to one voting right each. Class C shareholders are not entitled to dividend

payments. There were no class C shares held by MTG as treasury shares in 2020. Out of the total number of issued shares, 304,880 (304,880) Class B shares are held as treasury shares.

Share distribution

Size class	Number of shares	Capital	Votes	Number of known owners	Part of known owners
1 - 100	903,235	1.34%	1.52%	43,107	78.81%
101 - 200	659,503	0.98%	1.13%	4,377	8.00%
201 - 500	1,292,132	1.91%	2.06%	3,895	7.12%
501 - 1000	1,286,903,810	1.90%	2.03%	1,694	3.10%
1001 - 2000	1,255,628	1.86%	1.97%	859	1.57%
2001 - 5000	1,484,034	2.19%	2.39%	476	0.87%
5001 - 10000	847,671	1.25%	1.38%	115	0.21%
10001 - 20000	799,692	1.18%	1.14%	57	0.10%
20001 - 50000	1,457,158	2.15%	2.98%	47	0.09%
50001 - 100000	1,226,359	1.81%	1.72%	18	0.03%
100001 - 200000	2,567,542	3.80%	5.05%	17	0.03%
200001 - 500000	4,324,251	6.39%	6.01%	13	0.02%
500001 - 1000000	6,287,236	9.30%	10.69%	9	0.02%
1000001 - 2000000	9,967,610	14.73%	13.74%	6	0.01%
2000001 - 5000000	17,617,244	26.05%	24.31%	6	0.01%
5000001 - 10000000	11,433,358	16.91%	15.79%	2	0.00%
10000001 - 20000000	0	0.00%	0.00%	0	0.00%
20000001 -	0	0.00%	0.00%	0	0.00%
Anonymous ownership	4,237,661	6.25%	6.09%		
Total					

Exercise of long-term incentive plans

In 2020, no shares were exercised as part of any long-term incentive plan. In 2019, a total of 361,342 Class B shares as part of the 2016 and 2017 long term incentive plans were exercised. There were no changes to the number of issued shares in 2020 or 2019. For further information, please see Note 18.

Reclassifications

There were no reclassifications of Class A shares into Class B shares in 2020 and 2019.

Voting rights

As there was no reclassification of shares in 2020, the total number of voting rights including treasury shares remained at 72,558,082 (72,558,082) as of 31 December 2020. The total number of outstanding shares remained at 67,342,244 (67,342,244).

Share capital

The Group's share capital amounted to SEK 338 (338) million at the end of the year. For changes in the share capital between 2020 and 2019, please see the report entitled 'Consolidated statement of changes in equity'.

The number of issued shares is unchanged since 2014.

Share-based long-term incentive plans

If all warrants granted to senior executives and key employees in 2019 were exercised as at 31 December 2020, the outstanding shares of the Company would increase by 426,420 (611,125) Class B shares, and be equivalent to a dilution of 0.63 percent (0.91) of the issued capital and 0.59 percent (0.85) of the related voting rights at the end of 2020. For further information on the share-based long-term incentive plans, please see Note 26.

Share buy-back

The 2020 Annual General Meeting approved a mandate to authorize the Board of Directors to buy back MTG Class A or Class B shares up until the 2021 Annual General Meeting. The Group's shareholding in its own stock may not exceed 10 percent of the total number of issued shares. There were no Class A shares or Class B shares bought back in 2020.

Articles of association

The Articles of Association do not include any provisions for appointing or dismissing members of the Board of Directors or for changing the articles. Outstanding shares may be freely transferred without restrictions. MTG is not aware of any agreements between shareholders that limit the right to transfer shares.

For effects from transactions after the balance sheet date, please see Note 26 and Note 31.

FINANCIAL POLICIES AND RISK MANAGEMENT

Risks and uncertainties

Competitive risks

Competitive risks include competition for online and mobile operators, video gaming sites, viewers and subscribers. The Company's ability to compete successfully is dependent on a number of factors, including the ability to adapt to new technologies and product innovations, to achieve widespread distribution, and to develop user communities in a sustainable manner.

MTG is also increasingly reliant on a wide variety of technological platforms and could therefore face the risk of new market entrants. This could mean significant changes for the industry and could potentially cause disruption to established contracts and negotiation structures, as well as to business practices, and ways in which advertising is traded and sold in the online environment.

Reliance on a few game titles (Gaming)

The revenues in MTG's gaming vertical are concentrated in a few highly profitable game titles (notably Forge of Empires). If the attractiveness of these titles drops among the players, this may have a significant adverse effect on MTG's profitability.

New title releases may not succeed

Releasing new game titles and managing them for profitability is a significant element of MTG's strategy. If the companies in MTG's gaming vertical fail to release new titles, or the newly released titles do not gain popularity among players, MTG may not be able to reach its revenue and profitability goals.

Dependence on major platforms for distribution of game titles

MTG distributes its mobile games through such third-party platforms as Apple's App Store, Google's Google Play, Amazon's app store, Huawei's App Gallery, and the Microsoft Store. As such, MTG is dependent on these third-party platforms. Platform technical problems, and adverse placement of MTG's game titles in search results and category listings by platforms' automated algorithms may reduce the number of downloads of MTG games. This may prevent the Company from reaching its revenue and profitability goals.

Dependence on third-party trademarks and intellectual property

Some of the main Kongregate and Hutch titles contain licensed third-party trademarks (e.g., Formula 1 and Teenage Mutant Ninja Turtles). If such licenses are withdrawn, or licensing costs increase beyond projections, MTG may need to discontinue the affected games. This may have an adverse effect on the Company's revenue and profitability.

MTG's trademarks, copyrights and other intellectual property rights may not provide adequate protection for MTG, or intellectual property registration applications may not be granted, or MTG's rights may not be upheld in some jurisdictions. MTG may be subject to

infringement of intellectual property rights lawsuits, or other companies may sue MTG for alleged or actual infringement of their intellectual property rights, for example due to MTG's use of third-party components and open-source software in connection with game development. If any of the above events occur, there is a risk that MTG's investments in intellectual property rights will not generate the expected benefits or that MTG will be liable to pay damages or other fees, which in turn may have a negative impact on MTG's revenue and profitability.

MTG may not be able to attract the right talent at acceptable cost

The successful design, development, marketing and monetization of games requires highly skilled input from software programmers, artists, data analysts and other experts. In conditions of heightened demand for such skills by MTG's competitors, MTG may not be able to attract the staff it needs at an acceptable cost, or at all. This may have an adverse effect on MTG's ability to release new game titles, or updates to existing games, potentially leading to shortfalls in revenue and profitability as well as user attrition.

Reliance on a few game titles (Esport)

The majority of esport events that attract significant audiences and skilled players are concentrated in a relatively small number of game titles (notably CS:GO, Dota 2, Overwatch, Starcraft II, Warcraft III, League of Legends and FIFA). MTG needs to obtain licenses from the respective game title holders to organize esport events around those games.

If MTG fails to secure such licenses, it might not be able to organize esport events, with a corresponding adverse impact on revenue and profitability.

Continued restrictions on physical events

MTG's esport events have traditionally been physical events held at third-party venues in front of live audiences. With the ongoing pandemic, MTG's ability to organize such events is limited. There is uncertainty around the timing of live events resuming in the Company's key markets. Therefore, some event formats (notably festivals) are currently not feasible, and online events may not attract the same advertising and sponsorship revenue as live events. The combination of these factors may have an adverse effect on MTG's revenue and profitability.

Dependence on major platforms for distribution of events footage

MTG is dependent on third-party platforms for distribution of live and recorded esport events footage (notably Twitch, YouTube and Huya). There are presently no viable alternatives to these platforms that would reach the same audience.

Therefore, technical problems at the third-party content distribution platforms may adversely affect the audience volumes MTG's esport

events attract. The content distribution platforms may also terminate their agreements with the Company or impose onerous commercial terms for MTG's continued presence on the platforms. Any of these events would likely have a negative effect on MTG's revenue and profitability.

New entrants in the market

There are relatively few entry barriers into the esports market other than upfront capital outlays. As such, MTG may lose market share to well-financed new market entrants who may not be concerned with profitability at least initially.

Business interruption risks

MTG's businesses may suffer from interruptions caused by a variety of factors. Physical esports events may be affected by circumstances affecting the infrastructure supporting the event – power outages, extreme weather, equipment failure, and communication links outage.

Gaming companies and esports events held online may be adversely affected by cyberattacks originating either externally or from within the companies. If the affected companies are unable to promptly recover from interruptions to their business, MTG may suffer from immediate revenue loss and longer-term damage to reputation.

Tax related risks

MTG operates through subsidiaries resident in different jurisdictions. The business is conducted in accordance with MTG's understanding or interpretation of applicable tax laws, tax treaties, other tax regulations and requirements from the tax authorities concerned. Amended laws, agreements and other regulations may affect the tax position of the Group as well as if the tax authorities disagree with the Group's interpretation of existing tax rules.

Regulatory risks

The Group's businesses are regulated in many different jurisdictions. The regimes that regulate the Group's business include both European Union and national laws and regulations related primarily to competition (antitrust), personal data protection, provisions related to the treatment of games of chance ("loot boxes"), provisions on staff working hours and overtime, reporting and disclosure obligations and taxation. Changes in such laws and regulations, particularly in relation to access requirements, consumer protection, taxation or other aspects of the Group's business, or those of any of its competitors, could have a materially adverse effect on the Group's business, financial condition or operational results.

EU laws, and changes to such laws, that may have an adverse impact on the Group's business include the following:

EU's new General Data Protection Regulation entered into force on 25 May 2018, replacing the EU Data Protection Directive 95/46/EC. The new Regulation has resulted in changes to how the Group deals with the personal data of EU citizens. MTG has implemented changes to its data protection policies, procedures and processes in order to become Compliant with the Regulation. However, since EU member states have the right to interpret the provisions of the GDPR, and local approaches to enforcement of the Regulation are constantly evolving, MTG may be exposed to the risk of penalties under the GDPR as it adapts to local requirements.

Financing risks

MTG may in the future be reliant on access to financing and would thereby be exposed to risks associated with disruptions in the financial

markets, which could make it more difficult and/or more expensive to obtain financing in the future. Potential events affecting this may include the adoption of new regulations, implementation of recently enacted laws or new interpretations, or the enforcement of existing laws and regulations applicable to financial institutions, the financial markets or the financial services industry, which could result in a reduction in the amount of available credit or increases in the cost of credit.

External borrowing is managed centrally in accordance with the Group's financial policies. Loans are primarily taken up by the parent company and transferred to its subsidiaries as internal loans or capital injections. From time to time companies with external minor loans and/or overdraft facilities may exist.

Financial policy

The Group's financial risk management is centralized to the parent company to capitalize on economies of scale and synergy effects, as well as to minimize operational risks. The Group's financial policy is subject to review and approval by the Board of Directors and constitutes a framework of guidelines and rules for financial risk management and financial activities in general. The Group's financial risks are continuously evaluated and monitored to ensure compliance with the Group's financial policy. The exposures are described in Note 22.

Foreign exchange risk

Foreign exchange risk is divided into transaction exposure and translation exposure.

Transaction exposure

Transaction exposure is not hedged.

Translation exposure

Translation exposure arises from the conversion of the Group's subsidiaries and associated companies' earnings and balance sheets into the Swedish krona reporting currency from other currencies. Since many of the subsidiaries report in currencies other than Swedish krona, the Group is exposed to exchange rate fluctuations. Translation exposure is not hedged.

Interest rate risk

MTG's sources of funding are primarily shareholders' equity, and cash flows from operations. Interest-bearing debt exposes the Group to interest rate risk. The Group does not currently use derivative financial instruments to hedge its interest rate risks.

Refinancing risk

The refinancing risk, if applicable, is managed by seeking to diversify funding sources and maturities, and by typically initiating the refinancing of all loans 12 months prior to maturity.

Credit risk

The credit risk with respect to MTG's trade receivables is diversified among a large number of customers, both private individuals and companies. High credit ratings are required for all material credit sales and solvency information is obtained to reduce the risk of bad debt.

Insurable risks

The parent company ensures that the Group has sufficient insurance cover for director and officer liabilities. Other insurances such as business interruption, asset losses, travel insurance are covered in local insurance solutions in respective subgroup or company.

GOVERNANCE AND RESPONSIBILITIES

Corporate Governance

Corporate Governance in MTG is based on Swedish legislation, Nasdaq Stockholm's Nordic Main Market Rulebook for issuers of Shares (the "Rulebook") and the Swedish Code of Corporate Governance (the "Code"), see www.corporategovernanceboard.se. MTG does not have any deviations from the Code in 2020. Further, there has been no infringement by MTG of applicable stock exchange rules and no breach of generally accepted principles in the securities market reported by the Disciplinary Committee of Nasdaq Stockholm or the Swedish Securities Council in 2020, with the exception of a breach by the Company of item 3.1 of the Rulebook as inside information from the Company's Q4 and year-end report for 2019 was accessible on the Company's website before the information was disclosed through a press release in accordance with Article 17 of the EU Market Abuse Regulation and the associated implementing regulation. As a consequence thereof, on the 5th of March 2021, the Disciplinary Committee of Nasdaq Stockholm ordered the Company to pay a fine of two annual fees.

Shareholders

For information about the ownership structure, share capital and the MTG share, please refer to the Section "The MTG share" on pages 52–53.

Information regularly provided to shareholders includes interim reports and full year reports, Annual Reports and press releases on significant events occurring during the year. All such reports, press releases and other information can be found at www.mtg.com under News.

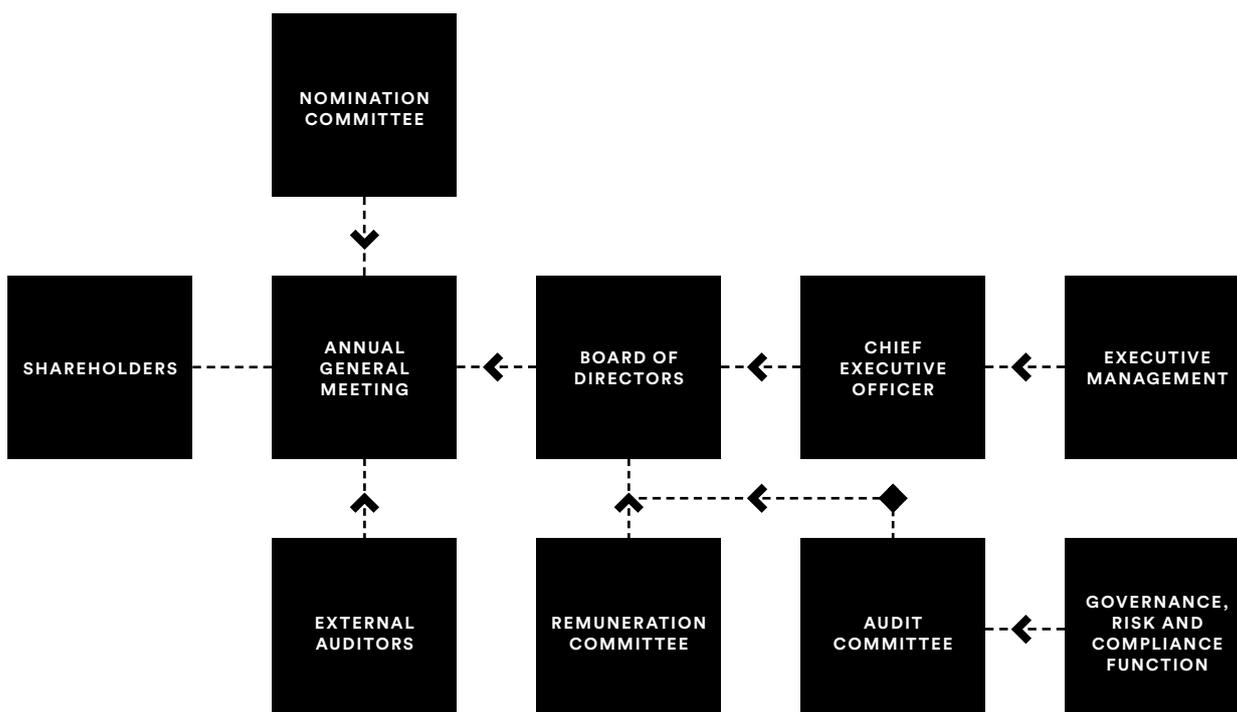
Annual General Meeting

The Swedish Companies Act (2005:551) (the "Swedish Companies Act"), the Act (2020:198) on Temporary Exceptions to Facilitate the Execution of General Meetings in Companies and other Associations implemented due to the corona-pandemic, and the Articles of Association determine how the notice to the Annual General Meeting and Extraordinary General Meetings shall occur, and who has the right to participate in and vote at the meeting. There are no restrictions on the number of votes each shareholder may cast at the general meeting. Class A shares entitle to ten votes, whereas Class B and Class C shares entitle to one vote. The 2020 Annual General Meeting resolved to amend the Articles of Association to allow the Board of Directors to decide that shareholder shall have the right to provide their votes by post before the general meeting, also following expiration of the temporary legislation.

The Nomination Committee

The Nomination Committee consists of members appointed by some of MTG's largest shareholders, and its responsibilities include:

- To evaluate the Board of Directors' work and composition
- To submit proposals to the Annual General Meeting regarding the election of the Board of Directors and the Chairman of the Board
- To prepare proposals regarding the election of Auditors in cooperation with the Audit Committee (when appropriate)
- To prepare proposals regarding the fees to be paid to the Board of Directors and to the Company's Auditors
- To prepare proposals for the Chairman of the Annual General Meeting
- To prepare proposals for procedure of appointing the Nomination Committee for next Annual General Meeting



In accordance with the procedure resolved by the 2019 the Annual General Meeting of MTG, a Nomination Committee was convened to prepare proposals for the 2021 Annual General Meeting. The Nomination Committee comprises Klaus Roehrig, appointed by Active Ownership Corporation; Joachim Spetz, appointed by Swedbank Robur Funds; David Marcus, appointed by Evermore Global Advisors LLC; and David Chance, the Chairman of the Board. The three shareholders who have appointed representatives to the Nomination Committee hold approximately 21.11 percent of the total voting rights in MTG. In line with past practice, the members of the Nomination Committee appointed Klaus Roehrig, representing the largest shareholder on the last business day of August 2020, as the Committee Chairman. Information about how shareholders can submit proposals to the Nomination Committee has been published on www.mtg.com, where the Nomination Committee's motivated statement regarding its proposal to the Annual General Meeting and a brief presentation of its work will also be published well in advance of the Annual General Meeting 2021. In its work, the Nomination Committee applies rule 4.1 of the Code as its diversity policy. Accordingly, the Nomination Committee gives particular consideration to the importance of an increased diversity on the Board, including gender, age and nationality, as well as depth of experiences, professional backgrounds and business disciplines. Further information may be found in the Nomination Committee's motivated statement regarding the proposal for the Board which was given in connection with the 2020 Annual General Meeting.

The Board of Directors

Board members are elected at the Annual General Meeting for a period ending at the close of the next Annual General Meeting. The Articles of Association contains no restrictions pertaining to the eligibility of Board members. According to the Articles of Association, the number of Board members can be no less than three and no more than nine members elected by shareholders. The Board of Directors MTG comprises seven Non-Executive Directors. The members of the Board of Directors are David Chance, Simon Duffy, Natalie Tydeman, Gerhard Florin, Marjorie Lao, Chris Carvalho and Dawn Hudson. At the 2020 Annual General Meeting, David Chance, Simon Duffy, Gerhard Florin and Natalie Tydeman were re-elected as Board members and Marjorie Lao, Chris Carvalho and Dawn Hudson were elected as new Board members. The Annual General Meeting further re-elected David Chance as Chairman of the Board of Directors. In 2020, the Board of MTG complied with the Code's provision that the majority of members shall be independent in relation to the company and its management, and that at least two of them also shall be independent in relation to the company's major shareholders (i.e. those with a holding exceeding 10 percent). Biographical information on each Board member is provided on pages 62–63.

Responsibilities and Duties of the Board of Directors

MTG's Board of Directors is responsible for the overall strategy of the Group and for organizing its administration in accordance with the Swedish Companies Act. The Board's work and delegation procedures, instructions for the Chief Executive Officer, and reporting instructions are updated and approved at least annually in connection with the Board of Director's Q4 meeting in December. As in previous years, a Remuneration Committee and an Audit Committee have been established within the Board. These committees are preparatory bodies of the Board and do not reduce the Board's overall responsibility for the governance of the Company and decisions taken.

The work of the Board

During the year, the Board of Directors held 14 meetings (including the constituent meeting in connection with the 2020 Annual General Meeting). Prior to each ordinary Board meeting, the members receive a written agenda, based on the Board's established rules of procedure, and a complete set of documents for information and decision-making. Recurring items include the company's financial results and position, the market situation, investments and adoption of the financial statements. Reports from the Audit and Remuneration Committees, as well as reports on internal control and financing activities are also regularly addressed. The Chief Executive Officer presents matters for discussion at the meetings, and the Company's CFO and other members of management also participate and present specific matters. The Group General Counsel is the Board's secretary. The attendance of Board members at Board and committee meetings is presented in the table on page 64. Important issues addressed during the year include strategic issues, with a particular focus on M&A, financing and structural options (such as the combination of ESL and DreamHack).

Ensuring Quality in Financial Reporting

The reporting instructions approved annually by the Board include detailed instructions on the type of financial reports and similar information which are to be submitted to the Board. In addition to the full-year report, interim reports and the annual report, the Board reviews and evaluates comprehensive financial information regarding the Group as a whole and the entities within the Group. The Board also reviews, primarily through the Audit Committee, the most important accounting principles applied by the Group in financial reporting, as well as major changes in these principles. The tasks of the Audit Committee also include reviewing reports regarding internal control and financial reporting processes, as well as reports submitted by the Group's governance, risk and compliance (GRC) function. The Group's external auditors report to the Board as necessary. The external auditor also attends the meetings of the Audit Committee. Minutes are taken at all meetings and are made available to all Board members and to the auditor.

Evaluation of the Board of Directors and the Chief Executive Officer

The Board complies with an annual performance review process to assess how well the Board, its committees and processes are functioning and how they might be improved. Questions focus on whether the Board is adding value to the organisation and on enhancing its performance through examination of Board structure and composition, its operation and effectiveness, and its role in monitoring the execution of agreed strategies. The survey also includes an individual performance review. Answer options include both a quantitative ranking system as well as an opportunity to provide any relevant comments, particularly in relation to ideas for improvement. At the Q4 Board meeting the Chairman provides the full Board with a report of the outcome of the Board evaluation process. This summary is also presented by the Chairman and discussed with the Nomination Committee. In addition, every three years a more extensive Board evaluation is typically undertaken either by an independent Board member or an external consultant. Last time such an extensive board evaluation was carried out was the year 2017.

Remuneration Committee

The Remuneration Committee comprises Natalie Tydeman as Chairman, David Chance and Gerhard Florin. The Remuneration Committee's assignments are stipulated in Chapter 9.1 of the Code, and comprise issues concerning salaries, pension terms and conditions, incentive programs and other conditions of employment for the senior executives. Minutes are kept at the Remuneration Committee's meetings and are made available to the Board.

Audit Committee

The Audit Committee comprises Simon Duffy as Chairman, Marjorie Lao, Chris Carvalho and Dawn Hudson. The Audit Committee's assignments are stipulated in Chapter 8, Section 49b of the Swedish Companies Act. These tasks include monitoring MTG's financial reporting and the efficiency of MTG's internal controls, as well as maintaining frequent contacts with the external auditor and the Group's governance, risk and compliance Director. The Audit Committee's work primarily focuses on the quality and accuracy of the Group's financial accounting and the accompanying reporting, as well as the internal financial controls within MTG. Furthermore, the Audit Committee evaluates the auditors' work, qualifications and independence. The Audit Committee monitors the development of relevant accounting policies and requirements, discusses other significant issues connected with MTG's financial reporting and reports its observations to the Board. Minutes are kept at the Audit Committee's meetings and are made available to the Board.

Remuneration of Board Members

The remuneration to the Board members for Board work, and work in the committees of the Board, is proposed by the Nomination Committee and approved by the Annual General Meeting. The Nomination Committee proposal is based on benchmarking of peer group company compensation and company size. Information on the remuneration to Board members is provided in Note 26. Board members do not participate in the Group's incentive plans.

External Auditors

KPMG was elected as MTG's auditor for the financial year 2020 for a term-of-office ending at the end of the 2021 Annual General Meeting. Authorized Public Accountant Helena Nilsson was appointed as auditor-in-charge replacing Joakim Thilstedt, who had been responsible for the audit of the Company on behalf of KPMG since December 2013. Audit assignments have involved the examination of the Annual Report and financial accounting, the administration by the Board and the CEO, other tasks related to the duties of a company auditor, and consultation or other services that may result from observations noted during such examination or the implementation of such other tasks. All other tasks are defined as other assignments. The auditor reports its findings to the shareholders by means of the auditors' report, which is presented to the Annual General Meeting. In addition, the auditors' report detailed findings at each of the ordinary meetings of the Audit Committee and to the full Board as necessary. KPMG provided certain additional services in 2020. These services comprised work in relation to MTG's rights issue effected in the beginning of 2021, tax compliance work, advice on accounting issues, and advice on processes and internal controls and other assignments of a similar kind and closely related to the auditing process. For more detailed information concerning the auditors' fees, see Note 27.

Pre-approval of Policies and Procedures for Non-audit related Services

In order to ensure the auditor's independence, the Audit Committee has established pre-approval policies and procedures for non-audit related services to be performed by the external auditor. The policy was approved in November 2020 by the Audit Committee.

Executive Management

At year-end of 2020, the members of the Executive Management in MTG included Chief Executive Officer Maria Redin, Chief Financial Officer and Head of Communications & Investor Relations Lars Torstensson, EVP Esports & Gaming Arnd Benninghoff and Group General Counsel Johan Levinsson. In September 2020, the former Chief Executive Officer Jørgen Madsen Lindemann left MTG. Biographical information, including shareholding as of 31 December 2020, on each member of the Executive Management is provided on pages 65.

Chief Executive Officer

The CEO is responsible for the ongoing management of the Company in accordance with the instructions established by the Board. In consultation with the Chairman of the Board, the CEO prepares the information and documentation required as a basis for the work of the Board and in order to enable Board members to make well-informed decisions. The CEO is supported by the Executive Management team. The Board evaluates the performance of the CEO on a regular basis. The Board also held one meeting to evaluate the CEO's performance, without the attendance of the CEO or any other member of management. The CEO and the Executive Management, supported by the various employee functions, are responsible for the adherence to the Group's overall strategy, financial and business control, financing, capital structure, risk management and M&A. Among other tasks, this includes preparation of financial reports and communication with the stock market. The Company policies issued include inter alia code of conduct, anti-bribery and corruption, risk management and financial control.

Executive remuneration

The existing guidelines for remuneration to senior executives approved at the 2020 Annual General Meeting can be found in Note 26 for the Group. Employees covered by these guidelines are the Executive Management.

Proposal for 2021 executive remuneration guidelines

To the Annual General Meeting 2021, the Board has decided to propose that the guidelines shall remain unchanged in all material respects, however minor adjustments will be proposed to reflect the current composition of the Group Management and its remuneration.

The Board thus proposes the following guidelines for determining remuneration for MTG's CEO and other senior executives in the MTG Group (the "Senior Executives"), as well as members of the Board if they are remunerated outside their directorship. The Group Management currently comprises four Senior Executives (the CEO, the CFO and two other Senior Executives).

Subject to the adoption by the 2021 Annual General Meeting, these Remuneration Guidelines shall be applied to employment agreements entered into after the 2021 Annual General Meeting and to changes made to existing agreements thereafter. These guidelines shall be in force until new guidelines are adopted by the General Meeting. The intention is for the guidelines to remain in place for up

to four years, the Board will however propose new guidelines if material changes of the guidelines becomes necessary. These guidelines do not apply to any remuneration decided or approved by the General Meeting such as long-term share or share price related incentive plans and ordinary Board remuneration.

The Board has established a Remuneration Committee. In order to avoid any conflict of interest, the Remuneration Committee consist only of members that are independent of the company and its management. The remuneration is managed through well-defined processes ensuring that no individual is involved in the decision-making process related to their own remuneration. The Remuneration Committee's tasks include preparing the Board's decision to propose guidelines for executive remuneration. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company.

MTG is a strategic operational and investment company that combines investment expertise with hands-on operational engagement. MTG's Vision is to become the home of gaming and esports entertainment. MTG's Mission is to grow the gaming and esports ecosystems and benefit the communities through relevant products and storytelling with craftsmanship, innovation and sustainability at its center. MTG's Strategy is to drive profitability and organic growth in group companies and invest in high-potential gaming and esport businesses that complement MTG's brands and products.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. The remuneration structures shall encourage employees to do their utmost to safeguard shareholders' interests and thereby the company's sustainability and long-term value creation.

More information on MTG's strategy can be found on the MTG's website and in the most recent annual report, www.mtg.com.

Remuneration principles

The Remuneration Guidelines provides a structure that aligns remuneration with the successful delivery of our long-term strategy: to drive profitability and organic growth in our portfolio companies and invest in high-potential gaming and esport business. The guidelines sets guiding principles for selection of LTIP performance measures and LTIP performance periods to ensure the link to the shareholder value and as such the guidelines contributes to the long-term success and value creation of the company. The guidelines provides for the ability to set relevant financial and non-financial STI measures including governance, social and environmental, further contributing to alignment between the guidelines and sustainability as well as the company values, which are Bold, Smart, Engaging and Fun. The performance measures for the STI are determined by the Remuneration Committee based on the business priorities for the year. Each year stretch objectives are set in the light of the Company's annual business plan and the operating environment. The guidelines provides incentives for the CEO and the other Senior Execu-

tives to drive innovative and performance based culture which contributes to achieving our company mission.

The remuneration of the CEO and the other Senior Executives consist of base salary, short-term and long-term incentives, pension and other benefits.

Base salary

Attracts and retains the CEO and the other Senior Executives taking into account of their individual responsibilities, their personal contribution, the size of role and business complexity. The base salary for the CEO and the other Senior Executives shall be competitive. The base salary is reviewed annually, typically with effect from 1 January. The Remuneration Committee looks at pay practices in selected comparison groups, the benchmarks are conducted through independent advisors. Decisions on salary also take into account the performance and experience of the individual, changes in the size and scope of the role, and the level of salary awards across the business.

Short Term Incentive (STI)

Drives and rewards achievement of our stretching annual financial, strategic, operational and sustainability targets aligned with our business strategy. The STI is capped at 125 percent of the individual's base salary. Performance measures and weightings are reviewed at the start of each year to take account of current business plans and to ensure they continue to support the short-term business strategy. These measures can vary from year to year to reflect business priorities and typically the measures includes a balance of the Company's financial performance measures (for example profitability, revenue and cash flow measures) and non-financial measures (for example key operational, strategic, environmental, social, governance or other sustainability related measures) provided that in any given year majority of weighting will be on financial performance measures. Through the combination of the financial measures with the non-financial measures the STI will contribute to the long-term interests and sustainability of the company. Details of actual performance measures applied for each year and how they support the business strategy will be disclosed in the annual Remuneration Report. Performance against targets is monitored and determined based on assessment of performance level versus each target level. The Board reviews the performance and determines the extent to which each of the targets have been achieved, to determine the final pay-out level. As regards to the financial criteria, the evaluation shall be based on the latest financial information made public by MTG. The Board has discretion to adjust the formulaic STI outcome in changed circumstances to improve the alignment of pay with value creation for shareholders, and to ensure the outcome is a fair reflection of the company's performance, and will take into account any relevant environmental, social, and governance (ESG) matters when determining outcomes. To further strengthen the connection to the shareholders' interest and the company's long-term value creation, payment of part of the STI may be deferred and delivered in MTG shares and such shares to be retained for an agreed period of time. Awards are subject to claw-back in cases where the final payment is made based on performance that is proven to be manifestly misstated. The Board may decide to reclaim whole or a part of the final payment. In its decision to reclaim any amount the Board may, in its sole discretion, reduce the amount to be reclaimed based on the employee's lack of direct involvement in the performance and reporting of performance which has been manifestly misstated.

Extraordinary arrangements

By way of exception, additional one-off arrangements can be made on a case by case basis when deemed necessary, under the condition that such extraordinary arrangement is made for recruitment or retention purposes, subject to Board approval. Each such arrangement shall be capped at, and never exceed, 200% of the individual's annual base salary.

Long Term Incentive Programme (LTIP)

The Board may offer LTIPs in order to attract and retain key individuals, as well as to share the success of the company's growth. The LTIPs that can be offered are 3-4 –year plans which are share or share price related programmes (such as performance share plans and/or warrant plans), which will be put forward to the General Meeting to resolve on – irrespective of these guidelines. Share and share price related LTIPs shall be structured to ensure a long-term commitment to the development of MTG and with the intention that the Senior Executives shall have a significant long-term shareholding in MTG. The outcome shall be linked to certain pre-determined performance criteria, based on MTG's share price and value growth. The Board may also offer Senior Executives, that have a direct impact on the value creation in MTG's verticals and subsidiaries, participation in Local Management Incentive Programs, i.e. cash based LTIPs linked to pre-determined levels for the value creation of a specific vertical or subsidiary within MTG. The maximum outcome shall have a predetermined cap.

More information regarding the ongoing LTIPs, including the criteria which the outcome depend on, can be found on MTG's website and in the most recent annual report, www.mtg.com.

Pension

Provides competitive and appropriate retirement arrangement in the context of the market practice in the applicable country of the executives employment or residence and total remuneration. The pension arrangements shall be provided in the form of a defined contribution or as a cash allowance and shall amount to no more than 20% of the individual's annual base salary.

Other benefits

Provides competitive level of benefits and supports recruitment and retention. Other benefits may include car allowance, company car and housing. The combined value of these benefits shall normally constitute a limited value in relation to the total remuneration package and shall correspond to market practice. Additional benefits may be received by Senior Executives in certain circumstances such as relocation or international assignment, taking into account the overall purpose of these guidelines.

Termination of employment and severance pay

In general, executive contracts have indefinite duration. The notice period can be up to one year for either party and non-compete restrictions can go up to one year. The Company may require the individual to continue to fulfil current duties during the notice period or may assign garden leave.

In case of termination of a Senior Executive's employment agreement, the STI is evaluated and paid pro-rata for the period up to the termination date where applicable. It should be noted that these cases are handled according to the discretionary right of the Board.

Salary and employment conditions for employees

In the preparation of the Board's proposal for these guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employee's total income, the components of the remuneration and increase and growth rate over time, in the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Deviations from the Guidelines

The Board may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. The Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

For further information on certain remuneration matters, reference is made to the Board of Directors' Remuneration Report 2020, which is available on www.mtg.com.

INTERNAL CONTROL REPORT

The processes for internal control, risk assessment, control activities, information and communication, and monitoring regarding the financial reporting are designed to ensure reliable overall financial reporting and external financial statements in accordance with International Financial Reporting Standards, applicable laws and regulations and other requirements for listed companies on Nasdaq Stockholm. This process involves the Board, Executive Management and other personnel.

Control environment

The Board has specified a set of instructions and working processes regarding the roles and responsibilities of the Chief Executive Officer and the Board committees. The Board also has a number of established basic guidelines, which are important for its work on internal control activities. This includes monitoring performance against plans and prior years. The Audit Committee assists the Board in overseeing various issues such as monitoring internal audit and establishing accounting policies applied by the Group.

The responsibility for maintaining an effective control environment and internal control over financial reporting is delegated to the Chief Executive Officer. Other Executive Managers at various levels have respective responsibilities. The Executive Management regularly reports to the Board according to established routines and in addition to the Audit Committee's reports. Defined responsibilities, instructions, guidelines, manuals and policies together with laws and regulations form the control environment. All employees are accountable for compliance with these guidelines.

Risk assessment and control activities

The Company has assessed risks in all Group companies, segments and business units following a structured methodology. Where risk exposure has been deemed unacceptable by the management, risk mitigation measures have been formulated and implemented. A summary of the key risks is presented annually to the Board of Directors and the Audit Committee. Overall coordination of the risk management process is provided centrally by the Group's governance, risk and compliance function. The most important risks for esport are around continued access to relevant game titles, competitive landscape, and dependency on a limited number of content distribution platforms. The main risks for gaming companies are around successful launches of new titles and return on investment in newly developed games. Operational managers are responsible for risk management in the Group's companies, segments and business units. The responsibility encompasses the day-to-day work focused on operational and other relevant risks, and on leading risk management activities in their own areas of responsibility. The managers are supported in their risk management efforts by central Group functions, as needed.

Information and communication

Guidelines used in the Company's financial reporting are updated and communicated to the employees concerned on an ongoing basis. There are formal as well as informal information channels to the Executive Management and to the Board of Directors for information from the employees identified as significant. Guidelines for external communication ensure that the Company applies the highest standards for providing accurate information to the capital markets.

Review

The Board of Directors regularly evaluates the information provided by the Executive Management and the Audit Committee. The Board receives regular updates of the Group's development between the meetings. The Group's financial position, strategies and investments are discussed at every Board meeting. The Audit Committee reviews the quarterly reports prior to publication. The Audit Committee is also responsible for following up on internal control activities. This work includes ensuring that measures are taken to deal with any inaccuracy and following up suggestions for actions emerging from the external audits.

The Company has a governance, risk and compliance (GRC) function responsible for the evaluation of risk management and internal control activities. This work includes scrutinising the application of established routines and guidelines and, where needed, assisting with the design and implementation of additional control procedures. The GRC function plans its work in cooperation with the Audit Committee and reports the result of its efforts to the Audit Committee.

The external auditors report to the Audit Committee at each ordinary Committee meeting.

Internal Audit

Given the risk assessment described above and how the control activities are designed, including self-assessment and in-depth analysis of the internal control, the Board of Directors has chosen not to maintain a specific internal audit function. Given the separation between functions designing and operating internal controls, the Board of Directors believes that the Company's GRC function is sufficiently independent to conduct internal audits as part of its broader responsibilities.

BOARD OF DIRECTORS



David Chance
Chairman of the Board,
American and British, born 1957
Elected 1998

David is Chairman of the Board of Directors since May 2003. David was Deputy Managing Director of the BSkyB Group between 1993 and 1998. He has also served as a Non-Executive Director of ITV plc and O2 plc.

David is currently a Non-Executive Director of PCCW Limited (Hong Kong) and Chairman of the Board of Directors of Nordic Entertainment Group. David graduated with a Bachelor of Arts in Psychology, Bachelor of Science in Industrial Relations and MBA from the University of North Carolina.

Member of the Remuneration Committee. Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 3,565 MTG class B shares per 31 December 2020.



Chris Carvalho
Non-Executive Director
American, born 1965
Elected 2020

Chris Carvalho has vast experience as a board member and advisor of several gaming and start-up companies. Chris spent four years between 2010-2013 as Chief Operating Officer at Kabam and ten years at Lucasfilm where he headed up business development, and eventually ran the company's internet division, StarWars.com. Chris has also been a board member in G5 Entertainment, the worldwide developer and publisher of free-to-play mobile games listed on Nasdaq Stockholm.

Chris is currently a Board member of Roblox and Rogue Games and an advisor to Chalk, Specifio, MTGx gaming and 4D Sight. Chris holds an MBA from UCLA Anderson School of Management and a Bachelor of Science from the University of California, Berkeley.

Member of the Audit Committee. Independent of the Company and management and independent of the major shareholders.

Direct or related person ownership: 2,500 MTG shares per 31 December 2020.



Dawn Hudson
Non-Executive Director
American, born 1957
Elected 2020

Between 2014-2018 Dawn was Executive Vice President and Chief Marketing Officer for the National Football League (NFL) where she, among other things, was responsible for building the NFL brand and oversaw planning and execution of all major NFL events. Prior to joining the NFL, Dawn was Vice Chairman of the strategy consultancy company Parthenon Group, where she built and oversaw Parthenon's consumer practice focused on the food, beverage and restaurant sectors, and for more than 10 years she held senior positions at PepsiCo including President and CEO of Pepsi-Cola North America and CEO of PepsiCo Foodservices.

focused on among other things gaming, listed on Nasdaq in the U.S., Board member and member of the Governance Committee of Interpublic Group, one of the world's leading advertising and marketing services companies, listed on New York Stock Exchange and member of the Board and Compensation Committee of Rodan and Fields. Dawn has a Bachelor of Arts in English from Dartmouth College.

Member of the Audit Committee. Independent of the Company and management and independent of the major shareholders.

Dawn Hudson is currently a Board member of NVIDIA, a visual computing company

Direct or related person ownership: 0 MTG shares per 31 December 2020.



Gerhard Florin
Non-Executive Director
German, born 1959
Elected 2018

Gerhard has spent over 20 years in the entertainment and gaming industry. Gerhard has previously served on the Boards of Codemasters plc, Funcom, Kobojo and King Digital Entertainment, and was Chairman of the latter between 2014 and 2016. Between 2006 and 2010, Gerhard served as an Executive Vice President and General Manager of Publishing at Electronic Arts, being responsible for the company's worldwide publishing business, prior to which he held various positions in Electronic Arts' German and British operations. Before joining Electronic Arts, Gerhard worked at Bertelsmann Music Group and McKinsey.

Gerhard is currently a member of the Board of MTG's subsidiary InnoGames. Gerhard holds Masters and PhD degrees in Macro Economics from the University of Augsburg in Germany.

Member of the Remuneration Committee. Independent of the Company and management, and independent of major shareholders.

Direct or related person ownership: 0 MTG shares per 31 December 2020.



Marjorie Lao
Non-Executive Director
Philippines, born 1974
Elected 2020

Marjorie Lao was the CFO of the LEGO Group from 2017-2020, where she oversaw the company's global operations with a broad mandate covering the traditional CFO role, as well as Legal, Government and Public Affairs, and Social and Environmental Responsibility. From 2014 to 2016, she was the Senior Vice President of Finance. Before joining the LEGO Group, from 2006 to 2010, Marjorie was the CFO of Tandberg ASA, a publicly listed company in the Oslo Stock Exchange, before it was acquired by Cisco. She also held senior finance, strategy and business development positions at Cisco from 2010 to 2012, McKinsey from 2002 to 2005, and Procter & Gamble from 1996 to 2000.

She is currently a member of the Board of Directors and the Audit Committee of Logitech International, a member of the Board of Directors and Chair of the Audit Committee of MyTheresa Netherlands as well as a member of the Europe Advisory Board of Harvard Business School. Marjorie holds an MBA from Harvard Business School and a Bachelor of Science from the University of Philippines.

Member of the Audit Committee. Independent of the Company and management and independent of the major shareholders.

Direct or related person ownership: 0 MTG shares per 31 December 2020.



Natalie Tydeman
Non-Executive Director
British, born 1971
Elected 2017

Between 2007 and 2016, Natalie was at GMT Communications Partners, one of Europe's leading private equity specialists in the media and communications sectors, where she became Partner in 2010 and later promoted to Senior Partner in 2014. Natalie helped launch Excite in Europe, built Discovery Communications' European internet operations, was Managing Director of Fox Kids Europe's Online & Interactive division, and led Fremantle Media's business diversification and corporate venturing activities as Senior Vice President.

from the University of Oxford and an MBA from Harvard Business School.

Chairman of the Remuneration Committee. Independent of the Company and management and independent of the major shareholders.

Direct or related person ownership: 0 MTG shares per 31 December 2020.

Natalie is currently a Senior Investment Director at Kinnevik AB (publ). Natalie is also a board member of Nordic Entertainment Group and FutureLearn Ltd. Natalie holds a Bachelor of Arts in Mathematics



Simon Duffy
Non-Executive Director
British, born 1949
Elected 2008

Simon was Executive Chairman of Tradus plc until the company's sale in March 2008. Simon was also Executive Vice-Chairman of ntl:Telewest until 2007, having joined ntl in 2003 as CEO. Simon has also served as CFO of Orange SA, CEO of wireless data specialist End2End AS, CEO and Deputy Chairman of WorldOnline International BV, and held senior positions at EMI Group plc and Guinness plc. Simon has also served as Chairman of the Board of Bwin.party digital entertainment plc and Mblox Inc. as well as Board Member of Millicom International Cellular and Avito AB.

Simon is currently a Chairman of the Board of Directors of Telit Communications Plc

and YouView TV Ltd and Chairman of the Board of Governors of Manchester Metropolitan University as well as Board Member of Wizz Air Holdings Plc, Nordic Entertainment Group and Oger Telecom Limited. Simon is a Master's graduate of the University of Oxford and holds an MBA from Harvard Business School.

Chairman of the Audit Committee. Independent of the Company and management and independent of the major shareholders.

Direct or related person ownership: 1,750 MTG class B shares per 31 December 2020.

Board of Directors and attendance at Board and Committee meetings 1 January 2020 – 31 December 2020

Board of Directors	Board meeting attendance ¹⁾	Audit Committee attendance ²⁾	Remuneration Committee attendance	Independent of major shareholders	Independent of company and its management
David Chance	14/14	-	3/3	Yes	Yes
Simon Duffy	14/14	6/6	-	Yes	Yes
Natalie Tydeman	14/14	3/6	3/3	Yes	Yes
Gerhard Florin	13/14	-	3/3	Yes	Yes
Marjorie Lao ³⁾	11/14 (since appointment, 11/11)	3/6 (since appointment, 3/3)	-	Yes	Yes
Chris Carvalho ⁴⁾	11/14 (since appointment, 11/11)	3/6 (since appointment, 3/3)	-	Yes	Yes
Dawn Hudson ⁵⁾	10/14 (since appointment, 10/11)	3/6 (since appointment, 3/3)	-	Yes	Yes
Donata Hopfen ⁶⁾	3/14	2/6	-	Yes	Yes

1) The total number of meetings of the Board of Directors during 2020 were fourteen (including the constituent meeting following the Annual General Meeting held 18 May 2020), of which three were held prior to the 2020 Annual General Meeting and eleven were held following the 2020 Annual General Meeting.

2) The total number of meetings of the Audit Committee during 2020 were six, of which three were held prior to the 2020 Annual General Meeting and three were held following the 2020 Annual General Meeting.

3) Marjorie Lao was elected as new Director of the Board of Directors at the Annual General Meeting held on 18 May 2020 and could therefore only attend a maximum of 11 Board of Directors meetings and three Audit Committee meetings, respectively, during 2020.

4) Chris Carvalho was elected as new Director of the Board of Directors at the Annual General Meeting held on 18 May 2020 and could therefore only attend a maximum of 11 Board of Directors meetings and three Audit Committee meetings, respectively during 2020.

5) Dawn Hudson was elected as new Director of the Board of Directors at the Annual General Meeting held on 18 May 2020 and could therefore only attend a maximum of 11 Board of Directors meetings and three Audit Committee meetings, respectively, during 2020.

6) Donata Hopfen resigned from her position as Director of the Board of Directors in connection with the Annual General Meeting held on 18 May 2020 and could therefore only attend a maximum of three Board of Directors meetings and three Audit Committee meetings, respectively, during 2020.

GROUP MANAGEMENT



Maria Redin
CEO

Maria was appointed as Chief Executive Officer in September 2020. She previously served as Chief Financial Officer from December 2015 (and acting Chief Financial Officer from June to November 2015). She has also held a number of senior positions at MTG, including Head of Group Finance and Group Controller. Her roles in the Group have included the positions of CFO, and later CEO, of MTG's former gaming entertainment company Bet24, as well as a

number of financial positions, and she started her career at MTG as a management trainee in 2004. Maria was previously a Member of the Board of Directors at NetEnt. She holds a Master's degree in International Business from the University of Gothenburg.

Direct or related person ownership: 10,036 MTG class B shares and 58,284 warrants of series 2019/2022 as per 31 December 2020.



Lars Torstensson
CFO and Head of Communications & Investor Relations

In addition to being Head of Communications & Investor Relations since June 2019, Lars was appointed as Chief Financial Officer in September 2020. Prior to joining MTG, Lars served as Chief Communications Officer at Swedish listed consulting company Sweco AB and has held communications, investor relations, strategy and business development positions at Gelato AS and Tele2 Group. He previously worked

at Swedbank Robur and Handelsbanken Asset Management. Lars holds a Master of Science in Business Administration from Jönköping International Business School.

Direct or related person ownership: 10,000 MTG class B shares and 25,904 warrants of series 2019/2022 as per 31 December 2020.



Arnd Benninghoff, EVP
Esport & Gaming

Arnd joined MTG in November 2014 and leads MTG's strategic investments in esports and gaming. Prior to joining MTG, Arnd worked as Chief Digital Officer for Digital & Adjacent at ProSiebenSat.1 Media AG, and as Managing Director of Seven-Ventures, the group's venture arm. Arnd has also been CEO of Holtzbrinck eLAB, the incubator of the Holtzbrinck Publishing Group, founded and built fifteen companies, and held various management roles at

Tomorrow Focus AG. He started his career as a journalist, working for Deutsche Presse Agentur and TV networks. Arnd was previously a member of the Board of Directors of Edgeware AB. He is a graduate ("Diplom-Kaufmann") in Business and Administration from the University of Münster.

Direct or related person ownership: 0 MTG shares as per 31 December 2020.



Johan Levinsson
Group General Counsel

Johan was appointed MTG Group General Counsel in May 2018. He joined MTG in February 2017 as Head of Legal – M&A and Corporate Legal Affairs of the MTG Group, prior to which he worked for 11 years in private practice at law firms Roschier, Ashurst (including a 7 months secondment to Ashurst's London office) and Hamilton. He holds a Master of Laws (LL.M) from Uppsala University.

Direct or related person ownership: 410 MTG class B shares and 14,247 warrants of series 2019/2022 as per 31 December 2020.

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CONSOLIDATED INCOME STATEMENT

(SEK million)	Note	2020	2019
Continuing operations			
Net sales	3, 4	3,997	4,242
Cost of goods and services		-1,777	-2,293
Gross income		2,219	1,949
Selling expenses		-1,062	-1,068
Administrative expenses		-1,130	-1,146
Other operating income	6	32	36
Other operating expenses	6	-16	-26
Share of earnings in associated companies and joint ventures	7	1	0
Items affecting comparability	10	-9	-152
Operating income	3, 4, 5, 11, 12, 24, 26, 27, 29	35	-407
Net interest	8	-8	1
Other financial items	8	54	-28
Income before tax		81	-435
Tax expenses	9	-177	-23
Net income for the year, continuing operations		-96	-458
Discontinued operations			
International Entertainment	30	-	1,433
Nordic Entertainment Group		-	13,646
Other business		-	-227
Net income for the year, discontinued operations		-	14,852
Total net income for the year		-96	14,394
Net income for the year, continuing operations, attributable to:			
Equity holders of the parent company		-228	-551
Non-controlling interest		132	93
Total net income for the year, continuing operations		-96	-458
Total net income for the year, attributable to:			
Equity holders of the parent company		-228	14,293
Non-controlling interest		132	101
Total net income for the year		-96	14,394
Continuing operations			
Basic earnings per share (SEK)	17	-3.39	-8.19
Diluted earnings per share (SEK)	17	-3.39	-8.19
Total operations			
Total basic earnings per share (SEK)	17	-3.39	212.68
Total diluted earnings per share (SEK)	17	-3.39	212.68
Number of shares			
Shares outstanding at the end of the period		67,342,244	67,342,244
Basic average number of shares outstanding	17	67,342,244	67,278,885
Diluted average number of shares outstanding	17	67,342,244	67,278,885

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK million)	Note	2020	2019
Net income for the year, continuing operations		-96	-458
Other comprehensive income			
<i>Items that are or may be reclassified to profit or loss net of tax:</i>			
Change in currency translation differences	18	-314	128
Other comprehensive income, continuing operations		-314	128
Total comprehensive income, continuing operations		-410	-330
Net income for the year, discontinued operations	30	-	14,852
Other comprehensive income			
<i>Items that are or may be reclassified to profit or loss net of tax:</i>			
Change in currency translation differences	18	0	-49
Total comprehensive income, discontinued operations		0	14,803
Total comprehensive income for the year		-410	14,473
Attributable to:			
Equity holders of the parent company		-421	14,349
Non-controlling interest		11	124
Total comprehensive income for the year		-410	14,473

CONSOLIDATED BALANCE SHEET

(SEK million)	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
	11		
Capitalised expenditure		621	316
Trademarks		851	734
Customer relations		502	360
Goodwill		6,078	3,961
Total intangible assets		8,052	5,371
<i>Tangible assets</i>			
	12		
Machinery		12	14
Equipment, tools and installations		92	112
Total tangible assets		104	126
Right-of-use assets	24	129	139
<i>Long-term financial assets</i>			
Shares and participations in associated companies and joint ventures	7	20	21
Receivables from associated companies		0	0
Shares and participations in other companies		252	198
Other long-term receivables		23	30
Total long-term financial assets		295	250
Deferred tax assets	9	219	247
Total non-current assets		8,799	6,133
Current assets			
<i>Inventories</i>			
Finished goods and merchandise		11	13
Advances to suppliers		-	8
Total inventories		11	21
<i>Current receivables</i>			
Accounts receivable	15	465	433
Tax receivables		35	8
Other receivables, non interest-bearing		142	221
Prepaid expense and accrued income		194	322
Total current receivables		837	985
Cash and cash equivalents		1,153	1,824
Total current assets		2,000	2,831
Total assets		10,800	8,963

(SEK million)	Note	31 Dec 2020	31 Dec 2019
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company	18		
Share capital		338	338
Paid-in capital		1,783	1,797
Translation reserve		-260	-66
Revaluation reserve		-12	-12
Retained earnings including net income for the year		1,991	3,123
Total equity attributable to equity holders of the parent company		3,841	5,179
Non-controlling interest			
Non-controlling interest		1,375	1,402
Total equity		5,216	6,581
Non-current liabilities			
<i>Interest-bearing</i>			
Lease liabilities	24	90	103
Total non-current interest-bearing liabilities		90	103
<i>Non-interest bearing</i>			
Non-interest bearing liabilities		-	0
Deferred tax liabilities	9	501	416
Provisions	19	205	109
Liabilities at fair value	22	589	377
Total non-current non-interest-bearing liabilities		1,295	903
Total non-current liabilities		1,385	1,006
Current liabilities			
<i>Interest-bearing</i>			
Liabilities to financial institutions		1,800	0
Lease liabilities	24	42	37
Other interest-bearing liabilities ¹⁾		1,144	-
Total current interest-bearing liabilities		2,986	37
<i>Non-interest-bearing</i>			
Advances from customers		72	73
Accounts payable	22	253	251
Tax liabilities		20	16
Provisions	19	17	9
Contingent consideration	22	11	-
Other liabilities		154	189
Accrued expense and deferred income		686	800
Total current non-interest-bearing liabilities		1,213	1,339
Total current liabilities		4,199	1,376
Total liabilities		5,584	2,382
Total equity and liabilities		10,800	8,963

For information about pledged assets and contingent liabilities, see note 21.

1) Current debt in the form of a vendor note in connection with the acquisition of an additional 17 percent of the shares in InnoGames, due in March 2021.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to the equity holders of the parent company

(SEK million)	Share capital	Paid-in capital	Translation reserve	Hedging reserve	Revaluation reserve	Retained earnings incl. net income for the year	Total	Non-controlling interest	Total equity
Balance as of 1 January 2019	338	1,797	-123	57	-12	3,621	5,678	1,320	6,997
Net income for the year						14,293	14,293	101	14,394
Other comprehensive income			56				56	23	79
Total comprehensive income for the year 2019			56			14,293	14,349	124	14,473
Effect of share-based programmes						17	17		17
Change in non-controlling interests							-	-41	-41
Dividend Nordic Entertainment Group				-57		-14,807	-14,864		-14,864
Dividends to shareholders							-		-
Dividends to non-controlling interests							-		-
Balance as of 31 December 2019	338	1,797	-67	-	-12	3,123	5,179	1,402	6,581
Net income for the year						-228	-228	132	-96
Other comprehensive income			-193				-193	-121	-314
Total comprehensive income for the year 2020			-193			-228	-421	11	-410
Effect of employee share option programmes						-1	-1		-1
Change in non-controlling interests Gaming						-421	-421	421	0
Change in non-controlling interests ESL						-194	-194	194	0
Cancellation of non controlling interest put option liability etc.						315	315		315
Agreement to settle acquired operations with shares		81					81		81
Acquisition of non-controlling interest Innogames						-697	-697	-465	-1,162
Dividends to shareholders with non-controlling interests							-	-188	-188
Transfer within equity		-94				94	-		-
Balance as of 31 December 2020	338	1,783	-260	-	-12	1,991	3,841	1,375	5,216

For information about changes in equity for the Group, see note 18.

CONSOLIDATED STATEMENT OF CASH FLOW

(SEK million)	Note	2020	2019
Cash flow from operations			
Net income for the year		-96	-458
Adjustments to reconcile net income/loss to net cash provided by operations	23	337	388
Cash flow from operations, continuing operations		242	-71
<i>Changes in working capital</i>			
Increase (-)/decrease (+) inventories		10	-8
Increase (-)/decrease (+) other current receivables		188	-284
Increase (+)/decrease (-) accounts payable		-6	42
Increase (+)/decrease (-) other current liabilities		-163	134
Total change in working capital		28	-117
Net cash flow from operations, continuing operations		270	-188
Investing activities			
Investment in other non-current assets		-208	-238
Acquisitions of subsidiaries, associates	29	-2,202	-
Acquisitions of other companies		-61	-96
Divestments of subsidiaries and associates and other companies	30	-	1,876
Other cash flow from investing activities		0	4
Cash flow from investing activities, continuing operations		-2,471	1,546
Financing activities			
New borrowings	23	1,800	-
Loan repayments	23	-	-3,679
Repayment borrowings and other capital restructuring items NENT		-	3,854
Decrease of other long-term receivables		-15	-87
Lease payments		-41	-48
Dividends to shareholders with non-controlling interest		-188	-
Cash flow from financing activities, continuing operations		1,557	40
Total cash flow, continuing operations		-644	1,398
Cash flow, discontinued operations		-	-653
Cash flow from the year		-644	746
Cash and cash equivalents at beginning of year		1,824	862
Translation differences in cash and cash equivalents		-27	4
Change in cash and cash equivalents reclassified to assets held for sale		-	213
Cash and cash equivalents at end of year		1,153	1,824

PARENT COMPANY INCOME STATEMENT

(SEK million)	Note	2020	2019
Net sales		16	20
Gross income		16	20
Administrative expenses		-156	-256
Operating loss	26, 27	-140	-236
Results from shares in subsidiaries	8	0	2,300
Interest income and other financial income	8	1	15
Interest expense and other financial costs	8	-34	-13
Income before tax and appropriations		-173	2,066
Group contribution		92	78
Untaxed reserves, tax allocation reserve		72	141
Income before tax		-9	2,285
Tax expenses	9	0	0
Net income for the year		-9	2,285

Net income for the year coincides with Total comprehensive income for the parent company.

PARENT COMPANY BALANCE SHEET

(SEK million)	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalised expenditure	11	0	0
Total intangible assets		0	0
<i>Tangible assets</i>			
Equipment, tools and installations	12	2	3
Total tangible assets		2	3
<i>Long-term financial assets</i>			
Shares and participations in group companies	13	7,813	5,849
Shares and participations in other companies		-	0
Total long-term financial assets		7,813	5,849
Total non-current assets		7,815	5,852
Current assets			
<i>Current receivables</i>			
Receivables from group companies		192	81
Tax receivables		3	2
Other receivables		13	21
Prepaid expense and accrued income	16	9	-
Total current receivables		216	104
Cash and cash equivalents		516	1,123
Total current assets		733	1,227
Total assets		8,548	7,079

(SEK million)	Note	31 Dec 2020	31 Dec 2019
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	18		
<i>Restricted equity</i>			
Share capital		338	338
Other restricted reserve		-	94
Total restricted equity		338	433
<i>Non-restricted equity</i>			
Premium reserve		351	270
Retained earnings		4,956	2,577
Net income for the year		-9	2,285
Total non-restricted equity		5,298	5,132
Total shareholders' equity		5,637	5,565
Untaxed reserves, tax allocation reserve		43	115
Current liabilities			
<i>Interest-bearing</i>			
Liabilities to group companies		994	1,308
Liabilities to financial institutions	22	1,800	-
Total current interest-bearing liabilities		2,794	1,308
<i>Non-interest-bearing</i>			
Accounts payable		15	4
Liabilities to group companies		-	2
Other liabilities		2	8
Accrued expense and deferred income	20	57	77
Total current non-interest-bearing liabilities		74	90
Total current liabilities		2,868	1,399
Total liabilities		2,911	1,514
Total shareholders' equity and liabilities		8,547	7,079

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(SEK million)	Share capital	Other restricted reserve	Premium reserve	Retained earnings incl. net income for the year	Total
Balance as of 1 January 2019	338	0	267	4,735	5,341
Net income for the year				2,285	2,285
Other comprehensive income					-
Total comprehensive income for the year 2019				2,285	2,285
Distribution of Nordic Entertainment Group AB				-2,001	-2,001
Effect of share-based programmes (LTIP)				6	6
Effect of merger		94		-161	-67
Other adjustments			3	-3	0
Balance as of 31 December 2019	338	94	270	4,862	5,565
Net income for the year				-9	-9
Other comprehensive income					0
Total comprehensive income for the year 2020				-9	-9
Agreement to settle acquired operations with shares			81		81
Transfer within equity		-94		94	-
Balance as of 31 December 2020	338	-	351	4,948	5,637

For information about changes in equity for the Parent company, see note 18.

PARENT COMPANY CASH FLOW STATEMENT

(SEK million)	Note	2020	2019
Cash flow from operations	23		
Net income for the year		-9	2,285
<i>Adjustments to reconcile net income/loss to net cash provided by operations:</i>			
Depreciation and write-downs	11, 12	1	1
Depreciation leases		2	2
Appropriations, group contribution and untaxed reserves		-164	-219
Unrealised change in LTIP schemes value		-	6
Change in provisions		-	26
Merger result		-	-2,300
Unrealised exchange difference		-12	12
Total adjustments to reconcile net income/loss to net cash provided by operations		-173	-2,473
Cash flow from operations		-182	-187
<i>Changes in working capital</i>			
Increase (-)/decrease (+) current receivables		-27	770
Increase (+)/decrease (-) accounts payable		10	-12
Increase (+)/decrease (-) other liabilities		-24	-172
Total changes in working capital		-41	586
Net cash flow from operations		-223	398
Investing activities			
Investment in subsidiaries		-1,964	-
Investment in non-current assets		-1	-2
Proceeds from liquidation of subsidiary		-	2
Cash flow from investing activities		-1,964	0
Financing activities			
Receivables/liabilities from group companies		-220	589
Change in funding to/from NENT		-	3,854
New borrowings		1,800	-
Loan repayments		-	-3,740
Change in other receivables		2	-
Lease payments		-2	-2
Cash flow from financing activities		1,581	701
Cash flow from the year		-607	1,099
Cash and cash equivalents at beginning of year		1,123	24
Cash and cash equivalents at end of year		516	1,123

NOTES

1 Accounting and valuation principles

Modern Times Group MTG AB (MTG) is a company domiciled in Sweden. The Company's registered office is located at Skeppsbron 18, P.O. Box 2094, SE-103 13 Stockholm, Sweden. The consolidated financial statements of the Company for the year ended 31 December 2020 comprise the Company and its subsidiaries and their share of participation in joint ventures and associated companies.

The financial statements were authorized for issue by the Board of Directors on 13 April 2021. The consolidated income statement and statement of financial position, and the income statement and the balance sheet of the parent company will be presented for adoption by the Annual General Meeting on 18 May 2021.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and its interpretations provided by the IFRS Interpretations Committee as endorsed by the European Commission. Recommendation RFR 1 on Supplementary Accounting Rules for Groups as issued by the Swedish Financial Reporting Board has also been applied in the preparation of the Annual report.

The consolidated accounts have been prepared based on the acquisition values except that the following assets and liabilities are stated at their fair value: contingent considerations and shares and participations in other companies, where acquisition cost is initially considered to be a representative estimate of fair value. Subsequently, values are remeasured at fair value and gains/losses recognised when there is a subsequent financing with participation by a third party investor, in which case the price per share in that financing is used, when there is a realised exit or when there are indications that cost is not representative of fair value and sufficient more recent information is available to measure fair value.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated below. For information on accounting for certain line items, see each note.

Change in accounting principles and new accounting standards
The Group's consolidated accounts have been prepared according to the same accounting policies and calculation methods as were applied in the preparation of the 2019 Annual Report.

MTG has made the assessment that new or changed standards and interpretations will not have any significant effect on the Group's financial reports.

Consolidated accounts

The consolidated accounts include the Parent company, all subsidiaries and the share of participation in joint ventures and associated companies.

Subsidiaries

Subsidiaries are companies in which the Group exercises control, meaning that the Group has power over the subsidiary and has exposure or rights to its variable returns. The Group must also have the ability to use the power to affect the return from the subsidiary. For all companies in which the Group holds more than 50 percent of the votes the criteria's of control are fulfilled and the companies are consolidated as subsidiaries.

Acquired companies are included in the consolidated accounts from the monthly financial statements that are closest to the time of acquisition.

All business combinations are accounted for in accordance with the purchase method. At the date of acquisition, the acquired assets and assumed liabilities (net identifiable assets) are measured at fair value. The difference between the acquisition value of shares in a subsidiary and identifiable assets and liabilities measured at fair values at the date of acquisition is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of identifiable net assets acquired is recognized in the profit and loss in the period of acquisition. Acquisition related costs are expensed as incurred. Results for companies acquired during the year are included in the consolidated statement of comprehensive income from the date of acquisition.

Non-controlling interest

In subsidiaries not wholly owned, the share of equity owned by external shareholders is recorded as non-controlling interest. There are two alternatives for the recognition of non-controlling interests. One alternative is to recognize the non-controlling interest at its share of fair value of the acquired company; another alternative is to recognize the non-controlling interests at its share of the fair value of the acquired net assets. The former method (the full goodwill method) leads to a higher value of non-controlling interest and goodwill than the later method (the partial goodwill method). The choice of method is made for each acquisition separately.

Associated companies

Associated companies are reported based on the equity method. An associated company is a company in which the Group exercises significant influence. Normally, this means companies in which the Group holds voting rights of at least 20 percent and no more than 50 percent.

Joint ventures

Joint ventures are arrangements in which two or more parties have joint control and have rights to the net assets of the arrangement. Joint ventures are recognized according to the equity method (see Associated companies).

Discontinued operations/Assets held for sale

Discontinued operations refer to companies that have been disposed or have been classified as held for sale and the companies represent a separate major line of business or geographical area of operations. The Group usually classifies a company as an Asset held for sale when there is signed agreement to divest the company. Result and cash flow from discontinued operations are presented separate from result and cash flow from continued operations.

The Group recognizes distribution of non-cash assets in accordance with IFRIC 17 Distribution of Non-cash Assets to Owners. Liabilities for dividends are recognized at fair value at the date of decision with the corresponding decrease in retained earnings. At the date of settlement, the Group recognizes the difference between the fair value of the distributed asset and the Group book value of the net assets in net income.

Functional currency and reporting currency

The functional currency of the parent company is the Swedish krona (SEK). This is also the reporting currency for the Group and the parent company.

Financial statements of foreign operations

The balance sheets of the Group's foreign subsidiaries are translated into Swedish krona (SEK). The translation is based on the exchange rates ruling at the balance sheet date, while the income statements are translated using an average rate for the period. The resulting translation differences are charged in other comprehensive income and accumulated in the translation reserve in equity. The accumulated translation differences are reclassified to the income statement when the foreign operation is divested.

MTG Group reports government grants when it is reasonably certain that it will be received and that the conditions for receiving the grants have been met. Reporting is done in the income statement, and allocation is done based on when the costs that the grants are intended to compensate are incurred.

Parent company

The Parent company has prepared the Annual Report according to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities. RFR 2 involves application of all IFRSs and interpretations endorsed by the European Commission, except where the possibility to apply IFRS is restricted by the Swedish Company Act and due to tax rules. Holdings in subsidiaries are recognized in the Parent Company according to the purchase method which means that the transaction costs are included in the recognized value of shares in subsidiaries. The Group recognizes these costs in the income statement immediately when occurred.

Group contributions

Group contributions received and paid are recognized as appropriations in the income statement.

Untaxed reserves

Untaxed reserves in the parent company comprise a tax allocation reserve. The reserve makes it possible to defer tax, and hence even out the tax cost between years.

Shareholders' contribution

Shareholders' contribution paid is recognized as an increase in shares in subsidiaries. When the contribution is given to cover losses made, an impairment test is made. Impairment is recognized in the income statement.

Leases

The parent company does not apply IFRS 16 in accordance with the exception in RFR 2. As a lessee, leasing fees are reported as an expense on a straight-line basis over the leasing period and thus right-of-use assets and leasing liabilities are not reported in the balance sheet.

The preparation of financial statements in conformity with IFRSs requires the Board of Directors and the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates are reviewed by the Audit Committee.

Key sources of estimation uncertainty

Note 11 Intangible assets and 29 Acquired operations contain information of the assumptions and the risk factors relating to goodwill impairment. Litigations and provisions made are reported in note 19.

Goodwill and other intangible assets

Intangible assets, except goodwill and intangible assets with indefinite useful lives, are amortized over their useful lives. Useful lives are based on management's estimates of the period that the assets will generate revenue.

Goodwill and intangible assets with indefinite useful lives are subject to impairment tests yearly or when triggered by events. The impairment review requires management to determine the recoverable amount of the cash generating units on the basis of cash flow projections and internal forecasts and business plans. For further information, see note 11 Intangible assets.

Valuation of assets at fair value

The calculation of fair values of shares in other companies is initially valued at acquisition cost that is considered to be a representative estimate of fair value. Subsequently, values are remeasured at fair value and gains/losses recognised when there is a subsequent financing with participation by a third party investor, in which case the price per share in that financing is used, when there is a realised exit or when there are indications that cost is not representative of fair value and sufficient more recent information is available to measure fair value.

Valuation of liabilities at fair value

The calculation of fair values of options to acquire non-controlling interests of acquired subsidiaries, and contingent considerations are based on terms defined in agreements set up in connection with the acquisitions. The valuations are usually based on projections and forecasts of future revenues and operating margin. The outcome of revenues and operating margin could deviate from projections and forecast, and, as a result of this, affect the valuation. This deviation would impact the income for the period and the financial position.

Provisions and contingent liabilities

A provision is recognized when a present obligation exist as a result of a past event, it is probable that economic resources will be transferred, and reliable estimates can be made of the amount of the obligation. In such a case, a provision is calculated and recognized in the balance sheet. A contingent liability will be disclosed when a possible obligation has arisen, but its existence has to be confirmed by future events outside the Group's control, or when it is not possible to calculate the amount. Realisation of any contingent liability which is not disclosed or for which no amount is not currently recognized could have a material impact on the Group's financial position.

The Group regularly reviews significant outstanding litigations in order to assess the need for provisions. Among the factors considered, are the nature of the litigation, claims, legal processes and potential level of damages, the opinions and views of the legal counselors, and the management's intentions to respond to the litigations or claims. To the extent the estimates and judgements do not reflect the actual outcome; this could materially affect the income for the period and the financial position. For further information, see note 19 Provisions.

Revenue recognition

Revenue from external customers is mainly derived from sale of online gaming and esports events, including advertising, subscription fees, sale of tickets and merchandise. The accounting principles for the main revenue streams are described in further detail below.

Online gaming revenue

In the Online gaming business the Group offers both own and third party games. The customer play games that are free-to-play and purchases goods to be used virtually in the game. Revenue is recognised over time.

Event revenue

In the esports business the Group provides event driven goods and services from producing online and physical events in our own leagues or on behalf of third parties. Revenue from producing events are recognized at a point in time. Revenue from goods related to specific events (products and tickets etc.) are recognized at a point in time.

Other

Other revenue consist mainly of advertising revenue over time.

Significant judgement in revenue recognition

Agent or principal

The Group assesses whether it is acting as a principal or agent in all transactions where another party is involved in providing products or services to the customer. In transactions where the Group is acting as an agent, revenue is recognised net in the income statement. In transactions where the Group is acting as a principal, revenue is recognized gross in the income statement.

Disaggregation of revenue

Revenue from external customers is mainly derived from sale of online gaming and esports.

2020

(SEK million)	Esport	Gaming	Central Operations	Eliminations	Total
External revenue	1,315	2,682			3,997
Internal revenue			15	-15	0
Total revenue for the segment	1,315	2,682	15	-15	3,997
Revenue streams					
External revenue	1,315	2,682	-	-	3,997
Revenue from external customers	1,315	2,682	-	-	3,997
Timing of revenue recognition					
At a point in time	663	-	-	-	663
Over time	652	2,682	-	-	3,334
Revenue from external customers	1,315	2,682	0	0	3,997

2019

(SEK million)	Esport	Gaming	Central Operations	Eliminations	Total
External revenue	1,712	2,531	-	-	4,242
Internal revenue	0	-	18	-18	-
Total revenue for the segment	1,712	2,531	18	-18	4,242
Revenue streams					
Total revenue	1,712	2,531	-	-	4,242
Revenue from external customers	1,712	2,531	-	-	4,242
Timing of revenue recognition					
At a point in time	131	-	-	-	131
Over time	1,581	2,531	-	-	4,112
Revenue from external customers	1,712	2,531	-	-	4,242

Contract liability

Contract liabilities consist of prepaid revenue related to online gaming as the customer buys virtual goods that are recognised as income over time depending on whether it is consumable or time-based.

Contract liabilities reported at the beginning of 2020 and 2019 has been recognised as revenue during each year.

Unsatisfied performance obligations

The Group does not disclose any information regarding unsatisfied performance obligations as at December 31 since the performance obligations refer to contracts where the contract term is 12 months or less.

Group (SEK million)	2020	2019
Opening balance 1 January	190	362
Net change in contract liability during the year	-33	-40
Changes in Group structure	-	-132
Closing balance 31 December	157	190

MTG's financial reporting structure is divided into the following segments:

Gaming

The gaming vertical is made up of InnoGames, Kongregate, Hutch and MTG VC-fund's investment in gaming-related companies. InnoGames is Germany's leading developer and publisher of mobile and online games. The company is based in Hamburg and is best known for Forge of Empires, Elvenar and Tribal Wars. InnoGames' complete portfolio encompasses seven live games and several mobile titles in production. InnoGames is focused on the free-to-play segment and provides players with a cross-platform experience on PC and mobile devices. Kongregate, based in San Francisco, is a leading mobile game publisher and developer, and is a recognized innovator in breakout genres like idle games. In the end of 2020 MTG acquired Hutch, a leading developer and publisher of free-to-play mobile games focused on the racing genre in the highly attractive midcore segment. The acquisition of Hutch did not impact the gaming vertical in 2020.

Esport

The esport segment is made up of ESL Gaming (made up of the combined ESL and DreamHack), DreamHack Sports Games, and MTG VC-fund's investments in esport related companies. Through ESL and DreamHack, MTG is the world's leading esports company and operates national and international tournaments as well as grassroots amateur cups, leagues and festivals. In this relatively new cultural phenomenon, ESL and DreamHack are established global brands and the preferred choices for viewers, players, partners and publishers.

(SEK million)	Net Sales	
	2020	2019
Esport	1,315	1,712
Gaming	2,682	2,531
Central Operations	15	18
Eliminations	-15	-18
Total	3,997	4,242

The business segments are responsible for the management of the Operational assets and the performance is monitored at the business segment level. Financing is managed centrally in the Group. Consequently, liquid funds, interest-bearing receivables and liabilities are not allocated to the business segments.

(SEK million)	External sales		Internal sales	
	2020	2019	2020	2019
Esports	1 315	1,712	0	0
Gaming	2 682	2,531	-	-
Central Operations	-	-	15	18
Eliminations	-	-	-15	-18
Total Group	3 997	4,242	-	-

(SEK million)	EBIT		EBITDA		Adjusted EBITDA	
	2020	2019	2020	2019	2020	2019
Esports	-288	-430	-220	-351	-163	-213
Gaming	436	269	648	485	800	605
Central Operations	-112	-246	-110	-243	-102	-153
Total Group	35	-407	319	-109	535	239

In order to assess the operating performance of the business, MTG management focus on Adjusted EBITDA. This performance measure doesn't include the impact of items affecting comparability, long-term incentive programs, acquisition-related transaction expenses and impairment of own work capitalized, which are referred to as adjustments. Items affecting comparability refers to material items and events related to changes in the Group's structure or lines of business, which are relevant for understanding the Group's development on a like-for-like basis.

Adjustments are made for Items affecting comparability of SEK 9 (152) million, Impairment of own capitalized costs of SEK 20 (93) million, Long-term incentive programs of SEK 132 (76) million and acquisition-related transaction expenses of 56 (28) million.

EBITDA are earnings before interest, tax, depreciation and amortization.

Note 4 continues

(SEK million)	Assets		Liabilities and equity		Capital employed	
	2020	2019	2020	2019	2020	2019
Esport	2,846	2,984	1,083	976	1,790	1,632
Gaming	6,523	3,705	1,452	429	5,923	3,276
Other	20	21	-	-	20	21
Central Operations	416	500	129	909	-305	-32
Total	9,804	7,210	2,665	2,313	7,428	4,897
Total cash and interest-bearing assets	1,153	1,824	-	-		
Total borrowings	-	-	3,076	140		
Equity incl. non-controlling interest	-	-	5,216	6,581		
Eliminations	-157	-71	-157	-71		
Total continuing operations	10,800	8,963	10,800	8,963	7,428	4,897
Total	10,800	8,963	10,800	8,963	7,428	4,897

(SEK million)	Capital expenditure excluding investments in subsidiaries		Depreciation and amortisation	
	2020	2019	2020	2019
Esport	34	34	68	79
Gaming	174	203	212	216
Central Operations	1	2	3	3
Total	208	239	283	298

The Group's business segments operate mainly in Europe and USA. Net sales and non-current assets are shown below by geographical

area. Non-current assets constitute of intangible and tangible assets. Sales are shown per country from which the revenues are derived.

(SEK million)	Net sales		Non-current assets	
	2020	2019	2020	2019
Sweden	97	232	249	253
Denmark	38	50	4	3
Germany	2,982	2,678	4,095	4,325
United Kingdom	-	-	2,997	-
Rest of Europe	38	126	28	46
USA	804	1,072	755	839
Other regions	38	84	29	31
Total	3,997	4,242	8,156	5,497

5 Cost accounting

Nature of expenses

A function based income statement is presented as part of the financial statements of the Group. The table below presents how the operational costs are classified based on the nature of expense.

Group (SEK million)	2020	2019
Net sales	3 997	4,242
Other operating income	32	36
Cost of programmes and goods	-671	-962
Distribution costs	-1,312	-1,260
Salaries, remuneration, and social security expenses	-961	-966
Depreciation and amortisation	-244	-252
Depreciation leasing	-39	-46
Impairment charges	-26	-104
Other expenses	-732	-944
Share of earnings in associated companies and joint ventures	1	0
Items affecting comparability	-9	-152
Operating Income	35	-407

6 Other operating income and expenses

Group (SEK million)	2020	2019
Other operating income		
Gain from exchange rate differences	3	6
Revaluation option liabilities	2	-
Government grants/ tax incentives	18	2
Rental income	0	5
Other	9	23
Total	32	36
Other operating expenses		
Loss from exchange rate differences	0	-3
Accrual legal dispute	-	-10
Revaluation option liabilities	-	-8
Other	-16	-4
Total	-16	-26

7 Shares in associated companies and joint ventures

Group (SEK million)	2020	2019
Share of earning	1	0
Net income, continuing operation	1	0
Discontinuing operation	-	-2
Total net income	1	-2

Associated companies and joint ventures are reported based on the equity method. The share of earnings is equal to the Group's share of net income in each associated company or joint venture after conversion into Swedish krona. The calculation of share in net income is based on the latest available accounts.

Summarized financial information for associated companies and joint ventures

Group (SEK million)	2020	2019
Net sales	-	-
Net income	3	-10
Other comprehensive income	-	-
Non-current assets	-	-
Current assets	43	51
Total assets	43	51
Non-current liabilities	22	29
Current liabilities	17	20
Total liabilities	39	50

Shares and participations in associated companies and joint ventures

Group (SEK million)	2020	2019
Carrying amount	20	21
Total	20	21

Group (SEK million)	2020	2019
Interest income	1	11
Interest expenses on borrowings	-9	-10
Net interest	-9	1
Net exchange rate differences	33	-17
Borrowing costs	-6	-5
Interest expenses from discounting	-6	-3
Financial assets valued at fair value through profit and loss	31	-
Gain from financial assets	2	-
Other	0	-3
Other financial items	54	-28
Net financial items	46	-28

Parent company (SEK million)	2020	2019
Interest income from external parties	-	0
Interest income from subsidiaries	1	3
Net exchange rate differences	-	11
Total interest income and other financial income	1	15
Net exchange rate differences	-26	-
Interest expense to external parties	-5	-8
Interest expense to subsidiaries	-1	0
Borrowing costs	-2	-4
Total interest expense and other financial costs	-34	-13
Dividends from subsidiaries	-	-
Gain from merger	-	2,300
Results from shares in subsidiaries	-	2,300
Net financial items	-33	2,302

The interest income and expenses on borrowings relate to financial assets and liabilities valued at amortized cost.

Accounting for corporate income tax

Tax expenses reported includes current Swedish and foreign corporate income taxes and deferred tax arising from temporary differences. Temporary differences arises when there are differences between the carrying amount of an asset or liability in the balance sheet and its tax base. A deferred tax asset is reported corresponding to the tax value of loss carry forwards if it is judged likely that the loss carry forward will be used to taxable income in the foreseeable future. Net income for the year is charged with tax on taxable earnings for the year and with tax estimated for the change in temporary differences for the year as current tax and deferred tax expenses respectively in each Group company.

Distribution of tax expense

Group (SEK million)	2020	2019
Current tax		
Current tax expense	-198	-150
Adjustment for prior years	1	6
Total	-197	-145
Deferred tax		
Tax attributable to temporary differences	20	121
Total	20	121
Total tax expense in the income statement	-177	-23

Reconciliation of tax expense

Group (SEK million)	2020	%	2019	%
Income before tax	81		-435	
Tax/Tax rate in Sweden	-17	21.4	93	21.4
Foreign tax rate differential	-64	78.8	-26	-6.1
Non-taxable income	9	-10.7	30	7.0
Non-deductible expenses	12	-14.9	-42	-9.7
Exercised loss carryforwards not previously recognised	7	-8.6	3	0.7
New loss where no deferred tax was recognised	-115	142.3	-96	-22.0
Other permanent effects	-7	8.6	8	1.8
Under/over provided in prior years	0	-0.3	7	1.5
Other	-1	1.7	-	-
Effective tax/tax rate	-177	218.2	-23	-5.4

Deferred Tax

Group (SEK million)	31 Dec 2020	31 Dec 2019	Group (SEK million)	31 Dec 2020	31 Dec 2019
Deferred tax asset attributable to:			Deferred tax liabilities attributable to:		
Goodwill	2	-	Goodwill	10	9
Tangible assets	5	4	Tangible assets	1	1
Intangible assets	29	20	Intangible assets	457	381
Provisions	7	5	Provisions	0	-
Current receivables	3	2	Current receivables	33	-
Current liabilities	18	32	Current liabilities	0	26
Financial assets	6	12	Financial assets	-	0
Tax value of tax losses carry forward recognised	149	172	Total	501	416
Total	219	247	Deferred tax net	-282	-169

Group (SEK million)	2020					
	Opening balance 1 January	Deferred tax recognized in the P&L	Acquisition of subsidiaries	Deferred tax recognized in OCI	Translation differences	Closing balance 31 December
Tax losses carry forward	172	-13	-	-	-10	149
<i>Temporary differences in:</i>						
Goodwill	-9	-1	-	-	1	-8
Tangible assets	3	2	-	-	-1	5
Intangible assets	-361	45	-123	-	11	-428
Provisions	5	2	-	-	0	7
Current receivables	2	-24	-	-12	4	-30
Current liabilities	6	15	-	-	-3	18
Financial assets	13	-6	-	-1	-1	6
Total	-169	20	-123	-13	2	-282

Group (SEK million)	2019					Closing balance 31 December
	Opening balance 1 January	Deferred tax recognized in the P&L	Reclass to assets held for sale	Deferred tax recognized in OCI	Translation differences	
Tax losses carry forward	177	-25	16	-	6	172
<i>Temporary differences in:</i>						
Goodwill	-147	-11	149	-	0	-9
Tangible assets	11	3	-11	-	0	3
Intangible assets	-611	57	194	-	-2	-361
Provisions	-32	0	37	-	0	5
Current receivables	11	2	-11	-	0	2
Current liabilities	9	3	-6	-	0	6
Financial assets	-13	5	21	-	0	13
Total	-596	34	389	-	3	-169

Total tax losses carry forward without expiration date, for which deferred tax assets have been recognised, amounts to SEK 498 (548) million for the Group at 31 December 2020. The recognised deferred tax asset for these tax losses are SEK 149 (172) million. The accounts for 2020 and 2019 include deferred tax assets as a tax value of the tax losses carry forward in all countries where it is judged likely that the Group will be able to use its tax losses carry forward to a taxable surplus in a foreseeable future. As a consequence, deferred tax assets related to losses carried forward are not recognised in some countries.

Parent company

There were no tax losses carry forward in 2020 or 2019 in the parent company.

Distribution of tax expenses

Parent company (SEK million)	2020	2019
Current tax	0	0
Total tax expenses	0	0

Unrecognized tax losses carry-forward by expiry date

Group (SEK million)	2020	2019
2021	-	-
2022	-	0
2023	-	0
2024 and thereafter	117	87
No expiry date	1,027	614
Total	1,145	701

Reconciliation of tax expense

Parent company (SEK million)	2020	%	2019	%
Income before tax	-9		2,285	
Tax/Tax rate in Sweden	2	21.4	-458	21.4
Non-deductible expenses	-2	-21.4	-33	1.5
Non-taxable income	-	-	491	-22.9
Effective tax/Tax rate	-	-	0	0.0

10 Items affecting comparability

Items affecting comparability (IAC) refers to material items and events related to changes in the Group's structure or line of business, which are relevant to understanding the Group's development on a like-for-like basis.

Group (SEK million)	2020	2019
Demerger NENT Group	-	-54
Redundancy costs headquarter	7	-17
Redundancy costs ESL	-4	-35
Project close down costs ESL	-	-12
Write-off items in balance sheet ESL	-	-34
Severance pay CEO	-11	-
Reversal of impairment of software	8	-
Close-down production facility	-1	-
M&A insurance	-5	-
Net capital loss related to options to acquire shares	-3	-
Total	-9	-152

In 2020 the IAC included costs in MTG for severance payment to former CEO, a dissolution of part of the reserve for redundancy cost at the headquarter from 2019 and a M&A insurance. For ESL the IAC included costs for an efficiency project connected with the merger with DreamHack, including severance pay and redundancy costs.

A software that was written down in 2019 has been reversed due to a reassessment of the program which has been taken in use again. ESL had a capital loss related to the options to acquire shares in WIM Australia. ESL also has costs for the close down of a production facility in the UK.

In 2019 the IAC included costs in MTG AB associated with the demerger of NENT group and redundancy costs associated with an operational efficiency program at the headquarter. For ESL the IAC included redundancy costs as a result of the reduction on the overall workforce. The reduction is a part of the implementation of a new operating model to make ESL even more fit for purpose for the next phase of growth. Another part of the implementation has been to stop projects related to the former operating model, resulting in one-off costs. As part of an internal review of ESL's balance sheet, write-off items have been concluded related to accounts receivable and legacy items.

Items affecting comparability classified by function

Group (SEK million)	2020	2019
Cost of goods sold	-1	-36
Administrative expenses	-13	-116
Other operating income	10	-
Other operating expenses	-4	-
Net income	-9	-152

11 Intangible assets

Accounting for intangible assets

Intangible assets are reported net after deductions for accumulated amortisation according to plan and impairment losses. Amortisation according to plan are normally calculated on a straight-line schedule based on the acquisition value of the asset and its estimated useful life. The intangible assets are classified in the following categories:

Asset	Amortisation period
Capitalised development expenditure	3–10 years
Trademarks	Trademarks being part of a purchase price allocation are normally judged to have indefinite lives and are tested for impairment tests annually or if triggered by events
Customer relations	10–15 years
Beneficial rights/ broadcasting licenses	Estimated amortisation period based on the terms of the license
Goodwill	Indefinite lives with impairment tests annually or if triggered by events

Capitalized development expenditure

Expenditure on development activities, aiming at new or substantially improved products and processes, are capitalized if the process is technically and commercially feasible and the Group has sufficient resources to complete the development. The development expenditure capitalized includes the direct costs and, when appropriate, cost of direct labour and an appropriate proportion of overheads. Other expenditures is expensed in the income statement as incurred. Capitalized development expenditures are stated at cost less accumulated amortisation and impairment losses in the balance sheet. The capitalized expenditure relates mainly to software and software platforms.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of an acquired business. Goodwill is recognized as an asset and tested for impairment losses at least annually. Any impairment is recognized immediately in the income statement and cannot be reversed. Goodwill arising from acquisitions of associated companies is included in the reported value of shares in associated companies. Impairment tests are made on the total cash generating unit.

Other intangible assets

Other intangible assets, such as acquired customer relations, beneficial rights, broadcasting licenses and trademarks, are stated at cost less accumulated amortisation and impairment losses.

(SEK million)	Group					Parent Company
	Capitalized development expenditure	Trademarks	Customer relations and other ¹⁾	Goodwill	Total	Capitalized expenditure
Acquisition values						
Opening balance 1 January 2019	1,111	1,412	1,285	6,537	10,345	55
Investments during the year	91	-	91	-9	174	-
Sales and disposals during the year	-	-	-	-	-	-
Change in Group structure, reclassifications etc	-591	-603	-749	-2,604	-4,547	-
Reclassification to assets held for sale	-	-	-	-	-	-
Discontinued operations	-	-	-	-	-	-
Translation differences	10	16	10	87	123	-
Closing balance 31 December 2019	621	825	638	4,011	6,095	55
Opening balance 1 January 2020	621	825	638	4,011	6,095	55
Investments during the year	100	0	63	-	163	1
Sales and disposals during the year	-	0	0	-	0	-
Acquisitions through business combinations	265	181	221	2,325	2,992	-
Change in Group structure, reclassifications etc	0	-1	-156	-	-156	-
Reclassification to assets held for sale	-	-	-	-	-	-
Discontinued operations	-	-	-	-	-	-
Translation differences	-32	-36	-45	-214	-327	-
Closing balance 31 December 2020	954	969	722	6,122	8,767	56
Accumulated amortisation and impairment losses						
Opening balance 1 January 2019	-593	-62	-408	-378	-1,441	-55
Sales and disposals during the year	0	0	-	-	0	-
Amortisation during the year	-51	-33	-119	-	-202	0
Impairment losses during the year	-78	-14	-	-	-93	-
Change in Group structure, reclassifications etc	418	18	252	331	1,019	-
Translation differences	-1	0	-2	-2	-5	-
Closing balance 31 December 2019	-305	-91	-277	-49	-722	-55
Opening balance 1 January 2020	-305	-91	-277	-49	-722	-55
Sales and disposals during the year	-	-	0	-	0	-
Amortisation during the year	-36	-28	-132	0	-195	-1
Reversal of impairment during the year	8	0	0	0	8	-
Impairment losses during the year	-15	-5	0	0	-20	-
Change in Group structure, reclassifications etc	0	1	162	0	163	-
Translation differences	14	5	27	6	52	-
Closing balance 31 December 2020	-333	-118	-220	-43	-714	-56
Carrying amount						
As per 1 January 2019	518	1,350	877	6,159	8,904	0
As per 31 December 2019	316	734	360	3,961	5,371	0
As per 1 January 2020	316	734	361	3,960	5,371	0
As per 31 December 2020	621	851	502	6,079	8,052	0

1) Other refers to licenses and beneficial rights.

Amortisation by function

Group (SEK million)	2020	2019
Cost of goods and services	128	149
Administrative expenses	62	53
Selling expenses	5	-
Other operating expenses	0	-
Total	195	202

Impairment losses by function

Group (SEK million)	2020	2019
Cost of goods and services	20	93
Total	20	93

Impairment tests for cash-generating units

Cash generating units with significant carrying amounts of goodwill:

Group (SEK million)	2020	2019
ESL	1,185	1,245
InnoGames	2,037	2,120
Kongregate	386	441
DreamHack	156	156
Hutch	2,314	-
Total	6,078	3,961

Cash generating units with significant carrying amounts of trademarks with indefinite lives:

Group (SEK million)	2020	2019
ESL	365	382
InnoGames	177	216
Kongregate	63	72
DreamHack	64	64
Hutch	181	-
Total	851	733

These trademarks have a strong position on their respective markets and are actively used in the businesses, and are thereby judged to have indefinite lives. The trademarks are improved and developed continuously, and the net cash flows generated through these are not considered to cease within a foreseeable future.

Impairment testing

Impairment testing, of goodwill and other intangible assets with indefinite lives, for cash-generating units in the business segment are based on calculations of the recoverable amount (value in use), using a discounted cash flow model. The cash flow is discounted at a pre-tax interest of 9.5 percent (8.3) considering the cost of capital and risk. Specific individual discount rates might be used in some cases, related to circumstances such as the territory or the economic environment. If the headroom turn out to be low in relation to the carrying amount, specifically calculated WACC for the business in question is used. The model involves key assumptions such as market size, share and growth rates, sales prices and cost growth together with working capital requirements. These cash flow projections, calculated on a five year period, are based on actual operating results, forecasts and financial projections, using historical trends, general market conditions, industry trends and other available information. After the five-year period, a growth rate of 2.5 percent (2.5) is normally applied.

The cash flow projections are based on a sustainable growth rate which is individually estimated based on each unit's outlook. Individual assumptions are also made on cost and capital turnover development.

Impairment test

The impairment tests are carried out on a regular basis, annually or when triggered by events. The impairment tests 2020 did not trigger an impairment for the Group.

Sensitivity analysis

The units, which do not indicate an impairment requirement, have such a margin that reasonably possible adverse changes in individual parameters would not cause the value in use to fall below the book value. However, cash flow projections are to its nature more uncertain and may also be influenced by factors not in control by the company. Such factors could be political risks and general market conditions, which might quickly deteriorate due to a financial crisis such as crisis due to instability in the financial sector.

The following table shows carrying amount and the recoverable amount of DreamHack. The current calculation, using an individual WACC of 9.5 percent, do not indicate impairment, but a change in the recoverable amount, depending on changes in the market conditions or other parameters, could result in an impairment. A change in the growth rate would give the following results:

(SEK million)	DreamHack
Recoverable amount	264
Carrying amount	261

The recoverable amount in relation to the carrying amount in case of a decrease in the growth rate:

- 0.5 percentage point	236
- 1.0 percentage point	212

Accounting for tangible assets

Tangible assets are reported at cost less accumulated depreciation and any impairment losses. Where parts of an item of machinery and equipment have different useful lives, they are accounted for as

separate items of machinery and equipment. Depreciation are normally calculated using the straight-line method over the assets estimated useful life. Machinery and equipment are depreciated over a period of 3 to 5 years.

(SEK million)	Group			Parent Company
	Machinery	Equipment, tools and installations	Total	Equipment
Acquisition value				
Opening balance 1 January 2019	157	701	859	8
Investments during the year	4	61	65	2
Acquisitions through business combinations	-	-	-	-
Sales and scrapping during the year	-	-1	-1	-
Change in Group structure, reclassifications etc	-150	-567	-717	-
Translation differences	2	5	6	-
Closing balance 31 December 2019	13	200	212	10
Opening balance 1 January 2020	13	200	212	10
Investments during the year	8	36	45	-
Acquisitions through business combinations	-	3	3	-
Sales and scrapping during the year	-1	-9	-10	-
Change in Group structure, reclassifications etc	-	-19	-19	-
Translation differences	-6	-16	-22	-
Closing balance 31 December 2020	14	195	209	10
Accumulated depreciation and impairment losses				
Opening balance 1 January 2019	-103	-486	-589	-7
Sales and scrapping during the year	-	-1	-1	-
Depreciation during the year	-9	-41	-49	-1
Impairment losses during the year	-	-11	-11	-
Change in Group structure, reclassifications etc	113	454	567	-
Translation differences	-1	-2	-3	-
Closing balance 31 December 2019	1	-88	-87	-8
Opening balance 1 January 2020	1	-88	-87	-8
Sales and disposals during the year	1	7	9	-
Depreciation during the year	-9	-40	-49	-
Impairment losses during the year	-	-6	-6	-
Change in Group structure, reclassifications etc	-	13	13	-
Translation differences	5	11	15	-
Closing balance 31 December 2020	-2	-103	-105	-8
Carrying amount				
As per 1 January 2019	55	215	270	2
As per 31 December 2019	14	112	126	3
As per 1 January 2020	14	112	126	3
As per 31 December 2020	12	92	104	3

Depreciation by function

Group (SEK million)	2020	2019
Cost of goods and services	10	22
Selling expenses	2	2
Administrative expenses	35	24
Other operating expenses	1	1
Total	49	49

Impairment losses by function

Group (SEK million)	2020	2019
Cost of goods and services	6	11
Administrative expenses	-	-
Other operating expenses	-	-
Items affecting comparability	-	-
Total	6	11

13 Long-term financial assets

Group companies

The following table lists the major companies included in the MTG Group. A detailed specification of Group companies has been sub-

mitted to the Swedish Companies Registration Office and is available upon request from Modern Times Group MTG AB Investor Relations.

Shares and participations in Group companies

Parent company (SEK million)	Co. Reg.no.	Registered office	Number of shares	Share capital (%)	Voting rights (%)	Book value 31 Dec 2019	Book value 31 Dec 2020
MTG Broadcasting AB	556353-2687	Stockholm	1,000	100	100	5,849	7,813
Total						5,849	7,813

Share capital (%) and Voting rights (%) represent 31 Dec 2020.

Ownership in Group companies	Co. Reg.no.	Registered office	Share capital (%)	Voting rights (%)
MTG Broadcasting AB	556353-2687	Sweden	100	100
DreamHack AB	556845-8763	Sweden	91	91
DreamHack Sports Games A/S		Denmark	100	100
ESL Gaming GmbH		Germany	91	91
InnoGames GmbH		Germany	77	77
Kongregate Inc.		USA	77	77
Hutch Games Ltd.		UK	77	77

Shares and participations in Group companies

Parent company (SEK million)	2020	2019
Opening balance 1 January	5,848	8,024
Dividend Nordic Entertainment Group	-	-2,000
Shareholder contributions	1,964	-
Sales, internally	-	-176
Closing balance 31 December	7,813	5,848

Non-controlling interests

MTG increased its ownership in ESL to 91.46 per cent after the combination of ESL and DreamHack in the fourth quarter. MTG also increased its ownership in Innogames to 68 percent and established a new holding company, MTG Gaming AB, together with the founders of Innogames. MTG Gaming AB owns 100 percent of the shares in InnoGames, Kongregate and Hutch. MTG holds 77.35 per cent of the votes and capital in MTG Gaming AB.

14 Long-term receivables

Long-term receivables from Group companies

Parent company (SEK million)	2020	2019
Opening balance 1 January	-	12,067
Repayments		-12,067
Total liabilities	-	-

16 Prepaid expense and accrued income

Parent company (SEK million)	2020	2019
Prepaid financing costs	5	-
Other	3	-
Total	9	-

15 Accounts receivable

Group (SEK million)	2020	2019
Accounts receivable		
Gross accounts receivable	495	462
Less allowances for doubtful accounts	-30	-28
Total	465	433
Allowance for doubtful accounts		
Opening balance 1 January	28	62
Provision for expected credit losses	22	4
Actual losses	0	-17
Reversed write-offs	-20	-99
Divestment of subsidiary	-	77
Translation differences	-1	1
Closing balance 31 December	30	28
Analysis of accounts receivable		
Not due	372	234
< 30 days	37	99
30-90 days	29	36
> 90 days	27	64
Total	465	433

17 Earnings per share

Group (SEK million)	2020	2019
Earnings per share before dilution		
Net income for the year attributable to equity holders of the parent company	-228	14,293
Shares outstanding on 1 January	67,342,244	66,980,902
Effect from share awards exercised		297,983
Weighted average number of shares, basic	67,342,244	67,278,885
Basic earnings per share, SEK	-3.39	212.68
Diluted earnings per share		
Diluted net income for the year attributable to the equity holders of the parent company	-228	14,293
Weighted average number of shares, basic	67,342,244	67,278,885
Effect from share awards		-
Weighted average number of shares, diluted	67,342,244	67,278,885
Diluted earnings per share, SEK	-3.39	212.68
Earnings per share before dilution, continued operations		
Net income for the year attributable to equity holders of the parent company, continued operations	-228	-551
Basic earnings per share, SEK, continued operations	-3.39	-8.19
Diluted earnings per share, SEK, continued operations	-3.39	-8.19

Potentially dilutive instruments

Modern Times Group MTG AB has an outstanding long-term incentive plan. The potential dilution is calculated in order to determine the number of shares that can be acquired at fair value based on the value of the share awards. Retention and performance share awards are included in the potentially dilutive shares from the start of the program, and in accordance with the performance targets achieved. The Company has outstanding programmes from 2019, where the performance conditions under the performance share plan was not achieved, and thus such program has no diluting effect. As per 31 December 2020 the warrants issued in 2019 amounted to 426,420 (426,420).

See note 26 and note 31 for effects on shares outstanding after the balance sheet date.

18 Shareholders' equity

	2020		2019	
	Number of shares paid	Quota value (SEK million)	Number of shares paid	Quota value (SEK million)
Parent company				
MTG Class A	545,662	3	545,662	3
MTG Class B	67,101,462	336	67,101,462	335
Total number of shares issued/total quota value as per 31 December	67,647,124	338	67,647,124	338

The holder of a MTG Class A share is entitled to 10 voting rights and the holder of a MTG Class B and MTG Class C share is entitled to one voting right each. In 2019, the Class C shares were converted to Class B shares. Class C shareholders were not entitled to dividend payments. The quota value is SEK 5 (5) per share.

Out of the totally issued shares, 304,880 (304,880) Class B shares are held as treasury shares.

The Board of Directors proposed to the Annual General Meeting 2021 that no dividend was to be paid to MTG shareholders for the financial year 2020. The Board of Directors was given a mandate to buy back shares at the Annual General Meeting in 2020. The mandate was not utilised.

Paid-in capital/Premium reserve

The paid-in capital arises when shares are issued at a premium, i.e. shares were paid at a higher price than the quota value. The premium reserve in the parent company relates to employee options exercised during 2010, 2009 and 2008 as well as the fair value of the shares.

The fair value of the share consideration for the acquisition of Hutch amounts to SEK 81 million.

Other restricted reserve of SEK 94 million has been released and transferred to unrestricted reserves after five years as restricted reserve.

Translation reserve in equity

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations to Swedish krona in the consolidated accounts.

Group (SEK million)	2020	2019
Opening balance 1 January	-67	-123
This year's translation differences, net of tax, continuing operations	-193	105
This year's translation differences, net of tax, discontinued operations	0	-49
Total accumulated translation differences 31 December	-260	-67

Group (SEK million)	2020	2019
Opening balance 1 January	-	57
Distribution NENT Group	-	-57
Closing balance 31 December	-	0

Revaluation reserve

The revaluation reserve includes revaluation of trademarks in relation to successive share purchase.

Group (SEK million)	2020	2019
Opening balance 1 January	-12	-12
Closing balance 31 December	-12	-12

Retained earnings

Retained earnings comprise of previously earned income.

Non-controlling interest

In subsidiaries not wholly owned, the share of equity owned by external shareholders is recorded as non-controlling interest.

19 Provisions

Accounting for Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the anticipated liability.

Accounting for Pensions

There are mainly defined contribution pension plans within the Group. The Group's payments to defined contribution plans are reported as costs in the period when the employee performed the services to which the fee relates. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Group (SEK million)	Restructuring provisions	Royalties and other provisions	Pension provisions	Total
Opening balance 1 January 2019	47	344	7	398
Provisions during the year	-1	212	-	211
Utilised during the year	-	-21	-	-21
Reversed during the year	-	-158	-	-158
Discontinued operations	-35	-273	-7	-314
Translation differences	0	2	-	2
Closing balance 31 December 2019	12	106	-	118
Opening balance 1 January 2020	12	106	-	118
Provisions during the year	13	144	-	157
Provisions from acquisition of entities	-	16	-	16
Utilised during the year	-16	-22	-	-38
Reversed during the year	-1	-33	-	-34
Reclassifications	8	-	-	8
Translation differences	-	-5	-	-5
Closing balance 31 December 2020	17	206	-	222

The Group no longer has defined benefit pension plans. The plans related to a few employees in NENT Group and the amount was immaterial. In Sweden there is a multi-employer defined benefit plan. The Group reports these pension costs in the same way as defined contribution plans.

Provisions for Royalties and other provisions are mainly related to incentive programs.

20 Accrued expense and deferred income

Parent company (SEK million)	31 Dec 2020	31 Dec 2019
Accrued personnel costs	53	68
Accrued professional fees	3	9
Other	1	-
Total	57	77

During 2019 restructuring programs started in ESL and at the head-quarter in Stockholm. These costs are defined as accrued expenses.

21 Pledged assets and contingent liabilities

There are no pledged assets in the Group in 2020 and 2019.

MTG conducts operations in several countries and within the day-to-day operations, MTG is from time to time subject to and involved in disputes, claims and administrative proceedings (historically, a large proportion of such disputes have involved legal proceedings against customers of primarily the companies within the export vertical that have not paid agreed fees or for sponsorships on time or at all). The Company does not believe that the outcome of these disputes, claims and administrative proceedings are likely to have a material adverse effect on the financial position of the Group. These litigations are therefore not included in the contingent liabilities. There are no contingent liabilities in the Group in 2020 and 2019.

Contingent liabilities

Parent company (SEK million)	31 Dec 2020	31 Dec 2019
Guarantees subsidiaries	4	7
Total	4	7

The parent company issues guarantees to the benefit of the subsidiaries. This includes rental agreements.

22 Financial instruments and financial risk management

Capital management

The primary objective of the Group's capital management is to ensure financial stability, manage financial risks and secure the Group's short-term and long-term need of capital.

Current capital structure is based on a mix of issuance of new shares and debt where the objective is to operate with a low leverage ratio. The leverage ratio could increase during specific periods, but should over time remain low. The capital structure also considers the optimal structure to reduce the cost of capital.

Financial risk management

In addition to business operational risks, the Group is exposed to various financial risks in its operations. The most important financial risks are refinancing-, credit-, interest rate- and currency risk, which all are regulated by the financial policy adopted by MTG's Board of Directors.

The Group's financial policy constitutes a framework of guidelines and rules for financial risk management and financial activities in general. The policy is subject to a yearly review. The Group's financial risks are continuously compiled and followed up at corporate level by the Group's treasury function to ensure compliance with the financial policy. The parent company treasury function is responsible for managing the financial risks. The aim is to limit the Group's financial risks, and ensure that the Group has appropriate and secure financing for its current needs.

Liquidity in the Group is concentrated with the central financing function and in cash pools in Sweden. Surplus liquidity may be invested during a period of maximum six months. The financial policy includes a special counterparty regulation by which a maximum credit exposure for various counterparties to minimise the risk is stipulated.

Financing and refinancing risk

Financing risk is the risk of not being able to meet the need for future funding requirements. The Group's sources of funding are primarily shareholders' equity, cash flows from operations and borrowing. In order to reduce the refinancing risk the Group strives to diversify the funding sources and maturity tenors and normally initiate refinancing of all loans 12 months prior to maturity. The Group shall at all times strive for relevant key ratios equal to investment grade rating.

External borrowing is managed centrally in accordance with the Group's financial policy. Loans are primarily taken up by the parent company, and transferred to subsidiaries as internal loans or capital injections.

As per 31 December 2020, the Group had a bridge loan facility of SEK 1,800 million (-) from DNB Bank ASA, Sweden branch and Swedbank. The bridge loan facility has an initial term of six months where MTG has an option to extend the term by another six months. The interest varies with IBOR (not lower than 0 percent) plus a margin of 1.25 percent the first 6 months and 2.25 percent for the second 6 months.

Liabilities to acquire shares from non-controlling interests and contingent consideration

Liabilities to acquire shares from non-controlling interests and/or contingent considerations are based on terms defined in agreements set up in connection with the acquisitions. The valuations are based on projections and forecasts of future revenues and operating margin.

Lease liabilities

Information about lease liabilities are found in note 24 Leases and other commitments.

Net debt

Group (SEK million)	31 Dec 2020	31 Dec 2019
Liabilities to financial institutions	1,800	-
Short-term borrowings	1,800	-
Other interest-bearing liabilities ¹⁾	1,144	-
Lease liabilities	42	37
Total short-term borrowings	2,986	37
Lease liabilities	90	103
Total long-term borrowings	90	103
Total borrowings	3,076	140
Cash and cash equivalents	1,153	1,824
Long- and short-term interest-bearing assets	0	0
Total cash and interest-bearing assets	1,153	1,824
Net debt excluding assets held for sale	1,923	-1,685
Total net debt	1,923	-1,685

1) Current debt in form of a vendor note in connection with the acquisition of an additional 17 percent of the shares in InnoGames, due in March 2021.

Terms and payback period, gross values

Group (SEK million)	2020						
	Interest rate	Fixed interest rate	Effective interest rate	Total	Maturity 2021	Maturity 2022	Maturity 2023 or later
Bank loan	1.25%	3 months	1.55%	1,800	1,800		
Lease liabilities				131	42	32	58
Other interest-bearing liabilities				1,144	1,143		
Accounts payable				253	253		
				3,328	3,238	32	58

Group (SEK million)	2019						
	Interest rate	Fixed interest rate	Effective interest rate	Total	Maturity 2020	Maturity 2021	Maturity 2022 or later
Lease liabilities				140	37	30	73
Accounts payable				251	251	-	-
				391	288	30	73

The interest have been calculated using the current interest rates on 31 December. The liabilities have been included in the period when repayment may be required at the earliest.

Market risks

Interest rate risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect cash flow, financial assets and liabilities. The Group is exposed to interest rate risk through loans, other financial assets and utilised interest-bearing credit facilities. The Group's financial policy aim to gain financial flexibility through a balanced mix between variable and fixed interest rates and spreading maturities to match funding needs. During 2019-2020, the interest rate period was less than 3 months.

Cash and cash equivalents amounted to SEK 1,153 (1,824) million as per 31 December and the average interest rate period on these assets was approximately 0 month. Assuming the same debt structure, a 1 percent increase in interest rates would have an impact on the Group's interest expense of approximately SEK 0 (-) million. A 1 percent decrease would reduce the interest expense by approximately SEK 0 (0) million.

Credit risk

Credit risk is defined as the risk that the counterparty in a transaction will not fulfill its contractual obligations and any collateral will not cover the claim of the Group. The credit risk in the Group consists of financial credit risk and customer credit risk.

Financial credit risk is the risk arising for the Group in its relations with financial counterparties. The management of the financial credit risk is regulated in the Group's financial policy.

Financial counterparties must have a rating of the equivalent of S&P's single A rating or higher for larger deposits of cash or surplus funds. Standardised ISDA agreements are signed with all counterparties involved in foreign exchange transactions. Transactions are made within fixed limits and exposures are continuously monitored.

The credit risk with respect to the Group's accounts receivables is diversified among a large number of customers, both private individuals and companies. The Group's assessment based on historical data is that there are no substantial write-down requirements for accounts receivables not due. The majority of the current outstanding accounts receivables comprise previously known customers, who are judged to have good credit worthiness. See also note 15 Accounts receivables.

The Group's exposure to credit risk amounts to SEK 1,870 (2,469) million as per 31 December. The exposure is based on the carrying amount for the financial assets, the major part comprising cash and cash equivalents and accounts receivables.

Insurable risks

The parent company ensures that the Group has sufficient insurance cover for director and officer liabilities. Other insurances such as business interruption, assets losses and travel insurance are covered in local insurance solutions in respective subgroup or company.

Currency risk

Foreign exchange risk is the risk that fluctuations in exchange rates will adversely affect the income statement, financial position and/or cash flows. The risk can be divided into transaction exposure and translation exposure. Please also refer to the Directors' report under "Risks and uncertainties"

Transaction exposure

Transaction exposure arise when inflow and outflow in foreign currencies in the financial statements of the separate entities within the Group are not matched. The corporate treasury department strives to match inflows and outflows in the same currency and also to take advantage of natural hedges.

The transaction exposures in the Group occurs when the subsidiaries have external and internal transactions in currencies other than the subsidiary's functional currency.

Currency (SEK million)	USD	EUR	DKK	CHF	GBP
Transaction outflows	-474	-374	-2	-7	-243
Transaction inflows	597	523	6	20	257
Net transaction flows	123	148	4	13	13
Effect if SEK falls 5 percent	7	7	0	1	1

The effect of a change in the rate by 5 percent on all of the outstanding positions as per 31 December would have been approximately SEK 16 (0) million, the impact on equity would be after deduction of tax.

Translation exposure

Translation exposure is the risk that arises when translating equity in a foreign subsidiary, associated company or joint venture. There are no hedging positions for translation exposure.

Foreign net assets including goodwill and other intangible assets arising from acquisitions are distributed as follows:

Currency	2020		2019	
	SEK million	%	SEK million	%
USD	626	9	722	15
EUR	3,808	53	3,914	84
GBP	2,724	38	-	-
Other currencies	33	0	44	1
Total equivalent SEK value	7,191	100	4,680	100

A 5 percent change in EUR/SEK would affect equity by approximately SEK 190 (196) million and in GBP/SEK by SEK 136 (-) million.

Accounting for financial instruments

Financial assets and liabilities include cash and cash equivalents, securities, other financial receivables, accounts receivables, accounts payable, contingent considerations and loan liabilities.

Financial instruments – categories

Financial assets at fair value through profit or loss

Shares and participations in other companies

For the group's holdings in shares acquisition cost is initially considered to be a representative estimate of fair value. Subsequently, values are remeasured at fair value and gains/losses recognized when there is a subsequent financing with participation by a third party investor, in which case the price per share in that financing is used, when there is a realized exit or when there are indications that cost is not representative of fair value and sufficient more recent information is available to measure fair value.

Financial assets at amortised costs

The Group's financial assets carried at amortised cost in all material respects consist of cash and cash equivalents, accounts receivable and other current receivables of an operating nature. Receivables are charged with expected credit losses.

Financial liabilities at fair value through profit or loss

Contingent considerations and options to acquire remaining shares in subsidiaries

When a subsidiary is acquired and previous owners remain as non-controlling interest, the agreement often includes an option for the minority owners to sell their share of the acquired company to the Group at a later stage. In such cases no non-controlling interest is reported but instead a financial liability is recognised. The liability is reported at the discounted present value of the redemption amount of the shares. The contingent considerations as well as option liabilities to acquire remaining shares in subsidiaries are valued at fair value through profit and loss, as these are to an extent based on future performances.

The carrying amount of cash and cash equivalents, accounts receivable, other long-term receivables, other non interest-bearing receivables, other interest-bearing liabilities, accounts payable represent a reasonable approximation of fair value.

31 December 2020							
Group (SEK million)	Fair value through profit or loss	Financial assets/ liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Shares and participations in other companies	252	-	252	-	-	252	252
Total	252	-	252	-	-	252	252
Financial assets measured at amortized cost							
Other long-term receivables		23	23				
Other receivables, non interest-bearing		142	142				
Accounts receivable	-	465	465	-	-	-	-
Cash and cash equivalents	-	1,153	1,153	-	-	-	-
Total	-	1,783	1,783	-	-	-	-
Financial liabilities measured at fair value							
Contingent consideration	599	-	599	-	-	599	599
Total	599	-	599	-	-	599	599
Financial liabilities measured at amortized cost							
Other interest-bearing liabilities		1,144	1,144				
Liabilities to financial institutions		1,800	1,800				
Accounts payable	-	253	253	-	-	-	-
Total	-	3,197	3,197	-	-	-	-

31 December 2019							
Group (SEK million)	Fair value through profit or loss	Financial assets/ liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Shares and participations in other companies	198	-	198	-	-	198	198
Total	198	-	198	-	-	198	19
Financial assets measured at amortized cost							
Accounts receivable	-	442	442	-	-	-	-
Cash and cash equivalents	-	1,824	1,824	-	-	-	-
Total	-	2,266	2,266	-	-	-	-
Financial liabilities measured at fair value							
Contingent consideration	377	-	377	-	-	377	377
Total	377	-	377	-	-	377	377
Financial liabilities measured at amortized cost							
Accounts payable	-	251	251	-	-	-	-
Total	-	251	251	-	-	-	-

31 December 2020							
Parent Company (SEK million)	Fair value through profit or loss	Financial assets/ liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost							
Accounts receivable	-	192	192	-	-	-	-
Cash and cash equivalents	-	516	516	-	-	-	-
Total	-	708	708	-	-	-	-
Financial liabilities measured at amortized cost							
Liabilities to financial institutions		1,800	1,800				
Accounts payable	-	994	944	-	-	-	-
Total	-	2,794	2,794	-	-	-	-

31 December 2019							
Parent Company (SEK million)	Fair value through profit or loss	Financial assets/ liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost							
Accounts receivable	-	81	81	-	-	-	-
Cash and cash equivalents	-	1,123	1,123	-	-	-	-
Total	-	1,204	1,204	-	-	-	-
Financial liabilities measured at amortized cost							
Accounts payable	-	1,314	1,314	-	-	-	-
Total	-	1,314	1,314	-	-	-	-

Valuation techniques level 1, 2 and 3

Shares and participations in other companies – acquisition cost is initially considered to be a representative estimate of fair value. Subsequently, values are remeasured at fair value and gains/losses recognized when there is a subsequent financing with participation by a third party investor, in which case the price per share in that financing is used, when there is a realized exit or when there are indications that cost is not representative of fair value and sufficient more recent information is available to measure fair value.

Contingent consideration - expected future values are discounted to present value. The discount rate is risk-adjusted. The most critical parameters are estimated future revenue growth and future operating margin.

Financial liabilities, level 3

Group (SEK million)	2020	2019
Opening balance 1 January	377	442
New acquisitions	600	-
Distribution of NENT	-	-20
Exercise	-38	-19
Changes in fair value	2	-23
Interest expenses from discounting fair value of options	6	-2
Reclassification	-320	-
Translation differences	-28	-1
Closing balance 31 December	599	377

Adjustments to reconcile net income/loss to net cash provided by operations

Group (SEK million)	2020	2019
Depreciation and amortisation	244	252
Depreciation leases	39	46
Impairments	25	104
Reversal of impairment	-8	-
Provisions	128	131
Participation in associated companies and joint ventures	3	0
Revaluation of liabilities related to options to acquire shares	-	-54
Revaluation of fair value	-27	-
Unrealised exchange differences	-46	11
Deferred tax	-21	-123
Other items	0	19
Total	337	388

Cash paid for interest and corporate tax

Group (SEK million)	2020	2019
Interest paid	-2	-9
Interest received	0	0
Corporate income tax	-199	-232
Total	-201	-241

Parent company (SEK million)	2020	2019
Interest paid	-2	-8
Interest received	0	0
Corporate income tax	-2	-36
Cash received for group dividends	0	0
Total	-4	-44

Reconciliation of debts arising from financing activities

Group (SEK million)	Opening balance 2020	Cash flows	Other changes	Closing balance 2020
Short-term loans	0	1,800	-	1,800
Long-term borrowings	-	-	-	-
Lease liability	140	-41	32	131
Total	140	1,759	32	1,931

Group (SEK million)	Opening balance 2019	Cash flows	Reclassification	Closing balance 2019
Short-term loans	3,179	-3,179	-	0
Long-term borrowings	500	-500	-	0
Lease liability	198	-48	-10	140
Total	3,877	-3,727	-10	140

The parent company has interest-bearing receivables from and liabilities to other Group companies. The liabilities to Group Companies at year-end amounted to SEK 989 (1,308) million. Receivables from Group Companies at year-end amounted to SEK 79 (0) million.

The Group recognizes Right-of-use assets and Leasing liabilities for most leases, and the leasing agreements are thereby included in the balance sheet, the exceptions being stated below.

Lease liabilities are valued at the present value of the remaining leasing fees, discounted by funding base rates (applicable local IBOR rate) with a risk premium depending on the term of the lease.

The expenses are recognised in the income statement as a depreciation of the asset and as an interest expense on the lease liability.

The Group has chosen not to account for Right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less or underlying assets of low value. Leasing fees for these leases are reported as a cost on a straight-line basis over the lease term.

The reported Right-of-use assets are mainly attributable to properties representing 99 percent of the total value of the Right-of-use assets. Other is mainly car leases.

Some property leases contain extension options exercisable up to one year before the end of the non-cancellable contract period. The extension options are exercisable by the Group and not by the lessor. At lease commencement, the Group assesses whether it is reasonably certain to exercise the options. A reassessment is done if there is a significant event or other circumstances. The Group has estimated that the potential lease payments would result in an increase of the leasing liabilities of SEK 5.6 million, should the Group decide to exercise the options.

Right-of-use Asset

Group (SEK million)	Property	Other	Total
Balance at 1 January 2019	191	6	198
New/finished lease contracts	-8	-4	-13
Depreciation charge for the year	-45	-1	-46
Balance at 31 December 2019	138	1	139

Right-of-use Asset

Group (SEK million)	Property	Other	Total
Balance at 1 January 2020	138	1	139
New/finished lease contracts	29	1	30
Depreciation charge for the year	-39	-1	-40
Balance at 31 December 2020	128	1	129

Maturity analysis – Contractual undiscounted cash flows

Group (SEK million)	31 Dec 2020	31 Dec 2019
Less than one year	36	37
One to five years	89	97
More than five years	7	6
Total undiscounted lease liabilities at 31 December	132	140
Lease liabilities included in the statement of financial position at 31 December	132	140
Current	42	37
Non-current	90	103

Group (SEK million)	2020	2019
Amounts recognized in profit or loss		
Interest on lease liabilities	-3	-3
Expenses related to short-term leases	-7	-4
Expenses related to leases of low-value assets, excluding short term leases of low-value assets	0	-1
Total	-10	-8
Amounts recognized in the statement of cash flows		
Total cash outflow for leases	-41	-48

Group (SEK million)	31 Dec 2020	31 Dec 2019
Age analysis Lease liability		
Less than 6 months	20	16
6 - 12 months	22	21
1-2 years	32	30
2 - 5 years	51	67
Over 5 years	6	6
Total leasing liabilities	132	140

Group	2020		2019	
	Men	Women	Men	Women
Sweden	57	17	63	24
Germany	450	127	480	114
United Kingdom	8	2	10	-
Denmark	13	4	10	3
France	11	3	11	3
United States	99	23	121	47
Other	89	38	91	23
Total	727	214	786	214
Total average number of employees		941		1,000

Parent company	2020	2019
Men	10	15
Women	6	14
Total	16	29

Gender distribution senior executives

Group	2020		2019	
	Men %	Women %	Men %	Women %
Board of Directors	56	44	57	43
Senior executives	91	9	92	8
Total	78	22	82	18

Parent company	2020		2019	
	Men %	Women %	Men %	Women %
Board of Directors	57	43	60	40
CEO	-	100	100	-
Other senior executives	100	-	80	20
Total	64	36	73	27

Group (SEK million)	2020	2019
Wages and salaries	850	834
Social security expenses	100	111
Pension costs	12	5
Share-based payments	-	10
Social security expenses on share-based payments	-	6
Total	961	966

Group (SEK million)	2020	2019
Board of Directors, CEO and other senior executives ¹⁾	82	60
<i>of which variable salary</i>	38	25

Parent company (SEK million)	2020	2019
Board of Directors, CEO and other senior executives	59	37
<i>of which variable salary</i>	26	13
Other employees	17	29
Total salaries and other remuneration	76	67
Social security expenses	28	33
<i>of which pension costs</i>	4	5
<i>of which pension costs CEO</i>	1	1

1) Includes SEK 5.3 (4.2) million Board fees approved by the Annual General Meeting.

Total salaries in the parent company include remuneration to other members of Group Management 4 (4) persons of SEK 14 (14) million, of which variable salary is SEK 6 (6) million.

Remuneration to the Board of Directors and Senior Executives 2020

A fee is paid to the Board of Directors in accordance with the decision of the Annual General Meeting. The remuneration to senior executives is paid in accordance with the guidelines approved by the Annual General Meeting 2020.

Remuneration principles

The Remuneration Guidelines provides a structure that aligns remuneration with the successful delivery of our long-term strategy: to drive profitability and organic growth in our vertical companies and invest in high-potential esports and gaming business. The guidelines sets guiding principles for selection of LTIP performance measures and LTIP performance periods to ensure the link to the shareholder value and as such the guidelines contributes to the long-term success and value creation of the company. The guidelines provides for the ability to set relevant financial and non-financial STI measures including governance, social and environmental, further contributing to alignment between the guidelines and sustainability as well as the company values, which are Bold, Smart, Engaging and Fun. The performance measures for the STI are determined by the Remuneration Committee based on the business priorities for the year. Each year stretch objectives are set in the light of the Company's annual business plan and the operating environment. The guidelines provides incentives for the CEO and the Senior Executives to drive innovative and 5 performance based culture which contributes to achieving our company mission.

The remuneration of the CEO and the Senior Executives consist of base salary, short-term and long-term incentives, pension and other benefits.

Base salary

Attracts and retains the CEO and the Senior Executives taking into account of their individual responsibilities, their personal contribution, the size of role and business complexity. The base salary for the CEO and the Senior Executives shall be competitive. The base salary is reviewed annually, typically with effect from 1 January. The Remuneration Committee looks at pay practices in selected comparison groups, the benchmarks are conducted through independent advisors. Decisions on salary also take into account the performance and experience of the individual, changes in the size and scope of the role, and the level of salary awards across the business.

Short Term Incentive (STI)

Drives and rewards achievement of our stretching annual financial, strategic, operational and sustainability targets aligned with our business strategy. The STI is capped at 125 percent of the individual's base salary. Performance measures and weightings are reviewed at the start of each year to take account of current business plans and to ensure they continue to support the short-term business strategy. These measures can vary from year to year to reflect business priorities and typically the measures includes a balance of the Company's financial performance measures (for example profitability, revenue and cash flow measures) and non-financial measures (for example key operational, strategic, environmental, social, governance or

other sustainability related measures) provided that in any given year majority of weighting will be on financial performance measures. Through the combination of the financial measures with the non-financial measures the STI will contribute to the long-term interests and sustainability of the company. Details of actual performance measures applied for each year and how they support the business strategy will be disclosed in the annual Remuneration Report. Performance against targets is monitored and determined based on assessment of performance level versus each target level. The Board reviews the performance and determines the extent to which each of the targets have been achieved, to determine the final pay-out level. As regards to the financial criteria, the evaluation shall be based on the latest financial information made public by MTG. The Board has discretion to adjust the formulaic STI outcome in changed circumstances to improve the alignment of pay with value creation for shareholders, and to ensure the outcome is a fair reflection of the company's performance, and will take into account any relevant environmental, social, and governance (ESG) matters when determining outcomes. To further strengthen the connection to the shareholders' interest and the company's long-term value creation, payment of part of the STI may be deferred and delivered in MTG shares and such shares to be retained for an agreed period of time. Awards are subject to claw-back in cases where the final payment is made based on performance that is proven to be manifestly misstated. The Board may decide to reclaim whole or a part of the final payment. In its decision to reclaim any amount the Board may, in its sole discretion, reduce the amount to be reclaimed based on the employee's lack of direct involvement in the performance and reporting of performance which has been manifestly misstated.

Extraordinary arrangements

By way of exception, additional one-off arrangements can be made on a case by case basis when deemed necessary, under the condition that such extraordinary arrangement is made for recruitment or retention purposes, subject to Board approval. Each such arrangement shall be capped at, and never exceed, 200 percent of the individual's annual base salary.

Long Term Incentive Programme (LTIP)

The Board may offer LTIPs in order to attract and retain key individuals, as well as to share the success of the company's growth. The LTIPs that can be offered are 3-4 –year plans which are share or share price related programmes (such as performance share plans and/or warrant plans), which will be put forward to the General Meeting to resolve on – irrespective of these guidelines. Share and share price related LTIPs shall be structured to ensure a long-term commitment to the development of MTG and with the intention that the Senior Executives shall have a significant long-term shareholding in MTG. The outcome shall be linked to certain pre-determined performance criteria, based on MTG's share price and value growth. The Board has also – irrespective of these guidelines – in 2018 agreed to offer one employee, today a Senior Executive, participation in the local Management Incentive Programs, i.e. a cash based LTIP linked to pre-determined levels for the value creation of a specific vertical or subsidiary within MTG. The maximum outcome has a predetermined cap.

More information regarding the ongoing LTIPs, including the criteria which the outcome depend on, can be found on MTG's website and in the most recent annual report, www.mtg.com.

Pension

Provides competitive and appropriate retirement arrangement in the context of the market practice in the applicable country of the executives employment or residence and total remuneration. The pension arrangements shall be provided in the form of a defined contribution or as a cash allowance and shall amount to no more than 20% of the individual's annual base salary.

Other benefits

Provides competitive level of benefits and supports recruitment and retention. Other benefits may include car allowance, company car and housing. The combined value of these benefits shall normally constitute a limited value in relation to the total remuneration package and shall correspond to market practice.

Additional benefits may be received by Senior Executives in certain circumstances such as relocation or international assignment, taking into account the overall purpose of these guidelines.

Termination of employment and severance pay

In general, executive contracts have indefinite duration. The notice period can be up to one year for either party and non-compete restrictions can go up to one year. The Company may require the individual to continue to fulfil current duties during the notice period or may assign garden leave.

In case of termination of a Senior Executive's employment agreement, the STI is evaluated and paid prorata for the period up to the termination date where applicable. It should be noted that these cases are handled according to the discretionary right of the Board.

Salary and employment conditions for employees

In the preparation of the Board's proposal for these guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employee's total income, the components of the remuneration and increase and growth rate over time, in the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Deviations from the Guidelines

The Board may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. The Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

Senior Executives

Senior Executives include the Chief Executive Officer, the Chief Financial Officer, Executive Vice Presidents and Group General Counsel. The Senior Executives are found on page 65. The following changes to the Group Management were made in 2020; Jørgen Madsen Lindeman left the group in September 2020 and Maria Redin was appointed to new CEO. Lars Torstensson, EVP Head of Communications & Investor Relations was appointed to new CFO. Peter Nørrelund left the group in July 2020.

Remuneration and other benefits 2020

(SEK thousand)	Board fee	Base salary	Variable remuneration	Other benefits	Pension costs	Extraordinary costs	Total
David Chance, Chairman of the Board	1,503						1,503
Simon Duffy	735						735
Gerard Florin	553						553
Natalie Tydeman	640						640
Dawn Hudson	630						630
Marjorie Lao	630						630
Chris Carvalho	630						630
Jørgen Madsen Lindemann, CEO		9,303	18,571	936	930	9,923	39,664
Maria Redin, CEO		1,924	1,413	45	194		3,576
Senior Executives (5 persons)		13,584	17,808	1,146	1,079		33,617
Total	5,320	24,811	37,793	2,127	2,204	9,923	82,177

Jørgen Madsen Lindeman was CEO until end of September 2020 and Maria Redin was appointed to new CEO from 3 September 2020. Variable remuneration include cash based retention bonus which the CEO and certain senior executives were awarded as being instrumental in the project to split MTG into two companies. The cash based retention bonus was approved prior to the split of MTG and NENT in Q1 2019 and provided for in 2019. The cash based retention bonus was paid out in April 2020.

The Extraordinary costs for Jørgen Madsen Lindemann refer to payment in lieu of notice, i.e. his salary during the remainder of his notice period until 23 July 2021. As stated in Jørgen's legacy employment agreement signed in 2012, when notice of termination has given, the Board may at any time terminate the agreement with

immediate effect and make a payment in lieu of notice. The Board decided to exercise this option and decided to terminate the employment on 30 September 2020 and make a payment in lieu of notice. The payment is equal to Jørgen's base salary, no other benefits or pension, for the remaining part of the notice period. The numbers include variable salary remuneration incurred to be paid after the year end for the Chief Executive Officer of SEK 3 (5) million. In addition, non-cash share-based incentive programme costs calculated in accordance with IFRS 2 amounted to SEK 0 (0.3) million for the CEO and SEK 0 (0.4) million for other members of Group Management. Out of the remuneration to other members of the Group Management SEK 18 (14) million was expensed in the parent company, SEK 16 (14) million was expensed in the subsidiaries.

Remuneration and other benefits 2019

(SEK thousand)	Board fee	Base salary	Variable remuneration	Other benefits	Pension costs	Total
David Chance, Chairman of the Board	1,503					1,503
Simon Duffy	735					735
Gerard Florin	553					553
Donata Hopfen	630					630
Natalie Tydeman	770					770
Jørgen Madsen Lindemann, CEO		12,481	6,961	318	1,225	20,985
Senior Executives (4 persons)		15,592	12,589	275	1,152	29,608
Total	4,190	28,073	19,550	593	2,377	54,783

Decision process

The remuneration to the Chief Executive Officer was decided by the Board of Directors. Remuneration to executive management is monitored and reviewed by the Board.

Share based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments including social security costs is based on the Group's estimate of shares that will eventually vest and is expensed on a straight-line basis over the vesting period. The fair value expense excluding social fees is reported in the income statement as personnel costs with the corresponding increase in equity. For the recurring calculation of social security costs the fair value is re-valued quarterly. MTG's share-based plans all have three year vesting periods and payment is depending on fulfillment of certain stipulated goals.

The Annual General Meetings, with the beginning in 2005, have established incentive programmes for senior executives and key personnel. In 2018, however, no incentive program was issued due to the proposed split of MTG into two companies. The 2017 long-term incentive programme was terminated in the first quarter of 2019 for the same reason.

Long-term incentive programme (LTIP) 2019

The 2019 long-term incentive programme comprised both a performance share plan and warrants. The performance share programme

was directed towards 25 senior executives and other key employees. The CEO and the senior executives were required to have a certain shareholding in MTG shares (Target Holding) in order for the share awards to vest. The Target Holding to be achieved was for the CEO a shareholding equivalent to the value of 1 year's net base salary at time of grant and, for the senior executives, equivalent to a value of 50 percent year's net base salary. Based on the participant's base salary and the share price at grant, the CEO was granted share awards equivalent of 56 percent of the base salary, senior executives are granted share awards equivalent of 50-65 percent of the base salary and, for the key employees, 57-75 percent of the base salary, depending on the fulfillment of certain stipulated performance conditions. The performance conditions related to MTG's organic revenue growth and organic EBITDA margin. The target level for the performance conditions were set by the Board for 2019, with the relative weight of each of the two conditions is 70 percent and 30 percent respectively, and each condition measured separately. The share rights were granted by the company at the end of May 2019, free of charge, and may be exercised the day following the release of the interim report for Q1 2022. Dividends paid on underlying shares during the vesting period would increase the number of shares in order to treat the shareholders and the participants equally. The programme comprised 213,833 shares. The targets for 2019 were not met so there are no outcome on the performance share plan.

The warrant plan is directed towards the CEO, senior executives and key personnel. The warrants issued entitle to a maximum of 434,667 Class B shares. Each warrant entitles the holder to, during a period

from 15 June 2022 to 15 June 2023, subscribe to one new Class B share at 115 percent of the average volume-weighted share price during the period 9 May 2019 and 22 May 2019. MTG subsidises the participants' purchase of warrants by granting the participants a cash compensation corresponding to between 25-75 per cent (depending on the participant's category), net after taxes, of the warrants purchased by the participant. Such subsidy will be paid out at the time of purchase of the warrants. If the participant leaves MTG during the three year vesting period for the subsidy, MTG may under certain circumstances reclaim the subsidy, in whole or in part in proportion to the term of the vesting period. The participants' maximum profit are capped at 4.0 times the share price of SEK 117.24, the average volume-weighted share price during the five last trading days in March 2019.

Long-term incentive programmes (LTIP) 2017

The long-term incentive programmes are performance based and directed towards approximately 85 senior executives and other key employees. The CEO and the senior executives are required to have a certain shareholding in MTG shares (Target Holding) in order for the share awards to vest. The Target Holding to be achieved is for the CEO a shareholding equivalent to the value of 1 year's net base salary at time of grant and, for the senior executives, equivalent to a

value of 50 percent year's net base salary. Based on the participant's annual gross salary and the share price at grant, the CEO is granted share awards equivalent of 125 percent of the annual gross salary, senior executives are granted share awards equivalent of 100 percent of the annual gross salary and, for the key employees, 75 percent of the annual gross salary, depending on the fulfillment of certain stipulated performance conditions. The performance conditions relate to absolute shareholder return (TSR), MTG EBIT level, and MTGx value creation. The target level for the MTG normalised EBIT are set by the Board for each of the calendar years, with the relative weight of each of the three one year periods being one third. The MTGx value creation target includes organic sales growth and normalised EBIT margin which is set annually by the Board. The share rights were granted by the company at the end of May 2017, free of charge, and may be exercised the day following the release of the interim report for Q1 2020. Dividends paid on underlying shares during the vesting period will increase the number of shares in order to treat the shareholders and the participants equally. The programme was calculated to comprise a maximum of 500,000 shares. The programme was exercised in March 2019, before the Q1 report was released, through accelerated vesting due to the split of the company. For performance fulfillment, please see the tables below.

2019 program	2019 entry target	2019 actual	Outcome (% category awards vesting)
Sales growth (average weighting 70%)	8.40%	5.80%	Not met
Adjusted EBITDA margin (average weighting 30%)	6.00%	3.40%	Not met
FULFILMENT OF THE PERFORMANCE CONDITIONS			0%

The figures include Zoomin Group up until Q3 2019 and 2018 respectively.

2017 program	3 year target	2 year actual as per 31 Dec 2018	2 year outcome (% category awards vesting)	2018 target	2018 actual	Outcome (% category award vesting)	2017 target	2017 actual	Outcome (% category award vesting)
Absolute TSR (average weighting 40%)	10%	17%	44%						
MTG normalised operating income 2018 ² /2017 (average 40%)				1,643	1,561	44%	1,264	1,318	83%
MTGx organic sales growth (average weighting 20%)				58%	34%	Not met	38%	37%	52%
MTGx EBIT margin (average weighting 20%)				4%	0%	Not met	-10%	-18%	Not met
Esports organic sales growth (average weighting 4%)				29%	11%	Not met	49%	53%	95%
Esports EBIT margin (average weighting 4%)				0%	-14%	Not met	-6%	-16%	Not met
Digital Video organic sales growth (average weighting 4%)				0%	-14%	Not met	38%	11%	Not met
Digital Video EBIT margin (average weighting 4%)				-9%	-29%	Not met	-3%	-10%	Not met
OVERALL 44% FULFILMENT OF PERFORMANCE CONDITIONS (AVERAGE WEIGHTED)			17%			9%			18%

Please note that the performance conditions have different relative weight in the calculation of outcome, depending on participant's category. As the vesting period is two out of three years, 29% of the programme vested.

Cost effects of the incentive programmes

The programmes are equity-settled programmes. The initial fair value at grant date of the stock option programmes, is expensed during the vesting period. The cost for the programmes is recognised in equity and as an operating expense. The cost is based on the fair value of the MTG Class B share at grant date and the number of shares expected to vest. The cost recognised for the programmes in 2020 amounts to SEK 0 (10) million excluding social charges. Total provision for the social fees in the balance sheet amounted to SEK 0 (0.3) million.

There were no share rights exercisable at the end of 2020.

Dilution

If all warrants granted to senior executives and key employees as at 31 December 2020 were exercised, the outstanding shares of the Company would increase by 426,420 (611,125) Class B shares, and be equivalent to a dilution of 0.63 percent (0.91) of the issued capital and 0.59 percent (0.85) of the related voting rights at the end of 2020.

Distribution of issued share awards and warrants

No of warrants outstanding	CEO	Senior executives	Key personnel	Total
LTIP 2019	250,253	136,759	39,408	426,420
Total outstanding as per 31 December 2020	250,253	136,759	39,408	426,420

	2020		2019	
	No of share awards	No of warrants	No of share awards	No of warrants
Share awards outstanding at 1 January	-	426,420	630,883	-
Recalculated due to dividends	-	-	15,787	-
Share awards issued during the year	-	-	213,833	-
Warrants issued during the year	-	-	-	434,667
Share awards exercised during the year	-	-	-361,342	-
Warrants repurchased	-	-	-	-8,247
Share awards forfeited during the year	-	-	-499,161	-
Total outstanding as per 31 December	-	426,420	0	426,420

The remaining average contractual life for the outstanding warrants is 2.0 years and may be exercised between 15 June 2022 and

15 June 2023. Weighted exercise price for warrants issued during 2019 was SEK 134.80.

Warrant, assumptions used when calculating value at grant

Expected volatility 28.5%, expected life 3.5 years, and risk free interest rate 0%.

LTIP programmes/ Financial year	No. Of allocated share awards and warrants	No. of people	Exercise price warrants	Theoretical value at allocation	Exercise period	Out-standing share awards and warrants as per 1 January	Recalculation due to dividend	Forfeited during the year	Exercised during the year	Out-standing share awards and warrants as per 31 December
Grant 2016										
2019						270,057	13,194	-30,018	-253,233	0
Grant 2017										
2019						360,826	2,593	-255,310	-108,109	0
Grant 2019										
2020						426,420				426,420
2019	648,500	25	134,80	115,63	2022			-222,080		426,420
Total grant										
2020						426,420	0	0	0	426,420
2019						630,883	15,787	-507,408	0	426,420

Certain key employees in the MTG Group have also participated in cash-based LTI, linked to the value creation of a specific vertical or subsidiary within MTG. For senior executives the estimated value for such programs was SEK 29 million at 31 December 2020.

Share-based long-term incentive plan 2021

The extraordinary general meeting on 21 January 2021 approved a long-term incentive plan with approximately 17 participants. The participants are required to hold shares in MTG equivalent to at least 5 per cent and up to 20 per cent of the gross annual base salary of each participant, either shares already held or shares purchased on the market in connection with the notification to participate in LTIP 2021. "

For each share held, the participant receives rights to receive class B shares free of charge (the "Share Rights"), which shall vest depending on the fulfilment of pre-determined performance criteria (see below) and the maximum number of Share Rights that may be granted under the LTIP 2021 is 363,331 (prior to any recalculation), representing approximately 0.38 per cent of the outstanding shares and 0.36 per cent of the outstanding votes.

The Share Rights shall vest free of charge after a three-year period, ending on 31 December 2023 and the number of Share Rights that vest shall be determined based on the annual total shareholder return (i.e., the value increase plus (i) any dividends paid during such period and (ii) the theoretical value of any subscription rights allotted to shareholders in any rights issue, including the rights issue resolved on by the board of directors on 17 December 2020) of class B shares at the end of the vesting period (the "TSR"). The TSR shall be determined based on an initial share price equivalent to the VWAP during the period from 1 October 2020 to 31 December 2020, and a final share price equivalent to the VWAP during the period from 1 October 2023 to 31 December 2023 (plus (i) any dividends paid during such period and (ii) the theoretical value of any subscription rights allotted to shareholders in any rights issue, including the rights issue resolved on by the board of directors on 17 December 2020). If the TSR is less than 8 per cent per annum (the "Threshold TSR") no Share Rights shall vest. If the TSR is equal to the Threshold TSR (i.e., 8 per cent per annum), 25 per cent of the Share Rights shall vest. If the TSR is equivalent to 35 per cent per annum or more (the "Maximum TSR"), 100 per cent of the Share Rights shall vest. If the TSR is between the Threshold TSR and the Maximum TSR, the Share Rights shall vest in a linear proportion.

27 Audit fees

(SEK million)	Group		Parent	
	2020	2019	2020	2019
KPMG, audit fees	8	6	1	2
KPMG, audit related fees	0	0	-	-
KPMG, other assurance services	2	-	2	-
KPMG, other services	9	11	1	-
Other, audit fees	0	0	-	-
Total	19	18	3	2

28 Related party transactions

Related Parties

The Group has related party relationships with its subsidiaries, associated companies and joint ventures (see note 7 and 13).

All related party transactions are based on market terms and negotiated on arm's-length basis. In 2020 there are no transactions with associated companies or joint ventures.

Remuneration of senior executives

Chris Carvalho has been a member of the Board of MTG since the Annual General Meeting 2020, i.e. since 18 May 2020. In parallel with his Board assignment Chris Carvalho has an assignment as

a consultant and advisor at MTGx Gaming Holding AB, the commencement of this assignment was in February 2019. The consultancy fee paid by MTGx Gaming Holding AB to Chris Carvalho during the period 18 May 2020 to 31 December 2020, was 456 kSEK.

Gerhard Florin has been a member of the Board of MTG since the Annual General Meeting 2018. He also serves as appointed Chairman of InnoGames. InnoGames has paid 767 kSEK in board fees to Gerhard Florin in 2020, the payment from InnoGames is outside the MTG board fees which were approved at the Annual General Meeting 2020.

Acquired operations 2020

(SEK million)	Hutch Games Ltd
Cash paid	2,346
Additional purchase price and other settlements, non-paid	682
Total consideration	3,028

Recognised amounts of identifiable assets and liabilities

Net Assets	15
Cash and cash equivalents	144
Deferred tax receivables/liabilities net	-123
Intangible assets	667
Net identifiable assets and liabilities	703
Goodwill	2,325
Total value	3,028

Cash consideration

(SEK million)	Hutch Games Ltd
Cash paid	2,346
Cash and cash equivalents in the acquired companies	-144
Cash consideration	2,202

Acquisition 2020

The Group acquired 100% of the shares in Hutch Games Ltd. on 18 December 2020. Hutch is a leading developer and publisher of free-to-play mobile games focused on the racing genre in the highly attractive midcore segment. The acquisition enables strong growth opportunities within a new and highly attractive game category for MTG while also further diversifying the group's gaming vertical.

The purchase price for the acquisition of Hutch (on a cash and debt free basis) consisted of an initial cash purchase price of USD 265,34 million (corresponding to SEK 2,224 million) and 627,431 new Class B Shares in MTG which some of the sellers subscribed for with payment by set-off at a subscription price corresponding to the volume-weighted average price of the Class B Share on Nasdaq Stockholm between 10 November-7 December 2020 (i.e. SEK 129.8 per share). The fair value of the share consideration thus amounts to SEK 81 million. The estimated levels of Hutch's net debt and working capital are subject to a potential adjustment during the first or second quar-

ter of 2021 based on actual levels of the company's net debt and working capital according to an access financial statement prepared by the parties. In addition to this MTG may require to pay an earn-out payment that pursuant to a calculation of the present value is estimated to amount to USD 71.6 million (equivalent to SEK 600 million), but deviations can occur depending on the outcome of the result in the coming four years. Up-front cash paid amounted to SEK 2,346 million. Calculated goodwill for Hutch is based on several factors such as expertise to successfully develop games within the mobile racing genre, realizing synergies together with other gaming companies in MTG's gaming vertical, scaling of existing and future games, and operational improvements by implementing MTG best practice.

Transactions costs of SEK 31 million are reported as administrative expenses in the Income Statement and in Adjusted EBITDA as M&A transaction costs.

Contributions during 2020 from the acquisition date

(SEK million)	Hutch Games Ltd
Net sales	-
Net income	-

Contributions from acquisitions if the acquisition had occurred 1 January 2020

(SEK million)	Hutch Games Ltd
Net sales	639
EBIT ¹⁾	46

1) EBIT include acquisition-related costs of SEK 105 million

No new operations were acquired in 2019.

Discontinued operations

Discontinued operations refer to companies that have been disposed. Result and cash flow from discontinued operations are presented separate from result and cash flow from continued operations.

2020

No operations were divested during 2020.

2019**Distribution of Nordic Entertainment Group AB (NENT)**

At the Extraordinary General Meeting on February 7th, 2019, it was decided to split the Group and distribute the shares of Nordic Entertainment Group AB (NENT) to the shareholders of MTG. In March, the shareholders received one NENT share for each MTG share held. NENT was listed on Nasdaq Stockholm on March 28th, 2019. On distribution of the NENT shares, MTG recognized a capital gain of SEK 13,480 million, representing the difference between the fair value of NENT and the carrying amount of NENT's net assets at the time of distribution.

Other discontinued operations

MTG completed the sale of its 95 percent shareholding in Nova Broadcasting Group in Bulgaria to Advance Media Group on April 10, 2019. MTG recognized a capital gain of SEK 1,405 million. MTG will use the proceeds to further develop its global digital entertainment verticals through organic investments and acquisitions. Nova had been reported as an Asset held for sale since the first quarter of 2018 and, from the first quarter of 2019, was reported as a Discontinued operation.

MTG completed the sale of its 100 percent shareholding in Zoomin to Azerion on October 28th, 2019. MTG recognized a capital loss of SEK 88 million. During the period preceding the divestment, Zoomin generated revenue of SEK 79 million and a net result of SEK -68 million.

Other business operations further include a write-down of assets of SEK 69 million relating to an investment and a revaluation of value of an associated company.

Net income - Discontinued operations

(SEK million)	Full year 2019
International entertainment	27
Nordic Entertainment Group	167
Zoomin	-68
Other business	-72
Capital Gain / Loss	14,798
Net income - Discontinued operations	14,852

The table below presents distributed operation of Nordic Entertainment Group in 2019.

Group (SEK million)	2019 NENT
Net sales	3,727
Operating expenses	-3,535
Other income and expenses	27
Financial expenses	2
Net income before tax	221
Tax	-54
Net income	167
Net gain on distribution of operations	13,480
Total net income from distributed operations	13,647

Group (SEK million)	2019 NENT
Cash flow from:	
Operating activities	-157
Investing activities	-33
Financing activities	466
Net cash flow for the period	276

The table below presents divested operations related to Nova and Zoomin in 2019.

Group (SEK million)	2019 Nova, Zoomin
Net sales	336
Operating expenses	-368
Other operating income and expenses	6
Financial expenses	-11
Net income before tax	-37
Tax	-4
Net income	-40
Net gain on sales of operations	1,317
Total net income from discontinued operations	1,277

Group (SEK million)	2019 Nova, Zoomin
Non-current assets	336
Current assets	454
Cash and cash equivalents	242
Total assets	1,032
Non-current liabilities	76
Current liabilities	442
Liabilities related to MTG	130
Total liabilities	648
Divested assets and liabilities, net	384

Consideration received	1,876
Cash and cash equivalents in the divested operations	-242
Cash effect	1,635

The extraordinary general meeting on 21 January 2021 approved (i) the resolution by the Board to issue class B shares with preferential rights of SEK 2,549 million, and (ii) the issue of class B shares to certain of the sellers of Hutch Games Ltd (including employees of Hutch) with payment by way of set-off of a vendor loan note issued in connection with the completion of the acquisition of Hutch Games Ltd.

Subscriptions of new class B shares with preferential rights were made on 10 February 2021. The payments of the subscriptions were made in cash. The preferential rights of in total 28,320,697 class B shares were offered at a subscription price of SEK 90 per share. The purpose of the rights issue was to repay the bridge loan facility incurred in connection with the company's acquisition of Hutch Games Ltd., and to repay the vendor note incurred in connection with the acquisition of the additional 17 per cent of the shares in InnoGames GmbH.

The fully subscribed Rights Issue provided MTG with proceeds of SEK 2,549 million before deduction of transaction costs. MTG have used the net proceeds to repay the bridge loan facility of SEK 1,800 million raised in connection with the acquisition of Hutch Games Ltd in December 2020 and to repay the vendor note of a preliminary amount of EUR 113.6 million issued in connection with the acquisition of additional shares in InnoGames in December 2020 (together with additional existing cash and cash equivalents).

The issuance of 627,431 class B shares to the sellers of Hutch Games Ltd were made on 29 January 2021. The number of shares corresponded to SEK 81 million, implying a subscription price for the new class B shares of SEK 129.80 per class B share.

As a result of the total share issue, MTG's share capital increased by in total SEK 144,740,640 from SEK 338,235,620 to SEK 482,976,260 and the total number of shares increased from 67,647,124 shares (of which 545,662 class A shares and 67,101,462 class B shares) to 96,595,252 shares (of which 545,662 class A shares and 96,049,590 class B shares). Accordingly, the total number of votes in MTG is 101,506,210.

On March 24 2021, MTG acquires New Zealand-based leading tower defense mobile games developer and publisher Ninja Kiwi Ltd (Ninja Kiwi). The acquisition of Ninja Kiwi marks an important additional step in the journey to reach further organic and acquisitive growth for MTG and is in line with the company's overall strategy to further build a diversified gaming segment, and stronger GamingCo. The up-front consideration amounts to approximately SEK 1,217 million (NZD 203 million) and earn-out payments at an expected value of SEK 406 million (NZD 68 million) in aggregate, including cash and share components.

To finance the acquisition of Ninja Kiwi and to enhance the Company's future financial flexibility MTG has, based on the authorization granted by the extraordinary general meeting held on 21 January 2021, resolved on a directed issue of 9,659,524 new class B shares at a subscription price of SEK 112.9 per class B share (the "Share Issue") by means of an accelerated book building process. The proceeds from the Share Issue, before costs, amount to approximately SEK 1.1 billion. The Share Issue was significantly oversubscribed and directed to Swedish and international institutional investors, including certain existing institutional shareholders and Atairos, an independent private company focused on supporting growth-oriented businesses with a unique combination of active strategic partnership and long-term capital. The subscription price corresponds to a discount of approximately 3.0 percent compared to the closing price of the class B shares on Nasdaq Stockholm on 24 March 2021.

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Proposed appropriations of earnings

The following funds are at the disposal of the shareholders as at 31 December 2020 (SEK):

Parent company (SEK million)

Premium reserve	351,386,104
Retained earnings	4,956,053,076
Net result 2020	-8,613,273
Total as per 31 December 2020	5,298,825,907

The Board of Directors propose that no dividend be paid to MTG shareholders for the financial year 2020, and that the retained earnings be carried forward.

SIGNATURES

The Board of Directors and the Chief Executive Officer confirm that the annual accounts have been prepared in accordance with accepted accounting standards in Sweden, and that the consolidated accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The annual accounts and the consolidated accounts give a true and fair view of the Group's and Parent Company's financial position and results of operations.

The Board of Directors' Report for the Group and the Parent Company gives a true and fair view of the Group's and the Parent Company's operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face.

The annual accounts and the consolidated statements were approved by the Board of Directors and the Chief Executive Officer on 13 April 2021. The consolidated income statement and statement of financial position, and the income statement and balance sheet of the Parent Company, will be presented for adoption by the Annual General Meeting on 18 May 2021.

Stockholm 13 April 2021

Gerhard Florin
Non-Executive Director

David Chance
Chairman of the Board

Simon Duffy
Non-Executive Director

Marjorie Lao
Non-Executive Director

Dawn Hudson
Non-Executive Director

Natalie Tydeman
Non-Executive Director

Chris Carvalho
Non-Executive Director

Maria Redin
President and Chief Executive Officer

Our Audit report was submitted
13 April 2021
KPMG AB

Helena Nilsson
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Modern Times Group MTG AB (publ), corp. id 556309-9158

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Modern Times Group MTG AB (publ) for the year 2020, except for the sustainability report on pages 23-41 and 121-131. The annual accounts and consolidated accounts of the company are included on pages 23-115 and 121-131 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the sustainability report on pages 23-41 and 121-131.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Recoverability of goodwill and intangible assets

See disclosure 2 and 11 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The carrying value of goodwill and other intangible assets such as trademarks and customer relations as at 31 December 2020 amount to SEK 7 billion, which is approximately 69 percent of total assets.

Goodwill and intangible assets with indefinite lives are required to be tested annually for impairment. Other intangible assets are tested where there is an impairment trigger.

The impairment tests are complex and include significant judgments. The recoverable value of these assets is based on forecasting and discounting future cash flows using assumptions, such as discount rates, revenue forecasts and long-term growth, which are inherently judgmental and which could be influenced by management bias.

Response in the audit

We obtained and considered the groups impairment tests to assure compliance with the methodology prescribed by IFRS.

We have further evaluated the future cash flow forecasts and their underlying assumptions including long-time growth rates as well as the discount rates used.

We have also evaluated historical accuracy of forecasts. We have had reviews with management among others including specific focus on the assumptions used in the impairment test for DreamHack, where a reasonable change in assumptions could result in an impairment.

We considered management's sensitivity analysis showing the impact of a reasonable change in assumptions to determine whether impairment charged was required.

We have further evaluated the financial statement disclosures in relation to the requirements in the accounting standards.

Acquisition of Hutch Games Ltd

See disclosure 29 and accounting principles in disclosure 1 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

In December 2020 all the shares in Hutch Games Ltd were acquired for a total purchase price of SEK 3,028 million.

Following a business combination, the acquired operations should be accounted for in the consolidated accounts which require acquired assets and liabilities to be identified and measured at its fair value at the acquisition date. The difference between the purchase price and the identified assets and liabilities is goodwill.

The purchase price allocation requires judgments to be made regarding which assets to account for in the consolidated accounts – in particular intangible assets may be difficult to assess – including the assigned fair values in the consolidated accounts. These judgments will affect the group's future profits, partly depending on whether the identified assets are to be amortized or not in the consolidated accounts.

Of the total purchase price SEK 600 million relates to contingent considerations which is based on the profitability development for the coming four years. The value is calculated based on the terms in agreements including estimates of future revenue growth and operating margin discounted to present value. The calculation of the value therefore include significant judgements which could be influenced by management bias.

Response in the audit

We have analyzed the purchase price allocation in order to assess whether it has been prepared in accordance with commonly prescribed methods and that all assets, in particular intangible assets, and liabilities have been identified. We have received and assessed the documentation management has prepared with assistance from external experts.

Furthermore, we have focused on whether the techniques used to measure the acquired assets and liabilities to fair value are in accordance with the prescribed framework and established valuation techniques. In the purchase price allocation, intangible assets amounting to SEK 667 million have been identified. They mainly relates to capitalized expenditure for game titles, trademarks and customer relations. Goodwill amounts to SEK 2,325 million.

We have obtained and considered the group's calculation of the contingent considerations and evaluated the forecasts for revenue growth and operating margin as well as the discount rates used. We have also assessed the disclosures relating to the business combination included in the annual accounts and the consolidated accounts.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-22, 120 and 132-141. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Modern Times Group MTG AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 23-41 and 121-131, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Modern Times Group MTG AB by the general meeting of the shareholders on the 18 May 2021. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 1997.

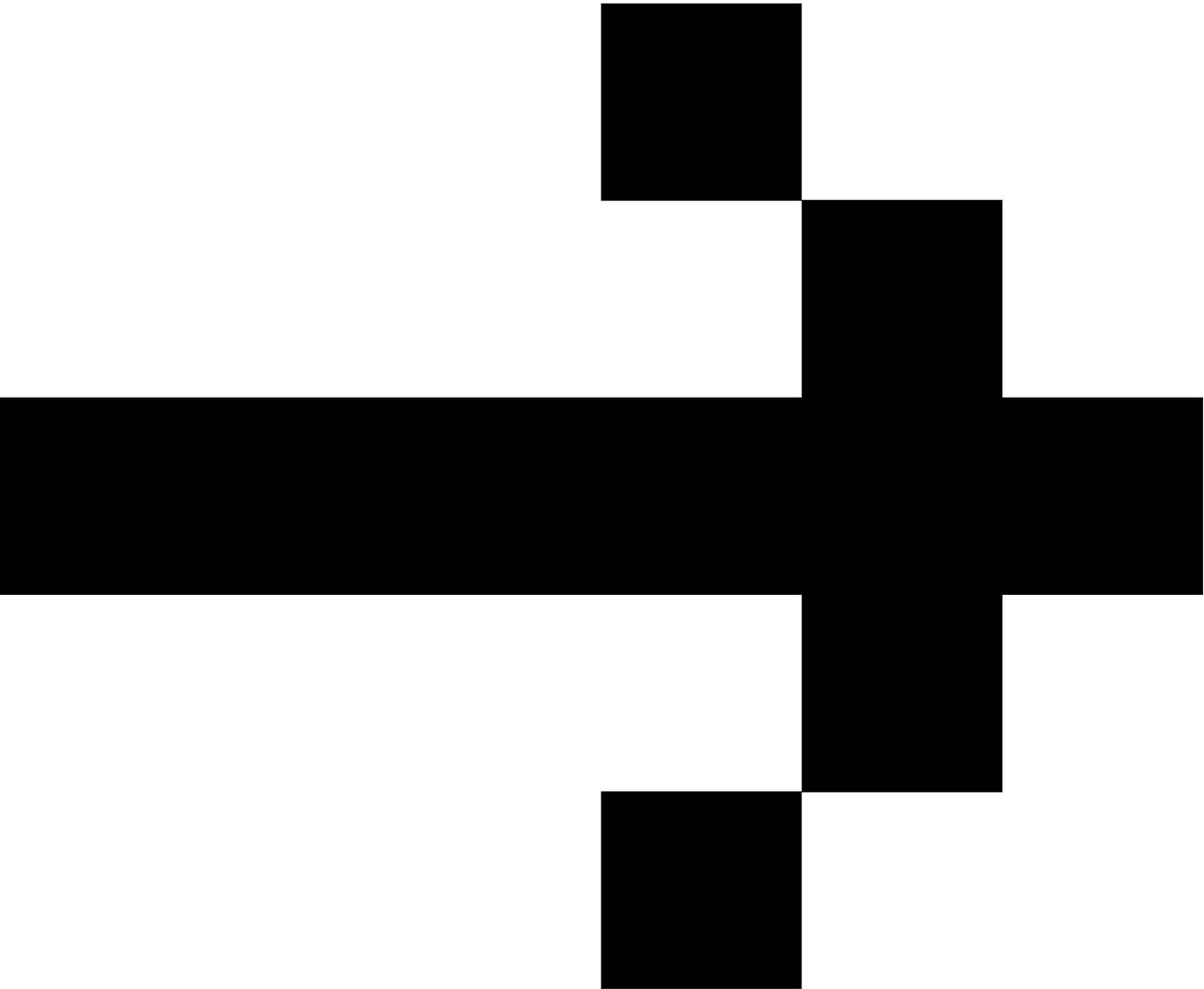
Stockholm 13 April 2021
KPMG AB

Helena Nilsson
Authorized Public Accountant

FOUR YEAR SUMMARY

Group (SEK million)	2020	2019	2018	2017
Continuing operations				
Net sales	3,997	4,242	3,841	2,851
Change in reported net sales %	-6.1	10.4	34.3	-
Organic growth %	-4.4	6.5	9.1	-
Acquisitions/divestments %	-	-0.6	19.1	-
Changes in FX rates %	-1.7	4.4	6.2	-
Operating income before items affecting comparability	45	-255	-180	-417
Operating margin before items affecting comparability %	1.1	-6.0	-4.7	-14.6
Items affecting comparability	-9	-152	139	-424
Total operating income	35	-407	-41	-841
Total operating margin %	0.9	-9.6	-1.1	-29.5
Net income	-96	-458	-107	-857
Discontinued operations				
Net income	-	14,852	1,260	2,217
Total operations				
Total net income	-96	14,394	1,153	1,360
Cash flow, continuing operations				
Cash flow from operations	242	-71	1,610	1,311
Change in working capital	28	-117	-568	-725
Net cash flow from operations	270	-188	1,042	586
Investments in non-current intangible and tangible assets	-208	-238	-765	-330
Net investments of business combinations and divestments	-2,263	1,780	62	763
Per share data				
Shares outstanding	67,342,244	67,342,244	66,980,902	66,725,249
Weighted average number of shares before dilution	67,342,244	67,278,885	66,854,133	66,706,398
Weighted average number of shares after dilution	67,342,244	67,278,885	67,362,405	67,142,319
Total basic earnings per share for continuing operations (SEK)	-3.39	-8.19	-3.17	-13.55
Total basic earnings per share (SEK)	-3.39	212.68	15.52	18.84
Proposed ordinary dividend/Cash dividend per share (SEK)	-	-	-	12.50
Market price of Class B shares at close of last trading day	146.70	112.00	293.00	344.80

CORPORATE RESPONSIBILITY NOTES



STAKEHOLDER ENGAGEMENT

Our Corporate Responsibility strategy is informed by our key stakeholders through various forms of engagement.

Stakeholders inform our CR strategy

Our Corporate Responsibility strategy was approved by the Board in May 2019 based on a materiality analysis conducted by a sustainability advisory consultancy. The analysis involved stakeholder mapping to identify our stakeholders that may affect or be affected by MTG's business. The input and feedback were used to develop our CR strategy, and we aim to review the materiality analysis every third year to ensure we operate according to our stakeholder expectations.

Our key stakeholders, identified in the stakeholder mapping, are customers, shareholders, the Board of Directors, employees, suppliers, NGOs, trade associations as well as peers and colleagues. Our subsidiaries have an ambition to engage with a variety of stakeholders to get their feedback on the issues included in our CR strategy. The main methodology for engaging with our stakeholders varies but is predominantly based on online surveys and interviews.

The frequency of the engagement varies depending on the stakeholder group and need, as well as if significant events have impacted our stakeholders. Event visitors and volunteers are asked to respond to surveys during or after events, to provide

DreamHack and ESL with feedback.

Customers of InnoGames and Kongregate can always get in touch through dedicated email addresses or in game support. Engagement with the Board is always scheduled a year in advance, while engagement with suppliers takes place ad hoc when there is a specific need.

Customers

Including esports participants and enthusiasts, mobile game players and developers, sponsors and advertisers.

Regular engagement methods: Conversations, meetings, post-event customer satisfaction surveys, blogs, websites, social media, newsletters and customer support channels.

Key issues: Gender equality, inclusion, diversity, safety and security, environmental footprint, doping corruption and other forms of cheating.

GRI 102-40
GRI 102-42-
44

Shareholders

Regular engagement methods: Annual General Meeting, Capital Markets Day, the Annual and Corporate Responsibility report, quarterly reports, press releases, individual meetings and ESG (environment, social and governance) roadshows.

Key issues: the protection of children and minors, event safety, environment, governance, data protection and privacy, gender equality, corruption and cheating.

Board of Directors

Regular engagement methods: Board of Directors meetings, feedback interviews and meetings upon request.

Key issues: Our Corporate Responsibility strategy – particularly gender equality and diversity, event security and safety, governance framework and strategy management.

Employees

Regular engagement methods: Governance framework (reading and signing of our Code of Conduct and policies), local surveys, personal development reviews, training, workshops, daily dialogues, statistic engagement tools, on-boarding and off-boarding processes.

Key issues: gender equality and inclusion, environment, employee health and well-being, and the protection of children and minors.

Suppliers & Partners

Regular engagement methods: regular meetings and calls including raising awareness of corporate responsibility issues – e.g. gender equality and inclusion, environmental, data protection and privacy.

Key issues: discussions on the implementation of corporate responsibility issues and partner demands.

NGOs

Regular Engagement methods: Continuous dialogue (locally and centrally), supporting research, and the participation in forums and workshops.

Key issues: the protection of children and minors, gender equality, diversity and inclusion.

Trade Associations & Industry

Regular Engagement methods: meetings and calls, association events, workshops and conferences, discussions with stakeholders, sharing best practice with industry peers and colleagues, long-term projects and joining advocacy efforts.

Key issues: regulation of the gaming and esport industry, protection of children and minors, gender equality, and diversity and inclusion, employee health and well-being and data protection and privacy.

HOW WE GOVERN

Modern Times Group MTG AB is a Swedish public limited liability company. The company's governance is based on its Articles of Association, the Swedish Companies Act, the Rulebook for Issuers on Nasdaq Stockholm, the Swedish Code of Corporate Governance, and other relevant Swedish and international laws and regulations.

Shareholders

Our investors who can exercise their rights as shareholders at the annual general meeting (the AGM).

shareholders. The Board has the overall responsibility for MTG's organization and administration, and governs MTG's Corporate Responsibility work.

The AGM

The AGM is the company's highest decision-making body at which MTG shareholders vote on various resolutions, approve the accounts, appoint MTG's Board of Directors (the Board) and its Chair, appoint MTG's Auditors, and make other proposals. Shareholders wishing to have matters considered at the AGM should submit proposals in writing at least seven weeks before the AGM.

Remuneration Committee

The Remuneration Committee appointed by the Board is responsible for matters related to salaries, pension plans, bonus and remuneration programs, the structure and levels of remuneration at MTG as well as for providing advice on long-term incentive schemes and the Guidelines for Remuneration applicable to the Chief Executive Officer and Executive Management.

Nomination Committee

The Nomination Committee evaluates the Board of Director's work and composition, submits proposals to the AGM regarding the election of the Board, the Chair of the Board and the Auditors, and prepares proposals regarding fees paid out to the Board and the Auditors as well as proposals for the Chair of the AGM. Additionally, the Committee prepares proposals for the administration and order of appointment of the Nomination Committee for the AGM.

Audit Committee

The Audit Committee appointed by the Board monitors MTG's financial reporting, efficiency relating to internal control, internal audit and risk management, impartiality and independence of the auditor. It also assists the Nomination Committee in preparing for the election of auditors at the AGM and monitors and secures the quality and fairness of transactions with related parties when applicable.

External Auditors

The External Auditors examine the Annual Report and financial accounting, and the Board's and CEO's management of the company. They report their findings to shareholders in an Auditor's Report, which is presented at the AGM. They also address detailed findings at each of the Audit Committee's meetings and to the full Board as necessary.

Executive Management

The Executive Management team oversees the day-to-day implementation of the business strategy and Corporate Responsibility.

Local Business

It is the local CEO's responsibility to implement MTG's Corporate Responsibility strategy which forms an integral part of our various businesses. We also communicate with team members across the organization to drive and execute Corporate Responsibility initiatives on a group level.

Board of Directors

The Board comprises of seven non-executive directors, all of which are independent of the company, its management and major

GRI 102-18
GRI 102-23



WORKFORCE DATA

GRI 102-7
GRI 102-8
GRI 102-41
GRI 103-1-3
for 401,
403-405
GRI 401-1
GRI 401-3
GRI 403-9
GRI 404-1
GRI 404-3
GRI 405-1
GRI 405-2

Workforce by business operations	2020	2019
Total	970	1,097
Female	228	246
Male	742	851
Central Operations	18	32
Female	7	15
Male	11	17
Esport	446	497
Female	89	91
Male	357	406
Gaming	506	568
Female	132	140
Male	374	428

All figures relate to the period 1st January - 31st December 2020. All data reported is effective 31st December 2020 for all companies included in the Corporate Responsibility report ("Report").

All data relates to employees only, except where stated explicitly that the data relates to, and/or includes workers who are not employees.

All employee numbers are consistently expressed as headcount throughout the entire report. All employee data figures are based on both permanent and temporary employees, except for the full-time and part-time employees who are based on permanent employees only.

The data has been collected by each subsidiary; and then reported in the group common reporting platform. A predominant part of the data was extracted from internal HR systems, payroll systems, or Excel files populated through a salary system or manually. Other parts of the data were extracted from payroll and budget actual sheets, written contracts, HR cost file populated using payroll software and company bookkeeping.

The HR data covers all legal entities that are part of MTG, have active employees in them, and are sufficiently owned (above 50 per cent).

Central Operations' includes MTG Head office and its business unit in Germany.

Esport' includes DreamHack, DreamHack Sports Games and ESL.

Gaming' includes InnoGames and Kongregate.

Workforce by employment contract	2020	2019
Permanent	819	918
Female	181	202
Male	638	716
Central Operations	18	31
Female	7	14
Male	11	17
Esport	403	434
Female	80	83
Male	323	351
Gaming	398	453
Female	94	105
Male	304	348
Temporary	151	179
Female	47	44
Male	104	135
Central Operations	0	1
Female	0	1
Male	0	0
Esport	43	63
Female	9	8
Male	34	55
Gaming	108	115
Female	38	35
Male	70	80

In all regions where MTG operates, a significant part of the work in 2020 was performed by workers who are not employees. These workers performed work such as: production, casting and talent services, project management, customer service, payroll support, sales, community management, support in organizing and running esports events and tournaments, social media, creating video content, online broadcasts, graphic design, logistics, finance and accounting, business administration, research, sales and business development and legal matters.

Workers should be understood as people who are working for our organization, but are not considered employees. This group can include consultants, freelancers and self-employed people for example.

For the purposes of this report, a significant portion of work has been performed by workers when i) the workers performed activities that are core or much significant to our business; ii) because the work they performed was crucial to our business, we could not operate without their input or, iii) more than 50 percent of the total workforce contained these workers who are not employees. The three requirements are alternative in nature, meaning that only one out of three sufficed to consider that a significant part of our work in 2020 was performed by workers who are not employees.

Workforce by Employment type	2020	2019
Full-time	773	900
Female	162	186
Male	611	714
Part-time	46	48
Female	19	18
Male	27	30

Employees covered by collective bargaining agreements	2020	2019
% of total employees	13.8	7.5

The total number of employees was used as a basis for calculating the percentage of employees covered by collective bargaining agreements.

Employee hires	2020	2019
Total	143 (15%)	251 (23%)
Female	49 (5%)	68 (6%)
Male	94 (10%)	183 (17%)
Age		
<30	77 (8%)	130 (12%)
30-50	61 (6%)	114 (10%)
>50	5 (0.5%)	8 (0.7%)
Business operations		
Central Operations	0 (0%)	7 (22%)
Esport	82 (18%)	124 (25%)
Gaming	61 (12%)	120 (21%)

The rates of new hires per age group have been calculated by using the total number of employees and the total number of employees for each business operation respectively.

Employee numbers as of 31st December 2020 (the end of the reporting period) have been used to calculate the rate of new employee hires.

Employee turnover	2020	2019
Total	215 (22%)	243 (22%)
Female	60 (6%)	50 (5%)
Male	155 (16%)	193 (18%)
Age		
<30	64 (7%)	106 (10%)
30-50	146 (15%)	130 (12%)
>50	5 (0.5%)	7 (0.6%)
Business operations		
Central Operations	11 (61%)	2 (6%)
Esport	111 (25%)	146 (29%)
Gaming	93 (18%)	95 (17%)

The rate of employee turnover per age group have been calculated by using the total number of employees per age group in total, and the total number of employees for each business operation respectively.

Employee numbers as of 31st December 2020 (the end of the reporting period) have been used to calculate the rate of employee turnover.

Parental leave	2020	2019
Number of employees entitled to parental leave	961	1,038
Female	226	232
Male	735	806
Number of employees that took parental leave	51	68
Female	13	22
Male	38	46
Number of employees that returned to work in the reporting period after parental leave ended	44	55
Female	7	11
Male	37	44
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	40	55
Female	7	11
Male	33	44
Return to work rate	65%	102%
Female	32%	79%
Male	80%	110%
Retention rate	108%	100%
Female	70%	200%
Male	122%	84%

In some instances, the entitlement to parental leave is recognized and followed as prescribed by law, without internally reinforcing and/or restating the legal right to parental leave in a written form. In other instances, the entitlement to parental leave activates once the employee has been working in the company at question for a certain period of time, e.g. 12 months period. Similarly, sometimes the entitlement to parental leave establishes itself at the moment of one becoming a parent. These circumstances have been taken into account when reporting how many active employees have been entitled to parental leave in 2020.

For some employees that returned to work after their parental leave ended, it was not possible to determine if they stayed 12 months later, because that time period has not fully passed yet.

The return to work and retention rates are more than 100 percent due to employees who took longer parental leave than 12 months but returned during the reporting year.

Work-related injuries; number and ratio	2020 ¹⁾
Fatalities	0 (0)
High-consequence work-related injuries (excluding fatalities)	0 (0)
Recordable work-related injuries	3 (1.6)

¹⁾ Data is only presented for employees due to limitations in data collection for workers.

MTG operates in countries where employees have access to non-occupational medical and healthcare services. However in the face of the pandemic, DreamHack for instance required employees, workers and external stakeholders to test for COVID-19, this service was provided by DreamHack. Additionally InnoGames provides its employees with an Employee Assistance in case they need external support to cope with e.g. stress.

MTG is not able to present data for workers who are not employees but whose work and/or workplace is controlled by the organization. This is due to limitations in the data collection process. In 2021, a review will be conducted to assess the possibility to report data for workers.

The rates are calculated based on an assumption of 8 hours per day; 253 working days per year times number of employees and per 1 000 000 hours worked. The estimated total working hours for 2020: 1 926 848

Average hours of training	2020	2019 ¹⁾
Average training hours per employee	12.3	1.02
Female	9.5	0.8
Male	5.1	1.1
EVPs	15.6	-
CEOs, CFOs, COOs	9.3	5.3
SVPs, VPs, Head of	6.7	3.1
Managers	9.0	2.8
Non-managers	5.5	0.4

¹⁾ Where [-] is stated, no employees were employed within that employee category.

Performance and Development review	2020	2019 ¹⁾
% of total employees	95%	87%
Female	89%	82%
Male	97%	88%
EVPs	100%	-
CEOs, CFOs, COOs	81%	67%
SVPs, VPs, Head of	95%	84%
Managers	98%	93%
Non-managers	96%	87%

¹⁾ Where [-] is stated, no employees were employed within that employee category.

Performance and development appraisal (PDA) in the Central Operations are not counted in the % per gender and employee category, as it is not possible to detect how many of those that received PDAs are females, males or belong to one or another employee category.

MTG does not have a central HR function which would enable centralized supervision of the PDA processes on a group level. The HR function is, similarly, nonexistent in some companies as well, leading to the same result. In some instances, the PDA processes activate after a probation period has ended for the employee in question and in other instances, newly employed people are not immediately included in the PDA process. This means that there is a cutoff period for participation in the performance reviews, hence the employees hired after the cutoff date will automatically be excluded from a performance review for the year they have entered the company.

Diversity	2020	2019
Board of Directors		
Female	43%	40%
Male	57%	60%
<30	0%	0%
30-50	14%	40%
>50	86%	60%
Nationalities represented	4	3
EVPs		
Female	38%	0%
Male	62%	100%
<30	0%	0%
30-50	38%	100%
>50	62%	0%
Nationalities represented	4	1
CEOs, CFOs, COOs		
Female	10%	19%
Male	90%	82%
<30	10%	4%
30-50	90%	89%
>50	0%	7%
Nationalities represented	8	8
SVPs, VPs, Head of		
Female	10%	8%
Male	90%	92%
<30	12%	4%
30-50	86%	96%
>50	2%	0%
Nationalities represented	15	15
Managers		
Female	23%	24%
Male	77%	76%
<30	9%	11%
30-50	88%	85%
>50	3%	4%
Nationalities represented	20	19
Non-managers		
Female	26%	24%
Male	74%	74%
<30	34%	39%
30-50	64%	59%
>50	2%	2%
Nationalities represented	45	50
MTG total nationalities represented	50	53

The employee categories refer to the job title one has, which is also indicated in one's employment agreement. The managers are employees with staff responsibility, while non-managers are employees with no staff responsibility, hence no one is reporting to them. Non-managers comprise team leaders too.

Ratio of basic salary (women to men) ¹⁾	2020	2019
Ratio of basic salary		
Central Operations		
EVPs	-	-
CEOs, CFOs, COOs	215%	36%
SVPs, VPs, Head of	-	-
Managers	100%	100%
Non-managers	42%	72%
Esport		
EVPs	-	-
CEOs, CFOs, COOs	9%	93%
SVPs, VPs, Head of	39%	20%
Managers	27%	34%
Non-managers	71%	42%
Gaming		
EVPs	52%	-
CEOs, CFOs, COOs	-	66%
SVPs, VPs, Head of	12%	102%
Managers	22%	88%
Non-managers	26%	85%

1) Where [-] is stated, either no female or employee is employed in that employee category.

Ratio of remuneration (women to men) ¹⁾	2020	2019
Ratio of remuneration		
Central Operations		
EVPs	-	-
CEOs, CFOs, COOs	160%	51%
SVPs, VPs, Head of	-	-
Managers	100%	100%
Non-managers	40%	15%
Esport		
EVPs	-	-
CEOs, CFOs, COOs	8%	59%
SVPs, VPs, Head of	39%	21%
Managers	30%	30%
Non-managers	74%	40%
Gaming		
EVPs	50%	-
CEOs, CFOs, COOs	-	51%
SVPs, VPs, Head of	13%	101%
Managers	22%	88%
Non-managers	27%	91%

1) Where [-] is stated, either no female or employee is employed in that employee category.

The EVPs salaries and remuneration, for 2019, are excluded from the report, since there was only one EVP at MTG in 2019. To protect the confidentiality of the EVP earnings, the information will not be disclosed for 2019. The figures show the difference between female and male earnings as a female earning percentage of male earnings amongst all employees with a fixed monthly salary. The ratio for 2019 is not comparable with 2020 following revised data collection process and changes in calculation methodology.

The salary figures reflect annual average salary by gender in each employee category.

Remuneration should be understood as the basic salary and full bonus potential for 2020 (maximum entitlement).

CORPORATE GIVING DATA

CORPORATE GIVING

Corporate giving	2020	2019
Volunteer hours	0	0
Donation of products and services, KSEK	299	612
Cash donations, KSEK	679	1,328
Funds raised for charity, KSEK	127	77

Raised funds include MTG and its subsidiaries own fundraising campaigns and funds raised together with NGOs.

ENVIRONMENTAL DATA

GRI 103-1-3
for 302 and 305
GRI 302-1
GRI 302-3
GRI 305-1
GRI 305-2
GRI 305-3
GRI 305-4

Climate footprint (tCO ₂ e)	2020	2019
Scope 1	29	38
Scope 2 (location-based) ¹⁾	804	1,130
Scope 3	5,261	26,223
Total emissions	6,094	27,391
Emissions per employee (tCO ₂ e/employee)	6.3	25

¹⁾ Scope 2 (market-based) emissions for 2020 is: 669 tCO₂e

In 2020 a new data collection and calculation platform were implemented for all of MTG. The new process for data collection and reporting has resulted in some assumptions and exclusions:

- The presented data 2020 excludes DreamHack Sports Games in Denmark following changes in the data collection process.
- Energy use for Central Operations have been calculated based on 2019 data.

Data for calculating tCO₂e-emissions have been collected by each business operation and then reported in the group common platform. The platform has calculated greenhouse gas emissions applying emissions factors from e.g. DEFRA, AIB, and supplier-specific when available. Data is collected from travel suppliers and facility managers.

There are business travels made by car and train that are not accounted for due to the supplier not being able to report data in the format used within MTG. This is to be reviewed during 2021 to identify possibilities to further include these in the greenhouse gas accounting.

Our calculation methodology and categorization of Scope 1,2 and 3 emissions are based on the Greenhouse Gas Protocol and supplemented where necessary by additional data and assumptions.

GWP 100 from IPCC fifth assessment report has been applied. All six greenhouse gases are include and expressed in CO₂-equivalents.

Energy consumption (MWh)	2020 ¹⁾	2019 ¹⁾
Renewable fuel	-	-
Non-renewable fuel	-	-
Electricity	1,293	1,974
Heating	105	726
Cooling	2	471
Total energy consumption	1,400	3,171
Energy consumption per employee (MWh/employee)	1.4	2.9

¹⁾ MTG is not able to divide fuel use in renewable and non-renewable due to limitations in data collection process. This is to be reviewed in 2021.

COMPLIANCE DATA

GRI 205-3

Compliance data	2020	2019
Confirmed incidents of corruption	0	0
Whistleblowers*	2	0

*Numbers of substantiated whistleblower cases where an in-depth investigation was initiated.

The two reported whistleblower cases were investigated by MTG Compliance. One of the case were, per MTG policy, referred back to the respective subsidiary's HR. The second case were investigated and resolved by MTG Compliance.

GRI 102: General Disclosures 2016

Organizational Profile	Reference	Assurance	GRI Standards fulfilment
102-1 Name of the organization	MTG Overview		Complete
102-2 Activities, brands, products, and services	MTG Overview		Complete
102-3 Location of headquarters	MTG Overview		Complete
102-4 Location of operations	Our Value Chains	✓	Complete
102-5 Ownership and legal form	MTG Overview		Complete
102-6 Markets served	MTG Overview and Our Value Chains	✓	Complete
102-7 Scale of the organization	Our Value Chains and Workforce data	✓	Complete
102-8 Information on employees and other workers	Workforce data	✓	Complete
102-9 Supply chain	Our Value Chains	✓	Complete
102-10 Significant changes to the organization and its supply chain	Report boundary & Scope	✓	Complete
102-11 Precautionary Principle or approach	Our Environmental Work	✓	Complete
102-12 External initiatives	The protection of minors and responsible gaming for all and Compliant Business	✓	Complete
102-13 Membership of associations	Strategic Associations Memberships	✓	Complete
Strategy	Reference	Assurance	GRI Standards fulfilment
102-14 Statement from senior decision-maker	Letter from the CEO		Complete
102-15 Key impacts, risks, and opportunities	CR Strategy and risk mangement	✓	Complete
Ethics and integrity	Reference	Assurance	GRI Standards fulfilment
102-16 Values, principles, standards, and norms of behavior	Compliant business	✓	Complete
102-17 Mechanisms for advice and concerns about ethics	Compliant business	✓	Complete
Governance	Reference	Assurance	GRI Standards fulfilment
102-18 Governance structure	How we Govern	✓	Complete
102-23 Chair of highest governance body	How we Govern	✓	Complete
Stakeholder Engagement	Reference	Assurance	GRI Standards fulfilment
102-40 List of stakeholder groups	Stakeholder engagement	✓	Complete
102-41 Collective bargaining agreements	Workforce data	✓	Complete
102-42 Identifying and selecting stakeholders	Stakeholder engagement	✓	Complete
102-43 Approach to stakeholder engagement	CR Strategy and risk management and Stakeholder engagement	✓	Complete
102-44 Key topics and concerns raised	Stakeholder engagement	✓	Complete

Reporting Practice	Reference	Assurance	GRI Standards fulfilment
102-45 Significant changes to the organization and its supply chain	Report boundary & Scope	✓	Complete
102-46 Defining report content and topic Boundaries	CR Strategy and risk mangement and Report boundary & Scope	✓	Complete
102-47 List of material topics	CR Strategy and risk mangement	✓	Complete
102-48 Restatements of information	Report boundary & Scope	✓	Complete
102-49 Changes in reporting	Report boundary & Scope	✓	Complete
102-50 Reporting period	Report boundary & Scope	✓	Complete
102-51 Date of most recent report	Report boundary & Scope	✓	Complete
102-52 Reporting cycle	Report boundary & Scope	✓	Complete
102-53 Contact point for questions regarding the report	Report boundary & Scope	✓	Complete
102-54 Claims of reporting in accordance with the GRI Standards	Report boundary & Scope	✓	Complete
102-55 GRI content index	GRI Index	✓	Complete
102-56 External assurance	Independent Assurance Statement	✓	Complete

GRI 200 Economic Standard Series

Own KPI: Corporate giving	Reference	Assurance	GRI Standards fulfilment
103-1 to 103-3 Management approach	Giving back to society	✓	Complete
Own KPI: Corporate giving	Giving back to society and Corporate giving data	✓	Complete

GRI 205: Anti-corruption 2016

Reference	Assurance	GRI Standards fulfilment	
103-1 to 103-3 Management approach	Compliant Business	✓	Complete
205-3 Confirmed incidents of corruption and actions taken	Compliant Business and Compliance data	✓	Complete

GRI 300: Environmental Standards Series

GRI 302: Energy 2016	Reference	Assurance	GRI Standards fulfilment
103-1 to 103-3 Management approach	Our Environmental Work and Envrionmental data	✓	Complete
302-1 Energy consumption within the organization	Envrionmental data	✓	Complete
302-3 Energy intensity	Envrionmental data	✓	Complete

GRI 305: Emissions 2016

Reference	Assurance	GRI Standards fulfilment	
103-1 to 103-3 Management approach	Environmental Work and Environmental data	✓	Complete
305-1 Direct (Scope 1) GHG emissions	Envrionmental data	✓	Complete
305-2 Energy indirect (Scope 2) emissions	Envrionmental data	✓	Complete
305-3 Other indirect (Scope 3) emissions	Environmental data	✓	Complete
305-4 GHG emissions intensity	Environmental data	✓	Complete

GRI 400: Social Standards Series

GRI 401: Employment 2016	Reference	Assurance	GRI Standards fulfilment
103-1 to 103-3 Management approach	Gender equality, diversity and inclusion, Compliant business and Workforce data	✓	Complete
401-1 New employee hires and employee turnover	Workforce data	✓	Complete
401-3 Parental leave	Workforce data	✓	Complete

GRI 403: Health and Safety 2018	Reference	Assurance	GRI Standards fulfilment
103-1 to 103-3 Management approach	Ensuring safety and security	✓	Complete
403-1 Occupational health and safety management system	Ensuring safety and security	✓	Complete
403-2 Hazard identification, risk assessment and incident investigation	Ensuring safety and security	✓	Complete
403-3 Occupational health services	Ensuring safety and security	✓	Complete
403-4 Worker participation, consultation and communication on occupational health and safety	Ensuring safety and security	✓	Complete
403-5 Worker training on occupational health and safety	Ensuring safety and security	✓	Complete
403-6 Promotion of worker health	Ensuring safety and security	✓	Complete
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Ensuring safety and security	✓	Complete
403-9 Work-related injuries	Ensuring safety and security and Workforce data	✓	Partial (Data is only reported for employees due to limitations in data collection for workers)

GRI 404: Training and Education 2016	Reference	Assurance	GRI Standards fulfilment
103-1 to 103-3 Management approach	Gender equality, diversity and inclusion and Ensuring safety and security	✓	Complete
404-1 Average hours of training per year per employee	Workforce data	✓	Complete
404-3 Percentage of employees receiving regular performance and career development reviews	Gender equality, diversity and inclusion and Workforce data	✓	Complete

GRI 405: Diversity and Equal Opportunity 2016	Reference	Assurance	GRI Standards fulfilment
103-1 to 103-3 Management approach	Gender equality, diversity and inclusion	✓	Complete
405-1 Diversity of governance bodies and employees	Gender equality, diversity and inclusion and Workforce data	✓	Complete
405-2 Ratio of basic salary and remuneration of women to men	Workforce data	✓	Complete

Protection of minors

Own KPI: Protection of minors	Reference	Assurance	GRI Standards fulfilment
103-1 to 103-3 Management approach	The protection of minors and responsible gaming for all	✓	Complete
Own KPI: Protection of minors	The protection of minors and responsible gaming for all	✓	Complete

REPORT BOUNDARY & SCOPE

GRI 102-10
GRI 102-45-46
GRI 102-48-54

Report Boundary

The Corporate Responsibility section (Pages 23-41 and 121-137) of this Report summarizes our work within Corporate Responsibility throughout our operations.

The report boundary has been defined by the Global Reporting Initiative (GRI) Standards and completeness principle to reflect MTG's significant economic, environmental and social impacts.

The topics we report on have been identified based on their relevance to our business as a strategic operational and investment holding company in gaming and esportentertainment. Our Corporate Responsibility reporting is based on the Global Reporting Initiative Standards Framework (GRI Standards), the EU Non-Financial Reporting Directive (Directive 2014/95/EU), which is also implemented into Swedish Law as well as the legal requirements of non-financial reporting in the Annual Accounts Act (ÅRL).

Ethos International, which has verified our reports since 2012, has declared that our Corporate Responsibility reporting in this Annual Report has been prepared in accordance with the GRI Standards: Core option.

Report Scope

The reporting scope included operations where we exercise decisive control (i.e., subsidiaries where MTG AB owns 51 percent or more).

In September 2020, MTG combined its two esport organizations DreamHack and ESL, while retaining both brands. MTG holds 91.46 percent of the new combined company ESL Gaming and ESL Gaming holds 100 percent of DreamHack.

Hutch Games was acquired at the end of 2020 and Ninja Kiwi in spring 2021. Data and information with regard to Hutch and Ninja Kiwi will be included in the Corporate Responsibility reporting in 2021.

Reporting changes in 2020

To accommodate the organizational changes following the new company structure and the incorporation of the Corporate Responsibility reporting into the Annual Report, changes have been made in the presentation of Corporate Responsibility data and information. Data is reported for each vertical – Gaming, Esport and Central Operations.

Report information

Report period: 01/01/2020-31/12/2020

Report periodicity: Annually

Report framework: GRI Standards

Previous report: 02/04/2020

Send feedback to: communications@mtg.com

Independent assurance statement

Scope and objectives

Ethos International AB has undertaken independent assurance of the 2020 Annual and Corporate Responsibility Report (the Report) that disclose MTG's governance of and performance on corporate responsibility for the operations where MTG exercise decisive control. The assurance process was conducted in accordance with AA1000AS v3. We were engaged to provide moderate level Type 2 assurance, which covers:

- Evaluation of adherence to the AA1000APS (2018) principles of inclusivity, materiality, responsiveness and impact (the Principles) and;
- The reliability of specified Corporate Responsibility performance information and data.

The performance information included in the scope was all data and key claims in the Report expect for data that is subject to mandatory auditing included in the Annual Report 2020. We provide a third-party control on the application of the GRI Standards and the legal requirements of sustainability reporting in the Annual Accounts Act (ÅRL). The GRI Standard's Reporting Principles for defining quality as criteria were applied to evaluate performance information.

Limitation

Due to the covid pandemic, no site visit could be conducted at a physical event. Instead, a site visit was conducted on an online event at a recording studio.

Responsibilities of the Directors of MTG and the Assurance providers

The Directors of MTG have sole responsibility for the preparation of the Report. The Board of Directors emits the report for MTG jointly with the President and CEO of MTG. This is the tenth year Ethos International has provided corporate responsibility assurance, with the recommendable rotation of team members.

Our statement represents our independent opinion and is intended to inform all of MTG's stakeholders including management. We adopt a balanced approach towards all MTG stakeholders. Our assurance team comprised of Malin Lindfors Speace, Sandra Rumélius and Timmy Rosendal. Further information relating to the team is available at: www.ethosinternational.se.

Basis of our opinion

Our work was to gather evidence with the objective to provide moderate assurance as defined in AA1000AS v3. We undertook the following activities:

- Review of the current Corporate Responsibility issues that are material to MTG and are of interest to stakeholders.
- Interviews with Board of Director responsible for Corporate Responsibility, selected directors and senior managers responsible for the management of Corporate Responsibility issues and review of selected evidence to support issues discussed. These were freely selected by the assurers. The main focus of the interviews was the understanding of the Corporate Responsibility strategy, the implementation of set strategy, risks and opportunities related to Corporate Responsibility, communication and changes during the year.
- A site visit, the only one available to the assurers regarding health and safety during the pandemic, to DreamHack's recording studio in Stockholm.
- Review of the report texts, graphs and tables.
- Review of the processes for gathering and consolidating data and supporting evidence for all claims. For both data and claims checking, this included accessing all key internal reporting and performance management systems as well as reviewing electronic documents, e-mails, external reports alongside other sources of evidence.

Omissions

There is an omission for the GRI material disclosure 403-9 Work-related injuries, were data is only presented for employees due to limitations in the data collection process regarding work-related injuries for workers.

Findings and Opinion

We reviewed and provided feedback on drafts of the Report and where necessary changes were needed these were made. Based on the work undertaken, nothing came to our attention to suggest that the Report does not properly describe MTG's adherence to the Principles or its performance on Corporate Responsibility.

In terms of data accuracy, nothing came to our attention to suggest that the data have not been compiled to an accurate level, or that the assumptions used were inappropriate. We are not aware of any errors that would materially affect the data or information.

We can confirm that we have made an independent assessment of the legal requirements in the Annual Accounts Act (ÅRL) and MTG's self-declared application of the GRI Standards. We can confirm the Corporate Responsibility report to be a Core level "in Accordance" report.

Observations

Without affecting our assurance opinion, we also provide the following observations:

Performance information and impact

Overall, we have confidence in the level of accuracy of the performance information presented in the Report. Data collection processes are described and supported through evidence seen during the assurance process.

It has been noted that the covid pandemic, together with a lack of resources, has put a strain on the implementation of GDPR compliance measures within the MTG subsidiaries.

MTG would benefit from continuing the implementation of the Corporate Responsibility strategy within all parts of MTG and its subsidiaries, with a focus on mergers and organisational changes.

Materiality

We believe the report describes the majority of MTG's material impacts in an adequate and good manner that enables all stakeholders to engage with MTG to co-create in moving Corporate Responsibility to a broader and more incorporated level both in MTG and as a stakeholder in an external context.

Areas that should be highlighted and addressed in MTG's forthcoming Corporate Responsibility performance is the protection of minors, health and safety, as well as equality and diversity in operations, specifically with a focus on a management approach. MTG also needs to strengthen the adherence to the Supplier Code of Conduct and ensure adequate follow-up on a responsible supply chain.

If MTG's expansion continues it will be important, given MTG's material topics, that MTG have sufficient processes implemented that provides necessary support when entering new markets, especially if those markets are complex.

Inclusivity and responsiveness

During the year, MTG and subsidiary companies have stayed responsive and held dialogues, under the circumstances given during the pandemic, with respective key stakeholders to discuss and inform them of external and internal expectations and demands that may impact the actions and goals each company set forthcoming.

Ethos International

Stockholm

12th Mars 2021

Malin Lindfors Speace, Partner and Senior Advisor

Sandra Rumélius, Senior advisor

Timmy Rosendal, Sustainability advisor

Ethos International AB is a Nordic Sustainability Advisory firm licensed by AccountAbility to provide AA1000AS v3 assurance.



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DEFINITIONS

Adjusted EBITDA

In order to assess the operating performance of the business, MTG management will focus on Adjusted EBITDA, and Adjusted EBITDA Margin. These do not include the impact of items affecting comparability, long-term incentive programs, acquisition-related transaction expenses and impairment of own work capitalized, which are referred to as adjustments

ARPAU

Average revenue per daily active user

CAPEX

Capital expenditures

Cash flow from operations

Cash flow from operations comprises operating cash flow before financial items, taking into account other financial cash flow

Challenger

Smaller scale competitions with semi-professional players

DAU

Daily active user

Earnings per share

Earnings per share is expressed as net income attributable to equity holders of the parent divided by the average number of shares

EBIT

EBIT (operating income) comprise earnings before interest and tax

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation

ESS

Esport Services - Work for hire contracts made on behalf of another entity

Items affecting comparability (IAC)

Items affecting comparability refers to material items and events related to changes in the Group's structure or lines of business, which are relevant for understanding the Group's development on a like-for-like basis

Master

Large scale competitions attracting professional top tier global players

MAU

Monthly active user

O&O

Owned and Operated - A property that is independently managed and controlled within the Group

Open

Competitions free for all participants

Organic growth

Change in net sales compared with the corresponding period of the previous year, excluding acquisitions and divestments and adjusted for currency effect

ALTERNATIVE PERFORMANCE MEASURES

The purpose of Alternative Performance Measures (APMs) is to facilitate the analysis of business performance and industry trends that cannot be directly derived from financial statements. MTG is using the following APMs:

- Adjusted EBITDA
- Change in net sales from Organic growth, Acquisition/Divestment, and changes in FX rates

Adjusted EBITDA

(SEKm)	Full year 2020	Full year 2019
EBIT	35	-407
Amortizations	195	202
Depreciation	88	96
EBITDA	319	-109
Items affecting comparability	9	152
Impairment own capitalized costs	20	93
Long-term incentive programs	132	76
M&A transaction costs	56	28
Adjusted EBITDA	535	239

IAC in the fourth quarter contain a resolution of redundancy reserve in MTG AB of SEK positive 8 million and an M&A insurance cost of SEK 5 million. In ESL group the IAC contain a restructuring cost net of SEK 1 million, a redundancy cost of SEK 2 million, a write-up of a software of SEK positive 8 million and cost for a close-down of a production facility of SEK 1 million.

Sales growth by segment

(SEKm)	Full year 2020	Full year 2019
Esport		
Organic growth	-22%	8%
Acquisition/divestments	-	-
Changes in FX rates	-1%	5%
Reported growth (%)	-23%	13%
Gaming		
Organic growth	7%	6%
Acquisition/divestments	-	-
Changes in FX rates	-1%	5%
Reported growth (%)	6%	10%
Total operations		
Organic growth	-4%	7%
Acquisition/divestments	-	-1%
Changes in FX rates	-2%	4%
Reported growth (%)	-6%	10%

FINANCIAL CALENDAR

Interim financial results report Q1 2021

Thursday, April 29 2021

Annual General Meeting 2021

Tuesday, May 18 2021

Interim financial results report Q2 2021

Tuesday, July 20 2021

Interim financial results report Q3 2021

Thursday, October 28 2021

GET IN TOUCH WITH US

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The logo consists of the letters 'MTG' in a bold, black, sans-serif font. The 'M' and 'T' are solid, while the 'G' has a stylized, open design with a diagonal bar.