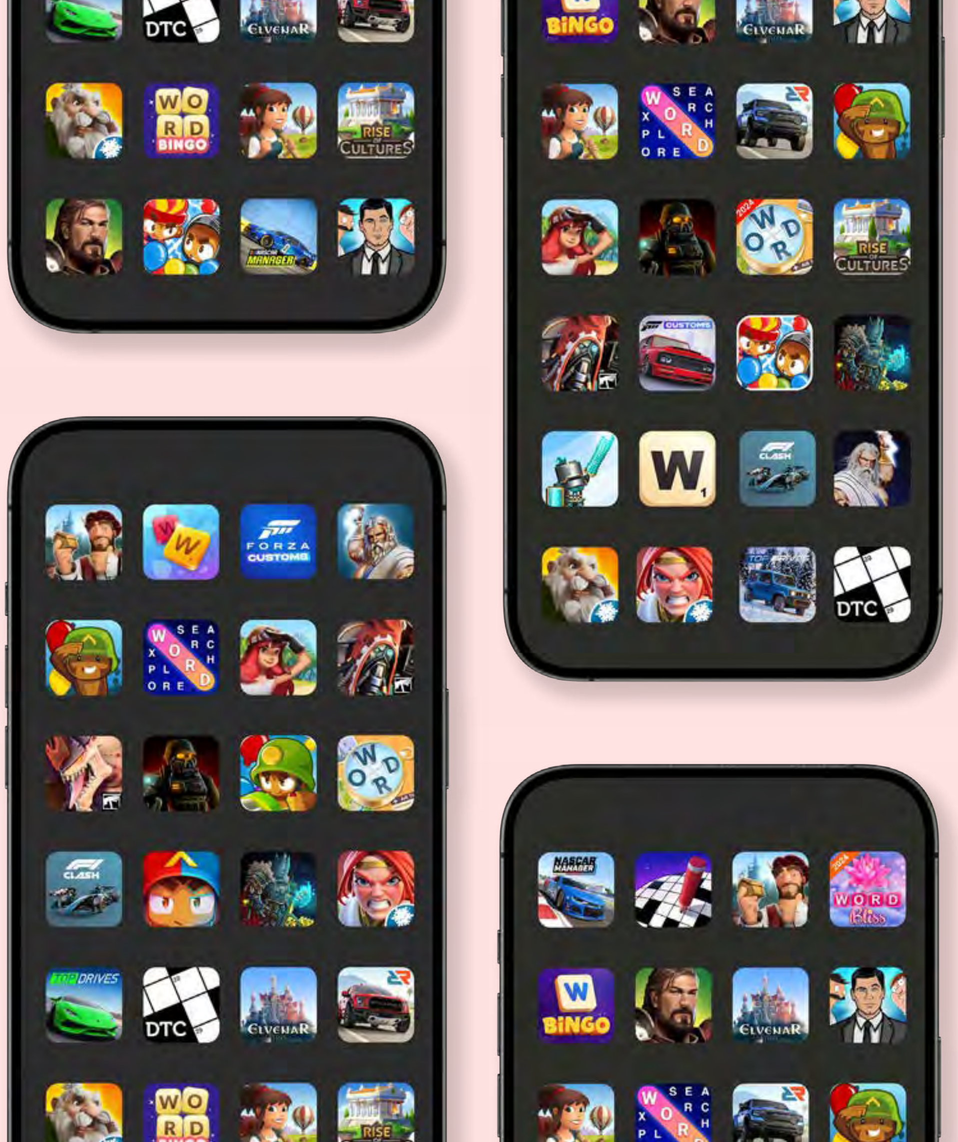


ANNUAL AND CORPORATE SUSTAINABILITY REPORT

2023

CONTENTS

The Statutory Annual Report is available on pages 22-128 and 138-158. MTG's Statutory Sustainability Report covers pages 22-35 and 138-158.

WHAT IS MTG TODAY?

We own and operate five mobile gaming studios and are building one of the leading international gaming groups in the world.

We are an international gaming group with a mobile-first focus and a multi-platform approach. We are well-positioned to capture above-market growth in the medium and long term, thanks to our strong and diversified portfolio of games, partnerships with multiple global entertainment IPs and strategic focus on commercial synergies across the group. Our industry is supported by positive social, technological, and demographic trends and we expect the group to benefit from this going forward. Our growth will be further supported by both scale and smaller M&A opportunities, enabled by our strong balance sheet and healthy cash generation capabilities.

We aim to create value by helping our portfolio companies accelerate their growth and by supporting the gaming entrepreneurs that are part of the group. We also want to foster a group-wide culture of knowledge sharing and to build out the common layer of commercial technology and skills that we call the Flow Platform.

During most of 2023 our portfolio was made up of five international gaming studios: PlaySimple, InnoGames, Ninja Kiwi, Hutch, and Kongregate. In October 2023 we acquired a majority stake in Snowprint Studios. After the end of the year we signed an agreement to merge Kongregate into Monumental, a US games developer. The information in this Annual Report reflects the group's structure and activities in 2023.

MTG

DAU – DAILY ACTIVE USERS

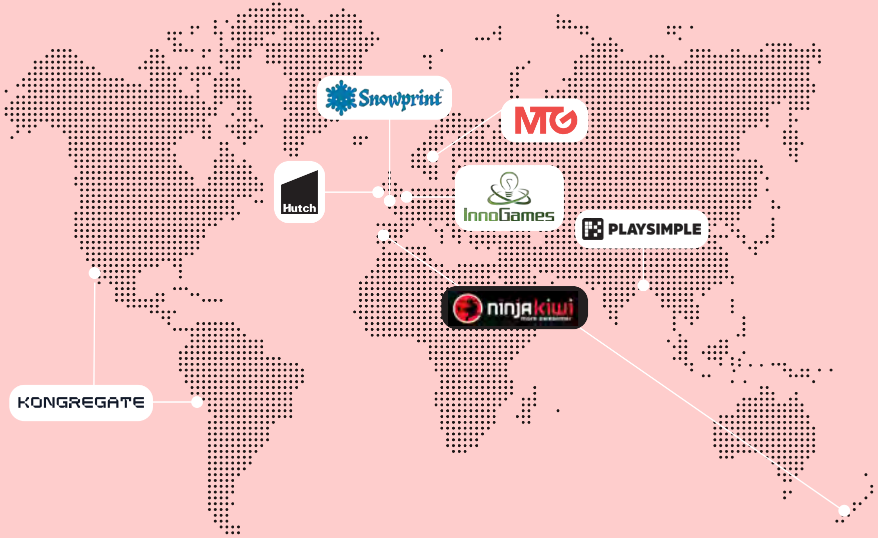
6.48

GROUP SALES, SEKM

5,829

GROUP ADJUSTED EBITDA, SEKM

1,548



	PLAYSIMPLE	INNOGAMES	NINJA KIWI	HUTCH	SNOWPRINT	KONGREGATE
NUMBER OF LIVE GAMES	9	9	9	4	3	14
REVENUE MIX						
IAP*	21%	95%	34%	94%	96%	79%
IAA*	79%	5%	1%	6%	4%	19%
OTHER	0%	0%	64%	0%	0%	2%
NUMBER OF EMPLOYEES	>350	>360	>90	>160	>50	>100

*In app purchase (IAP), in app advertisement (IAA).

2023 IN BRIEF

We generate shareholder value, today and tomorrow

SALES GROWTH

MTG delivered on its full year outlook of organic sales growth between -3% and +2%, with -2% organic sales growth for 2023

ADJUSTED EBITDA

margin for the full year was …

27%

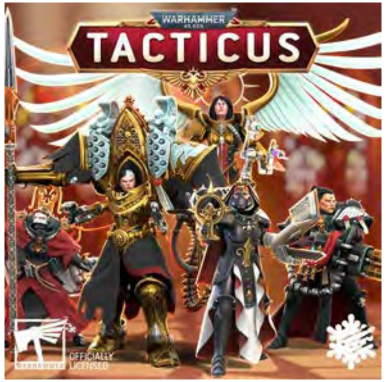
Word Trip

We continued to execute on our mobile-first gaming strategy
Our vision is to build one of the leading global mobile-first gaming groups. Our strategy is focused on organic growth in our evergreen titles through live-ops and in-game content, accelerating our evolution by accelerating our growth and finding synergies through the Flow Platform, and incremental and accretive M&A to build relevant scale.

We returned to organic growth in the the second half of 2023
Delivering organic growth is fundamental to our long-term success. We deliver this growth by increasing revenues in our established games and growing sales from new titles across our studios. We delivered on our full year outlook with -2% organic sales growth for year, mainly due to challenging market conditions during the first half of 2023, when our organic sales declined by -6% year over year and offset partially by sales increasing by 2% in the second half of 2023 on an organic basis. We also ended the year with an operating margin (EBIT) of 15.2%, compared to 10.1% in 2022 and delivered 59% cash conversion for the 12-month period.

We acquired Snowprint, the developer behind Warhammer 40,000: Tacticus
Our acquisition of Swedish mobile game development studio Snowprint is closely aligned with the M&A-driven element of MTG's growth strategy. It enables us to add a critically acclaimed game with high affinity to existing titles in our portfolio, namely Snowprint's fast-growing hit mid-core tactical game Warhammer 40,000: Tacticus, based on a powerhouse global IP owned by Games Workshop. The studio's further growth will now be accelerated through the Flow Platform because of our capability in business intelligence and user acquisition capabilities.

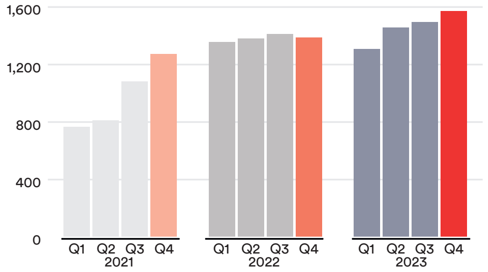
Share repurchase programs create shareholder value
MTG continues to have a strong balance sheet as a result of the divestment of ESL Gaming in 2022. During 2023



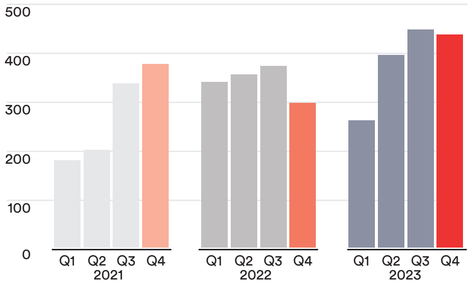
Warhammer 40,000: Tacticus

MTG delivered on two share repurchase programs, buying back shares for a total value of almost SEK 500 million. The first program was launched in October 2022 and continued until the 2023 AGM, in May. The second program was launched in September 2023 and concluded on 31 December of the same year. The repurchased shares will be cancelled through a reduction of the group's share capital, subject to approval by the 2024 AGM.

REVENUE
SEKM



ADJUSTED EBITDA
SEKM



Dear stakeholders,

We continued delivering on our strategy and returned to organic growth in the second half of 2023, while also reporting record profits for the full year. Our focus on operational execution and our results clearly demonstrated the strength of our portfolio teams and the quality of our IPs. We also continued to transform the group through M&A, completing two transactions in 2023 and early 2024. At the same time, we also continued to return money to our shareholders by buying back nearly SEK 500 million of our own shares.

Two transactions evolve the group

In October 2023 we completed our first key deal since the sale of ESL Gaming in January 2022 by acquiring games developer Snowprint. Snowprint is the studio behind the turn-based tactics hit Warhammer 40,000: Tacticus. The game is still relatively young but has already attracted a growing passionate player community, by marrying Snowprint's extensive mobile gaming expertise with the strength of the Warhammer 40,000 IP.

In early 2024, we signed an agreement that enabled our US studio Kongregate to merge into Monumental, an independent, US-based games developer. MTG will have a 30% stake in Monumental as part of the non-cash deal, and I look forward to following their journey as a shareholder.

Our studios delivered growth and profitability

During 2023 we worked hard to ensure that MTG was able to return to organic growth in the second half of the year. We delivered on our full year outlook and reported -2% organic sales growth for the full year. This mainly reflected the challenging market conditions during the first half of the year, when our organic sales declined by -6% year over year, offset somewhat by our sales increasing by 2% year over year in the second half of 2023 on an organic basis.

Our main growth driver during 2023 was once again PlaySimple. Our Indian studio continued to evolve its casual games portfolio through content and live-ops. PlaySimple also successfully scaled the new game Word Search, which surpassed USD 100,000 in daily revenues during a single day in December. The studio is planning to launch several new games in 2024, exploring casual game genres outside of word games.

Our Strategy & Simulation franchise went through a lot of transformation in 2023. In April InnoGames announced a strategic reorganization to improve their agility and speed of execution. As part of the reorganization, InnoGames reduced their team size by approximately 75 roles, which meant that we unfortunately had to say goodbye to some of our talented colleagues. Following the reorganization we have seen clear and accelerated improvement in performance from Forge of Empires, and the team delivered a series of very strong events during Q2, Q3 and in late Q4. As a result, we have seen higher engagement levels and increased monetization from established players in Forge of Empires, as well as healthy browser revenues from the game.

InnoGames had a challenging start to the year and we observed the first signs of more positive market dynamics at the end of Q1 2023. The studio continued to maintain their discipline when it comes to return on advertising spend during the year. At the same time, user acquisition in the mid-core segment of the gaming market remained challenging. As a result, new user intake of InnoGames' titles was slower than we would have wanted.

Bloons TD 6 continued to be the star performer of our Tower Defence franchise during the year. The team at Ninja Kiwi implemented a steady stream of content updates, which included new heroes, maps, bosses and a map editor. The team also executed on their multi-platform strategy by launching the game on Netflix and the Xbox, as the game already was available on platforms like Steam and Apple Arcade. Ninja Kiwi is now working on adding additional platforms like the PlayStation and Switch.

Our Racing franchise had a challenging year in 2023 with neither F1 Clash nor Top Drives performing in line with expectations.

> Our mission is to offer players around the world games they love to play.
>
> Maria Redin, CEO and President, MTG

The team at Hutch continues to work on revitalizing both titles to bring back momentum and player engagement. Hutch successfully launched their new Match-3 racing-themed title Forza Customs during Q4 2023 and made the new IP-based title NASCAR Manager available for download in February 2024.

Our most exciting pipeline of new games so far
Evolving our portfolio and franchises is our main priority, and we need to ensure that we have a healthy mix of current and new games across our portfolio. At the time of writing, we have a very promising pipeline of new games in the works across all our studios. In addition to the new games from PlaySimple and Hutch that I mentioned above, Ninja Kiwi has two titles in development. The first one is a digital collectible card game called Bloons Card Storm and it is expected to launch this year.

Strengthening central support functions
As you may already know, our vision is to build a global Gaming Village – an ecosystem where entrepreneurs and game makers thrive, and can find tools, skills and knowledge to help them accelerate their growth. One of the ways we aim to do this is by building a central layer of commercial skills and technology called the Flow Platform. We already have a central Business Intelligence and marketing team in place, led by our CMO Christian Pern. During 2023 they successfully onboarded all our studios to our proprietary marketing tools. During the year, the team also worked closely with Hutch, our Racing focused studio evolve their marketing. The team also started the onboarding of Snowprint in Q4 and will be collaborating with our new studio to help them grow Warhammer 40,000: Tacticus going forward.

During the year we strengthened the central team with several key senior appointments. In January 2023 we appointed Melanie Calu as our new Group Director of People and Culture. In August 2023 we welcomed our new Chief Financial Officer, Nils Mösko to the group and in January 2024 we further strengthened our HQ team by appointing Oliver Bulloss to the newly created role of Chief Product Officer. These key positions evolve our already strong central team and ensure that we can become even better at helping our studios evolve and facilitate dialogue and collaboration between them.

Record profits, high margins and strong cash conversion support our future ambitions
We reported record adjusted EBITDA for the full year and I am happy to have reported a full year margin of 27%. This enabled us to deliver at the top of the 25% to 27% margin range we had provided in our increased full year outlook. We also reported healthy cash conversion of 59% for the year. We achieved these results thanks to the combination of the scaling and high operational leverage in PlaySimple, a lower cost base, as well as strong profits and cash generation from InnoGames due to the reorganization and the team successfully engaging and monetizing established players in Forge of Empires during the year, and high margins from Ninja Kiwi.

This means that we finished the year in a strong position to continue pursuing future growth, with a well-diversified portfolio of established games. These games are supported by several newly launched games, the addition of fast-growing Warhammer 40,000: Tacticus and a healthy pipeline of upcoming titles.

Finding the balance between M&A and shareholder returns
We entered 2024 with a clear strategy, good operational momentum and an exciting pipeline of new games. After seeing positive and consistent dynamics in our IAP markets in the second half of 2023, we expect them to grow in 2024. At the same time, we continue to operate in a global environment with high levels of consumer inflation and challenging macroeconomic conditions. Our mission is to build a scale gaming group and to deliver profitable growth for our stakeholders. We can invest in our organic growth and double down on user acquisition for our key titles if and where we see the right opportunities and levels of return during the year.

Despite the acquisition of Snowprint in October 2023 and our share buybacks we finished the year with a strong net cash position of almost SEK 3 billion. We continue to believe M&A is an important pillar in our strategy and we are well-positioned to explore further opportunities during 2024. At the same time, we want to continue to make sure that we generate return for our shareholders, and we are working closely with the board to find the right balance for the group.

Thank you for following our progress during 2023 and I hope that you will continue taking part in our journey in 2024 and beyond.

Maria Redin
CEO and President, MTG

BUSINESS MODEL

We are an international group that owns and operates gaming studios that develop and publish a wide range of popular games to players all over the world, on mobile as well as other platforms. Our games generate revenues through in-app purchases, in-app advertising, and from third-party distribution.

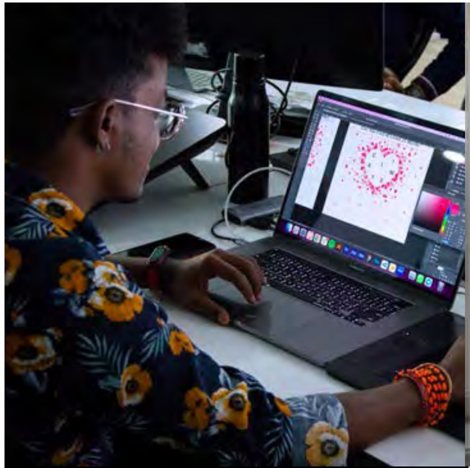
OUR STUDIOS are responsible for developing, launching, marketing, and operating the games that make up our portfolio, which includes popular IPs across a wide range of casual and mid-core genres. We are focused on accelerating portfolio company growth and supporting the founders and entrepreneurs who are a part of our group. We think of MTG as an international Gaming Village, offering our members a community of like-minded people, as well as access to tools and knowledge that can help them accelerate their growth.

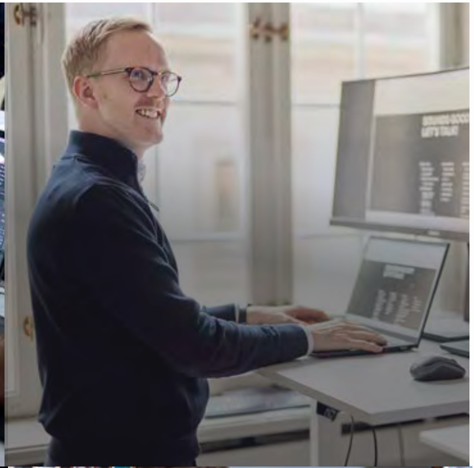
Our business model lets us generate long-term value for our shareholders through consistent profitable growth. We also want to be an active driver of gaming industry consolidation as a strategic acquirer of gaming companies worldwide. In October 2023, we added the Swedish and German-based Snowprint to our portfolio. In February 2024, we said goodbye to our US studio Kongregate, by enabling a merger between the studio and Monumental, an independent game development studio in Austin, Texas.

Nearly all our games are available to consumers on a free-to-play (F2P) basis and we generate a majority of our revenues from in-app purchases and in-app advertising. Our group is predominantly focused on mobile gaming, but some of our games are also available via browser and on third-party platforms like Steam, Apple Arcade, and Netflix.

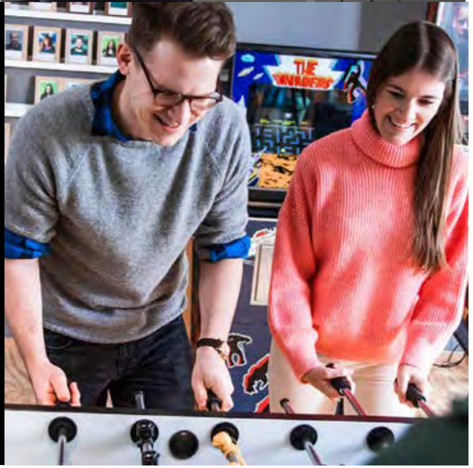
We strive to accelerate further growth by driving synergies and encouraging our companies to share knowledge and best practices with each other. To this end, we are building out a synergetic common layer that we call the "Flow Platform". This layer is focused on providing our companies with commercial technology, skills and tools that can help them accelerate growth. Today, the Flow Platform has four pillars: Business Intelligence, Marketing and user acquisition, Ad tech, and Cross-promotion.

To complement and support our strategy, we also operate a venture capital fund that has invested a total of USD 40 million in a total of 26 companies, ranging from start-up game developers across several genres to MMO and game creation platforms in the US and Europe.





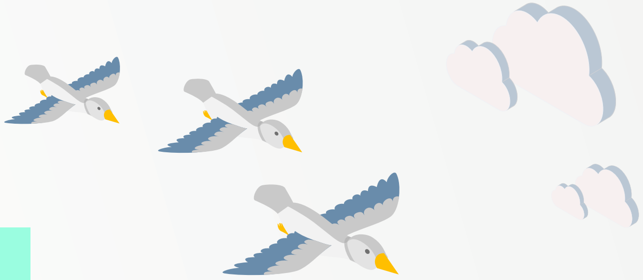
"We own and operate five international gaming studios."



STRATEGY

2

MTG – BUILDING THE BEST HOME FOR GAME MAKERS AND ENTREPRENEURS



MTG'S VISION

Our vision is to become a global Gaming Village that enables gaming companies and entrepreneurs to thrive and come together to bring players around the world a wide range of popular game franchises.

MTG'S MISSION

Our mission is to offer players around the world games they love to play. We want to build and nurture strong gaming IPs with constantly evolving content and features that appeal to players over long periods of time.

MTG'S STRATEGY

We want to be one of the leaders in mobile gaming and we will achieve this by increasing our relevance. We will do this by growing our scale through a mix of organic growth, the acceleration initiatives delivered by the common layer we call the Flow Platform, and accretive M&A.

> "Each of our gaming studios bring unique expertise and skills to our Gaming Village. This is supported by a platform with a strong entrepreneurial culture, designed to bring our people together, while still empowering our gaming studios to retain their unique identity and culture."

BUILDING THE GAMING VILLAGE OF TOMORROW

We are building a leading mobile gaming group and an international Gaming Village – a place where game makers and entrepreneurs can thrive and grow by accessing the tools, skills, and technologies they need to accelerate growth.

The mobile gaming market is supported by favorable social, technological and demographic tailwinds. Today, there are 2.8 billion mobile gamers worldwide, according to market research company Newzoo. That number is expected to grow to 3.1 billion by the end of 2025. Newzoo also expects the mobile gaming industry revenues to have a CAGR of over 3% between 2020 and 2025. MTG is in a great position to benefit from this growth, thanks to a strong games portfolio that appeals to both casual and more engaged players.

Our mobile-first vision

We are focused on building a successful mobile-first gaming group. We have a clear vision, strategy, and business model, focused primarily on free-to-play mobile gaming across a wide variety of genres and game types. We want to be one of the leaders in our sector and believe we can achieve this by growing our relevant scale through a mix of organic growth, acceleration initiatives delivered by the synergetic common layer we call the Flow Platform, and accretive M&A.

Our vision is to build a global Gaming Village that helps game companies and entrepreneurs bring players around the world a wide range of popular game franchises. We want to enable game makers to access a competitive ecosystem of tools, skills, and people who can help them drive their businesses. As a result, our companies will be able to accelerate their growth without compromising their unique culture and vision. To put it simply: our dream is that people who make games love being part of our Gaming Village where they continue to make and market great titles that players love.

AN OVERVIEW OF OUR STRATEGY

ORGANIC GROWTH

Offer players around the world a wide range of popular game franchises and continue to evolve our portfolio of quality, evergreen IPs through a mix of live-ops, continuous content updates and in-game advertising. We will also develop and launch new games to continuously expand our portfolio over time.

SYNERGETIC APPROACH

Continue evolving the synergetic common layer we call the Flow Platform, which can provide our game studios with the commercial tools, skills, and central team members enabling them to accelerate growth.

FOCUS ON CULTURE AND PEOPLE

Enable our gaming entrepreneurs to thrive by offering them a vibrant ecosystem and know-how within MTG, while preserving the unique culture and feel of each of our gaming studios.

ACCRETIVE M&A

Be one of the drivers of the ongoing industry consolidation through a highly selective approach to M&A, focused on popular, evergreen IPs, healthy finances with good growth dynamics, experienced founders and teams, and a solid culture that corresponds with our own.

DRIVING ORGANIC GROWTH

MTG's gaming studios offer players a wide variety of titles covering a broad spectrum of game genres in casual and mid-core segments of the market. The life cycle of mobile games typically spans multiple years. It is not uncommon for games to be live for longer than five, and even over ten years. Our largest title, Forge of Empires, celebrated its tenth anniversary in 2022 and we have multiple successful titles that have been around for five years or longer.

Our strategy is to prioritize long-term (or 'evergreen') gaming titles and IPs, which can retain and engage players on an ongoing basis. At the same time, we apply stringent evaluation criteria to each of our games. Our key performance indicators include data points like return on advertising spend (ROAS), daily and monthly active users, player retention rates over specific time periods, and more.

To extend the lifetime of our games, our studios are focused on two main things – content updates and live-ops:

- **Content updates** – Each of our live games periodically receives minor and major content updates that evolve its gameplay and offer players a reason to continue engaging with the title. These updates can range from smaller balance tweaks to major reconfigurations of a game's economy, and on to significant content updates providing players with large amounts of new content to explore.
- **Live-ops** – All of our live titles are also supported by live-ops initiatives. These represent a range of new and recurring events that players can encounter within our games. Each event offers players to engage with a key element of the gameplay and also serves as major and minor opportunities for in-app purchases (IAP).

New games

MTG's studios are also focused on launching new games to gradually expand our portfolio. Our goal is to make sure that we have a healthy mix of games at any given moment, given the various stages of each title's life cycle. New titles can range from being part of, or adjacent to, existing IP or franchises to totally new gaming experiences developed by the studios. Once launched, the performance of the new titles is closely monitored and each title is supported by live-ops and content updates during its life cycle.

In-app advertising

PlaySimple operates a highly successful casual games portfolio focused primarily on word games. Today, the studio primarily monetizes its games through in-app advertising (IAA). PlaySimple is also focused on cross-promoting its games to relevant players, which helps drive down the studio's and the group's user acquisition costs. PlaySimple is the primary driver of MTG's ad revenues. Many of our other gaming studios, including Kongregate, Hutch, and InnoGames, do however offer advertising as an option for in-game progression for players who do not want to buy digital products.

Forge of Empires

Community
MTG's games attract passionate player communities across the world. Our studios actively nurture and engage these communities across a wide range of digital platforms. This engagement can range from deep strategies, focusing on streamers and other content creators, to maintaining both proprietary and public forums where players can engage with our brands and IPs. This generates significant brand awareness and affinity for our games, which helps lower our overall user acquisition and retention costs over time.

THE FLOW PLATFORM

The Flow Platform is our central strategic initiative aiming to help our portfolio companies accelerate their growth. It is a common layer of shared tools, skills, and people supporting the companies in our portfolio. The Flow Platform is a long-term project focused on four key areas:

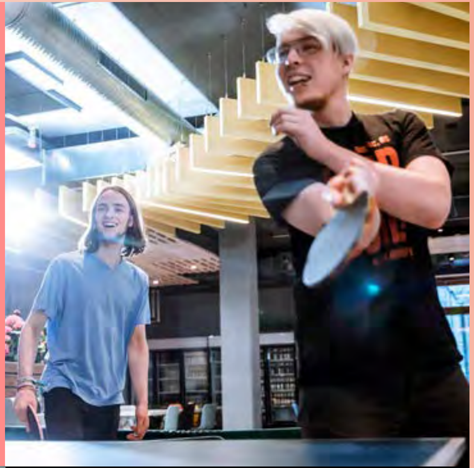
- 1. Business Intelligence
- 2. User Acquisition
- 3. Ad Tech
- 4. Cross-promotion

Business Intelligence and User Acquisition
Onboarding to our joint BI platform continued during 2023. We continued to work on ensuring the quality of the BI data from our portfolio companies during the year, and to bring more users both from the studios and MTG HQ to the platform. The global BI data is now part of regular group-wide reports and used for analysis and M&A processes. During the due diligence phase of the acquisition of Snowprint we benchmarked Warhammer 40,000: Tacticus against our other relevant games to understand the game's strengths and potential. Following the completion of the acquisition in Q4, Snowprint's data was also included in MTG's BI platform.

During the year, the Business Intelligence team successfully worked with Hutch to implement a new cloud-based data warehouse and BI environment. This new environment offers more robustness, scalability and speed to enable top-level overviews as well as data deep dives into all parts of their games.

The user aquisition systems (UA) have been further customized to the needs of InnoGames and Hutch. Moreover, the team has focused on developing a tailor-made version for PlaySimple, and this version will be scaled up in Q1 2024. The marketing and UA team continued to work closely with several of the group's companies.

Ad Tech and cross-promotion
The ad tech and cross-promotion pillars of the Flow Platform are developed within PlaySimple. The studio generates most of its revenue through in-app advertising and fuels a meaningful part of its user acquisition through internal cross-promotion. PlaySimple has built up technology and know-how internally that is being leveraged across the rest of our studios.



> MTG's games attract passionate player communities across the world.

During 2023, PlaySimple's ad monetization team worked with InnoGames to improve its overall ad monetization and tested PlaySimple's internal advertising technology in one of InnoGames' titles.

PlaySimple's PSPN (PlaySimple Player Network) team has led multiple between-studio cross-promotion tests with other studios in the group. The aim of this is to form a better understanding of user behavior when promoting across studios. The team has also collaborated with Hutch to test PlaySimple's internal cross-promotion technology in some of Hutch's titles. MTG is keen to continue leveraging PlaySimple's market-leading capabilities in these areas to further improve the cost-effectiveness of in-app advertising and user acquisition throughout the group. We will continue to do so in 2024.

FOCUS ON CULTURE AND PEOPLE

Our active work with corporate culture and human resources across the group forms an important part of our growth strategy. We believe that MTG's corporate culture and human resources work provides the group with a unique competitive edge in a competitive and people-driven industry like gaming.

Our goal is to consciously drive a group culture that lets each of our gaming studios retain their unique identity and local company culture that have helped them achieve success. At the same time, we want to embrace a shared cultural layer to help all our colleagues feel that they are part of a larger whole – the Gaming Village.

STRATEGIC AND ACCRETIVE M&A

MTG is well-positioned to continue growing and to generate shareholder value over the short, medium, and long terms. M&A remains an important part of our strategy today and our ambition is to add more high-quality studios and market-leading games and IP to our Gaming Village over time.

2023 has seen a moderate level of M&A activity in the gaming space, even as rising interest rates have driven up the cost of leveraged capital for market participants. At the same time, private company valuations continued to be higher than their public counterparts. MTG retained its strong balance sheet during 2023. This enabled us to acquire a 70% majority stake in Snowprint in October, while still retaining significant financial firepower. With the acquisition, MTG added a fast-growing award-winning mid-core title based on a global gaming IP to our portfolio. We expect the title to not only contribute to our organic growth, but also provide cross-promotion opportunities over time.

We have four pillars guiding our M&A Strategy:

- **Strategic fit:** We seek to acquire gaming studios with a strong strategic fit with the rest of our portfolio. These should have evergreen, distinguishable games, a long-term player fanbase, and franchise potential. This means that we look for companies with complementary strengths and capabilities, that can help us expand and enhance our existing offerings. We also look at game titles that have a high degree of affinity with existing titles in our portfolio.

- **Strong financials:** We target companies with strong financials and a committed managerial team to ensure that we can maximize growth potential and long-term success.

- **Cultural fit:** We want to work with companies and entrepreneurs aligning with our values and culture. This is to ensure that we continue to operate with shared goals and vision while maintaining the integrity of our gaming communities.

- **Synergies:** We look for opportunities to create synergies across our portfolio to ensure that we grow as a community of studios. By leveraging the strengths and expertise of each studio, we can build a network of companies that become stronger together than they would be on their own.

Warhammer 40,000: Tacticus

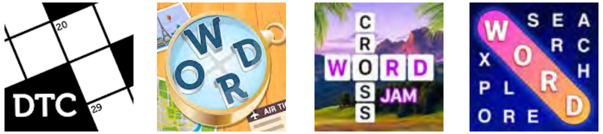
OUR STUDIOS

STATS
— Bangalore
— Founded in 2014
— Part of MTG since 2021
— Casual games with a focus on word games
2 games in development
3.1m Daily Active Users*

*FY 2023 in terms of IAP revenues.

PlaySimple is a rapidly growing, leading developer of casual free-to-play games. The studio is based in Bangalore, India, and has over 350 employees. The company operates a portfolio of chart-topping casual games, including evergreen hits like Daily Themed Crossword, Word Trip, and Crossword Jam, as well as new games like Crossword Explorer, Word Search, 2248, Jigsaw, and Tile Match. PlaySimple's games are included in MTG's Word Games franchise. PlaySimple primarily focuses on monetizing its games through in-game advertising and is the main source of MTG's in-app advertising (IAA) revenues. The studio has a highly sophisticated data-driven approach to running their games, which has been pivotal to its success. PlaySimple's most successful title to date is Daily Themed Crossword. The game has an extensive archive of fun, themed crossword puzzles that entertain and challenge players daily. This casual take on classic crosswords appeals to all age groups and has proven particularly popular with the growing audience of female gamers worldwide.

KEY GAMES AND LEADERSHIP



Siddharth Jain
CEO & Co-Founder

Preeti Reddy
Co-Founder

Siddhanth Jain
Co-Founder

Suraj Nalin
Co-Founder

Vikas Soni
General Manager

Srinivas Mantripragada
VP Finance

InnoGames

STATS
— Hamburg
— Founded in 2007
— Part of MTG since 2016
— Strategy & Simulation games
2 games in development
1.3m Daily Active Users*

*FY 2023 in terms of IAP revenues.

InnoGames is a leading German developer and publisher of mobile and browser games. The company is based in Hamburg and has approximately 360 employees. InnoGames is focused on the Strategy & Simulation genre and a majority of their games can be found in the mid-core segment of the gaming market. The largest title by far is the evergreen strategy and city builder game Forge of Empires which was originally launched in 2012.

Other key titles include Elvenar, Sunrise Village, Rise of Cultures and the Tribal Wars games. The studio's games are included in MTG's Strategy & Simulation franchise.

InnoGames primarily earns revenue through in-app purchases. Today, all of InnoGames' titles are developed on a mobile-first basis, but browser gaming continues to be an important part of the studio's diversified revenue streams.

KEY GAMES AND LEADERSHIP


Hendrik Klindworth
CEO & Co-Founder


Michael Zillmer
COO & Co-Founder


Eike Klindworth
Creative Director & Co-Founder


Felix Janzen
Chief Marketing Officer


Christian Reshöft
Chief Product Officer


Michael Lenz
Chief Analytics Officer

STATS
— Auckland
— Dundee
— Founded in 2006
— Part of MTG since 2021
— Tower defense games
6 games in development
1.1m Daily Active Users*

*FY 2023 in terms of IAP revenues.

Ninja Kiwi is a leading developer and publisher of tower defense games, based in Auckland, New Zealand, and Dundee, Scotland. The studio has over 90 employees around the world. In 2007, Ninja Kiwi developed and launched one of the first successful tower defense games called Bloons TD. Today, the latest instalment in the franchise, Bloons TD 6, is one of the most popular paid games on both the Google Play Store and the Apple App Store. It is also one of the top-100 rated games on Steam. A majority of Ninja Kiwi's games are included in MTG's Tower Defense. A majority of Ninja Kiwi's games are included in MTG's Tower Defense franchise. Bloons TD 6 is a regular feature for popular streamers on YouTube and Twitch and has a vibrant online community on Reddit. Ninja Kiwi's portfolio also includes Bloons TD Battles 2 and several well-established but still popular titles like Bloons TD 5 and SAS: Zombie Assault 4. In September 2023 Ninja Kiwi announced that their next game will be called Bloons Card Storm. It will launch in 2024 and will be a digital collectible card game, set in the Bloons universe.

KEY GAMES AND LEADERSHIP

Scott Walker
CEO

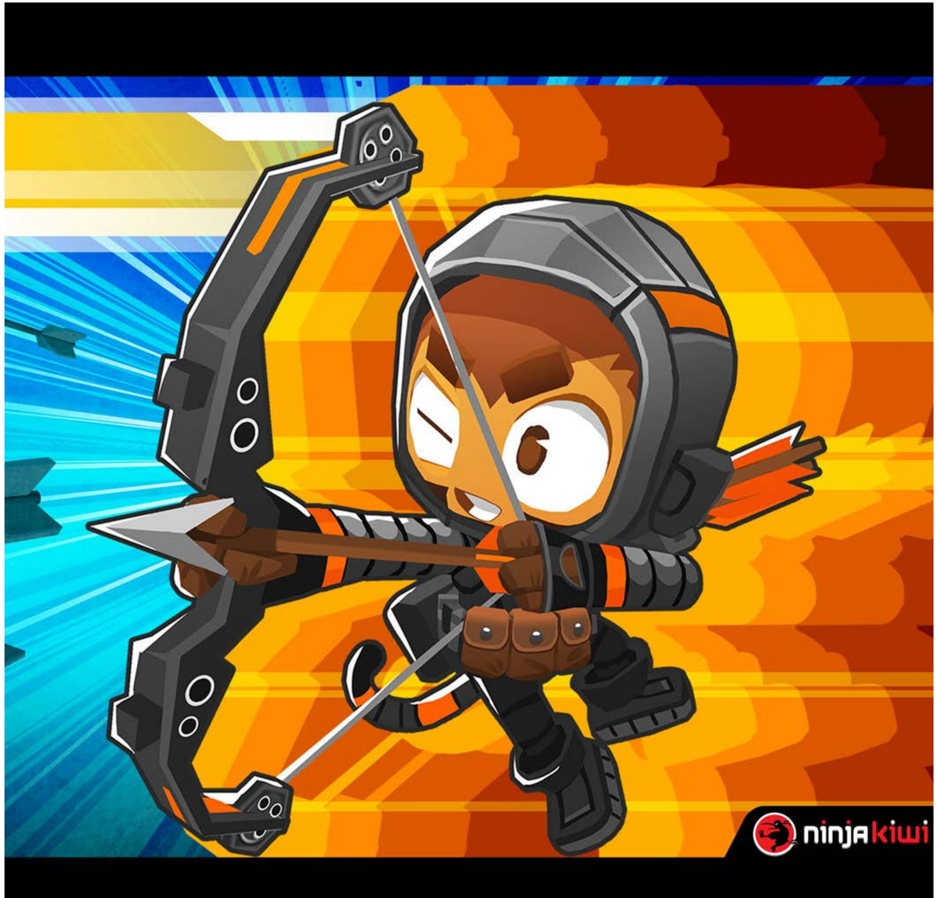
Lizette van der Westhuizen
CFO

Tosh Baird
Director Auckland Studio

Barry Petrie
EVP Ninja Kiwi Europe

Danny Parker
Co-Director
Ninja Kiwi Europe

Michael Small
Co-Director
Ninja Kiwi Europe



Bloons TD 6

STATS
— London
— Founded in 2011
— Part of MTG since 2020
— Racing games
2 games in development
0.5m Daily Active Users*

*FY 2023 in terms of IAP revenues.

Hutch is a leading developer and publisher of free-to-play mobile racing games. The studio is based in London, UK, and has over 160 employees. Hutch has access to world-class racing IP licenses and the studio focuses on bringing strategy and skill to its innovative car-themed games, while engaging player communities on the mobile gaming market. Hutch games are included in MTG's Racing franchise. Their most important titles are F1® Clash and Top Drives.

During the third quarter of 2023, Hutch conducted successful market tests of a new game – Forza Customs. The game was made globally available in Q4 and the full commercial launch has begun. Hutch has also partnered with NASCAR to develop a new standalone title for mobile, due to be launched during 2024.

Hutch has also committed to finding a good work-life balance for its employees. As a result, the company has implemented a four-day work week to improve the overall health.

KEY GAMES AND LEADERSHIP


Shaun Rutland
Co-Founder & Co-CEO


Peter Hansen-Chambers
Co-CEO & CFO


Andy Watson
COO


Jonathan Alpine
Chief Creative Officer


James Levick
Chief Technology Officer


Tim Mannville
Chief Product Officer


Charmaine St. John
Head of People


Ravinder Singh
Head of Art


James Emmins
Head of Technical Art


F1 Clash

Snowprint™

STATS

— Stockholm
— Berlin
— Founded in 2015
— Part of MTG since 2023
— Strategy & Simulation games
0.1m Daily Active Users*

*FY 2023 in terms of IAP revenues.

Snowprint is a leading developer of mobile games in the turn-based tactics genre. The company is based in Stockholm, Sweden, and Berlin, Germany, and has approximately 50 employees. Snowprint's goal is to take the gameplay experience to richer, deeper levels, while making mobile mid-core free-to-play games more accessible to the masses. Snowprint's games are included in MTG's Strategy & Simulation franchise.

In 2022, Snowprint launched the fast-growing hit mobile game Warhammer 40,000: Tacticus, successfully iterating on its first two titles, Legend of Solgard and Rivengard. The game is based on Warhammer 40,000, a global gaming IP owned by Games Workshop which engages millions of fans around the world. It has quickly grown to become one of the leading games in its genre.

KEY GAMES AND LEADERSHIP

Tacticus | Rivengard | Legend of Solgard

Alexander Ekvall
CEO & Co-Founder

Patrik Lindegren
CTO & Co-Founder

STATS

- Remote first (60% US, 40% ROW)
- Founded in 2006
- Part of MTG since 2017
- Card Battler games
  0.5m Daily Active Users*

*FY 2023 in terms of IAP revenues.

Kongregate is a developer and game publisher of free-to-play mobile games based in San Francisco, USA, with over 100 employees. Its top titles include Animation Throwdown and Bit Heroes Quest. In 2023, Kongregate's games are included in MTG's Other smaller franchises. Kongregate is a recognized innovator in genres like CCG (Collectible Card Games).

Kongregate explores blockchain and NFT gaming through its Bitverse games, and is working towards an integrated gaming experience that allows players to become owners of their gaming journey.

MTG signed an agreement in early 2024 to merge Kongregate with Monumental, a US-based independent game development studio, and Kongregate is no longer part of the group.

KEY GAMES AND LEADERSHIP

Markus Lipp
CEO & CFO

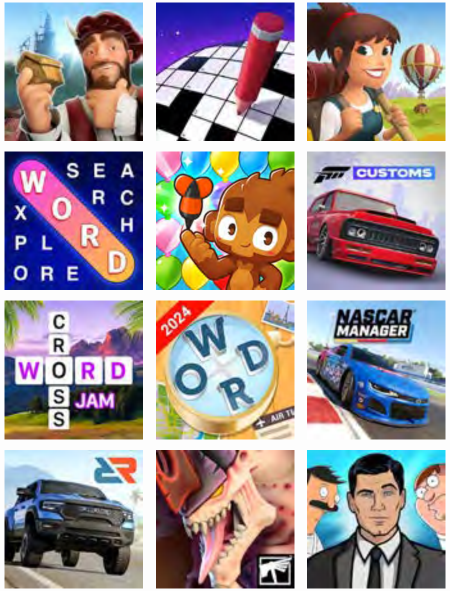
Max Murphy
CTO

Michelle Shaw
CBOO

Jan Stieglich
SVP of Business
MTG Investments

Katharina Greggersen
Sr Director of Production

Ryan Snyder
Head of Production



PLAYSIMPLE

- Key focus: Driving portfolio growth and successful scaling of the new game Word Search.
- November: MTG increased ownership in PlaySimple to 100%.
- 2024: Planned launch of the casual titles 2248 and Tile Match in genres adjacent to Word Games.

INNOGAMES

- Key focus: Revitalizing Forge of Empires through a renewed focus on live-ops and in-game events.
- April: Strategic reorganization to refocus the studio and drive agility and speed.

SNOWPRINT

- Acquired by MTG in October and consolidated as part of the Strategy & Simulation franchise in Q4 this year.
- Key Focus: Evolving and scaling Warhammer 40,000: Tacticus, one of the category leaders in mobile turn-based tactics.

HUTCH

- Key focus: Improving performance of Top Drives and F1 Clash.
- October: New game Forza Customs launched globally after successful early testing.
- February 2024: NASCAR Manager is available for download on Android and iOS.

NINJA KIWI

- Key focus: Growing Bloons TD 6 through content updates and platform expansion.
- June: Launch of Bloons TD 6 on Netflix.
- September: Launch of Bloons TD 6 on Xbox.
- September: Unveiled the studio's next game, Bloons Card Storm, a digital collectible card game.
- October: Partnership with Chinese developer XD to launch Bloons TD 6 in China.

KONGREGATE

- Key focus: Development of growing Web 3.0 gaming portfolio and the Kongregate.com platform.
- 117 third-party games were added to the kongregate.com platform during the year.
- November: A strategic reorganization to streamline the studio and refocus on key titles like Animation Throwdown.
- February 2024: Agreement to merge Kongregate with US-based studio Monumental after the end of the year.

Revenue generated by franchises

Group (SEK million)	2023	2022
Strategy & Simulation	1,773	1,710
Word Games	2,352	2,015
Tower Defense	541	510
Racing	618	683
Other smaller franchises	545	619
Total revenue	**5,829**	**5,537**

CORPORATE SUSTAINABILITY

CORPORATE SUSTAINABILITY STRATEGY

We want to create a corporate environment where entrepreneurs and game studios can grow sustainably, both independently and together, guided by clear targets.

Statement from our CEO

Our sustainability targets are here to keep us on track, making us a better business. Sustainability is essential to drive long-term growth. It is part of what we do and the way we operate. MTG, together with our portfolio companies, want to be a good corporate citizens because we owe it to our employees, the people who play our games, and all our other stakeholders.

Sustainability strategy

MTG's corporate sustainability strategy reflects our vision of a Gaming Village where entrepreneurs, and the studios they have created, can grow and thrive, supported by clear targets and collaboration. The strategy is based on both the materiality assessment we carried out in 2022 (see Corporate Sustainability notes, pages 138-158) and MTG's business strategy. To support our strategy, we have established three pillars that reflect our sustainability-related impacts risks and opportunities within the areas of environment, social issues and governance.

To implement MTG's sustainability strategy reliably across our value chain, all studios must adhere to our policy framework and ensure that all employees participate in training courses for our core policies: the Code of Conduct, Anti-Corruption Policy and Whistleblower Policy. Additionally, all companies are required to report to the Executive Management Team on initiatives contributing to diversity, equality, inclusion, and climate objectives. Each company is also encouraged to develop its own relevant initiatives as we believe that the best results arise from combining our platform for knowledge-sharing with their entrepreneurial spirit.

Each of the three pillars has a defined objective and target to measure performance. These are based on identified sustainability topics from our materiality assessment as well as industry and globally recognized standards.

SUSTAINABILITY TARGETS

	INCLUSIVE AND WELCOMING	CLIMATE ACTION	PROUD AND RESPECTFUL
OBJECTIVE	We believe that companies with a diverse workforce that treat their employees equally and include everyone are more creative, innovative and competitive than those who do not. A diverse workforce can also help us better understand and develop products that attract global consumers.	We recognize that our Gaming Village has an impact on the environment and, more specifically, on climate change. We aim to minimize our negative impact while growing our Gaming Village.	We want to be proud of our games. That includes protecting minors, improving accessibility in games and transparent communication with our players. With great games comes great responsibility and we want and need to conduct our business with respect and integrity.
TARGET	Our target is to annually increase gender representation to be in line with industry reports. We will assess our progress annually and revise our trajectory as needed. **40%** of the workforce to consist of female or non-binary employees. Base year of target is 2022.	Our target is to reduce our value chain emissions (tCO_2e) by **-50%** by 2032 in line with the Paris Agreement (to limit global warming to 1.5°C). Base year of target is 2022.	Our target within "respectful" is to improve our sustainability governance by reducing our ESG risk rating* to **10** by 2025 A target within "proud" will be defined in 2024. Base year of target is 2022.
STATUS IN 2023	**28%** of employees identified as female or non-binary in 2023.	**+ 0.5%** Total value chain emissions; scope 1, scope 2 (market-based) and scope 3 for 2023 was 2,197.8 tCO2e. We are unable to draw meaningful conclusions from the changes in GHG emissions due to errors found in the data from the previous year.	Our ESG risk rating*, in December 2023, was: **16.5** * ESG risk rating conducted by Sustainalytics.

INCLUSIVE AND WELCOMING

We believe that fostering a diverse workforce, ensuring equal treatment, and providing opportunities for all within welcoming workplaces is crucial for our Gaming Village to flourish in creativity and competitiveness.

A diverse village

Millions of players globally enjoy our games and we want to reflect the diversity of our players in our own workforce. We entrust each studio with the responsibility of identifying initiatives and taking proactive steps to enhance their performance in Diversity, Equality and Inclusion (DE&I). By doing so, we collectively strive to achieve our targets within DE&I.

When it comes to gender diversity at MTG, there is an acknowledged room for improvement. In 2023, women and non-binary employees accounted for 28% (28) of the workforce. The ambition is to increase this proportion to a minimum of 40% of the total workforce over time.

MTG works towards achieving this target by assisting portfolio companies in establishing structures and workplaces that attract and retain more diverse talent pool. In 2023, Hutch implemented initiatives in their sourcing to support underrepresented groups in the recruitment process. These initiatives include ensuring inclusive job descriptions, implementing gender-neutral contracts, and adopting a standardized interview process where bias is reduced by having a diverse interview panel.

Another element of diversity is nationality. We believe we have a healthy share of nationalities at MTG as we employ people from 57 (59) different countries.

Equal and inclusive workplaces

To increase diversity and help employees grow, MTG needs to be equal and inclusive. There are different ways to achieve this. Kongregate collects input on fair treatment and learning experiences in their exit and onboarding surveys to identify employee needs and areas of improvement. Training and awareness are other ways to increase equality and inclusion. Hutch provided training for all employees to explore, understand and handle unconscious bias and related topics. They also hosted an LGBTQIA2S+ discussion to raise awareness of and show solidarity with Hutch's LGBTQIA2S+ employees.

An important action to attract students to careers in the gaming industry is fostering partnerships with schools and universities. Additionally, we collaborate with industry peers to drive corporate-level change.

InnoGames continued to promote and support women joining the gaming industry by participating in a panel discussion in the public event Women in Games to explain their transparent salary policy.

Equal pay and remuneration

Each portfolio company is responsible for ensuring correct pay grades and remuneration based on local laws, regulations, and standards.

MTG does not have a global remuneration policy, but we do have clear requirements for basic pay to align with universal labor rights standards, applicable laws, and agreements on working hours and wages. The remuneration for senior executives at MTG includes a gender diversity target, reflecting a percentage increase in female and non-binary representation in the workforce. This measure aims to enhance accountability and maintain focus on the diversity target.

Attractive and healthy workplaces

Our employees' well-being reflects the overall health of our work environment. We believe that prioritizing our employees' health and well-being plays a pivotal role in our overall performance as a company. Each portfolio company is responsible for ensuring the well-being of their employees, based on their working methodologies and regional laws and regulations.

Our approach centers on creating workplaces that facilitate physical and mental well-being through a healthy work-life balance. We also aim to provide development opportunities and flexibility, allowing individuals to navigate new life situations while contributing to our Gaming Village.

Attract and retain talent

MTG wants to grow not only by adding studios to our Gaming Village but also by hiring and retaining talented people. In 2023, the MTG village grew by 17% (31) in terms of new employees. By measuring our voluntary turnover for 2024, we hope to gain a better understanding of why employees choose to move on. MTG's studios have strong company cultures and work proactively to attract and retain talent. Initiatives such as gender-neutral job ads, transparent salary bands, collaborations with local universities, and trainee programs are just a few examples of what we do to attract and retain talent.

Workplaces where employees can grow

For both MTG and our employees, career development is of high interest. To be able to provide individualized career growth, each of our portfolio companies conducts annual reviews. This ensures that career development remains a focal point. In 2023, 90% (compared to 82% the previous year) of employees participated in at least one review.

The increase is primarily attributed to the growing number of employees who were yet to undergo their PDA in 2022. It is the responsibility of each company to craft performance reviews and training programs that best align with their operations and needs. Hutch and InnoGames use a 360-degree feedback process, PlaySimple conducts annual development reviews, Ninja Kiwi conducts two reviews annually. Kongregate maintains its own comprehensive year-round review process, placing a significant emphasis on goals and future ambitions.

Training stands out as a crucial tool for enhancing expertise. Each of our portfolio companies provides a diverse range of training programs for their employees. Examples of training provided in 2023 include Unconscious Bias, Advanced Communication Skills for Leaders, Leadership Training, and Product Bootcamp.

An additional approach to support personal development involves extending knowledge beyond professional responsibilities. For instance, InnoGames' Employee Assistance Program offers informational sessions on various topics, including childcare.

New ways of working

MTG recognizes the significance of a healthy work-life balance as a crucial component of employee well-being and retention. Acknowledging the gaming industry's reputation for intense work periods, commonly known as "crunch," our companies have implemented measures to mitigate the pressure of such situations. These include project management and planning guidelines, stress management training, and various mental health awareness campaigns. These initiatives aim to enhance employees' understanding of personal indicators of negative stress, emphasizing the importance of breaks and adjustments in planning.

Between June and December in 2022, Hutch joined 4 Day Week Global's official trial alongside 70 other companies. The trial was aimed at improving employee wellbeing through a better work-life balance, combined with a boost in productivity. Throughout the trial period, productivity remained consistent, and the studio experienced reduced staff turnover and increased acceptance rates for job offers.

Impressed by positive results, Hutch has adopted this new work structure permanently, with annual assessments to ensure continued success.

Beyond Hutch's four-day work week, MTG implements various work arrangements to prioritize employee well-being and enhance flexibility according to individual preferences.

Kongregate operates on a fully hybrid working model, enabling employees to work globally from North and South America and Europe, which optimizes their recruitment reach.

InnoGames also embraces a hybrid working model, providing employees the flexibility to choose to work at the office only a few days per year.

Ninja Kiwi offers "Fairly Flexible Friday" afternoons, enabling employees to collaboratively decide on team activities, be it team-building exercises or acquiring new skills.

We believe that giving each company the opportunity to find flexible working models that work for them and their employees specifically both fosters MTG's entrepreneurial spirit and offers the best possibilities for our extended team.

Work and parenthood

Enabling flexibility in the workplace is important, not only in terms of where individuals work but also to adapt to changes in their life situation. In recent years, we have sustained a high return-to-work rate, with a majority of employees choosing to stay at MTG after taking parental leave. This is a positive indication that our workplaces are sustainable and flexible in addressing new life situations. We aim to maintain and enhance these figures, because we believe that diversity in life situations is an important aspect of our commitment to diversity, equality, and inclusion.

Always improving

Each of our portfolio companies has a workers' council, or a comparable entity, tasked with addressing work-related injuries and health concerns, and proposing improvements. The frequency and format of these meetings vary, based on the structure and needs of each company.

For example, InnoGames works to implement continuous improvements to their strategy and conducts an annual employee survey in collaboration with Great Place to Work to gather information on employee health, Hutch has appointed 'well-being champions'; employees who actively drive initiatives to promote well-being in the workplace.

	INCLUSIVE & WELCOMING
MTG will be a diverse workforce **TARGET**	**40%** of the workforce to be represented by female or non-binary employees
POLICY FRAMEWORK	— Code of Conduct — Anti-Discrimination & Harassment Policy — Whistleblower Policy — Supplier Code of Conduct — Local Laws and Regulations
CONTRIBUTION TO UN GLOBAL GOALS	Goal 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making
OUTCOME 2023	**28%** of the workforce is represented by female or non-binary employees **20%** of top and middle mangement is represented by female or non-binary employees
ACTION 2023 5 GENDER EQUALITY	— Further training in DE&I to increase awareness of topics such as unconscious bias, harassment, diversity and belonging at the workplace — Transparent salary bands at InnoGames and Kongregate to initiate team-based salary reviews to determine the distribution and possible adverse impact on various demographic populations — Improved recruitment process to increase diversity, for example, gender-neutral language in job advertising and further collaborations with local universities and schools — Mentorship programs and career progression to be further developed at PlaySimple and Ninja Kiwi — Improvements to office spaces across the group with the aim to increase productivity, collaboration, and inclusion

CLIMATE ACTION

We acknowledge the environmental impact of our global gaming community, particularly on the climate. Our goal is to reduce this impact as we expand and develop our Gaming Village.

As a global player, MTG acknowledges that our business operations have an impact on the environment and particularly on the climate. To address this, we have a clearly defined target in our sustainability strategy: MTG is to reduce emissions in the whole value chain (scope 1, 2, and 3) by 50% by 2032, with 2022 as the base year. Our commitment is in line with the Paris Agreement to limit global warming to 1.5 degrees.

Our approach

By monitoring our carbon footprint, mapping energy consumption, and promoting reuse of equipment whenever possible, we aim to minimize the negative environmental impact of our business operations. We expect our suppliers and stakeholders to share this commitment.

Our ambition is to establish appropriate guidelines and internal structures to ensure that everyone in the group acts responsibly within the scope of their role. We believe that collaborating with our partners and suppliers, and clearly articulating our expectations and future targets will enable us to achieve a more environmentally responsible approach.

At MTG we adhere to the precautionary principle when assessing the environmental impact of our operations. Optimal results are achieved by enabling our portfolio companies to establish their own strategies and action plans for minimizing and managing their impact on the environment, specifically focusing on the climate.

Understanding our climat impact

Transparent reporting is essential to understanding MTG's climate impact. During 2023, changes were made to our climate data reporting due to miscalculations found in emission factors from previous years. All emission factors were consequently updated in 2023, resulting in the GHG data differing from the previous year for each respective category.

"We have only one planet, so being climate conscious is essential."

With this updated reporting, we capture and report on the most significant emission sources in MTG's value chain, and will continue working to ensure our emissions data keeps the highest possible quality.

Our value chain emissions

Scope 1 and 2 (market-based) emissions (tCO_2e) represent 11% of our total emissions. The main source of emissions is our offices' use of electricity. Our scope 1 and 2 emissions have decreased since the previous year. Scope 3 emissions (tCO_2e) account for 89% of our total emissions. Our main sources of scope 3 emissions in 2023 is business travel, purchased goods and employees working from home. Our scope 3 emissions have increased with 4% compared to the 2022 reporting scope. However, we are not able to draw significant conclusions from the changes in GHG emissions due to errors discovered in the data from the previous year.

Using less energy and switching to renewable electricity

Using less energy and switching to renewable electricity where possible are effective and important actions we can implement to reduce our scope 2 emissions. Energy-saving initiatives were implemented by our portfolio companies in 2023. Hutch installed sensors in their bathrooms, while InnoGames and PlaySimple switched to LED lighting in all their offices. Ninja Kiwi maintained the use of solar panels installed at their Auckland office, ensuring ongoing reliance on renewable electricity.

Less waste

Our operations do not generate significant amounts of waste. Nevertheless, we consistently strive to minimize waste production and promote circularity through recycling and taking advantage of opportunities for reuse. For instance, InnoGames opted to rent office furniture for their newly renovated office space instead of purchasing new items, while MTG's head office in Stockholm implemented a food waste system to reduce general household waste.

	CLIMATE ACTION
CLIMATE ACTION TARGET	**50%** reduction of greenhouse gas emissions (tCO2e) by 2032
POLICY FRAMEWORK	— Code of Conduct — Supplier Code of Conduct
CONTRIBUTION TO UN GLOBAL GOALS	Goal 13.2 Integrate climate change measures into strategies and planning
OUTCOME 2023	**- 15%** decrease of emissions in scope 1 and 2 (market-based) **+ 3.8%** increase of emissions in scope 3.
ACTIONS 2023 13 CLIMATE ACTION	— Updated travel policies across companies to reduce business travels — Continued energy-saving measures at several offices, such as switching to LED, sensors for restroom light fixtures and procurement of low-energy using monitors — Reviewed and replaced old servers to reduce the energy use of servers and switch to green server options

PROUD AND RESPECTFUL

We want to provide games that offer safe, trusted and enjoyable gaming experiences for everyone – games that we are proud of.

MTG's proud approach to games centers on the belief that we should take pride in the games we develop. This pride is reflected in our commitment to crafting games with fun gameplay mechanics, that are user friendly and that deliver a safe and trusted experience for our users. We aim to continue the use of tools to monitor and mitigate unacceptable behavior within social features as well as providing features that increase accessibility and protection of minors.

Age classification of games

Games developed by MTG's companies are classified by either the International Age Rating Coalition (IARC) or the age rating systems on platforms such as Google Play and the App Store. However, country or region-specific age limits may vary depending on the markets where the games are published.

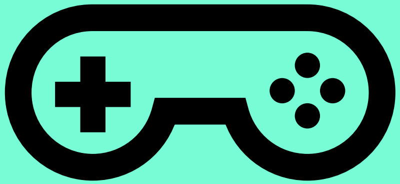
Ninja Kiwi has taken a conservative approach to age rating with their game Bloons. They identify weapon use even though only balloons are shot, not characters or other players. Thus, Bloons is rated E (6 and older) with the additional comment "cartoon violence". MTG supports this approach as a way to ensure the protection of minors.

Protecting minors' data

All MTG's companies continuously improve their data protection processes in accordance with the framework developed and governed by our Head of Data Protection. Tailoring these processes to individual games, their respective mechanics, and the data collected, each company has developed its own approach to ensure the safeguarding of all data, with a particular focus on protecting the data of minors.

Kongregate's Children's Privacy Policy, applicable to children under 13 in the US (or up to 16 in some European countries), outlines the user information collected and the process for obtaining parental consent. Certain Kongregate games are classified as Children-Appealing Games and are, therefore, audited under the kidSAFE COPPA Certification Program.

Both Ninja Kiwi and PlaySimple have implemented age gates that prevent the entry of personal information if the player indicates they are under the age of 13.



Bloons TD 6

Jigsaw

Avatar

Policies and guidelines
We want our gaming environments to be safe and respectful. To achieve this, our gaming companies have implemented policies, guidelines, and tools to address any unacceptable behavior.

InnoGames enforces global rules to prevent actions that may endanger the function of the games and affect the well-being of players. Kongregate provides behavior guidelines in its chat rooms and forums, aiming to foster a positive environment. These guidelines, written in simple language, include sections like 'Be nice to one another' and 'Be a team player'. They specify how users should act on the platform and how to report unacceptable behavior.

Ninja Kiwi and Kongregate also have policies addressing Reddit, Discord, and other social forums, with moderators actively reviewing conversations on these platforms. PlaySimple does not develop games that contain social features at all.

Keeping gaming friendly
MTG employs a range of tools to ensure that games and chat functions remain free from unacceptable behavior. The most common tool for managing behavior in chat rooms and other social forums is the moderator.

Ninja Kiwi relies on its moderators to enforce studio policies and the inclusive "Ninja Kiwi Spirit" by issuing warnings and bans as needed. InnoGames similarly has moderators in chats and forums who can warn, block and expel players who breach the global or game rules. Additionally, there's a reporting mechanism known as the Affront Tool, allowing players to report rule violations. Moderators review these reports and make decisions on appropriate actions.

Certain games in our portfolio have dedicated Discord servers. To ensure a friendly chat environment, our studios use both trained staff and volunteers as moderators. Additionally, the studios utilize bots programmed for auto-moderation, specifically targeting spam and swearing. Players found in violation of the provided guidelines for each game-focused chat may face consequences such as muting, warnings, or being blocked.

Kongregate features an automated chat filter that evaluates words and statements using textual clues, automatically blocking users who violate guidelines. Persistent misbehavior results in a user being designated as "untrusted," subjecting their chats to an even stricter filter. This filter is also used in forums to regulate the sharing of links and images.

Gaming for all
We want everyone to be able to play and enjoy our games, including neurodivergent players. This is why our game developers are continuously developing and implementing different settings and mechanics which allow players with, for example, color blindness, visual impairments, or sensory sensitivity to play our games.

In promoting gaming for all, we also include the significance of maintaining a healthy balance between engaging with our games and life outside of our games, particularly for our younger players. In BTD6, players will receive notifications after a designated playtime to encourage a mindful approach: "BTD6 is awesome. Life is awesome too. Don't forget to have a break sometimes and do something else. Then play more!".

The notification acts as a reminder for our players to take a break from the game, contributing to a healthier balance between screen time and life outside of our games.

Luck-based mechanics
Luck-based mechanics or Paid Random Items (PRI) are present in games across all categories, including those developed by MTG's studios. Examples of PRI include chests, card packs, or crates that players can purchase within the game. PRI mechanics are subject to special legal requirements. European age and content rating organizations (PEGI) and their United States counterparts (ESRB) provide additional information if PRI is included in a game. App stores' review guidelines require extra requirements if PRI is part of a game. While national laws in MTG's core markets (Europe and North America) do not offer dedicated rules for PRI specifically, general laws on consumer protection, gambling, unfair competition, and youth protection apply.


Word Trip

Games featuring PRI mechanics, developed by our gaming studios, adhere to relevant laws and provide players with information regarding the odds of obtaining specific items. In titles such as F1 Clash, Forge of Empires, and Animation Throwdown, the odds (in%) to receive a particular item are explicitly presented. Typically, this information is displayed alongside the card pack or chest, enhancing transparency for the player.

Sustainability governance
Our approach to corporate sustainability governance is grounded in our vision to treat all stakeholders with respect, extending this principle to our business practices. We aim to ensure strong sustainability governance that permeates MTG's organization. To improve our governance, the aim is to reduce our Sustainalytics' ESG risk rating to 10 or lower by 2025. At the end of 2023 the result was 16.5.

Policy framework
MTG's policy framework incorporates core compliance policies, ensuring the integration of our core values and corporate culture into our business operations, regardless of where we operate. The framework, reviewed and approved annually by the Board of Directors, includes the following:

- Code of Conduct (Public)
- Anti-Corruption Policy (Public)
- Anti-Discrimination & Harassment Policy (Public)
- Asset Protection Policy
- Competition Policy
- Data Protection Policy (Public)
- Related Party Transactions Policy
- Risk Management Policy
- Sanctions Compliance Policy
- Supplier Code of Conduct (Public)
- Whistleblower Policy (Public)

Non-public policies are communicated internally to all employees.

Implementing policies
When companies join MTG, they receive information about all policies, frameworks, and the general employee handbook. During the onboarding process, MTG's Central Operations team ensures that new companies understand the context of these policies. This involves discussing the optimal adjustment of policies to local laws and regulations while maintaining the company's tone and culture. It also includes ensuring the implementation of the policy framework within a reasonable timeframe after acquiring a company. MTG keeps portfolio companies informed of any updates or adjustments to the policy framework through direct dialogue.

We use various processes to implement our policies. For instance, our Head of Governance, Risk & Compliance conducts audits in accordance with MTG's Risk Management Policy, and all employees must sign MTG's Code of Conduct. In 2023, our ambition was to initiate training sessions on our Code of Conduct, Anti-corruption Policy, and the Whistleblower Policy for all employees, with the goal of achieving 100% completion within a year of launch.

This goal has not been completed due to changes in the organisation during 2023, and the previous Head of Sustainability has not yet been replaced.

We believe this is an important tool to ensure good sustainability governance and to implement our sustainability strategy. Therefore, we have the ambition to reach those targets in 2024.

Code of conduct
Our Code of Conduct (Code) expresses our values and helps us navigate ethical and legal issues. It stands as the governing document within MTG's entire policy framework, offering a practical guide on how we conduct business. Individual policies provide more detailed information on specific topics emphasized in the Code, such as anti-corruption practices, data privacy, and asset protection.

The Code covers all areas of corporate sustainability: human and labor rights, environment, and anti-corruption. It is based on MTG's 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.

The Code governs all material topics and all employees are expected to abide by it. In 2023, 98% (99) of all employees had signed the Code including 97% (98) of all new employees.


Sunrise Village

Anti-corruption
MTG's Anti-Corruption Policy ensures compliance with international standards and adherence to our own regulations for conducting business ethically. The policy covers eight different areas of corruption, including bribery, conflict of interest and nepotism, and is available on our website. It also addresses gifts, entertainment, and hospitality; common practices in the industry.

Supplier code of conduct
MTG's Supplier Code of Conduct (Supplier Code) covers the same areas as the Code and incorporates additional requirements for environmental management. It also outlines the right to audit suppliers and sub-suppliers using the Supplier Code. MTG's supply chain primarily involves vendors providing IT support, data centers, transmission and distribution partners, as well as software and technology contractors.

Whistleblower channel
At MTG, we take our employees' concerns seriously and want to encourage people to speak up without fear of retaliation or other negative consequences.

Aiming to promote a culture of openness, responsibility, and accountability, individuals at all levels within MTG are encouraged to report suspected or actual irregularities related to their work through the whistleblower channel. This facilitates reporting incidents, including breaches of the policy framework, inappropriate behavior of public interest, and violations of EU law.

Reports submitted through MTG's whistleblower channel are managed by a specially appointed, impartial group, and individuals have the option to report incidents anonymously. For more information, please refer to our Whistleblower Policy.

Each studio also has their own reporting channels with a process similar to MTG's, including an impartial group that handles the cases.

There was one case reported to the whistleblower channel in 2023. Since the whistleblower channel is still rather new to the organization, training was therefore provided throughout the year.

Data and IT protection
All portfolio companies ensure General Data Protection Regulation (GDPR) compliance by continuing to focus on risk assessment and further implementing

the Privacy Compliance Framework. The framework includes areas such as the governance structure, personal data inventory, data privacy policies, data transfer mechanisms, training and awareness programs, notices, and data access requests. The Head of Data Protection follows up on progress, monitoring, and further developments through regular dialogues with each local company's Data Protection Manager (DPM). Our Chief Information Security Officer is responsible for the protection of our IT systems and cybersecurity. In 2023, a cybersecurity maturity assessment was conducted across the group to assess our security posture and maturity, ensuring good data and information governance.

Sustainability governance model
MTG's Chief Financial Officer (CFO) and Head of Corporate Sustainability led the sustainability work into 2023. Following the departure of the Head of Corporate Sustainability, MTG is now restructuring to ensure that the corporate sustainability strategy, objectives, targets, and policies align seamlessly with the company's overarching vision and strategy.

Throughout the organization, continual assessments and monitoring are in place to evaluate sustainability performance against set targets. Additionally, decision-making processes related to group sustainability priorities are actively underway.

Every local CEO and management team hold the responsibility for executing and implementing the group's strategy, objectives and targets. This involves reporting on activities and initiatives to ensure the effective realization of the overall goals.

The Board of Directors approves MTG's sustainability strategy, objectives, targets and policies and adopts the annual corporate sustainability report.

Sustainability risk management
MTG's sustainability risk assessment extends across the value chain, evaluating risks according to their potential impact (financial, legal, and reputational) on MTG, while also considering the likelihood of these impacts occurring.

Identified risks are managed by aligning MTG's sustainability strategy with the policy framework, in collaboration with the local risk management units of each portfolio company. This collaborative approach is especially crucial when addressing risks specific to each company's market and operational practices. For more detailed information on our risk assessment and mangement of identified risks, see Corporate Sustainability notes pages 138-158.

	PROUD AND RESPECTFUL
	MTG will conduct business with respect and integrity
TARGET	We will reduce our ESG risk rating to 10 or lower
POLICY FRAMEWORK	— MTGs Policy Framework
CONTRIBUTION TO UN GLOBAL GOALS	Goal 16.5 Substantially reduce corruption and bribery in all their forms
OUTCOME 2023	**16.5** in overall ESG risk rating in December 2023 **98%** of all employees have signed the Code of Conduct

> We understand how important good governance is and we constantly work to enhance it across all our companies.
>
> Maria Redin, Group President/CEO, MTG

Girl: Lost Surviors
Boy: Sunrise Village

GIVING BACK TO SOCIETY

Being a positive force in society is important because our business, directly and indirectly, impacts the society in which we operate.

Bloons TD 6

Strategic memberships

To help evolve the gaming industry and society, our portfolio companies are members of industry associations and national and international organizations.

MTG and our portfolio companies support a range of initiatives that aim to benefit society and the environment. During the past year, we donated over 1,009 KSEK, and products and services worth over 52 KSEK to a variety of organizations and causes. We believe that our portfolio companies are in the best position to support local communities and organizations, allowing each company the freedom to choose the organizations and initiatives they wish to support. Here are some examples of how our companies gave back to society during 2023.

Hutch: children and youth

Hutch and MTG support the non-profit foundation Make- A-Wish at Great Ormond Street Hospital in London; a foundation that helps fulfill the wishes of critically ill children between the ages of 2 1⁄2 and 18.

Ninja Kiwi: support to local communities

Ninja Kiwi continues to provide support to its local communities through various organizations. In 2023, the studio sponsored Kindred Family Services in New Zealand and supported Glasgow Children's Hospital Charity through donations. Both organizations focus on assisting families in need.

PlaySimple: healthcare & education

PlaySimple has a Corporate Social Responsibility (CSR) program focused on providing support to specialized healthcare organizations and hospitals, and on promoting education. In 2023, a total of INR 1,970,000 was donated within the scope of this program to different registered healthcare and educational organizations.

Fair play alliance

Kongregate is a member of the Fair Play Alliance, a global coalition of gaming professionals and companies within the gaming industry. 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.

GAME

InnoGames is a member of the German Games Industry Association (GAME) whose mission is to make Germany the best gaming location in the world. An expert partner for media, social and political institutions, the association addresses topics related to market development, game culture, and media literacy.

Leaders for climate action

InnoGames is a member of Leaders for Climate Action; an association that works to combat climate change. Its vision is a global economy powered by 100% renewable energy by 2050.

Diversity works NZ

Ninja Kiwi is a member of Diversity Works NZ, a national body for workplace diversity and inclusion. This association equips its members with essential tools and knowledge on fostering diversity within organizations. Additionally, Diversity Works NZ provides assessment tools that help identify areas for improvement, ensuring a proactive approach to nurturing a diverse and inclusive work environment.

New Zealand game developers association (NZGDA)

Ninja Kiwi is a member of NZGDA, a non-profit organization dedicated to championing, supporting and fostering the growth of video game development in New Zealand through collaborations with diverse industry participants across the country.

DIRECTORS' REPORT

BUSINESS OPERATIONS

Modern Times Group MTG AB (publ) (MTG) is a publicly listed company that owns and operates gaming studios with popular global IPs across a wide range of casual and mid-core genres. 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 a global Gaming Village that enables gaming companies and entrepreneurs to thrive and to bring players worldwide a diverse selection of popular game franchises. The company's mission is to create the ultimate home for game makers and entrepreneurs. To achieve this, MTG plans to establish itself as one of the mobile gaming leaders by scaling its operations through organic growth, acceleration initiatives via the Flow Platform, and carefully selected and beneficial M&A.

In 2023, MTG's financial reporting structure included the six gaming studios: InnoGames, Hutch, Ninja Kiwi, PlaySimple, Kongregate and Snowprint. Additionally, MTG made investments in gaming-related companies through its VC fund.

Acquisitions and divestments
Active portfolio realignment is a natural part of MTG's transformation into the home of gaming entertainment. During 2023 and after the year, a number of strategic disposals, acquisitions and strategic partnerships were completed or announced, including:

March 28 – MTG increased its ownership in PlaySimple
MTG increased its ownership in PlaySimple to approximately 93%, with the remaining shares held by PlaySimple founders. The group has consolidated 100% of PlaySimple since August 1, 2021 and has a contractual path to full ownership in place.

April 13 – Strategic realignment of InnoGames
MTG's German gaming studio, InnoGames, announced a strategic organizational realignment of its business.

May 10 – MTG concludes share buyback program
Conclusion of MTG's share buyback program that commenced on October 27, 2022. MTG has repurchased a total of 4,618,588 class B shares under the program, for a total value of SEK 377 million.

June 12 – MTG appoints Nils Mösko as CFO
MTG announced the appointment of Nils Mösko as its new CFO. Nils has extensive experience in strategy and financial management and most recently served as Chief Strategy Officer and Head of Business Development at the electric vehicle company Polestar.

June 15 – Hutch teams up with Turn 10 Studios
MTG's racing-focused studio, Hutch, teamed up with Turn 10 Studios, a well-known first-party video game developer and the creators of the Forza franchise, to release an exciting new mobile game targeting a broad audience.

September 1 – MTG launch a SEK 300m share buyback program
MTG launched a SEK 300 million share buyback program, starting on September 4 and running until December 31, 2023. The Board of Directors' view is that the program will increase shareholder value for MTG's shareholders.

September 15 – Ninja Kiwi launch the tower defense hit Bloons TD 6 on Xbox
MTG's wholly owned studio, Ninja Kiwi, successfully launched the tower defense hit Bloons TD 6 on Xbox. Ninja Kiwi will continue evolving the game over time with additional features and content.

September 21 – New partnership between Hutch and NASCAR
Hutch announced a new partnership with the recognized motorsport organization, NASCAR. The partnership will see Hutch developing a standalone title for mobile.

September 22 – Ninja Kiwi announces new upcoming game Bloons Card Storm
Ninja Kiwi announced Bloons Card Storm, a competitive digital collectible card game set within the Bloons universe. The game will be launched on mobile and PC during 2024.

October 5 – MTG acquire a majority stake in Snowprint
MTG acquired a 70% majority stake in Snowprint, the studio behind Warhammer 40,000: Tacticus. Snowprint specializes in turn-based tactics games, with Warhammer 40,000: Tacticus having won several industry awards. The goal is to accelerate Snowprint's growth through the Flow Platform by offering market-leading business intelligence and user acquisition capabilities.

November 1 – MTG increase ownership in PlaySimple
MTG increased its ownership in PlaySimple to 100%, in line with the timeline to full ownership announced at the time of the acquisition in 2021.

December 31 – MTG concludes share buyback program
Conclusion of MTG's share buyback program that commenced on September 4, 2023. MTG has repurchased a total of 3,103,729 class B shares under the program, for a total value of SEK 252 million.

January 24, 2024 – Oliver Bulloss joins MTG as CPO
MTG announced that Oliver Bulloss had joined the group in the newly created role of Chief Product Officer. Oliver has extensive experience from a diverse array of leadership roles in mobile gaming. He most recently served as General Manager of NaturalMotion Zynga.

January 30, 2024 – MTG held an Extraordinary General Meeting
MTG's Extraordinary General Meeting (EGM) voted in favor of all the proposals put forward at the meeting, including a transfer of class B shares to the sellers of PlaySimple as well as transfers of class B shares on a regulated market or by way of accelerated bookbuilding procedures.

February 8, 2024 – MTG divests Kongregate
MTG announced that the group entered an agreement to divest Kongregate by merging it with the US game development studio Monumental for a 30% equity stake in the company on a fully diluted basis.

FINANCIAL OVERVIEW

2023 HIGHLIGHTS

- Net sales increased by 5% to SEK 5,829 (5,537) million
- Adjusted EBITDA of SEK 1,548 (1,373) million
- EBITDA of SEK 1,439 (1,229) million
- Operating income (EBIT) of SEK 885 (558) million
- Total basic earnings per share of 1.33 (2.70)
- Total net income of SEK 164 (6,475) million
- Net cash flow from operations of SEK 1,258 (868) million

Consolidated financial performance (SEK million)	2023	2022
Continuing operations		
Net sales	5,829	5,537
Costs before depreciation and amortization	-4,391	-4,308
Adjusted EBITDA	*1,548*	*1,373*
Adjusted EBITDA margin	*27%*	*25%*
Adjustments	*109*	*144*
EBITDA	1,439	1,229
Amortization	517	637
Depreciation	36	34
of which PPA	*372*	*374*
EBIT	885	558
EBIT margin	15%	10%
Net income	164	252
Basic earnings per share (SEK)	1.33	2.70
Discontinued Operations		
Net income	-	6,223

Consolidated financial performance (SEK million)	2023	2022
Total operations		
Net income	164	6,475
Basic earnings per share (SEK)	1.33	56.26
Net cash flow from operations	1,258	868
CAPEX	212	234
Net sales growth y-o-y		
Organic growth	*-2%*	*-4%*
Acquisitions/divestments	*2%*	*35%*
Changes in FX rates	*5%*	*9%*
Change in reported net sales	*5%*	*41%*
Pro forma growth	*-*	*5%*

Net sales

Net sales on a reported basis increased by 5 percent year-on-year to SEK 5,829 (5,537) million. Organic sales growth declined by 2%. Exchange rate changes contributed with 5%.

Operating expenditure

Operating costs before depreciation and amortization increased by 2% to SEK 4,391 (4,308) million. This included 33 (99) million in costs related to Long-term Incentive (LTI) programs and SEK 36 (19) million in Merger & Acquisition (M&A) transaction costs.

Adjusted EBITDA

The group's adjusted EBITDA amounted to SEK 1,548 (1,373) million, mainly driven by the acquisition of Snowprint who is focused on scaling on growth. The adjusted EBITDA margin was 27% (25), which is at the top of our full year margin outlook.

EBITDA amounted to SEK 1,439 (1,229) million.

EBIT

Depreciation and amortization amounted to SEK 553 (671) million and included amortization of purchase price allocations (PPA) of SEK 372 (374) million. Excluding PPA, depreciation and amortization amounted to SEK million to SEK 181 (297) million.

Group EBIT was SEK 885 (558) million. The EBIT margin was 15% (10).

Net financials and net income

Net financial items amounted to SEK -324 (-60) million, mainly related to net interest of SEK 162 million, exchange rate differences of SEK 60 million, discounted interest on earnouts SEK -212 million, valuation of financial liability of SEK 18 million relating to the class C shares held by the group as final payment part of the agreement to acquire PlaySimple (as the liability follows the value of a fixed number of shares), revaluation of earnout liabilities of SEK -326 million and SEK -26 million related to other changes. For a summary of changes in earn-out liability, see the table in Note 24 on page 125. The group's tax was SEK -397 (-246) million. Current tax amounted to SEK -451 (-449) million and deferred tax was SEK 53 (202) million.

Net income and earnings per share

The group reported a net income of SEK 164 (252) million for continuing operations and basic earnings per share before dilution of SEK 1.33 (2.70) and after dilution of SEK 1.32 (2.69).

Cash flow and financial position

The group reported a SEK -25 (-171) million change in working capital. Net cash flow from operating activities amounted to SEK 1,258 (868) million.

The group's capital expenditure on tangible and intangible assets amounted to SEK 212 (234) million, mainly consisting of capitalized development costs for games and platforms that have not yet been commercially released. Investment in the VC fund was SEK 397 (408) milllion.

Total cash flow relating to investing activities amounted to SEK -2,353 (-636) million.
Cash flow from financing activities amounted to SEK -536 (-4,974) million.

The net change in cash and cash equivalents from continuing operations amounted to SEK -1,630 (-4,741) million.

The group had cash and cash equivalents of SEK 2,956 (4,733) million at the end of the period.

Cash flow (SEK million)	2023	2022
Cash flows from operating activities	1,714	1,447
Taxes paid	-431	-408
Changes in working capital	-25	-171
Net cash flows from operating activities	**1,258**	**868**
Investing activities	-2,353	-636
Financing activities	-536	-4,974
Cash flow from discontinued operations	**-**	**8,459**
Total net change in cash and cash equivalents	-1,630	3,717
Cash and cash equivalents at the end of year	**2,956**	**4,733**

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 61 (40) million in 2023. Net interest and other financial items amounted to SEK -128 (7,705) million, where the main part consisted of unrealized and realized exchange differences amounting to -134 (155) and 144 (-96) respectively. Income after tax and appropriations amounted to SEK -137 (7,746) million. The parent company had cash and cash equivalents of SEK 1,599 (3,625) million at the end of the period.

Dividend and proposed appropriation of earnings
The following funds are at the disposal of the shareholders:

Dividend and proposed appropriation of earnings

(SEK)	2023
Premium reserve	6,003,216,967
Retained Earnings	8,983,093,726
Net income for the year	-136,999,897
Total at disposal per 31 December	**14,849,310,796**

The Board proposes that MTG's retained earnings, the share premium reserve and the result for the year, a total of SEK 14,849,310,796 is to be carried forward.

Sustainability
The statutory sustainability report according to Chapter 6 of the Annual Accounts Act can be found on pages 22-35 and 138–158.

THE MTG SHARE

Share price performance and total return

MTG's Class A and Class B shares are listed on Nasdaq Stockholm (Mid Cap segment) under the symbols 'MTG A' and 'MTG B'. At the beginning of 2023, the MTG Class B share price was SEK 89.1 (94.6) and at the end of 2023, it was SEK 86.2 (89.1), with a decreased number of total shares (as further described below). This implies a decrease in the share price by -3.3% and a market capitalization by the year-end 2023 of SEK 10.8 (11.4) billion excluding Class C shares.

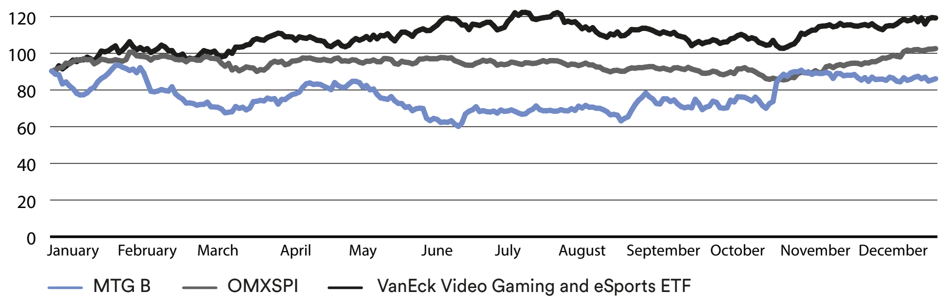
Ownership structure

The total number of shareholders according to the share register held by Euroclear Sweden AB (the Swedish Central Securities Depository) was 40,885 (44,251) at the end of 2023. The shares held by the 10 largest shareholders corresponded to approximately 52% (55) of the share capital and 51% (54) of the voting rights. Swedish shareholders owned approximately 35 % (40) of the share capital and international investors owned approximately 65% (60).

Total number of shares and voting rights

The holder of a MTG Class A share is entitled to 10 votes and the holder of an MTG Class B and MTG Class C share, respectively, is entitled to one vote each. Class C shareholders are not entitled to dividend payments. Out of the total number of issued shares, 3,662,980 (3,980,433) Class B shares and 6,324,343 (6,324,343) Class C shares were held as

Share price development 2023, indexed



Shareholders as of December 31, 2023

#	Owners	MTG A	MTG B	MTG C	Capital	Votes	Verified
1	EHM Holding GmbH		18,143,025		13.8%	13.3%	2022-10-27
2	Active Ownership Corporation S.à r.l.		11,816,637		9.0%	8.7%	2023-12-31
3	Modern Times Group MTG AB		3,662,980	6,324,343	7.6%	7.3%	2023-12-29
4	Handelsbanken Fonder		8,721,764		6.6%	6.4%	2023-12-31
5	Atairos		4,829,762		3.6%	3.5%	2022-05-30
6	Nordea Funds		3,673,006		2.8%	2.7%	2023-12-31
7	Vanguard		3,644,362		2.8%	2.7%	2023-12-31
8	C WorldWide Asset Management		2,990,151		2.3%	2.2%	2023-12-31
9	Janus Henderson Investors		2,704,227		2.1%	2.0%	2023-12-31
10	VERAISON Capital AG		2,667,890		2.0%	1.9%	2022-03-14
Total top 10		**0**	**62,853,804**	**6,324,343**	**52.4%**	**50.6%**	
Others		**545,662**	**61,944,918**	**0**	**47.6%**	**49.4%**	
Total		**545,662**	**124,798,722**	**6,324,343**	**100.0%**	**100.0%**	

treasury shares as of December 31, 2023 (these shares are not represented at general meetings of the company).

Due to the cancellation and issuance of shares described below (which were made in 2023), the total number of voting rights and total number of shares as of December 31, 2023 amounted to 136,579,685 votes (138,946,898) and 131,668,727 shares (134,035,940).

- The reduction of the share capital by SEK 32,600,000 by way of cancellation of 6,520,000 Class B shares repurchased under MTG's repurchase programs carried out between June 20, 2022 and April 26, 2023.
- The increase of the share capital by SEK 20,763,935 by way of issuance of 4,152,787 Class B shares to the sellers of Ninja Kiwi, including certain key employees responsible for Ninja Kiwi's operations, to settle earn-out obligations.

Share capital

The parent company's share capital amounted to SEK 658 (670) million at the end of 2023. For changes in the share capital between 2023 and 2022, please see the report entitled 'Consolidated statement of changes in equity'.

Share distribution

Size Class	Number of shares	Capital	Votes	Number of known owners	Part of known owners
1–100	636,415	0.48%	0.60%	29,393	71.89%
101–200	588,773	0.45%	0.56%	3,963	9.69%
201–500	1,243,840	0.94%	1.07%	3,786	9.26%
501–1,000	1,347,720	1.02%	1.16%	1,804	4.41%
1,001–2,000	1,462,689	1.11%	1.18%	987	2.41%
2,001–5,000	1,788,943	1.36%	1.45%	571	1.40%
5,001–10,000	1,245,427	0.94%	1.16%	170	0.42%
10,001–20,000	953,910	0.72%	0.72%	67	0.16%
20,001–50,000	1,849,616	1.40%	1.70%	61	0.15%
50,001–100,000	1,612,638	1.22%	1.35%	24	0.06%
100,001–200,000	1,714,700	1.30%	2.05%	13	0.03%
200,001–500,000	4,168,625	3.14%	3.03%	13	0.03%
500,001–1,000,000	7,961,616	6.05%	5.85%	11	0.03%
1,000,001–2,000,000	15,684,319	11.91%	12.55%	10	0.02%
2,000,001–5,000,000	24,991,987	18.84%	18.17%	8	0.02%
5,000,001–10,000,000	18,709,087	14.21%	13.70%	2	0.00%
10,000,001–	29,959,662	22.74%	21.92%	2	0.00%
Anonymous ownership	15,748,760	12.15%	11.78%		
Total	**131,668,727**	**100%**	**100%**	**40,885**	**100%**

Reclassifications

There were no reclassifications of Class A shares into Class B shares in 2023 and 2022.

Exercise of long-term incentive plans

No shares were exercised as part of any long-term incentive plan during 2023 and 2022.
For information on share-based long-term incentive plans, please see Note 21.

Board authorizations

2023

The Annual General Meeting held on May 17, 2023 resolved on the following resolutions with respect to Board authorizations:

- To secure delivery of shares to the participants in the 2022 Incentive Plan, the Board was authorized to carry out a directed issue, and a subsequent repurchase, of not more than 389,241 Class C shares (which can be converted into Class B shares) and that not more than 389,241 own Class B shares may be transferred free of charge to the participants in accordance with terms and conditions of the 2022 Incentive Plan. The Board has not yet utilized this authorization.
- The Board was authorized to resolve on repurchases and transfers of own shares. This authorization was used by the Board on September 1, 2023.

- The Board was authorized to, on one or more occasions during the period up until the next Annual General Meeting, issue new Class B shares with or without deviation from the shareholders' preferential rights. New share issues resolved upon by the Board using this authorization shall, in aggregate, represent no more than 10 percent of the total number of shares in the company at the time when the Board of Directors exercises this authorization for the first time. The Board has not yet utilized this authorization.

2022

The Extraordinary General Meeting held on March 22, 2022 resolved in accordance with the Board's proposal regarding an authorization for the Board to resolve on repurchase of own shares. The Board utilized this authorization on April 29, 2022.

The Annual General Meeting held on June 8, 2022 resolved on the following resolutions with respect to Board authorizations:

- To secure delivery of shares to the participants in the 2022 Incentive Plan, the Board was authorized to carry out a directed issue, and a subsequent repurchase, of not more than 495,000 Class C shares (which can be converted into Class B shares) and that not more than 495,000 own Class B shares may be transferred free of charge to the participants in accordance with terms and conditions of the 2022 Incentive Plan. The Board has not yet utilized this authorization.
- The Board was authorized to resolve on repurchases and transfers of own shares. This authorization was used by the Board on June 17, 2022, and October 25, 2022, respectively.
- The Board was authorized to, on one or more occasions during the period up until the next Annual General Meeting, issue new Class B shares with or without deviation from the shareholders' preferential rights. New share issues resolved upon by the Board using this authorization shall, in aggregate, represent no more than 15% of the total number of shares in the company at the time when the Board of Directors exercises this authorization for the first time. At least one third (1/3) of the authorization is intended to be used as payment/consideration in connection with acquisitions (in kind or through set-off), and the remainder may be used for new issues to raise capital for acquisitions. The Board has not yet utilized this authorization.

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 of Association. 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 of transactions after the balance sheet date, please see Note 26.

FINANCIAL POLICIES AND RISK MANAGEMENT

Risks and uncertainties

Competitive risks

Competitive risks include competition for game players. MTG's ability to compete successfully is dependent on a number of factors, including the ability to adapt to new technologies and product innovations, achieve widespread distribution and develop user communities in a sustainable manner.

M&A deals may not be successful

As an active investor, MTG acquires and divests companies, or stakes in companies, from time to time. Such acquisitions may not deliver the expected benefits to the group, potentially resulting in significant financial loss and a negative effect on the share price.

MTG is facing the risk of increased competition for new acquisitions. Heightened investors' interest in gaming assets may lead to greater acquisition costs, affecting the Company's ability to grow its asset portfolio profitably.

Furthermore, and especially because of M&A activity in geographies with a heightened risk of corruption, MTG may become associated with counterparties of questionable reputation. This can have an adverse effect on the group's reputation and expose MTG to the risk of litigation.

Reliance on a few game titles

MTG's revenues are concentrated in a few highly profitable game titles (including Forge of Empires, Word Trip, Word Jam and Bloons TD6). If the popularity of these titles among players declines, this may have a significant adverse effect on MTG's profitability. The dependency on a few game titles has not changed significantly during 2023.

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 fail to release new titles, or if the newly released titles are not well received by 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 games through third-party platforms such as Apple's App Store, 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. Changes to platforms' terms and conditions may also have an adverse effect on MTG's ability to promote or monetize its games.

Marketing spend may not be effective

MTG's gaming companies are continuously promoting their products to attract new customers. Given the volume of spending on user acquisition, marketing campaigns that do not deliver the expected customer intake may result in significant financial loss.

Furthermore, changes in restrictions on the processing of personal data may decrease the effectiveness of MTG's marketing spend by making it more difficult to address the audience segments that are most likely to become MTG's customers. Such restrictions are the result of both governmental policies and content distribution platforms' decisions to safeguard their users' privacy (e.g. IDFA on Apple devices).

Dependence on third-party trademarks

Some of the main Snowprint and Hutch titles contain licensed third-party trademarks (e.g., Warhammer 40,000 and Formula 1). 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.

Intellectual property right infringement
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.

Reliance on talent and key employees
MTG may not be able to attract the right talent at acceptable cost or retain key employees. The successful design, development, marketing and monetization of games requires highly skilled input from developers, 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 or retain 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.

Some of MTG's businesses are dependent on key employees for critical tasks related to product design, content monetization and user acquisition. If such employees were to leave their respective employer, their skills might be difficult to replace promptly or at an acceptable cost. This could cause a temporary deterioration of the affected businesses' operational performance.

New entrants and consolidation in the market
The entry of new players, or continued consolidation could result in significant changes for the industry and might 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.

Business interruption risks
MTG's businesses may suffer from interruptions caused by a variety of factors.

Gaming companies may be adversely affected by cyberattacks originating either externally or from within the companies. If the affected companies are unable to recover promptly from interruptions to their business, MTG may suffer from immediate revenue loss and long-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, which may also be affected 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 (EU) 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.

Furthermore, if MTG does not provide regular and sufficient training on regulatory compliance matters to group staff, employees may expose the group to the risk of penalties through non-compliant behavior.

Financing risks

Although MTG has not been reliant on external financing in 2023, it is possible that to successfully execute its strategy the group may have to borrow funds from third parties. That would expose MTG to risks associated with disruptions in the financial markets, which could make it more difficult and more expensive to obtain financing. Potential events affecting this may include geographical and macroeconomic conditions, the adoption of new regulations, the implementation of recently enacted laws, or new interpretations or 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, some of the companies may have external minor loans or overdraft facilities.

Financial policy

The group's financial risk management is centralized to the parent company to capitalize on economies of scale and synergy effects and 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 17.

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 translation 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, if and when assumed, would expose 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 liability. Other forms of insurance, such as insurance against business interruptions, and travel insurance, are covered in local insurance solutions in each subgroup or company.

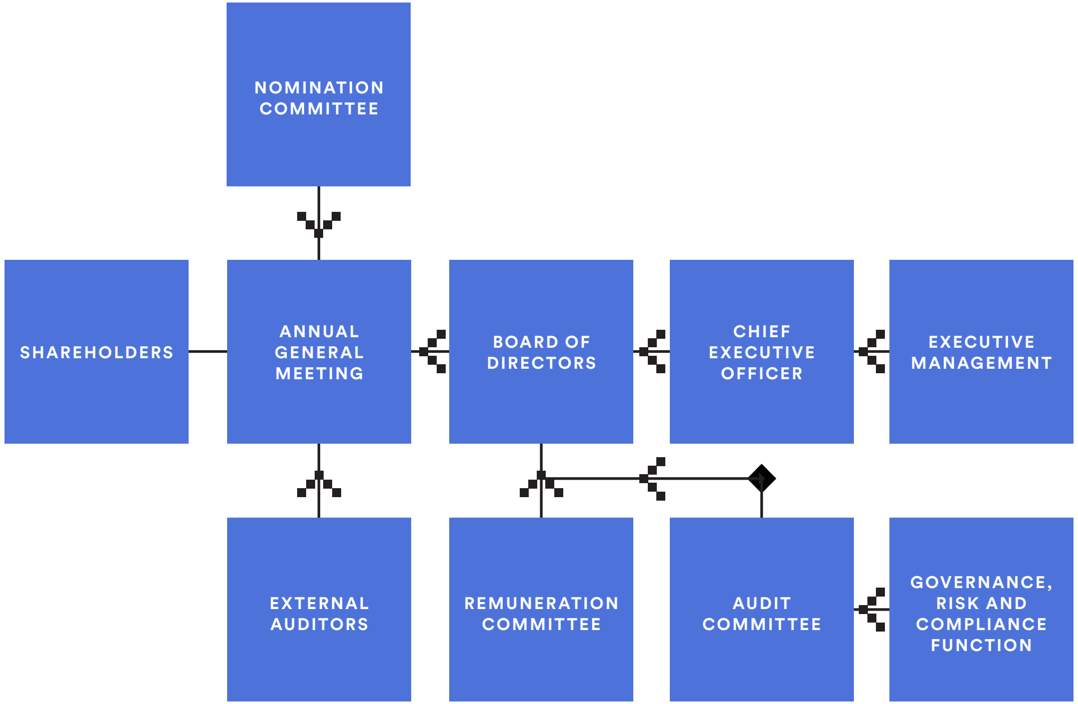
GOVERNANCE AND RESPONSIBILITIES

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 has complied with the Code and reported one deviation from the Code in 2023 (see further below under "Remuneration Committee"). 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 2023.

Shareholders
For information about the ownership structure, share capital and the MTG share, please refer to the section "The MTG share" on pages 43-46.

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 and under Investors/ Reports & Presentations.

Annual General Meeting
The Swedish Companies Act (2005:551) (the "Swedish Companies Act") and the Articles of Association determine how Annual General Meetings and Extraor-



dinary General Meetings are convened 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 confer a right to ten votes, whereas Class B and Class C shares confer a right to one vote. The Articles of Association allow the Board of Directors to decide that shareholders shall have the right to provide their votes by post before the general meeting.

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 the procedure of appointing the Nomination Committee for next Annual General Meeting

In accordance with the procedure adopted by the 2019 Annual General Meeting of MTG, a Nomination Committee was convened to prepare proposals for the 2024 Annual General Meeting. The Nomination Committee comprises Christian Rauda, appointed by EHM Holding GmbH; Klaus Roehrig, appointed by Active Ownership Corporation; Malin Björkmo, appointed by Handelsbanken Fonder AB and Simon Duffy, the Chairman of the Board. The three shareholders who have appointed representatives to the Nomination Committee hold approximately 31% of the total voting rights in MTG. In line with past practices, the members of the Nomination Committee appointed Christian Rauda, representing the largest shareholder on the last business day of August 2023, 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 reasoned statement regarding its proposal to the Annual General Meeting as well as a brief presentation of its work will be published well in advance of the 2024 Annual General Meeting. 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 reasoned statement regarding the proposal for the Board which was given in connection with the 2023 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 of MTG comprises eight Non-Executive Directors. The members of the Board of Directors are Simon Duffy, Natalie Tydeman, Gerhard Florin, Chris Carvalho, Simon Leung, Florian Schuhbauer, Liia Nõu and Susanne Maas. At the 2023 Annual General Meeting, Simon Duffy, Gerhard Florin, Natalie Tydeman, Chris Carvalho, Simon Leung and Florian Schuhbauer were re-elected as Board members and Liia Nõu and Susanne Maas were elected as new Board members. The Annual General Meeting further elected Simon Duffy as Chairman of the Board of Directors. In 2023, the Board of Directors 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 57-58.

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 and the Code. The Board's work and delegation procedures, instructions for the Chief Executive Officer, and reporting instructions are updated and approved 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 15 meetings (including the constituent meeting in connection with the 2023 Annual General Meeting but excluding meetings held by circulating minutes). 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 59. Important issues addressed during the year include strategic and financial matters, with a particular focus on M&A and shareholder value return.

Ensuring Quality in Financial Reporting
The reporting instructions adopted 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 its financial reporting, as well as major changes to 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 its processes are functioning and how they might be improved. Questions focus on whether the Board is adding value to the organization and on enhancing its performance through the examination of the Board's 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 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. 2021 was the last time such an extensive board evaluation was carried out.

Remuneration Committee
The Remuneration Committee comprises Gerhard Florin as Chairman, Natalie Tydeman and Susanne Maas. The Remuneration Committee's assignments are stipulated in Chapter 9.1 of the Code and comprise issues concerning salaries, pension terms and condi-

tions, 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. Susanne Maas is not deemed to be independent of the Company and its executive management as a result of her having, within the past three years, been employed in various HR leadership roles at InnoGames, i.e. within the MTG Group. Therefore, Susanne Maas being a member of the Remuneration Committee constitutes a deviation from the Code. The explanation for the deviation is that MTG's Board considers Susanne Maas to be the best suited among MTG's Board members to be a member of the Remuneration Committee in view of her extensive experience of HR and remuneration-related matters. Furthermore, MTG does not consider it to be likely that Susanne Maas' previous experience from HR leadership roles at InnoGames would have a negative effect on her ability to carry out her assignments as member of the Remuneration Committee in accordance with the best interests of MTG's shareholders.

Audit Committee

The Audit Committee comprises Liia Nõu as Chairman, Chris Carvalho, Simon Leung and Florian Schuhbauer. 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 21. Board members do not participate in the group's incentive plans.

External Auditors

KPMG was elected as MTG's auditor for the financial year 2023 for a term of office ending at the end of the 2024 Annual General Meeting with Authorized Public Accountant Helena Nilsson being re-appointed as auditor-in-charge. 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 2023. These services comprised work in relation to the company's share repurchase programs, 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 22.

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 2023 by the Audit Committee.

Executive Management

At year-end 2023, the members of the Executive Management in MTG included Chief Executive Officer Maria Redin, Chief Financial Officer Nils Mösko, EVP Gaming Arnd Benninghoff and Group General Counsel Simon Hahn. Lasse Pilgaard, the former Chief Financial Officer, resigned from his position in August 2023. Biographical information, including shareholding as of 31 December 2023, on each member of the Executive Management Team is provided on page 60.

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 Team, 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 the preparation of financial reports and communication with the stock market. The Company policies issued include the code of conduct and the policies on anti-bribery and corruption, risk management and financial control.

Executive remuneration

The existing guidelines for remuneration to senior executives approved at the 2021 Annual General Meeting can be found in Note 21. These guidelines apply to the Executive Management Team.

Proposal for 2024 executive remuneration guidelines

To the Annual General Meeting 2024, the Board has decided to propose that the guidelines shall remain unchanged except the section pertaining to pension where the Board proposes the following change in the guidelines after having conducted a benchmark analysis through an independent advisor to ensure that executive compensation remains in line with market standards in this regard.

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 35% of the individual's annual base salary.

For further information on certain remuneration matters, reference is made to the Board of Directors' 2023 Remuneration Report, which is available on www.mtg.com

INTERNAL CONTROL REPORT

MTG's internal controls, risk assessment, information and communication processes and monitoring of financial reporting have been designed to deliver reliable financial reporting and external financial statements prepared in accordance with IFRS, applicable laws and regulations and other requirements for companies listed on Nasdaq Stockholm. These processes involve the the Board of Directors, the Executive Management Team and other personnel.

Control environment

The Board of Directors has issued a set of instructions that sets out 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 controls work and establishing the 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, routines, instructions, guidelines, manuals and policies together with laws and regulations form the group's control environment. All employees are accountable for adhering to these requirements.

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 main risks for gaming companies relate to the availability of staff with specific skills, tightening restrictions on the use of personal data, dependence on large content distribution platforms, and the ability to launch successful new titles. Operational managers are responsible for risk management in the group's companies, segments and business units. This 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 Team and 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 Managment Team and the Audit Committee. The Board receives regular updates on the group's performance between the meetings. The group's financial position, strategy 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 inaccuracies and following up on suggestions for improvement coming 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 scrutinizing 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 ordinary Committee meetings when relevant.

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 controls, 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

Simon Duffy
Chairman of the Board
British, born 1949
Elected 2008

Simon was Executive Chairman of Tradus plc until the company's sale in March 2008 and 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 Deputy Chairman and CFO of EMI Group plc. He is currently the Non-Executive Interim Chairman of Viaplay Group AB and a Non-Executive Director of Avianca Group International Limited. He also serves as the Chair of the Board of Governors of Manchester Metropolitan University.

Simon holds a Master's degree from Oxford University and an MBA from Harvard Business School.

Independent of the Company and management and independent of the major shareholders.

Direct or related party ownership: 15,000 MTG Class B shares as of December 31, 2023.

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 as Chief Operating Officer at Kabam, a mobile gaming publisher, 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 at G5 Entertainment, the publisher of mobile games listed on Nasdaq Stockholm. Chris is currently a Board Member of Roblox, an online user generated gaming platform and creation system listed on the New York Stock Exchange, and is an advisor to various startups at the intersection of entertainment and technology.

Chris holds an MBA from the UCLA's 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 party ownership: 2,500 MTG Class B shares as of December 31, 2023.

Susanne Maas
Non-Executive Director
German, born 1972
Elected 2023

Susanne Maas is the Chief Human Resources Officer at myneva, a leading software solutions provider for the social sector. Prior to joining myneva 2022, Susanne held HR leadership roles at InnoGames, MTG's largest subsidiary, and one of Europe's most influential developers and publishers of mobile and online games, between 2012 and 2022, and before that she was program coordinator at the Bechtel International Centre at Stanford University from 2008 to 2012 and head of HR and public relations at Catholic Children's Hospital Wilhelmstift in Hamburg from 2001 to 2007.

Susanne holds an MA in International Relations, Administration Science and Organisational Change from University of Konstanz.

Member of the Remuneration Committee.

Not independent of the Company and management and not independent of the major shareholders.

Direct or related party ownership: 0 MTG shares as of December 31, 2023.

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

Gerhard has spent over 25 years in the entertainment and gaming industry. Gerhard 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 Chairman of the Board of InnoGames GmbH (a MTG subsidiary).

Gerhard holds Masters and PhD degrees in Macro Economics from the University of Augsburg in Germany.

Chairman of the Remuneration Committee.

Independent of the Company and management, and independent of major shareholders.

Direct or related party ownership: 6,680 MTG Class B shares as of December 31, 2023.

Liia Nõu
Non-Executive Director
Swedish, born 1965
Elected 2023

Liia Nõu currently serves as CEO of Pandox, a leading owner of hotel properties listed on Nasdaq Stockholm. Prior to assuming the role as CEO of Pandox in 2021, Liia was the group CFO since joining the company in 2007. Liia has also held leading positions as CFO at GE Money Bank Nordics & Baltics, a worldwide financial services and banking group, from 2002 to 2007, CFO at Song Networks, a supplier of IP-based communications solutions to the Nordic business customers, from 2000 to 2002 , CFO at Icon Medialab, an online consulting business, from 1997 to 1999, CFO at Tele2 from 1995 to 1997 and finance manager and treasurer at Q8 from 1988 to 1995.

Liia holds an MSc from Stockholm School of Economics.

Chairman of the Audit Committee.

Independent of the Company and management and independent of the major shareholders.

Direct or related party ownership: 0 MTG shares as of December 31, 2023.

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

Natalie is a Senior Investment Director at Kinnevik AB (publ), focused on investing in growth stage technology businesses, and sits on the boards of the following Kinnevik portfolio companies (Betterment, Jobandtalent and Vay). Prior to Kinnevik, Natalie spent 8 years as a Partner and then Senior Partner at GMT Communications Partners, one of Europe's leading private equity specialists in the media and communications sectors. Earlier in her career, Natalie helped launch Excite in Europe, built Discovery Communications' European digital media 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. Natalie is also a Non-Executive Director of Viaplay Group AB.

Natalie holds a Bachelor of Arts in Mathematics from the University of Oxford and an MBA from Harvard Business School.

Member of the Remuneration Committee.

Independent of the Company and management and independent of the major shareholders.

Direct or related party ownership: 1,342 MTG Class B shares as of December 31, 2023.

Simon Leung
Non-Executive Director
Canadian, born 1954
Elected 2021

Simon is based in Hong Kong and has extensive experience working with international companies and leading their operations in Greater China and the Asian Pacific region. He served as Microsoft's Chairman and CEO of Greater China region, 2008 to 2012 and was President of Motorola Asia-Pacific, 1999 to 2008. Since March 2015, Simon has been appointed to be the Vice Chairman and executive director of NetDragon Websoft Holdings Limited, a gaming and education technology company listed on Hong Kong Stock Exchange.

He is the Chairman of Mynd.ai Inc. since December 2023, an AI education company listed on NYSE American. In addition, Simon serves as an independent non-executive director of PuraPharm Corporation Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong Limited.

Simon received his Bachelor of Arts degree and an Honorary Doctorate in laws from the University of Western Ontario, Canada in 1978 and 2005, respectively, and a Doctorate in Business Administration from Hong Kong Polytechnic University in 2007.

Member of the Audit Committee.

Independent of the Company and management and independent of the major shareholders.

Direct or related party ownership: 0 MTG shares as of December 31, 2023

Florian Schuhbauer
Non-Executive Director
German, born 1975
Elected 2022

Florian is Co-CIO and a Founding Partner of AOC. Florian started his career at Dresdner Kleinwort Benson with positions in risk management and equity research. He then co-founded Newtron AG, a software company that optimized strategic purchasing processes. Following the sale of Newtron, he became CFO and Executive Vice President of DHL Global Mail in the US. After leaving DHL he joined General Capital Group / Active Value Investors where he focused on deploying a Private Equity approach on public companies, and later joined Triton Partners where he built up the Public Equity practice before founding AOC. Florian has extensive board experience and currently serves as the Deputy Chairman of the Board of Vita 34 AG, board member and Audit Chair of NFON AG and board member of CI Games SE and H2Apex Group SCA.

Florian graduated from the Frankfurt School of Finance and Management with a Master in Finance and Business Administration.

Member of the Audit Committee.

Independent of the Company and management, not independent of the major shareholders.

Direct or related person ownership: 11,816,637 MTG Class B shares as of December 31, 2023 (closely related person's ownership).

Board of Directors composition and attendance at Board and Committee meetings January 1, 2023 – December 31, 2023					
Board of Directors	Board meeting attendance[1]	Audit Committee attendance[2]	Remuneration Committee attendance[3]	Independent of major shareholders	Independent ofcompany andits management
Simon Duffy[4]	12/15	-	-	Yes	Yes
Natalie Tydeman	14/15	-	4/4	Yes	Yes
Gerhard Florin	13/15	-	4/4	Yes	Yes
Chris Carvalho	15/15	7/7	-	Yes	Yes
Simon Leung	11/15	7/7	-	Yes	Yes
Florian Schubauer	15/15	6/7	-	No	Yes
Liia Nõu[5]	9/15 (since appointment, 9/9)	4/7 (since appointment, 4/4)	-	Yes	Yes
Susanne Maas[6]	9/15 (since appointment, 9/9)	-	2/4 (since appointment, 2/2)	No	No
Marjorie Lao[7]	5/15 (until resignation 5/6	3/7 (until resignation 3/3)	-	Yes	Yes
Dawn Hudson[8]	5/15 (until resignation 5/6)	-	2/4 (until resignation 2/2)	Yes	Yes

1) The total number of meetings of the Board of Directors during 2023 were 15 (including the constituent meeting following the Annual General Meeting held 17 May 2023 but excluding meetings held by circulating minutes), of which 6 were held prior to the 2023 Annual General Meeting and 9 were held following the 2023 Annual General Meeting.
2) The total number of meetings of the Audit Committee during 2023 were 7, of which 3 were held prior to the 2023 Annual General Meeting and 4 were held following the 2023 Annual General Meeting.
3) The total number of meetings of the Remuneration Committee during 2023 were 4, of which 2 were held prior to the 2023 Annual General Meeting and 2 were held following the 2023 Annual General Meeting.
4) Simon Duffy was absent during the 3 meetings held on the day of the Annual General Meeting on 17 May 2023 (of which one was the constituent meeting).
5) Liia Nõu was elected as new Director of the Board of Directors at the Annual General Meeting held on 17 May 2023 and could therefore only attend a maximum of 9 Board of Directors meetings and 4 Audit Committee meetings, respectively, during 2023.
6) Susanne Maas was elected as new Director of the Board of Directors at the Annual General Meeting held on 17 May 2023 and could therefore only attend a maximum of 9 Board of Directors meetings and 2 Remuneration Committee meetings, respectively, during 2023.
7) Marjorie Lao resigned from her position as Director of the Board of Directors in connection with the Annual General Meeting held on 17 May 2023 and could therefore only attend a maximum of six Board of Directors meetings and 3 Audit Committee meetings, respectively, during 2023.
8) Dawn Hudson resigned from her position as Director of the Board of Directors in connection with the Annual General Meeting held on 17 May 2023 and could therefore only attend a maximum of six Board of Directors meetings and 2 Remuneration Committee meetings, respectively, during 2023.

GROUP MANAGEMENT

Maria Redin
CEO

Maria was appointed 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 is currently a Member of the Board of Directors of Hemnet and was previously a Member of the Board of Directors of NetEnt. She holds a Master's degree in International Business from the University of Gothenburg.

Direct or related party ownership: 27,419 MTG Class B shares as per December 31, 2023.

Nils Mösko
CFO

Nils was appointed as Chief Financial Officer in June 2023. He has most recently served as Chief Strategy Officer and Head of Business Development at the electrical vehicle company Polestar. Before this, Nils served as the Global Deputy CFO of Polestar since 2018. He has also held a number of senior financial leadership roles within Volvo Car Group, including most recently Vice President of Investor Relations. He holds a Master's degree in International Business from the University of Gothenburg.

Direct or related party ownership: 0 MTG Class B shares as per December 31, 2023.

Arnd Benninghoff
EVP Gaming

Arnd joined MTG in November 2014 and leads MTG's strategic investments. Prior to joining MTG, Arnd worked as Chief Digital Officer for Digital & Adjacent at ProSiebenSat.1 Media AG, and as Managing Director of SevenVentures, 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 party ownership: 27,700 MTG Class B shares as per December 31, 2023.

Simon Hahn
Group General Counsel

Simon was appointed Group General Counsel in May 2023 after serving for 6 years at MTG, including during the last years as Head of Legal – M&A and Corporate Legal Affairs of the MTG Group. He joined MTG in May 2017, prior to which he worked for 4 years in private practice at law firms Ashurst and Hamilton. He holds a Master of Laws (LL.M) from Lund University.

Direct or related party ownership: 1,651 MTG Class B shares as per December 31, 2023.

FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

(SEK million)	Note	2023	2022
Continuing operations			
Net sales	3	5,829	5,537
Cost of goods and services		-1,577	-1,523
Gross income		**4,252**	**4,014**
Selling expenses		-2,344	-2,215
Administrative expenses		-1,030	-1,278
Other operating income	5	61	44
Other operating expenses	5	-14	-7
Share of earnings in associated companies	6	1	0
Items affecting comparability		-40	-
Operating income	**3, 4, 5, 9, 10, 19, 21, 22, 24**	**885**	**558**
Net interest	7	162	54
Other financial items	7	-486	-114
Income before tax		**561**	**498**
Tax expenses	8	-397	-246
Net income for the year, continuing operations		**164**	**252**
Discontinued operations	**25**		
Esport		-	6,223
Net income for the year, discontinued operations		**-**	**6,223**
Total net income for the year		**164**	**6,475**

(SEK million)	Note	2023	2022
Net income for the year, continuing operations, attributable to:			
Equity holders of the parent company		164	356
Non-controlling interest		-	-105
Total net income for the year, continuing operations		**164**	**252**
Total net income for the year, attributable to:			
Equity holders of the parent company		164	6,579
Non-controlling interest		-	-105
Total net income for the year		**164**	**6,475**
Continuing operations			
Basic earnings per share (SEK)	13	1.33	2.70
Diluted earnings per share (SEK)	13	1.32	2.69
Total operations			
Total basic earnings per share (SEK)	**13**	**1.33**	**56.26**
Total diluted earnings per share (SEK)	**13**	**1.32**	**56.06**
Number of shares			
Shares outstanding at the end of the period		121,681,404	123,731,164
Basic average number of shares outstanding	13	123,189,366	116,950,340
Diluted average number of shares outstanding	13	123,710,735	117,355,207

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK million)	Note	2023	2022
Net income for the year, continuing operations		164	252
Other comprehensive income			
Items that are or may be reclassified to profit or loss net of tax:			
Change in currency translation differences, continuing operations	14	-270	791
Other comprehensive income, continuing operations		**-270**	**791**
Total comprehensive income, continuing operations		**-107**	**1,042**
Net income for the year, discontinued operations	25	-	6,223
Other comprehensive income			
Items that are or may be reclassified to profit or loss net of tax:			
Change in currency translation differences, discontinued operations	14	-	51
Total comprehensive income, discontinued operations		**-**	**6,274**
Total comprehensive income for the year		**-107**	**7,317**
Attributable to:			
Equity holders of the parent company		-107	7,402
Non-controlling interest		-	-85
Total comprehensive income for the year		**-107**	**7,317**

CONSOLIDATED BALANCE SHEET

(SEK million)	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Non-current assets			
Intangible assets	9		
Capitalized expenditure		1,184	1,157
Trademarks		665	782
Game Engine		137	-
Customer relations		454	471
Goodwill		10,418	10,285
Total intangible assets		**12,859**	**12,695**
Property, plant and equipment	10		
Equipment, tools and installations		39	58
Total tangible assets		**39**	**58**
Right-of-use assets	19	172	65
Non-current financial assets	11		
Shares and participations in associated companies	6	1	1
Shares and participations in other companies	17	397	408
Other non-current receivables	17	156	66
Total non-current financial assets		**555**	**474**
Deferred tax assets	8	133	134
Total non-current assets		**13,757**	**13,427**

(SEK million)	Note	Dec 31, 2023	Dec 31, 2022
Current assets			
Current receivables			
Accounts receivable	12	568	436
Tax receivables		13	17
Other receivables, non interest-bearing		109	62
Prepaid expenses and accrued income		96	93
Total current receivables		**787**	**608**
Cash and cash equivalents		2,956	4,733
Total current assets		**3,743**	**5,341**
Total assets		**17,500**	**18,769**

CONSOLIDATED BALANCE SHEET CONTINUED

(SEK million)	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company	14		
Share capital		658	670
Paid-in capital		7,435	7,109
Translation reserve		1,003	1,266
Revaluation reserve		-12	-12
Retained earnings including net income for the year		4,629	4,901
Total equity attributable to equity holders of the parent company		**13,714**	**13,934**
Non-controlling interest			
Non-controlling interest		-	-
Total equity		**13,714**	**13,934**
Non-current liabilities	17		
Interest-bearing			
Lease liabilities	19	138	32
Total non-current interest-bearing liabilities		**138**	**32**
Non-interest bearing			
Non-interest bearing liabilities		23	-
Deferred tax liabilities	8	522	516
Provisions	15	88	104
Contingent consideration	17	1,007	1 ,409
Put and call option liability	17	143	-
Total non-current non-interest-bearing liabilities		**1,784**	**2,030**
Total non-current liabilities		**1,921**	**2,062**

(SEK million)	Note	Dec 31, 2023	Dec 31, 2022
Current liabilities	**17**		
Interest-bearing			
Lease liabilities	19	36	34
Other interest-bearing liabilities		534	707
Total current interest-bearing liabilities		**569**	**741**
Non-interest-bearing			
Accounts payable	17	316	211
Tax liabilities		55	48
Provisions	15	60	58
Contingent consideration	17	432	1,293
Other liabilities		84	57
Accrued expenses and deferred income		349	363
Total current non-interest-bearing liabilities		**1,295**	**2,031**
Total current liabilities		**1,865**	**2,773**
Total liabilities		**3,786**	**4,835**
Total equity and liabilities		**17,500**	**18,769**

For information about pledged assets and contingent liabilities, see Note 16.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK million)	Equity attributable to the equity holders of the parent company							
	Share capital	Paid-in capital	Translation reserve	Revaluation reserve	Retained earnings incl. net income for the year	Total	Non-controlling interest	Total equity
Balance as of January 1, 2022	**585**	**5,705**	**300**	**-12**	**1,424**	**8,002**	**1,921**	**9,923**
Net income for the year					6,579	6,579	-105	6,475
Other comprehensive income			823			823	19	842
Total comprehensive income for the year 2022	**-**	**-**	**823**	**-**	**6,579**	**7,402**	**-85**	**7,317**
New share issue with payment in kind in the form of non-controlling interest holders' shares in subsidiaries	90	1,404	143		60	1,697	-1,697	0
Sale of Esport					0	0	-138	-138
Redemption of shares	-292				-2,441	-2,733		-2,733
Bonus issue	292				-292	0		0
Repurchase of shares					-450	-450		-450
Employee programs					16	16		16
Reduction of share capital	-5				5	0		0
Balance as of December 31, 2022	**670**	**7,109**	**1,266**	**-12**	**4,901**	**13,934**	**-**	**13,934**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONTINUED

	Equity attributable to the equity holders of the parent company							
(SEK million)	Share capital	Paid-in capital	Translation reserve	Revaluation reserve	Retained earnings incl. net income for the year	Total	Non-controlling interest	Total equity
Balance as of January 1, 2023	**670**	**7,109**	**1,266**	**-12**	**4,901**	**13,934**	**-**	**13,934**
Net income for the year					164	164		164
Other comprehensive income			-270			-270		-270
Total comprehensive income for the year 2023	**-**	**-**	**-270**	**-**	**164**	**-107**	**-**	**-107**
Transactions with the Group's owners								
Contributions from and value transfers to owners								
New share issue	21	326				347		347
Repurchase of shares					-499	-499		-499
Reduction of share capital	-33				33	0		0
Divestment			7		-7	0		0
Effect of employee share option programmes					37	37		37
Balance as of December 31, 2023	**658**	**7,435**	**1,003**	**-12**	**4,629**	**13,714**	**-**	**13,714**

For information about changes in equity for the group, see Note 14.

CONSOLIDATED STATEMENT OF CASH FLOW

(SEK million)	Note	2023	2022
Operating activities			
Net income for the year		164	252
Adjustments to reconcile net income/loss to net cash provided by operations	18	1,550	1,195
Income before tax adjusted for items not included in cash flow, continuing operations		**1,714**	**1,447**
Taxes paid		**-431**	**-408**
Changes in working capital			
Increase (-)/decrease (+) other current receivables		-201	-45
Increase (+)/decrease (-) accounts payable		115	-151
Increase (+)/decrease (-) other current liabilities		62	25
Total change in working capital		**-25**	**-171**
Cash flows from operating activities, continuing operations		**1,258**	**868**
Investing activities			
Investment in other non-current assets		-212	-234
Acquisitions of subsidiaries	24	-605	-62
Acquisition/divestment of investments in other companies		4	-23
Investments in financial assets		-118	-
Earn-out payments		-1,421	-317
Cash flow from/used in investing activities, continuing operations		**-2,353**	**-636**

(SEK million)	Note	2023	2022
Financing activities			
New borrowings	17	-	100
Loan repayments	17	-	-2,000
Payment share redemption		-	-2,733
Repurchase of shares		-499	-443
Decrease of other long-term interest-bearing receivables		-	-16
Amortization of leasing liabilities		-38	-35
Repayment of loans from discontinued operations		-	154
Cash flow from/used in financing activities, continuing operations		**-536**	**-4,974**
Net change in cash, continuing operations		**-1,631**	**-4,741**
Net change in cash, discontinued operations	25	**-**	**8,459**
Cash flow from the year		**-1,631**	**3,717**
Cash and cash equivalents at beginning of year		**4,733**	**943**
Translation differences in cash and cash equivalents		-147	74
Cash and cash equivalents at end of year		**2,956**	**4,733**

PARENT COMPANY INCOME STATEMENT

(SEK million)	Note	2023	2022
Net sales		61	40
Gross income		**61**	**40**
Administrative expenses		-198	-218
Operating loss	**21, 22**	**-137**	**-178**
Profit from shares in subsidiaries	7	-92	7,647
Interest income and other financial income	7	315	218
Interest expenses and other financial costs	7	-350	-159
Income before tax and appropriations		**-264**	**7,527**
Group contribution		128	233
Untaxed reserves, tax allocation reserve		0	-9
Income before tax		**-137**	**7,752**
Tax expenses	8	0	-6
Net income for the year		**-137**	**7,746**

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

PARENT COMPANY BALANCE SHEET

(SEK million)	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Non-current assets			
Intangible assets	9		
Capitalized expenditure		0	0
Total intangible assets		**0**	**0**
Property, plant and equipment	10		
Equipment, tools and installations		1	1
Total tangible assets		**1**	**1**
Non-current financial assets			
Shares and participations in group companies	11	13,821	22,463
Total non-current financial assets		**13,821**	**22,463**
Total non-current assets		**13,822**	**22,464**
Current assets			
Current receivables			
Receivables from group companies		515	598
Tax receivables		0	0
Other receivables		9	9
Prepaid expense and accrued income		2	15
Total current receivables		**526**	**622**
Cash and cash equivalents		1,599	3,625
Total current assets		**2,125**	**4,247**
Total assets		**15,947**	**26,711**

PARENT COMPANY BALANCE SHEET, CONTINUED

(SEK million)	Note	Dec 31, 2023	Dec 31, 2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	**14**		
Restricted equity			
Share capital		658	670
Total restricted equity		**658**	**670**
Non-restricted equity			
Premium reserve		6,003	5,677
Retained earnings		8,983	1,666
Net income for the year		-137	7,746
Total non-restricted equity		**14,850**	**15,089**
Total shareholders' equity		**15,508**	**15,759**
Untaxed reserves, tax allocation reserve		9	9
Non-current liabilities			
Non-interest bearing			
Provisions		12	7
Total non-current non-interest-bearing liabilities		**12**	**7**
Total non-current liabilities		**12**	**7**

(SEK million)	Note	Dec 31, 2023	Dec 31, 2022
Current liabilities			
Interest-bearing			
Liabilities to group companies		0	10,502
Total current interest-bearing liabilities		**0**	**10,502**
Non-interest-bearing			
Accounts payable		6	6
Liabilities to group companies		367	373
Tax payables		2	4
Other liabilities		9	8
Accrued expense and deferred income		34	43
Total current non-interest-bearing liabilities		**418**	**434**
Total current liabilities		**418**	**10,936**
Total liabilities		**439**	**10,952**
Total shareholders' equity and liabilities		**15,947**	**26,711**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(SEK million)	Restricted equity Share capital	Premium reserve	Non-restricted equity Retained earnings incl. net income for the year	Total
Balance as of January 1, 2022	**585**	**4,273**	**4,821**	**9,679**
Net income for the year	-	-	7,746	7,746
Other comprehensive income	-	-	-	-
Total comprehensive income for the year 2022	**-**	**-**	**7,746**	**7,746**
New share issue with payment in kind in the form of non-controlling intererest holder's shares in subsidiaries	90	1,404	-	1,494
Redemption of shares	-292	-	-2,441	-2,733
Bonus issue	292	-	-292	0
Repurchase of shares	-	-	-450	-450
Employee programs	-	-	23	23
Reduction of share capital	-5	-	5	0
Balance as of December 31, 2022	**670**	**5,677**	**9,411**	**15,759**
Net income for the year	-	-	-137	-137
Other comprehensive income	-	-	-	-
Total comprehensive income for the year 2023	**-**	**-**	**-137**	**-137**
New shares	21	326	-	347
Repurchase of shares	-	-	-499	-499
Employee programs	-	-	37	37
Reduction of share capital	-33	-	33	0
Balance as of December 31, 2023	**658**	**6,003**	**8,846**	**15,508**

For information about changes in equity for the Parent company, see Note 14.

PARENT COMPANY CASH FLOW STATEMENT

(SEK million)	Note	2023	2022
Cash flows from operating activities	18		
Net income for the year		-137	7,746
Adjustments to reconcile net income/loss to net cash provided by operations:	9, 10		
Depreciation and write-downs		1	1
Appropriations, group contribution and untaxed reserves		-127	-219
Unrealised exchange difference		156	-122
Dividends		-9,910	-26,430
Impairment		10,002	18,783
Other adjustments		44	24
Total adjustments to reconcile net income/loss to net cash provided by operations		**166**	**-7,962**
Cash flow from operations		**29**	**-216**
Changes in working capital			
Increase (-)/decrease (+) short-term receivables		459	-594
Increase (+)/decrease (-) accounts payable		-4	-4
Increase (+)/decrease (-) other liabilities		-369	358
Total changes in working capital		**85**	**-240**
Net cash flow from operations		**114**	**-456**

(SEK million)	Note	2023	2022
Investing activities			
Investment in subsidaries		8,599	-1,950
Investment in non-current assets		-1	-1
Cash flows from investing activities		**8,599**	**-1,951**
Financing activities			
Receivables/liabilities from group companies		-10,586	10,944
New share issues		347	-
New borrowings		-	100
Loan repayment		-	-2,000
Repurchase of shares		-499	-443
Payment share redemption		-	-2,733
Other adjustments		-2	-2
Cash flows from financing activities		**-10,739**	**5,866**
Cash flows from the year		**-2,027**	**3,459**
Cash and cash equivalents at beginning of year		**3,625**	**167**
Cash and cash equivalents at end of year		**1,599**	**3,625**

01 ACCOUNTING AND VALUATION PRINCIPLES

Modern Times Group MTG AB (MTG) is a company domiciled in Stockholm, Sweden and it is a listed company according to Swedish legislation. 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 December 31, 2023 comprise the Company and its subsidiaries and their share of participation in associated companies.

The financial statements were authorized for issue by the Board of Directors on April 3, 2024. 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 May 16, 2024.

The consolidated financial statements have been prepared in accordance with the International IFRS Accounting 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 for certain financial assets and liabilities that are stated at fair value; contingent considerations, shares and participations in other companies and derivative financial instruments. For 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 subsequent financing through 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. Listed holdings are valued at the current share price. For contingent consideration the 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.

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 2022 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 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% of the vote, the control criteria 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 acquisition 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

ACCOUNTING AND VALUATION PRINCIPLES, CONTINUED

acquired is recognized in profit and loss in the period of acquisition. Acquisition-related costs are expensed as incurred. Profit and loss 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 interests. There are two alternatives for the recognition of non-controlling interests. One alternative is to recognize the non-controlling interest at its share of the 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.

When the number of voting shares exceeds the number of owned shares and full control can be exercised, the acquired company will be consolidated as a wholly-owned subsidiary with no non-controlling interest.

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 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 reports government grants when it is reasonably certain that they 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 for are incurred.

Discontinued operations

Discontinued operations refer to companies that have been disposed. During 2022 ESL Gaming and our esports vertical were reported as discontinued operations.

Segment reporting

MTG is a pure-play gaming group comprising a single business segment ana al of its commercial operations are conducted by its various portfolio companies. MTG manages the portfolio companies and provides group-wide central functions and MTG's revenues primarily comprise the combined revenues generated by its six gaming studios.

MTG's business is conducted by its portfolio companies and the group monitors the performance of both gaming franchises and individual games. The group tracks revenues for games and franchises closely. At the same time, not all cost are allocated on the basis of a game or game franchise. As a result, MTG's financial position and operational results cannot be presented in segments in a way that would help external stakeholders to improve their analysis of the group.

The monitoring and management of the group are based on the group's overall financial position because it's not possible to allocate all operations into segments that are meaningful from a monitoring and/or management perspective. As a result, MTG now treats all of its operations as a single segment.

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 the application of all IFRSs and interpretations endorsed by the European Commission, except where the possibility to apply IFRS is restricted by the Swedish Companies Act and due to tax rules. Holdings in subsidiaries are recognized in the Parent Company according to the acquisition 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.

ACCOUNTING AND VALUATION PRINCIPLES, CONTINUED

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 exemption 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.

Rounding differences
Sometimes, the total amount in tables and statements do not add up due to rounding differences. The purpose is that each sub-line equals its source of origin and therefore rounding differences can occur.

02 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the Board of Directors and the Executive Management Team 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 9 Intangible assets and 24 Business combinations contain information of the assumptions and the risk factors relating to goodwill impairment. Provisions made are reported in Note 15.

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 the Executive Management Team's estimates of the period during which the assets will generate revenue.

Goodwill and intangible assets with indefinite useful lives are subject to impairment testing yearly or when triggered by events. The impairment testing requires management to determine the recovarable amount of the cash-generating units on the basis of cash flow projections and internal forecasts and business plans. For further information, see Note 9 Intangible assets.

Valuation of assets at fair value
The fair value of shares in other companies is initially measured at acquisition cost, which is 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. Listed holdings are valued at the current share price.

Valuation of liabilities related to business combination
The calculation of fair values of 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.

The initial valuation for the put and call options related to the Snowprint acquisiition are based on a formula of gross revenue and EBITDA performance. A liability for the put options is recognized as part of the transaction and the initial fair value of the liability, based on probability weighted likelihood of different possible scenarios of future financial performance. The carrying amount of the liability will be reassessed over time reflecting changes in probability of scenarios as well as to the discount effect of passage of time. Changes in the carrying amount of the liability will be recognized in the profit and loss.

When a portion of the future payment for equity instruments is subject to selling shareholders continuing providing service to the Group through employment, it is treated as a separate transaction and accounted for as a post combination expense. The expense will be accrued as an employee cost over time during the required service period.

ACCOUNTING ESTIMATES AND JUDGEMENTS, CONTINUED

The expected cost effect will be booked against the profit and loss statement over the estimated remaining period of the underlying contract and the final cost will depend on the final value settled in cash.

Provisions
A provision is recognized when a present obligation exists 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. The group regularly reviews significant outstanding litigations in order to assess the need for provisions. Factors considered include 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. If 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 15 Provisions.

03 REVENUE ACCOUNTING

Revenue recognition
Revenue from external customers is mainly derived from sale of online gaming including advertising and subscription fees. 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 creates an account on the relevant website and the contract is created once the terms have been accepted by the customer. The games can either be free-to-play, with income generated from in-game virtual goods, or the customers can purchase the game. The contracts are made on a one-by-one basis. There are different in-game goods – consumables (instant usage), durable goods (usage over time), time-based goods (usage during a specific period) and hard currency items (in-game currency wallet, allowing the player to purchase goods). Consumables are judged to be consumed and used immediately when purchased. Durables are judged to be consumed over a period of time, based on statistics of consumer behavior for each game. Time-based goods are specific to the periods during which customer can use the goods. The performance obligations are distinct and separately identifiable with prices allocated to each performance obligation. When the customer purchases a game, the revenue is recognized at a point in time. Supscription revenue is recognized over the time of the subscription period.

Other
Other revenue consist mainly of advertising revenue, recognized 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.

Group (SEK million)	2023	2022
Timing of revenue recognition		
At a point in time	5,179	4,285
Over time	651	1,251
Total revenue	**5,829**	**5,537**

REVENUE ACCOUNTING, CONTINUED

Group (SEK million)	2023	2022
Revenue generated by platform		
Mobile	4,476	4,048
Browser	1,149	1,083
Other	205	405
Total revenue	**5,829**	**5,537**

Group (SEK million)	2023	2022
Revenue by franchises		
Strategy & Simulation	1,773	1,710
Word Games	2,352	2,015
Tower Defense	541	510
Racing	618	683
Other smaller franchises	545	619
Total revenue	**5,829**	**5,537**

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.

Group (SEK million)	2023	2022
Opening balance 1 January	125	227
Net change in contract liability during the year	-11	-102
Closing balance December 31	**114**	**125**

Contract liabilities reported at the beginning of 2023 and 2022 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.

The Group operates in Europe, Singapore, USA, India and New Zealand. Net sales and non-current assets are shown below by geographical area. Non-current assets constitute intangible and tangible assets. Sales are shown per country from which the revenues are derived.

	Net sales		Non-current assets	
(SEK million)	2023	2022	2023	2022
Germany	1,953	1,997	2,602	2,667
United Kingdom	618	696	3,150	3,193
Singapore	2,314	1,985	-	0
USA	194	262	841	809
India	38	31	3,875	4,177
New Zealand	582	566	1,789	1,901
Sweden	130	0	641	1
Total	**5,829**	**5,537**	**12,898**	**12,748**

The allocation of net sales and non-current assets in the table above is based on the countries where the group company has its registered office.

04 EXPENSES BY TYPE OF EXPENSE

Nature of expenses
An income statement by function 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 the expense.

Group (SEK million)	2023	2022
User acquisition costs	2,493	2,326
Programming expenses	325	302
Personnel expenses	1,054	1,016
Depreciation, amortisation and impairment	554	697
Items affecting comparability	40	-
Other expenses	539	682
Total expenses	**5,005**	**5,022**

05 OTHER OPERATING INCOME AND EXPENSES

Group (SEK million)	2023	2022
Other operating income		
Gain from exchange rate differences	11	24
Government grants/tax incentives	9	5
Gain disposal tangible and intangible assets	1	-
Other	40	15
Total	**61**	**44**
Other operating expenses		
Loss from exchange rate differences	-2	1
Other	-12	-8
Total	**-14**	**-7**

06 SHARES IN ASSOCIATED COMPANIES

Group (SEK million)	2023	2022
Share of earning	1	-
Total net income	**1**	**-**

Associated companies 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 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

Group (SEK million)	2023	2022
Net income	1	0
Current assets	0	0
Total assets	**0**	**0**
Non-current liabilities	-	-
Curent liabilities	-	-
Total liabilities	**-**	**-**

Shares and participations in associated companies

Group (SEK million)	2023	2022
Carrying amount	1	0
Total	**1**	**0**

07 FINANCIAL ITEMS

Group (SEK million)	2023	2022
Interest income	163	73
Interest expenses	-1	-19
Net interest	**162**	**54**
Net exchange rate differences	60	316
Interest expenses from discounting of contingent considerations	-212	-220
Financial assets and liabilities valued at fair value through profit and loss	-328	-222
Gain from financial assets	-	20
Other	-6	-7
Other financial items	**-486**	**-114**
Net financial items	**-324**	**-60**

Parent company (SEK million)	2023	2022
Dividend from subsidiaries	9,910	26,430
Gain/loss from financial assets	-10,002	-18,783
Results from shares in subsidaries	**-92**	**7,647**
Interest income from external parties	126	58
Interest income from subsidaries	26	5
Net exchange rate difference	163	155
Total interest income and other financial income	**315**	**218**
Net exchange rate differences	-156	-96
Interest expense to external parties	-1	-14
Interest expense to subsidiaries	-188	-44
Other	-6	-5
Total interest expense and other financial costs	**-350**	**-159**
Net financial items	**-127**	**7,705**

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

08 TAXES

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 carryforward if it is judged likely that the loss carryforward 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)	2023	2022
Current tax		
Current tax expense	-467	-442
Adjustment for prior years	17	-6
Total	**-451**	**-449**
Deferred tax		
Tax attributable to temporary differences	53	202
Total	**53**	**202**
Total tax expense in the income statement	**-397**	**-246**

Reconciliation of tax expense

	2023		2022	
Group	SEK million	%	SEK million	%
Income before tax	561		498	
Tax/Tax rate in Sweden	-115	20.6	-103	20.6
Foreign tax rate differential	-101	17.9	-60	12.1
Non-taxable income	61	-10.8	43	-8.7
Non-deductible expenses	-156	27.8	-134	26.9
Exercised loss carryforward not previously recognized	1	-0.2	17	-3.4
New loss where no deferred tax was recognized	-5	0.9	0	0.0
Re-assesment of loss carryforwards	-44	7.8	-	-
Effect of changes in tax rates	-30	5.3	-	-
Other permanent effects	-26	4.6	-2	0.5
Adjustment for prior years	17	-2.9	-6	1.3
Effective tax/tax rate	**-397**	**70.8**	**-246**	**49.3**

Deferred

Group (SEK million)	Dec 31, 2023	Dec 31 2022
Deferred tax asset attributable to:		
Goodwill	0	1
Tangible assets including right-of-use assets	52	0
Intangible assets	-	14
Provisions	40	41
Current liabilities	35	17
Tax value of tax loss carryforward recognised	56	61
Total	**183**	**134**
Set-off of tax	-51	-
New Total	**132**	**134**

Group (SEK million)	Dec 31 ,2023	Dec 31 2022
Deferred tax liabilities attributable to:		
Tangible assets	3	5
Intangible assets	519	511
Leasing liabilities	51	-
Financial assets	-	0
Total	**573**	**516**
Set-off of tax	-51	-
New total	**523**	**516**
Net deferred tax	**-390**	**-382**

TAXES, CONTINUED

Group (SEK million)	2023					
	Opening balance January 1	Deferred tax recognized in P&L	Reclassification of leasing	Acquisitions	Translation differences	Closing balance December 31
Tax loss carryforward	61	-3		-	-2	56
Temporary differences in:						
Goodwill	1	-1		-	-	-
Tangible assets	-5	2	51	-	-	48
Intangible assets	-497	34		-63	7	-519
Provisions	41	-		-	-1	40
Current receivables	-	0		-	-	0
Current liabilities	17	20	-51	-	-2	-16
Financial assets	0	0		-	-	0
Total	**-382**	**53**	**0**	**-63**	**2**	**-390**

Group (SEK million)	2022					
	Opening balance January 1	Deferred tax recognized in P&L	Reclassification of leasing	Discontinued operations	Translation differences	Closing balance December 31
Tax loss carryforward	161	50		-163	12	61
Temporary differences in:						
Goodwill	-13	-1		16	-2	1
Tangible assets	-4	-10	-	9	0	-5
Intangible assets	-752	120		178	-44	-497
Provisions	17	29		-5	0	41
Current receivables	3	-		-4	0	-
Current liabilities	36	16	-	-37	2	17
Financial assets	10	-3		-1	-6	0
Total	**-541**	**202**	**-**	**-7**	**-36**	**-382**

TAXES, CONTINUED

Total tax loss carried forward without an expiration date, for which deferred tax assets have been recognized, amounted to SEK 181 (208) million for the group as at December 31, 2023. The recognized deferred tax asset of SEK 56 (61) million in 2023 is mainly attributable to Kongregate. The accounts for 2023 and 2022 include deferred tax assets as a tax value of the tax loss carried forward in all countries where it is judged likely that the group will be able to use its tax loss carried forward to offset a taxable surplus in a foreseeable future. As a consequence, deferred tax assets related to loss carried forward are not recognized in some countries.

Unrecognized tax loss carryforward by expiry date

Group (SEK million)	2023	2022
2024	-	-
2025	-	-
2026	-	-
2027	-	-
and thereafter	-	-
No expiry date	245	-
Total	**245**	**-**

Parent company

There were no tax loss carryforwards as per the end of 2023 in the parent company.

Distribution of tax expenses

Parent company (SEK million)	2023	2022
Current tax	-2	-6
Adjustment for prior years	1	-
Total tax expenses	**0**	**-6**

Reconciliation of tax expense

	2023		2022	
Parent company	(SEK million)	%	(SEK million)	%
Income before tax	-137		7,752	
Tax/Tax rate in Sweden	28	20.6	-1,597	20.6
Non-taxable income	2,042	1,492.2	5,445	-70.2
Non-deductible expenses	-2,072	-1,513.9	-3,870	49.9
New loss were no deferred tax was recognized	1	1.0	-	-
Use of tax losses carry forward	-	-	17	-0.2
Effective tax/tax rate	**0**	**0.0**	**-6**	**0.1**

09 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 linear schedule based on the acquisition value of the asset and its estimated useful life. The intangible assets are classified in the following categories:

Asset	Amortization period
Capitalized 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
Game engine	13 years
Customer relations	4-15 years
Beneficial rights/ broadcasting licenses	Estimated amortization period based on the terms of the license
Goodwill	Indefinite lifetime with impairment tests annually or if triggered by events

Capitalized development expenditure

Expenditure on development activities, aimed 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. 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 cash generating unit in its totality.

Game engine

Game engine is a platform that can be reused to produce new games.

Other intangible assets

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

INTANGIBLE ASSETS, CONTINUED

(SEK million)	Group						Parent Company
	Capitalized development expenditure	Trademarks	Game Engine	Customer relations and other[1]	Goodwill	Total	Capitalized expenditure
Acquisition values							
Opening balance January 1, 2022	1,863	1,464	-	1,119	11,080	15,526	56
Investments during the year	156	1	-	36	25	216	-
Acquisitions through business combinations	-	-	-	-	58	58	-
Reclassifications	-117	0	-	117	-	-1	-
Translation differences	128	67	-	66	545	806	-
Discontinued operations	-55	-442	-	-238	-1,423	-2,158	-
Closing balance December 31, 2022	**1,974**	**1,089**	**-**	**1,101**	**10,284**	**14,448**	**56**
Opening balance January 1, 2023	1,974	1,089	-	1,101	10,284	14,448	56
Investments during the year	184	-	-	-	-	184	-
Acquisitions through business combinations	115	-	140	100	293	648	-
Translation differences	-39	-19	-	-9	-160	-227	-
Closing balance December 31, 2023	**2,234**	**1,070**	**140**	**1,192**	**10,418**	**15,053**	**56**

1) Other refers to licenses and beneficial rights.

INTANGIBLE ASSETS, CONTINUED

	Group						Parent Company
(SEK million)	Capitalized development expenditure	Trademarks	Game Engine	Customer relations and other[1]	Goodwill	Total	Capitalized expenditure
Accumulated amortisation and impairment losses							
Opening balance January 1, 2022	-474	-192	-	-486	-48	-1 199	-56
Amortisation during the year	-317	-104	-	-203	-	-624	-1
Impairment losses during the year	-26	-	-	-	-	-26	-
Translation differences	-40	-16	-	-57	-	-113	-
Discontinued operations	39	6	-	118	48	211	-
Closing balance December 31, 2022	**-817**	**-305**	**-**	**-628**	**-**	**-1 ,750**	**-56**
Opening balance January 1, 2023	-817	-305	-	-628	-	-1,750	-56
Amortisation during the year	-249	-105	-3	-130	-	-487	0
Translation differences	16	7	-	20	-	43	-
Closing balance December 31, 2023	**-1,050**	**-404**	**-3**	**-737**	**-**	**2,195**	**-56**
Carrying amount							
As per January 1, 2022	1,389	1,272	-	634	11,032	14,327	0
As per December 31, 2022	1,157	782	-	470	10,285	12,694	0
As per January 1, 2023	1,157	782	-	470	10,285	12,694	0
As per December 31, 2023	1,184	665	137	454	10,418	12,858	0

1) Other refers to licenses and beneficial rights.

INTANGIBLE ASSETS, CONTINUED

Amortization by function

Group (SEK million)	2023	2022
Cost of goods and services	439	476
Administrative expenses	48	143
Discontinued operations	-	5
Total	**487**	**624**

Cash-generating units with significant carrying amounts of goodwill:

Group (SEK million)	2022
InnoGames	2,263
Kongregate	551
Hutch	2,671
PlaySimple	3,357
Ninja Kiwi	1,444
Total	**10,285**

Group (SEK million)	2023
Gaming	10,418

Impairment tests for cash-generating units

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

Group (SEK million)	2022
Kongregate	80

Group (SEK million)	2023
Gaming	-

From 2023, the impairment test for MTG is based on the fact that the goodwill is not monitored at a lower level than that of the group as a whole, unlike previous years when impairment testing has been done at the studio level. Projected cash flow is based on a sustainable growth rate that is calculated based on our future outlook. Assumptions are made for costs and capital turnover development.

These trademarks have a strong position on their respective markets and will be actively used in the businesses, and are 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 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 10.9% (9.6) considering the cost of capital and risk. 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 over 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% (2.5) is normally applied.

Impairment test

The impairment tests are carried out on a regular bais, annually or when triggered by events. The impairment test 2023 did not trigger an impairment for the Group.

Sensitivity analysis

The tests, 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 by their 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.

10 PROPERTY, PLANT AND EQUIPMENT

Accounting for property plant and equipment
Property, plant and equipment 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.

	Group			Parent Company
(SEK million)	Machinery	Equipment, tools and installations	Total	Equipment
Acquisition value				
Opening balance January 1, 2022	32	229	261	10
Investments during the year	-	23	23	1
Sales and scrapping during the year	-	-3	-3	-
Reclassifications	-	1	1	-
Translation differences	-	13	13	-
Discontinued operations	-32	-169	-201	-
Closing balance December 31, 2022	**-**	**94**	**94**	**11**
Opening balance January 1, 2023	-	94	94	11
Investments during the year	-	11	11	1
Acquisitions through business combinations	-	1	1	-
Sales and scrapping during the year	-	-1	-1	-
Translation differences	-	-1	-1	-
Closing balance December 31, 2023	**-**	**104**	**104**	**12**
Accumulated depreciation and impairment losses				
Opening balance January 1, 2022	-12	-130	-142	-9
Sales and scrapping during the year	-	2	2	-
Depreciation during the year	-	-29	-29	-1
Translation differences	-	-8	-8	-
Discontinued operations	12	128	140	-
Closing balance December 31, 2022	**-**	**-36**	**-36**	**-10**

PROPERTY, PLANT AND EQUIPMENT, CONTINUED

(SEK million)	Group Machinery	Group Equipment, tools and installations	Group Total	Parent Company Equipment
Opening balance January 1, 2023	-	-36	-36	-10
Depreciation during the year	-	-30	30	-
Translation differences	-	1	1	-
Closing balance December 31, 2023	**-**	**-65**	**-65**	**-10**
Carrying amount				
As per January 1, 2022	20	99	119	1
As per December 31, 2022	-	58	58	1
As per January 1, 2023	-	58	58	1
As per December 31, 2023	-	39	39	1

Depreciation by function

Group (SEK million)	2023	2022
Cost of goods and services	13	12
Selling expenses	2	2
Administrative expenses	14	13
Other operating expenses	1	1
Discontinued operations	-	11
Total	**30**	**40**

11 NON-CURRENT FINANCIAL ASSETS

Group companies

Thhe following table lists the major companies included in the MTG Group. A detailed specification of Group companies has been submitted 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

Share capital (%) and voting rights (%) represented as at December 31, 2023

Ownership in group companies	Co. Reg.no.	Registered office	Share capital (%)	Voting rights (%)
MTG Broadcasting AB	556353-2687	Sweden	100	100
MTGx International AB	556931-8651	Sweden	100	100
MTGx Gaming Holding AB	559077-0912	Sweden	100	100
InnoGames GmbH		Germany	100	100
Kongregate Inc.		USA	100	100
Hutch Games Ltd.		UK	100	100
Ninja Kiwi Ltd.		New Zealand	100	100
PlaySimple Games Private Ltd.		India	100	100
Snowprint Studios AB	559009-3869	Sweden	70	70

NON-CURRENT FINANCIAL ASSETS, CONTINUED

Shares and participations in group companies

Parent company (SEK million)	Book value Dec 31, 2023	Book value Dec 31, 2022
Opening balance January 1	22,463	11,372
Shareholder contributions	1,360	1,950
Shares received through dividend	-	27,924
Impairment	-10,002	-18,783
Closing balance December 31	**13,821**	**22,463**

Parent company (SEK million)	Co. Reg.no.	Registered office	Number of shares	Share capital (%)	Voting rights (%)	Book value Dec 31, 2023	Book value Dec 31, 2022
MTG Broadcasting AB	556353-2687	Stockholm	1,000	100	100	1	1,940
MTGx International AB	556931-8651	Stockholm	1,000	100	100	386	8,389
MTGx Gaming Holding AB	559077-0912	Stockholm	1,000	100	100	13,434	12,134
Total						**13,821**	**22,463**

12 ACCOUNTS RECEIVABLE

Group (SEK million)	2023	2022
Accounts receivable		
Gross accounts receivables	568	436
Less allowances for doubtful accounts	-	0
Total	**568**	**436**
Allowance for doubtful accounts		
Opening balance 1 January	-	28
Discontinued operations	-	-29
Translation differences	-	1
Closing balance December 31	**-**	**-**
Analysis of accounts receivable		
Not due	429	331
< 30 days	38	27
30–90 days	100	62
> 90 days	1	16
Total	**568**	**436**

13 EARNINGS PER SHARE

Group (SEK million)	2023	2022
Earnings per share		
Net income for the year attributable to equity holders of the parent company	164	6,579
Shares outstanding on 1 January	123,731,164	110,385,832
New shares issued	4,152,787	13,345,332
Repurchase of shares	-6,202,547	
Number of shares outstanding	**121,681,404**	**123,731,164**
Weighted average number of shares, basic	123,189,366	116,950,340
Effect from share awards	521,369	404,867
Weighted average number of shares, diluted	**123,710,735**	**117,355,207**
Basic earnings per share, SEK	1.33	56.26
Diluted earnings per share, SEK	1.32	56.06

Modern Times Group MTG AB has outstanding long-term incentive plans. 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 2022 and 2023, where the performance are not yet achieved, but that might have a diluting effect. As per December 31, 2023 the share awards amounted to 389,241 (706,668) and the warrants amounted to - (420,033).

The total number of shares outstanding at the end of 2023 was 121,681,404 (123,731,164) and excluded 3,662,980 B shares and 6,324,343 class C shares held by MTG as treasury shares.

14 SHAREHOLDERS' EQUITY

Parent company	2023 Number of shares paid	2023 Share capital (SEK million)	2022 Number of shares paid	2022 Share capital (SEK million)
MTG Class A	545,662	3	545,662	3
MTG Class B	124,798,722	624	127,165,935	635
MTG Class C	6,324,343	32	6,324,343	32
Total number of shares issued/total share capital as per December 31	**131,668,727**	**658**	**134,035,940**	**670**

The holder of an MTG Class A share is entitled to 10 voting rights, and the holder of an MTG Class B and MTG Class C share is entitled to one voting right each. Class C shareholders are not entitled to any dividend payments. The quota value is SEK 5 (5) per share.

Out of the total number of issued shares, 3,662,980 (3,980,433) Class B shares and 6,324,343 (6,324,343) Class C shares are held as treasury shares.

The Board of Directors is proposing to the Annual General Meeting 2024 that no dividend is to be paid to MTG shareholders for the financial year 2023. The Group bought back SEK 499 million worth of shares during the financial year 2023.

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 at the beginning of the year relates to employee options exercised during 2010, 2009 and 2008 as wellas the fair value of the shares. In June 2023, the paid-in capital increased by SEK 326 million after new shares were issued to the sellers of Ninja Kiwi.

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)	2023	2022
Opening balance 1 January	1,266	300
This year's translation differences, net of tax, continuing operations	-270	771
Disposal	7	-
This year's translation differences, net of tax, discontinued operations	-	194
Total accumulated translation differences 31 December	**1,003**	**1,266**

Revaluation reserve

The revaluation reserve includes revaluation of trademarks.

Group (SEK million)	2023	2022
Opening balance 1 January	-12	-12
Closing balance 31 December	**-12**	**-12**

Retained earnings

Retained earnings comprise 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. In cases where option clauses exist, the companies have been 100% consolidated.

At the end of 2023, there are no non-controlling interest at MTG.

SHAREHOLDERS' EQUITY, CONTINUED

	Shares			
(SEK million)	Class A	Class B	Class C	Total
Opening balance January 1, 2023	545,662	127,165,935	6,324,343	134,035,940
Cancellation of repurchased shares		-6,520,000		-6,520,000
Issuance of shares to Ninja Kiwi sellers		4,152,787		4,152,787
Closing balance December 31, 2023	**545,662**	**124,798,722**	**6,324,343**	**131,668,727**

In May 2023, the share capital was increased by SEK 20,763,935 by way of issuance of 4,152,787 Class B shares to the sellers of Ninja Kiwi, including certain key employees responsible for Ninja Kiwi's operations, to settle earn-out obligations.

In May 2023, the share capital was reduced by SEK 32,600,000 by way of cancellation of 6,520,000 Class B shares repurchased under MTG's repurchase programs carried out between June 20, 2022 and April 26, 2023.

15 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 both defined pension plans and 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.

In Sweden there is a multi-employer defined benefit plan. The group reports these pension costs in the same way as defined contribution plans. There is also a defined benifit plan in India, so far with limited financial impact.

Other provisions are mainly related to incentive programs.

Group (SEK million)	Restructuring provisions	Other provisions	Total
Opening balance January 1, 2022	10	168	178
Provisions during the year	-	140	140
Utilised during the year	-	-32	-32
Translation differences	-	4	4
Discontinued operations	1	-117	-116
Closing balance December 31, 2022	**10**	**162**	**172**
Opening balance January 1, 2023	10	162	172
Provisions during the year	39	92	132
Utilized during the year	-39	-52	-90
Reversed during the year	-10	-50	-60
Translation differences	-	-4	-4
Closing balance December 31, 2023	**-**	**148**	**148**

16 PLEDGED ASSETS AND CONTINGENT LIABILITIES

There are no pledged assets in the group.

Various MTG companies are parties in litigations. The Company does not believe that the outcome of these litigations 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 2023 and 2022.

Contingent liabilities

Parent company (SEK million)	Dec 31, 2023	Dec 31, 2022
Guarantees subsidiaries	0	0
Total	**0**	**0**

The parent company issues guarantees to the benefit of the subsidiaries. This include rental agreement. There are no issued guarantees in the parent company in 2023.

17 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. The group defines its capital as equity including non-controlling interest as stated in the balance sheet.

In general, the 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 remain low over time. The capital structure also considers the optimal structure to reduce the cost of capital. In December 31, 2022 and 2023, the group had a net cash position due to the divestment of ESL in 2022.

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 risks, 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 of December 31, 2023, the group had no external financing.

Liabilities related to contingent consideration

Liabilities related to 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 19 Leasing liabilities.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT, CONTINUED

Net debt

Group (SEK million)	Dec 31, 2023	Dec 31, 2022
Other interest-bearing liabilities[1) 2)]	534	707
Total borrowings	**534**	**707**
Cash and cash equivalents	2,956	4,733
Total cash and cash equivalents	**2,956**	**4,733**
Total net debt	**-2,423**	**-4,026**

1) Liability for c-shares to PlaySimple SEK 534 million
2) Liability for acquisition of the remaining 23% of PlaySimple SEK (707) million

Terms and payback period, gross values

2023

Group (SEK million)	Effective interest rate	Total	Maturity 2023	Maturity 2024	Maturity 2025 or later
Leasing liabilities	1)	174	36	31	107
Other interest-bearing liabilities	2)	534	534	-	-
Accounts payable		316	316	-	-
Total		**1,023**	**885**	**31**	**107**

2022

Group (SEK million)	Effective interest rate	Total	Maturity 2022	Maturity 2023	Maturity 2024 or later
Leasing liabilities	1)	67	34	32	1
Other interest-bearing liabilities	2)	707	707	-	-
Accounts payable		211	211	-	-
Total		**985**	**952**	**32**	**1**

1) The group has several various contingency leases with varying interest rates and maturity structures
2) Reevaluted based on the exchange rates ruling at the balance sheet date
The interest have been calculated using the current interest rates on December 31. The liabilities have been included in the period when repayment may be required at the earliest

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT, CONTINUED

Market risks

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect cash flow, financial assets and liabilities. The Group is exposed to interest rate risk through cash and cash equivalents, other financial assets and utilised interest-bearing credit facilities. By the end of 2023 the Group did not have any outstanding 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 2022-2023, the interest rate period was less than 3 months.

Credit risk

Credit risk is defined as the risk that a counterparty in a transaction will not fulfill its contractual obligations and any collateral will not cover the claims 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 by the Group's financial policy.

Financial counterparties must have a rating equivalent to 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 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 receivableN

The Group's exposure to credit risk amounts to SEK 4,039 (5,578) million as per December 31. 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" on pages 47-49.

Transaction exposure

Transaction exposure arises when the inflows and outflows 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.

Transaction exposures in the Group occur when its subsidiaries have external and internal transactions in currencies other than the subsidiary's functional currency.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT, CONTINUED

Transaction exposure 2023

Currency (SEK million)	USD	EUR	NZD	SGD	DKK	NOK	CHF	GBP	CAD
Transaction outflows	-1,791	-103	-159	-2	0	-2	-4	-36	0
Transaction inflows	3,758	125	152	20	9	4	16	38	3
Net transaction flows	**1,967**	**22**	**-7**	**18**	**9**	**2**	**12**	**2**	**3**
Effect if SEK falls 5%	98	1	0	1	0	0	1	0	0

The effect of a change in the exchange rate by 5% on all of the outstanding positions as per December 31 would have been approximately SEK 101 (45) 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:

Translation exposure	2023		2022	
Currency	SEK million	%	SEK million	%
USD	686	6	709	6
EUR	2,444	21	2,406	21
NZD	1,707	15	1,653	14
INR	3,858	33	3,779	33
GBP	3,118	27	2,990	26
Total equivalent SEK value	**11,813**	**100**	**11,538**	**100**

A 5% change in USD/SEK would affect the equity by approximately SEK 34 (35) million, in EUR/SEK by SEK 122 (120) million, in GBP/SEK by SEK 156 (149) million, in NZD/SEK 85 (83) million and in INR/SEK by SEK 192 (189) million.

Signifcant financial assets and liabilities in foreign currency comprise of:

2023 Currency (SEK million)	USD	GBP
Cash and cash equivalents	1,171	3
Contingent consideration	-1,327	-112
Net statement of financial position exposure[1]	**-156**	**-109**

1) Exposure against SEK

2022 Currency (SEK million)	USD	NZD	GBP
Cash and cash equivalents	2,939	-	-
Contingent consideration	-1,532	-737	-334
Net statement of financial position exposure[1]	**1,407**	**-737**	**-334**

1) Exposure against SEK

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT, CONTINUED

The effect of a change in the exchange rate by 5% on above outstanding positions as per December 31, 2023, would be SEK 13 (17) million.

Accounting for financial instruments
Financial assets and liabilities include cash and cash equivalents, securities, other financial receivables, accounts receivables, accounts payable, contingent considerations, put and call option liability 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 value 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 amortized cost
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.

Put and call liability - expected redemption amount was initially discounted to present value. The amount payable is variable and the exercise date is dependent upon future events. The most significant input to the carrying amount of the liability at each reporting date relates to estimates of the underlying financial performance (gross revenue and EBITDA) since the exercise price is dependent on these factors.

Financial liabilities at fair value through profit or loss
Contingent considerations
For contingent considerations, such as earn-outs, 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. Revaluation of earn-outs is recognized in net financial items in the income statement.

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

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT, CONTINUED

December 31, 2023 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	397	-	397	-	-	397	397
Total	**397**	**-**	**397**	**-**	**-**	**397**	**397**
Financial assets measured at amortized cost							
Other non-current receivables	-	156	156	-	-	-	-
Other receivables, non interest-bearing	-	109	109	-	-	-	-
Accounts receivable	-	568	568	-	-	-	-
Cash and cash equivalents	-	2,956	2,956	-	-	-	-
Total	**-**	**3,789**	**3,789**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value							
Put and call option	-	143	143	-	-	-	-
Contingent consideration	1,439	-	1,439	-	-	1,439	1,439
Total	**1,439**	**143**	**1,582**	**-**	**-**	**1,439**	**1,439**
Financial liabilities measured at amortized cost							
Other interest-bearing liabilities	-	534	534	-	-	-	-
Trade payables	-	316	316	-	-	-	-
Total	**-**	**849**	**849**	**-**	**-**	**-**	**-**

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT, CONTINUED

December, 31 2022 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	408	-	408	-	-	408	408
Total	**408**	**-**	**408**	**-**	**-**	**408**	**408**
Financial assets measured at amortized cost							
Other non-current receivables	-	66	66	-	-	-	-
Other receivables	-	62	62	-	-	-	-
Accounts receivables	-	436	436	-	-	-	-
Cash and cash equivalents	-	4,733	4,733	-	-	-	-
Total	**-**	**5,297**	**5,297**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value							
Contingent consideration	2,703	-	2,703	-	-	2,703	2,703
Total	**2,703**	**-**	**2,703**	**-**	**-**	**2,703**	**2,703**
Financial liabilities measured at amortized cost							
Other interest-bearing liabilities	-	707	707	-	-	-	-
Accounts payables	-	211	211	-	-	-	-
Total	**-**	**918**	**918**	**-**	**-**	**-**	**-**

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT, CONTINUED

December 31, 2023 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 amortised cost							
Receivables from group companies	-	515	515	-	-	-	-
Cash and cash equivalents	-	1,599	1,599	-	-	-	-
Total	**-**	**2,114**	**2,114**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortised cost							
Accounts payables	-	6	6	-	-	-	-
Payables to group companies	-	367	367	-	-	-	-
Total	**-**	**373**	**373**	**-**	**-**	**-**	**-**

December 31, 2022 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 amortised cost							
Receivables from group companies	-	598	598	-	-	-	-
Cash and cash equivalents	-	3,624	3,624	-	-	-	-
Total	**-**	**4,222**	**4,222**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortised cost							
Accounts payables	-	6	6				
Payables to group companies	-	10,875	10,875				
Total	**-**	**10,881**	**10,881**	**-**	**-**	**-**	**-**

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT, CONTINUED

Valuation techniques level 1, 2 and 3
Shares and participations in other companies – acquisition value 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 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 assets, level 3

Group (SEK million)	2023	2022
Opening balance January 1	408	346
of which discontinued operations	-	-11
Reported gains and losses in net income for the period	-23	22
Acquisition	17	23
Translation differences	-33	21
Loan converted to shares	27	8
Closing balance December 31	**397**	**408**

Financial liabilities, level 3

Group (SEK million)	2023	2022
Opening balance January 1	2,703	2,318
Sale of subsidiaries	-	-9
Exercise payments, cash-based	-1,421	-317
Excercised payments, share based	-347	-
Changes in fair value	326	224
Interest expenses from discounting fair value of options	212	220
Translation differences	-33	267
Closing balance December 31	**1,439**	**2,703**

18 SUPPLEMENTARY INFORMATION TO CASH FLOW STATEMENT

Adjustments for items not included in cash flow

Group (SEK million)	2023	2022
Depreciation and amortization	517	637
Depreciation leases	36	34
Impairment	0	26
Provisions	-9	101
Participation in associated companies	-1	0
Discounting interest	212	220
Revaluation of fair value	331	167
Unrealised exchange differences	75	-229
Accrued interest	-46	8
Income tax	397	219
Other items	38	12
Total	**1,550**	**1,195**

Cash paid for interest and income tax

Group (SEK million)	2023	2022
Interest paid	0	-10
Interest received	117	44
Income tax	-431	-408
Total	**-314**	**-374**

Parent company (SEK million)	2023	2022
Interest paid	0	-10
Interest received	115	44
Income tax	-4	-4
Total	**111**	**30**

Reconciliation of debts arising from financing activities

Group (SEK million)	Opening balance 2023	Cash flows	Other changes	Closing balance 2023
Lease liability	67	-38	144	173
Total	**67**	**-38**	**144**	**173**

Group (SEK million)	Opening balance 2022	Cash flows	Other changes	Closing balance 2022
Short-term loans	1,000	-1,000	-	0
Long-term borrowings	900	-900	-	0
Lease liability	125	-58	-	67
Total	**2,025**	**-1,958**	**-**	**67**

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 - (10,502) million. Receivables from group companies at year-end amounted to SEK - (-) million.

Cash and cash equivalents included in cash flow statement

Group (SEK million)	2023	2022
Cash	1,297	1,393
Short-term investments	1,658	3,340
Total according to cash flow statement	**2,956**	**4,733**

Parent company (SEK million)	2023	2022
Cash	435	717
Short-term investments	1,165	2,907
Total according to cash flow statement	**1,599**	**3,624**

19 LEASING LIABILITIES

The group recognizes right-of-use assets and leasing liabilities for most leasing agreement, 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% 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 2 million, should the group decide to exercise the options.

Right-of-use assets

Group (SEK million)	Property	Other	Total
Opening balance January 1, 2022	122	1	123
New/finished lease contracts	-18	-1	-18
Depreciation for the year	-34	0	-34
Discontinued operations	-5	-	-5
Closing balance December 31, 2022	**65**	**0**	**65**

Right-of-use assets

Group (SEK million)	Property	Other	Total
Opening balance January 1, 2023	65	0	65
New/finished lease contracts	144	0	144
Depreciation charge for the year	-36	0	-36
Closing balance December 31, 2023	**173**	**0**	**173**

Maturity analysis – Contractual undiscounted cash flows

Group (SEK million)	Dec 31, 2023	Dec 31, 2022
Less than one year	37	34
One to five years	118	32
More than five years	25	1
Total undiscounted lease liabilities at December 31	**179**	**67**
Lease liabilities included in the statement of financial position at December 31	**173**	**67**
Current	36	34
Non-current	138	32

Group (SEK million)	2023	2022
Amounts recognized in profit and loss		
Interest on lease liabilities	-1	-1
Depreciation for the year	-36	-34
Expenses related to short-term leases	-7	-5
Expenses related to leases of low-value assets, excluding short term leases of low-value assets	0	0
Total	**-45**	**-41**
Amounts recognized in the cash flow statement		
Total cash outflow for leases	-38	-35
Discontinued operations	-	-5

LEASES, CONTINUED

Group (SEK million)	Dec 31, 2023	Dec 31, 2022
Age analysis lease liabilities		
Less than 6 months	15	15
6–12 months	20	20
1–2 years	31	3
2–5 years	83	29
> 5 years	24	1
Total lease liabilities	**173**	**67**

20 AVERAGE NUMBER OF EMPLOYEES

2023			2022	
Group	Men	Women	Men	Women
Sweden	20	12	12	9
Germany	249	95	312	114
United Kingdom	150	48	153	29
United States	43	19	71	41
Singapore	262	95	211	78
New Zeeland	33	16	32	12
Other	0	0	0	1
Total	**757**	**285**	**791**	**284**
Total average number of employees		**1,042**		**1,075**

Parent company	2023	2022
Men	12	12
Women	11	9
Total	**23**	**21**

AVERAGE NUMBER OF EMPLOYEES, CONTINUED

Gender distribution senior executives

2023			2022	
Group	Men %	Women %	Men %	Women %
Board of Directors	60	40	60	40
Senior executives	91	9	91	9
Total	**79**	**21**	**79**	**21**

2023			2022	
Parent company	Men %	Women %	Men %	Women %
Board of Directors	63	38	63	38
CEO	0	100	0	100
Other senior executives	100	0	100	0
Total	**67**	**33**	**67**	**33**

21 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES

Group (SEK million)	2023	2022
Salaries	938	885
Social security contributions	99	93
Pension costs	23	18
Share-based payments	37	16
Social security contributions on share-based payments	12	4
Total	**1,109**	**1,016**

Group (SEK million)	2023	2022
Board of Directors, CEO and other senior executives[1]	59	80
of which variable salary	*31*	*50*

1) Includes SEK 7.6 (7.6) million Board fees approved by the Annual General Meeting.

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES, CONTINUED

Parent company (SEK million)	2023	2022
Board of Directors, CEO and other senior executives	37	50
of which variable salary	*17*	*28*
Other employees	19	30
Total salaries and other remuneration	**56**	**80**
Social security expenses	11	24
of which pension costs	*4*	*3*
of which pension cost CEO	*1*	*1*

Total salaries in the parent company include remuneration to CEO and other senior executives 5 (4) persons of SEK 42 (18) million, of which variable salary is SEK 17 (28) million.

Remuneration to the Board of Directors and senior executives

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 2021.

MTG's Remuneration Guidelines are designed to drive and reward company and individual performance, be market competitive to attract and retain key talent, and to incentivise creation of long-term shareholder value.

Total remuneration may consist of fixed salary, variable components in the form of short-term and long-term incentive plans (STI and LTI), pension and other benefits/allowances.

Remuneration principles

The Remuneration Guidelines provide 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 businesses. The guidelines set guiding principles for the selection of performance measures and performance periods to ensure the link to the shareholder value, and as such, the guidelines contribute to the long-term success and value creation of the company. The guidelines provide for the ability to set relevant financial and non-financial measures, including governance, social and environmental, further contributing to alignment between the guidelines and sustainability as well as the company values. The performance measures for the are determined by the Remuneration Committee based on the business priorities for the year. Every year, objectives are set in the light of the Company's annual business plan and the operating environment. The guidelines provide incentives for the CEO and the senior executives to promote an innovative and performance-based culture which contributes to achieving the company's mission.

The remuneration to the CEO and the senior executives consists of base salary, short-term and long-term incentives, pension and other benefits.

Base salary

It attracts and retains the CEO and the senior executives, taking into account their individual responsibilities, their personal contribution, the size of their role and the 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 January 1. The Remuneration Committee looks at pay practices in selected comparison groups; the benchmarks are provided by independent advisors. Salary decisions also take into account the performance and experience of the individual, changes in the size and scope of the role, and the level of salaries 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% 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

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES, CONTINUED

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, on the condition that such extraordinary arrangement is made for recruitment or retention purposes and is 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 Program (LTIP)
The Board may offer long term incentive programmes in order to attract and retain key individuals, as well as to share the success of the company's growth. The long term incentive programmes 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 long term incentive programmes 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 subsidiaries, participation in local Management Incentive Programs, i.e. cash-based long term incentive programmes linked to pre-determined levels for the value creation of a specific subsidiary within MTG. The maximum outcome shall have a predetermined cap.

More information regarding the ongoing LTIPs, including the criteria which the outcome depends on, can be found on MTG's website, www.mtg.com

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

Other benefits
Other benefits provide a competitive level of benefits and supports recruitment and retention. Other benefits may include car allowances, company cars and housing. The combined value of these benefits shall normally constitute a limited value in relation to the total remuneration package and correspond to market practice. Additional benefits may be provided to senior executives under certain circumstances, such as in case of relocation or international assignments, in line with 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

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES, CONTINUED

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 data 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 employees' total income, the components of their remuneration and its increase and growth rate over time, in the Board's basis of decision when evaluating whether the guidelines and the limitations set out therein are reasonable.

Deviations from the guidelines
The Board may temporarily resolve to deviate from the guidelines, in whole or in part, if it has a special reason to do so in the individual case and such 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 on 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 60. The following changes to the Group Management were made in 2023: Lasse Pilgaard resigned and was replaced by Nils Mösko as CFO in August 2023. Johan Levinsson resigned as Group General Counsel in May 2023 and was replaced by Simon Hahn.

Remuneration and other benefits 2023

(SEK thousand)	Board fee	Base salary	Variable remuneration	Other benefits	Pension costs	Extraordinary costs	Total
Simon Duffy, Chairman of the Board	1,800						1,800
Simon Leung	830						830
Liia Nou	935						935
Chris Carvalho	830						830
Natalie Tydeman	770						770
Susanne Maas	770						770
Gerard Florin	840						840
Florian Schuhbauer	830						830
Maria Redin, CEO		7,140	6,650	299	717	7,333	22,139
Senior executives (5 persons)		11,814	10,501	365	1,310	5,566	29,556
Total	**7,605**	**18,954**	**17,151**	**664**	**2,027**	**12,899**	**59,300**

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES, CONTINUED

The numbers in the table above include the CEO`s variable remuneration of SEK 7 (6) million, which is payable after the year-end. Out of the remuneration to other members of the Group management, SEK 13 (14) million was expensed in the parent company and 17 (38) million was expensed in the subsidiaries.

Non-cash share-based incentive program costs for LTIP 2021 calculated in accordance with IFRS 2 amounted to SEK 8 million for the CEO and SEK 7 million for other members of Group Management 2022. The final TSR for LTIP 2021 was determined based on an initial share price equivalent to the VWAP during the period from October 1, 2020 to December 31, 2020, and a final share price equivalent to the VWAP during the period from October 1, 2023 to December 31,2023. As the TSR performance criteria was not met, no value has been assigned to the participants in 2023.

Further non-cash share-based incentive program costs for LTIP 2022 calculated in accordance with IFRS 2 amounted to SEK 6 (3) million for the CEO and SEK 4 (4) million for other members of Group Management. For LTIP 2023 program calculated accordance with IFRS 2 amounted to SEK 7 million for the CEO and SEK 9 million for other members of Group Management in 2023.

As set out in MTG's remuneration guidelines, senior executives, that have a direct impact on the value creation in MTG's portfolio companies and subsidiaries, may participate in local Management Incentive Programs, i.e. cash based LTIPs linked to predetermined levels of value creation of a specific subsidiary within MTG.

In 2022 payment for such programs, launched 2019, to one (1) of the senior executives, was SEK 23 million, which is included in the extraordinary costs in the table below.

In 2022, a retention cash incentive to the CEO and one of the other senior executives was implemented in accordance with, and to the maximum amount provided for by, the Remuneration Guidelines provisions regarding extraordinary arrangements. The retention cash incentive was to be paid out in two equal installments in Q1 2022 and in Q1 2023. The amount expensed in 2022 is included in the "Remunerationand other benefits" table below. Information regarding amounts expensed in 2023 is included in the "Remuneration and other benefits" table above.

In 2023, a cash incentive for recruitment purposes was agreed for one of the senior executives in accordance with the Remuneration Guidelines provisions regarding extraordinary arrangements.

Remuneration and other benefits 2022

(SEK thousand)	Board fee	Base salary	Variable remuneration	Other benefits	Pension costs	Extraordinary costs	Total
Simon Duffy, Chairman of the Board	1,800						1,800
Simon Leung	830						830
Marjorie Lao	935						935
Chris Carvalho	830						830
Dawn Hudson	770						770
Natalie Tydeman	770						770
Gerard Florin	840						840
Florian Schuhbauer	830						830
Maria Redin, CEO		7,140	5,712	280	714	7,140	20,986
Senior executives (4 persons)		12,471	8,795	1,001	1,231	28,120	51,618
Total	**7,605**	**19,611**	**14,507**	**1,281**	**1,945**	**35,260**	**80,209**

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES, CONTINUED

Decision process
The remuneration to the CEO was decided by the Board of Directors. Remuneration to Chief Executives is monitored and reviewed by the Board.

Share based payments
The group has two current long-term incentive programs, the 2022 Incentive Plan and the 2023 Incentive Plan. Additionally, two long-term incentive programs were completed in 2023 - the 2019 Warrant Plan and the 2021 LTIP – neither of which met the performance targets and subsequently no shares were transferred to the participants. 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 have 50% vesting after 2 years, and the other 50% after 3 years and payment is depending on fulfillment of certain stipulated goals.

The Annual General Meetings have established incentive programs for senior executives and key personnel. The company has four outstanding long-term Incentive programs: the 2019 LTIP which comprises both a per formance share plan and warrants, the 2021 LTIP which is a co-investment performance share plan and the 2022 and 2023 Incentive Plans that have a new simplified incentive structure for variable remuneration covering both the short-term variable remuneration and the long-term share-based remuneration of MTG. For 2020, the Board decided not to propose any long-term Incentive program to the 2020 AGM in light of the uncertain financial effects and possible impact from Covid-19.

Completed plans
Long-term incentive programme (LTIP) 2019
The 2019 warrant plan was directed to the CEO and senior executives. The warrants issued confer an entitlement of no more than 434,667 Class B shares. Each warrant entitled the holder to, during a period from June 15, 2022 to June 15, 2023, subscribe to one new Class B share at 115% of the average volume-weighted share price during the period May 9, 2019 and May 22, 2019 (the "Exercise price"). The participants' maximum profit was capped. MTG subsidized 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 a subsidy was paid out at the time of purchase of the warrants. If a participant left MTG during the three-year vesting period for the subsidy, MTG was able to - under certain circumstances - reclaim the subsidy, in whole or in part in proportion to the term of the vesting period.

Since the exercise price for all vested options exceeded the market value of the underlying shares at vesting, no value has been assigned to the participants.

Share-based long-term incentive plan 2021
According to the 2021 LTIP, participants were required to hold shares in MTG equivalent to at least 5% and up to 20% of the gross annual base salary of each participant. For each share held, the participant had rights to receive class B shares free of charge (the "share rights"), which would vest depending on the fulfilment of pre-determined performance criteria and contingent upon continued employment.

The share rights would vest free of charge after a three-year period ending on December 31, 2023. The number of share rights that vest would be determined based on the annual TSR (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) of class B shares at the end of the vesting period. Based on the EGM-approved 2021 rights issue and the AGM-approved 2022 share redemption plan, the number of share rights were subject to customary recalculation (in addition to the TSR being increased by the theoretical value of the subscription rights).

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES, CONTINUED

The final TSR was determined based on an initial share price equivalent to the VWAP during the period from October 1, 2020 to December 31, 2020, and a final share price equivalent to the VWAP during the period from October 1, 2023 to December 31, 2023. As the TSR performance criteria was not met, no value has been assigned to the participants.

Current plans

Share-based long-term incentive plan 2022

The 2022 Incentive Plan provides the participants a possibility to receive variable remuneration partly in the form of cash remuneration, partly in the form of MTG shares. In brief, the participants are allotted a variable remuneration (the "Performance Amount") in the beginning of 2023 of which a part will be paid out in cash, and a part will be allotted in the form of rights to receive MTG Class B shares free-of-charge (the "share amount" and the "share rights", respectively). Each share right carries a right to receive one (1) MTG Class B share, subject to continued employment at the time of vesting. 50% of the share rights vest in 2024 and 50% in 2025, in both cases after the publication of the year-end for 2023 and 2024, respectively.

Approximately 20 key employees in MTG will be entitled to participate in the plan. The participants are divided into three tiers: the CEO ("Tier 1"), senior executives ("Tier 2"), and other key employees ("Tier 3"). The maximum Performance Amount is for each tier expressed as a percentage of the participant's 2022 annual base salary. The maximum values are: 250% for Tier 1 (of which 100% as a cash component and 150% as share amount), 225% for Tier 2 (of which 100% as a cash component and 125% as share amount) and 150% for Tier 3 (of which 50% as a cash component and 100% as share amount). The share amount shall be converted into a maximum number of share rights, based on the volume-weighted average price paid for MTG's Class B Share on Nasdaq Stockholm during a period of 30 days after the publication of the interim report for the 2022.

The performance criteria for vesting of the share amount and the share rights will be evaluated after the release of the interim report for Q4 2022. The cash portion of the incentive will be paid at the end of the performance period in Q1 2023 and the deferred portion allotted in share rights is subject to a further vesting period (50% vest in Q1 2024 and 50% in Q1 2025). Dividends and other value transfers (including the share redemption plan) will increase the number of shares that each share right entitles to, in order to align the participants' and shareholders' interests. The performance criteria include financial measures (60%), shareholder value creation TSR (25%) and Environmental Social and Governance ESG (15%).

The maximum number of share rights that may be granted under the 2022 LTIP is 495,000. In case of overperformance of one or more of the performance conditions based on financial measures and shareholder value return, to the extent that that the performance is between the target level and maximum level, the relative weighting on such condition may be linearly increased with up to 50%. The outcome for the participants in the 2022 Incentive Plan may however never exceed the maximum Performance Amount.

Share-based long-term incentive plan 2023

The 2023 Incentive Plan retains the same structure and maintains the same economic characteristics for the participants and the same overall criteria for measuring performance as the 2022 incentive plan, with an added condition relating to strategic performance. In the 2023 Incentive Plan, the number of participants has been increased as key employees in MTG's portfolio company, InnoGames, have been invited to participate to link their incentives to the future growth of the MTG share performance. The 2023 Incentive Plan provides the participants a possibility to receive variable remuneration partly in the form of cash remuneration, partly in the form of MTG shares.

In brief, the participants are allotted a variable remuneration (the "Performance Amount") in the beginning of 2024 of which a part will be paid out in cash, and a part will be allotted in the form of rights to receive MTG Class B shares free-of-charge (the "share amount" and the "share rights", respectively). Each share right carries a right to receive one (1) MTG Class B share, subject to continued employment at the time of vesting. 50% of the share rights vest in 2025 and 50 % in 2026, in both cases after the publication of the year-end for 2024 and 2025, respectively.

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES, CONTINUED

Approximately 35 key employees in MTG and InnoGames will be entitled to participate in the plan. The participants are divided into three tiers for key employees at MTG's headquarters and three tiers for key employees at InnoGames.

1. The CEO ("Tier 1 MTG"), senior executives ("Tier 2 MTG"), and other key employees ("Tier 3 MTG"). The maximum Performance Amount is for each tier expressed as a percentage of the participant's 2023 annual base salary. The proposed maximum values are: 250% for Tier 1 MTG (of which 100% as a cashcomponent and 150% as share amount), 225% for Tier 2 MTG (of which 100% as a cash component and 125% as share amount) and 150% for Tier 3 MTG (of which 50% as a cash componentand 100% as share amount), and

2. The Chief Executives ("Tier 1 InnoGames"), Directors ("Tier 2 InnoGames"), and Heads of staff ("Tier 3 InnoGames"). The maximum Performance Amount for each tier is expressed as a percentage of the participant's 2023 annual base salary. The proposed maximum values are: 200% for Tier 1 InnoGames (of which 50% as a cash component and 150% as share amount), 80-95% for Tier 2 InnoGames (of which 20-30% as a cash component and 50-70% as share amount) and 45-55% for Tier 3 InnoGames (of which 15-25% as a cash component and 30% as share amount).

New employees who have not yet commenced their employment at the time when notification to participate in the program at the latest shall be given may, upon the condition that the employment commences during 2023, be offered to participate in the 2023 Incentive Plan. In such cases, the Performance Amount is reduced linearly, reflecting the portion of the Performance Year that the participant has been employed.

The performance criteria for vesting of the share amount and the share rights will be evaluated after the release of the interim report for Q4 2023. The cash portion of the incentive will be paid at the end of the performance period in Q1 2024 and the deferred portion allotted in share rights is subject to a further vesting period (50% vest in Q1 2025 and 50% in Q1 2026). Dividends and other value transfers (including the share redemption plan) will increase the number of shares that each share right entitles to, in order to align the participants' and shareholders' interests. The performance criteria include financial measures (50%), strategic KPI (20%), shareholder value creation TSR (20%) and Environmental Social and Governance ESG (10%).

For participants who are employed by InnoGames, the financial measures will instead be based on the Revenue and Adjusted EBITDA in InnoGames. Thresholds will be based on approved budgets and presented after the Performance Year. The participants will receive the maximum Performance Amount if the target level is reached for each of the performance conditions, or if the average weighted index is above 100, where the performance conditions based on financial measures and shareholder value return can contribute with up to index 150.

The maximum number of share rights that may be granted under the 2023 LTIP is 988,695. In case of overperformance of one or more of the performance conditions based on financial measures and shareholder value return, to the extent that that the performance is between the target level and maximum level, the relative weighting on such condition may be linearly increased up to 50%.

The outcome for the participants in the 2023 Incentive Plan may however never exceed the maximum Performance Amount.

The 2023 Incentive Program included participants from both the parent company and the subsidiary, InnoGames. The participants from the parent company achieved 93% of the corporate goals and the participants from InnoGames achieved 72%. The tables below show the respective performance outcomes for the criteria included in each plan. Participants in the plan were allotted a cash bonus in Q1 2024, and a specific number of share rights based on the volume-weighted average price paid for MTG's Class B Share on Nasdaq Stockholm during a period of 60 days after the publication of the interim year-end report for 2023, rounded down to a whole number of share rights, each of which carries the right to receive one (1) MTG Class B share, subject to continued employment at the time of vesting.

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES, CONTINUED

Parent company performance outcome

Criteria	Achievement %
Revenue	111
Adj. EBITDA	150
AdTech Platform	90
TSR	0
Diversity in workforce	100
Data privacy and security	100
Total payout	**93**

Subsidiary InnoGames performance outcome

Criteria	Achievement %
Revenue	96
Adj. EBITDA	127
Net Payout Potential	76
TSR	0
Diversity in workforce	100
Data privacy and security	100
Total payout	**72**

Cost effects of the incentive programs

The programs are equity based programs. The initial fair value of the stock option programs at the grant date is expensed during the vesting period. The cost of the programs is recognized in equity as an operating expense. The cost is based on the fair value of the MTG Class B share on the grant date and the number of shares expected to vest. The cost recognized for the programs in 2023 according to IFRS 2 amounts to SEK 37 (16) million excluding social security contributions. Total provision for the social security contributions in the balance sheet amounted to SEK 12 (4) million.There were no share rights exercisable at the end of 2023.

The number of share rights in the 2022 Incentive plan was calculated and allotted in Q1 2023. 50% of the share rights vest in 2024 and 50% in 2025, in both cases after the publication of the interim year-end report for 2023 and 2024, respectively. The number of share rights in the 2023 Incentive plan will be calculated and allotted once the final VWAP is calculated 60 days after the publication of the interim year-end report (on 9 April 2024). 50% of the share rights vest in 2025 and 50% in 2026, in both cases after the publication of the interim year-end for 2024 and 2025, respectively.

At the time of this publication, the 60-day VWAP used to calculate the number of share rights to be allocated to each participant is unknown. Therefore, for indicative purposes only, we have used the average MTG Class B share price for February 2024 (SEK 76.23) for the VWAP which will be used to determine the final allocation of share awards for the 2023 Incentive Plan.

Dilution

If all share rights were exercised, the outstanding shares of the Company would increase by 389,241 (706,668) Class B shares. This will be equivalent to a dilution of 0.30% (0,53) of the issued capital and 0.28% (0,51) of the related voting rights at the end of 2023.

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES, CONTINUED

Distribution of issued share awards and warrants

No. of share awards and warrants outstanding	CEO	Senior executives	Key personnel	Total
LTIP 2019	-	-	-	-
LTIP 2021	-	-	-	-
LTIP 2022	113,588	201,491	74,162	389,241
LTIP 2023	130,661	130,272	377,664	638,597
Total outstanding as per December 31, 2023	**244,249**	**331,763**	**451,826**	**1,027,838**

	2023		2022	
	No. of share awards	No. of warrants	No. of share awards	No. of warrants
Share awards outstanding at 1 January	706,668	420,033	355,730	426,420
Recalculated due to dividends	-	-	70,634	-
Share awards issued during the year	638,597	-	389,241	-
Warrants repurchased	-	-	-	-6,387
Share awards forfeited during the year	-317,427	-420,033	-108,937	-
Total outstanding as per December 31	**1,027,838**	**-**	**706,668**	**420,033**

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES, CONTINUED

LTIP programs/ Financial year	No. of allocated share awards and warrants	No. of people	Exercise price (subscription price) (SEK) warrants	Theoretical value at allocation (SEK)	Exercise period	Out-standing share awards and warrants as per January 1	Recalculation due to dividend	Forfeited during the year	Exercised during the year	Out-standing share awards and warrants as per December 31
Grant 2019										
2023						**420,033**		**-420,033**		**-**
2022						426,420		-6,387		420,033
2021						426,420				426,420
2020						426,420				426,420
2019	648,500	25	92.90	115.63	2022			-222,080		426,420
Grant 2021										
2023						**317,427**		**-317,427**		**-**
2022						355,730	70,634	-108,937		**317,427**
2021	359,780	15			2024			-4,050		**355,730**
Grant 2022										
2023						**389 241**				**389,241**
2022	389,241	11			2024 & 2025					**389,241**
Grant 2023										
2023	**638,597**	**35**			**2025 & 2026**					**638,597**
Total grant										
2023						**2,046,187**		**-737,460**		**1 308,727**
2022						1,171,391	70,634	-115,324		1 126,701
2021						786,200		-4,050		782,150
2020						426,420				426,420
2019						648,500		-222,080		426,420

The subscription price presented in the above table was recalculated based on the rights issue which was approved by the EGM in January 2021 and the 2022 share redemption plan that was approved by the AGM in 2022. In accordance with the terms and conditions for warrants 2019/2022, a recalculation of the subscription price as well as a recalculation of the number of MTG Class B shares for which each warrant entitles the holder to subscribe shall apply. The rationale for the recalculation is to compensate the warrant holders for the shareholders' right to purchase new MTG Class B shares at a discount in 2021 and for the extraordinary cash value transfer to MTG's shareholders in 2022.

22 AUDIT FEES

	Group		Parent company	
(SEK million)	2023	2022	2023	2022
KPMG, audit fees	7	5	2	2
KPMG, audit related fees	1	-	1	1
KPMG, other assurance services	-	1	-	-
KPMG, discontinued operation	-	0	-	-
Other, audit fees	1	1	0	-
Total	**9**	**8**	**3**	**3**

23 RELATED PARTY TRANSACTIONS

Related parties
The group has related party relationships with its subsidiaries.

All related party transactions are based on market terms and negotiated on arm's-length basis. In 2023 there are no transactions with associated companies.

Remuneration to related parties
Chris Carvalho has been a member of the Board of MTG since the Annual General Meeting 2020, i.e. since May 18, 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 2023 was 889 (866) kSEK.

Gerhard Florin has been a member of the Board of MTG since the Annual General Meeting 2018. He also serves as Board member of Innogames. Innogames has paid 814 (816) kSEK in board fees to Gerhard Florin in 2023, the payment from Innogames is outside the MTG board fees which were approved at the Annual General Meeting 2022.

24 BUSINESS COMBINATIONS

Acquisitions in 2023

Purchase considerations and assessments

The group completed the acquisition of Snowprint on October 5, 2023. The acquisition of Snowprint is closely aligned with the M&A-driven element of MTG's growth strategy and enables MTG to add a critically acclaimed game with high affinity to the existing titles in its portfolio.

The transaction was structured with an initial cash payment for 70% of the equity instruments and a put and call option arrangement with a future cash payment for the remaining 30% of the equity instruments. For accounting purposes, all equity instruments are accounted for as acquired, i.e. as if 100% had been acquired. By recognizing a liability for the put and call option for the remaining equity instruments, no non-controlling interest is recognized. The remaining 30% of equity instruments are expected to be legally transferred to MTG during 2025-2026 on the basis of the future valuation of the remaining shares based on the studio's performance. The purchase consideration for the acquisition of Snowprint was SEK 651 million, of which SEK 293 million has been recognized as goodwill. The goodwill is primarily justified by the company's future earnings potential, the Snowprint team's potential to create successful games beyond the company's existing games, and synergies with the other studios within the group. None of the goodwill recognized is expected to be deductible for income tax purposes. The amounts recognized for intangible non-current assets, such as IP, game engine and paying player relationships, have been measured at the discounted value of future cash flows. The amortization periods for the identified assets are set to reflect the determinable useful life.

Preliminary purchase price allocations for the year

Refers to acquisitions completed during the period January to December 2023

(SEK million)	Snowprint
Intangible assets	355
Other non-current assets	1
Other current assets	38
Cash and cash equivalents	54
Deferred tax receivables/liabilities	-63
Other liabilities	-27
Acquired net assets	**358**
Goodwill	293
Purchase price including other non-paid considerations	**651**
Less cash and cash equivalents in acquried operation	-54
Additional purchase price and other settlements, non-paid	-147
Effect on consolidated cash and cash equivalents	**450**
Cash flow from business combination	
Cash payment	-504
Acquired cash and cash equivalents	54
Total effect on cash flow from investing activities	**-450**
Transactions cost for acquisition (included in operating activities)	-6
Net outflow cash and cash equivalent	**-456**

The impact of the business combination on the group's cash and cash equivalents is SEK 450 million. Acquisition-related expenses for the acquisition amounted to SEK 6 million. Had the acquisition been

BUSINESS COMBINATIONS, CONTINUED

made effective January 1, 2023, it would have contributed SEK 412 million to the group's net sales and the impact on the group's net profit would have been SEK -82 million. The net sales and net profit included in the consolidated financial statements for the reporting period amount to SEK 130 million and SEK -18 million, respectively. The purchase price allocation for the acquisition is preliminary, as the group has not received final audited information. Consequently, the amounts for assets and liabilities acquired may change until the purchase price allocation is completed. The acquisition has been reported using the acquisition method.

Contingent considerations and other settlements
In connection with the acquisition, MTG and the minority shareholders entered into a Shareholders agreement that includes provisions concerning put and call option on the remaining 30% ownership interest. The exercise prices for the put and call option are based on a formula of gross revenue and EBITDA performance. A liability for the put and call option is recognized as part of the transaction and the initial fair value of the liability is SEK 147 million based on the probability-weighted likelihood of different possible scenarios of future financial performance. The fair value of the liability will be reassessed over time. Changes in the fair value of the liability will be recognized in the profit and loss statement.

A portion of the future payment for 30% of the equity instruments is subject to the selling shareholders continuing to provide services to the group through employment and is therefore treated as a separate transaction and accounted for as a post-combination expense. The expense will be accrued as an employee cost over time during the required service period up until 2025-2026. The expected cost effect on the profit and loss statement over the period Q4 2023-2026 is estimated to be around SEK 59 million, but the final cost will depend on the final value settled in cash.

MTG will pay a yearly performance-based bonus to the selling employees. The amount of the bonus payments, for which the bonus thresholds are determined prior to each year, depends on the financial performance of Snowprint during 2024-2027. MTG will accrue an estimated expense over each year.

Acquisitions in 2022
Kongregate expanded through the acquisition of 100% of the shares in the Chilean development studio Gamaga on July 18. The purchase price for the acquisition of Gamaga amounted to SEK 59 million (USD 5.7 million). In addition to the upfront consideration, MTG will pay performance-based earn-out payments where the discounted value was estimated to amount to SEK 8.9 million (USD 869 thousand). Gamaga's net assets at closing amounted to SEK 497 thousand (USD 48 thousand). Calculated goodwill for Gamaga amounted to SEK 58 million (USD 5.6 million). The acquired company did not contribute with revenues during the period or before the acquisition.
PlaySimples PPA has been adjusted during the third quarter, affecting goodwill by SEK 10 million. The PPA was finalized in the third quarter.

Effect of acquisition on the consolidated statement of Profit and Loss and Other Comprehensive Income

(SEK million)	2023
Sales	130
Net result for the period[1]	-18

1) Net result for the period includes amortization of purchase price allocations of SEK -12 million and post-combination expense affecting operating profit with SEK -8 million. The net result for the period also includes a dissolution of deferred tax of SEK 2 million related to purchase price allocations.

Contributions from acquisitions if the acquisition had occurred January 1, 2023

(SEK million)	2023
Sales	412
Net result for the period[1]	-82

1) Net result for the period includes amortization of purchase price allocations of SEK -50 million and post-combination expense affecting operating profit with SEK -26 million. The net result for the period also includes a dissolution of deferred tax of SEK 10 million related to purchase price allocations.

BUSINESS COMBINATIONS, CONTINUED

Changes in earn-out debt

Company (SEK million)	Earn-out debt Jan 1, 2022	discontinued operations	Revaluation	Discounting effects	Cash settle-ment	Exchange rate effect	Share settle-ment	Earn-out debt Dec 31, 2022
Hutch	556	-	-116	35	-101	30	-	405
Ninja Kiwi	608	-	254	44	-217	46	-	736
PlaySimple	1,144	-	86	140	-	190	-	1,560
Other	10	-10	-	-	-	-	-	-
Total	**2,319**	**-**	**224**	**220**	**-317**	**267**	**-**	**2,703**

Changes in earn-out debt

Company (SEK million)	Earn-out debt Jan 1, 2023	discontinued operations	Revaluation	Discounting effects	Cash settle-ment	Exchange rate effect	Share settle-ment	Earn-out debt Dec 31, 2023
Hutch	405	-	-247	28	-83	8	-	112
Ninja Kiwi	736	-	10	18	-394	-22	-348	0
PlaySimple	1,560	-	563	166	-944	-18	-	1,327
Total	**2,703**	**-**	**326**	**212**	**-1,421**	**-31**	**-348**	**1,439**

25 DISCONTINUED OPERATIONS

Discontinued operations

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

2022

Distribution of ESL Gaming

On January 24, 2022, MTG announced the sale of ESL Gaming to Savvy Gaming Group ("SGG") in an all-cash transaction valuing ESL Gaming at an enterprise value of USD 1,050 million (equaling SEK 9,723 million). At the time, MTG owned 91.46% of ESL Gaming, which corresponded to USD 960 million of the total enterprise value and represented a total return on investment of 2.5x. SGG simultaneously acquired FACEIT and with the intention to merge the two companies and create the leading global platform for competitive gaming – ESL FACEIT Group.

The transaction closed on April 21, 2022 and the divestment generated net proceeds of USD 880 million (SEK 8,281 million) for the group. MTG recognizes a capital gain of SEK 6,851 million. ESL Gaming generated revenue of SEK 525 million and a net result of SEK -504 million during the year.

Income Statement discontinued operations

(SEK million)	2022
Net sales	525
Cost of goods and services	-705
Gross income	**-180**
Selling expenses	-141
Administrative expenses	-160
Other operating income and expenses	15
EBIT	**-465**
Financial net	-40
Income before tax	**-504**
Tax	-3
Net income for the year	**-507**
Capital gain	6,851
FX hedge and exchange rate effect	-151
Tax on FX hedge and exchange rate effects	31
Net income form the period, discontinued operations	**6,223**

Cash Flow, discontinued operations

(SEK million)	2022
Cash flow from:	
Operating activities	-37
Investing activities	-20
Investing activities net proceeds from sale	8,087
Financing activities	706
Financing activities FX hedge	-277
Net cash flow for the period, discontinued operations	**8,459**

26 EVENTS AFTER THE REPORTING PERIOD

After the end of the period, MTG signed an agreement to merge Kongregate with Monumental. The transaction resulted in MTG holding a 30% equity stake in the new company on a fully diluted basis as it was a non-cash transaction. The divestment will result in significantly lower capital expenditure levels in 2024 after the studio is deconsolidated.

27 PROPOSED APPROPRIATIONS OF EARNINGS

The following funds are at the disposal of the shareholders as of December 31, 2023 (SEK):

Parent company (SEK)	2023
Premium reserve	6,003,216,967
Retained earnings	8,983,093,726
Net result 2023	- 136,999,897
Total as per December 31, 2023	**14,849,310,796**

The Board of Directors propose that no further dividend be paid to MTG shareholders for the financial year 2023, 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 April 3, 2024. 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 May 16, 2024.

Stockholm April 3, 2024

Gerhard Florin
Non-Executive Director

Simon Duffy
Chairman of the Board

Florian Schuhbauer
Non-Executive Director

Liia Nõu
Non-Executive Director

Susanne Maas
Non-Executive Director

Natalie Tydeman
Non-Executive Director

Chris Carvalho
Non-Executive Director

Maria Redin
President and Chief Executive Officer

Simon Leung
Non-Executive Director

Our Audit report was submitted
April 3, 2024
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 2023, except for the sustainability report on pages 22-35, 138-149 and 155-158. The annual accounts and consolidated accounts of the company are included on pages 22-128, 138-149 and 155-158 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 2023 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 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the sustainability report on pages 22-35, 138-149 and 155-158.

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 9 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 2023 amount to SEK 12 billion, which is approximately 79% 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 judgements. 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 also considered the reaonableness of the future cash flow forecasts and their underlying assumptions including long-time growth rates as well as the discount rates used. This has been done by, among other things, obtaining and evaluating written documentation and checking assumptions in the impairment testing against plans. Our work has also included examination of the group's sensitivity analysis to evaluate how reasonable changes in the assumptions may impact the valuation. We have also evaluated the Group's historical forecast performance and challenged assumptions about future growth and margins.

We have further evaluated the financial statement disclosures in relation to the requirements in the accounting standards.

Valuation of contingent considerations from business combinations

See disclosure 2, 17, 24 and accounting principles on page 77 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter
In the business combinations of Hutch, Ninja Kiwi and PlaySimple the Group has agreed with the sellers to include a contingent consideration which is contingent on the future financial development of the acquired business.

Liabilities for contingent considerations are valued at fair value in the balance sheet and amounted to SEK 1,439 million as of December 31, 2023.

The value is based on the terms in the agreements and include judgments about the discounted value of future revenue growth and profit margin. The calculation of the value is dependent of significant judgments. If actual outcome deviates from these assessments or if the assessments about the future financial development for an acquired business is changed this could result in a change in the value of the contingent considerations which is accounted for in the income statement as they occur.

Response in the audit
We have in our audit analyzed the agreements from performed acquisitions and the terms that is the basis for the contingent considerations. We have also assessed management's estimations regarding future revenue growth and operating margin as well as the disount rates used and, through this, the size of contingent considerations.

Furthermore, we have considered the completeness of the disclosures in the annual accounts and the consolidated accounts and assessed if they are in accordance with the assumptions used by management and that they, in all material aspects, are in accordance with the disclosures required by IFRS.

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 2-2 and [x-y]. The other information comprises also of the remuneration report [and report X] which we obtained prior to the date of this auditor's report, [and the Y report, which is expected to be made available to us after that date]. [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 Accounting Standards 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. Auditor's audit of the administration and the proposed appropriations of profit or loss

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 2023 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 examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Modern Times Group MTG AB (publ) for year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Modern Times Group MTG AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's opinion regarding the statutory sustainability

The Board of Directors is responsible for the sustainability report on pages 22-35, 138-149 and 155-158, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR´s 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 (publ) by the general meeting of the shareholders on the 17 May 2023. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 1997.

Stockholm 3 April 2024
KPMG AB

Helena Nilsson
Authorized Public Accountant

FIVE-YEAR SUMMARY

Group (SEK million)	2023	2022	2021	2020	2019
Continuing operations					
Net sales	5,829	5,537	3,931	3,997	4,242
Change in reported net sales %	*5.0*	*41.0*	*47.0*	*-6.1*	*10.4*
Organic growth %	*-2.0*	*-4.0*	*-9.0*	*-4.4*	*6.5*
Acquisitions/divestments %	*2.0*	*35.0*	*12.0*	*-*	*-0.6*
Changes in FX rates %	*5.0*	*9.0*	*-4.2*	*-1.7*	*4.4*
Operating income before items affecting comparability	925	558	513	45	-255
Operating margin before items affecting comparability %	*15.9*	*10.1*	*13.1*	*1.1*	*-6.0*
Items affecting comparability	-40	0	-	-9	-152
Total operating income	885	558	513	35	-407
Total operating margin %	*15.2*	*10.1*	*13.1*	*0.9*	*-9.6*
Net income	164	252	-248	-96	-458
Discontinued operations					
Net income	-	6,223	-207	-	14,852
Total operations					
Total net income	164	6,475	-454	-96	14,394
Cash flow, continuing operations					
Income before tax adjusted for items not included in cash flow	1,714	1,447	618	439	-71
Taxes paid	-431	-408	-286	-199	-
Change in working capital	-25	-171	-27	30	-117
Cash flow from operations	1,258	868	306	270	-188
Investments in non-current intangible and tangible assets	-212	-234	-252	-208	-238
Net investments of business combinations and divestments	-2,140	-402	-3,088	-2,263	1,780
Per share data					
Shares outstanding	121,681,404	123,731,164	110,385,832	76,190,509	76,190,509
Weighted average number of shares before dilution	123,189,366	116,950,340	103,786,751	76,190,509	76,118,826
Weighted average number of shares after dilution	123,710,735	117,355,207	103,942,052	76,190,509	76,118,826
Total basic earnings per share for continuing operations (SEK)	1.33	2.70	-1.86	-2.99	-7.24
Total basic earnings per share (SEK)	1.33	56.26	-3.85	-2.99	187.77
Market price of Class B shares at close of last trading day	86.15	89.10	92.40	146.70	112.00

CORPORATE SUSTAINABILITY NOTES

MATERIALITY ASSESSMENT

The foundation of our corporate sustainability strategy lies in our materiality assessment.

Materiality assessment

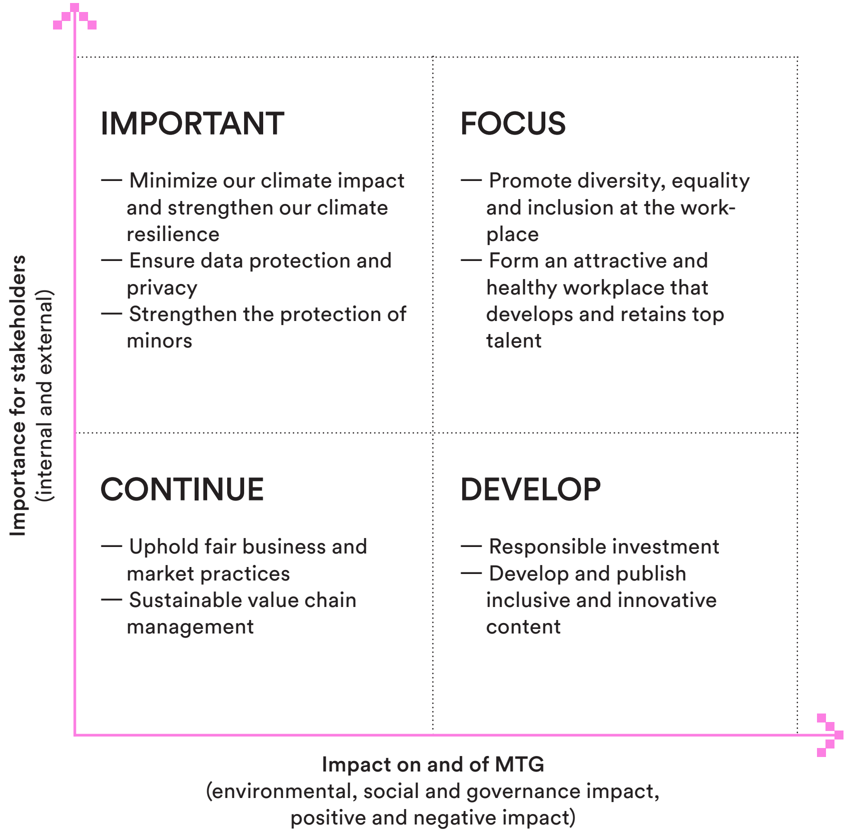
A materiality assessment was conducted in 2022 after MTG's operations were shifted to focus purely on gaming. The sustainability performance was reviewed against forthcoming laws, requirements, best practices, and industry standards. All employees were invited to participate in a survey, with a 35% response rate spanning various geographies and roles. Additionally, a third party conducted interviews with investors, the Board of Directors, and MTG executives. The results from the performance review, survey and interviews were integrated with a sustainability risk and impact assessment of the value chain. The materiality assessment was finalized in internal workshops that prioritized topics and outlined a plan forward. The sustainability strategy received the Board of Directors' approval in May 2022.

In 2024, MTG will conduct a double materiality assessment in accordance with the new EU mandated CSRD (Corporate Sustainability Reporting Directive) and the accompanying ESRS (European Sustainability Reporting Standards) to ensure that our strategy is in line with the new reporting regulations. By regularly reviewing our strategy, we ensure alignment with regulations and meet stakeholder expectations.

Stakeholder dialogs

Stakeholders are identified based on their dependence and influence on MTG's sustainability initiatives. Their engagement provides input for our sustainability strategy and ensures continued focus. The frequency of communication with stakeholders varies by group and is influenced by events throughout the year that might impact them. Engagement with the Board is consistently scheduled one year in advance, while regular communication with employees occurs through internal channels at both group and local levels.

Stakeholder group	Prioritized sustainability topics
Customers	Climate impact Diversity, equality and inclusion Employee work-life balance Responsible advertisements and payment processes
Board of Directors and Executive management	Diversity, equality and inclusion Healthy workplace and work-life balance Climate impact Attracting, developing and retaining talent
Employees	Attracting, developing and retaining talent Climate impact Diversity, equality and inclusion Healthy workplace and work-life balance
Shareholders and investors	Responsible, inclusive and innovative content Attracting, developing and retaining talent Protection of minors Diversity, equality and inclusion
Suppliers, partners and NGO's	Sustainable supply chain management Diversity, equality and inclusion Protection of minors
Trade associations and industry	Data protection and privacy Diversity, equality and inclusion Employee health and well-being Protection of minors



Materiality matrix

Eleven sustainability topics were identified in the materiality assessment conducted in 2022. Following internal workshops conducted the same year with executive management and the then-current head of sustainability, some topics were combined as they are interlinked in their management and actions required and some topics were separated into two as they require different actions.

Changes in prioritized sustainability topics are expected in 2024 as a result of the double materiality assessment in line with CSRD which will be conducted in the spring.

For 2023, sustainability topics have been categorized in the materiality matrix to the left. In the upper right corner, 'Focus' highlights high-priority topics that are crucial for the near future and are integral to the sustainability strategy. Topics classified as 'Important' demand ongoing attention to ensure alignment with stakeholders' expectations. Under 'Continue,' we address agenda topics that MTG is currently well-positioned in but require sustained momentum. Topics of significance for the future development of the company and on which MTG can have an impact are presented under 'Develop'.

SUSTAINABILITY RISK ASSESSMENT & MANAGEMENT

MTG's risk analysis covers the three main areas Environment, Social issues and Governance and outlines how MTG manages each risk. The risk assessment includes industry-specific risks as well as global risks identified in the Global Risks Report. All risks are assessed based on their potential impact (financial, legal and reputational) on MTG and the probability that the impact may occur.

Identified risks are managed by combining MTG's sustainability strategy with our policy framework, and the local risk management unit of each portfolio company, particularly where the risks are specific to each company's market and/or way of operating. MTG also has an overall risk management approach that builds on continuous dialog with portfolio companies on sustainability risks, sharing best practices within the village.

As mentioned in the previous chapter, MTG will conduct a double materiality assessment during 2024 in accordance with the new EU directive CSRD. Changes in the risk assessment may therefore occur throughout the year to ensure alignment with regulations and meet stakeholder expectations.

DESCRIPTION OF RISK	MITIGATION	STATUS		
ENVIRONMENTAL		Probability	Impact	Y-O-Y change
Physical risk: long-term risk As frequency and impact from extreme weather events increase, we have especially identified increased risk of flooding and cyclones. These events could lead to server downtime, resulting in disruptions in our operations. Damage to offices and employees' homes impact employees' ability to do their work, leading to a halt in operations. **Transition risk: short to medium-term risk** Increase in reporting requirements and regulations, predominately within the EU on climate change, will increase the need to collect more data and information from our studios. Could result in increased costs of reporting.	We address our climate impact through our sustainability strategy and the Code of Conduct. Our studios have company-specific climate strategies with a focus on e.g. increased use of renewable electricity and switching to server providers using renewable energy. We ensure that we have the correct insurance policies on our offices and where needed we have updated them. To ensure compliance with new and updated reporting legislation we have started improving our data collection processes and implemented some of the identified changes in reporting format.			
SOCIAL				
Employees • Gender imbalance in the workforce could lead to increased risk of discrimination, unhealthy work environments and lack of diversity in game development resulting in games that do not attract a wide audience. • Lack of work-life balance, could lead to deliveries of lower quality, increase of ill-health and high employee turnover. • Inability to recruit and retain skilled labor could severely impact our ability to develop successful games and maintain a high level of competence. **Players** • Our players could face unsafe and unhealthy behavior in games with a social feature. • Gaming addiction and negative impact on personal finances are present within the gaming industry and thus there is a risk of MTG being connected to such issues by being part of the industry.	Our policy framework combined with company-specific policies governs the identified social risks. Gender imbalance is governed by each portfolio company implementing actions to improve their DE&I performance and knowledge on the area. Work-life balance is governed by local law as well as own initiatives such as a 4-day work week and continuous employee surveys to identify risk areas. We believe that addressing gender imbalance, reducing stressful work environments and providing growth opportunities, as well as actions such as transparent salary bands, will help attract and retain talents. Unsafe online environments are addressed through policies and guidelines. Tools and community managers ensure enforcement and a positive online environment. Gaming addiction is a complex issue that MTG is not solely responsible for. Still, we take responsibility by classify games by the correct age gate and build in functions that allow players to take breaks. For PRI we ensure to follow laws and transparent communication on odds to our players.			

DESCRIPTION OF RISK	MITIGATION	STATUS		
GOVERNANCE		Probability	Impact	Y-O-Y change
MTG is dependent on its IT infrastructure to function. Being subject to a cyberattack or having personal user data stolen could result in severe business/financial impacts with possible legal implications. Employees could be prevented from carrying out their work for longer periods and players could lose trust in MTG, leading to a potential loss of revenue.	We address data protection through our policies for GDPR and personal information. Together with local DPMs, Head of Governance, Risk & Compliance, Head of Data Protection and our Chief Information Security Officer, we ensure our companies are aligned within our risk framework and work constantly to strengthen the way we govern our IT environments.			


F1 Clash

SUSTAINABILITY DATA

About the sustainability data

Employee data has been collected by each portfolio company and reported in the group common platform Position Green. A predominant part of the data was extracted from internal HR systems, payroll systems, or excel files populated through a salary system or manually. All employee data is reported in headcount (HC) per the December 31, 2023. Data include all of MTG's studios as well as the head office in Stockholm and employees in the office in Germany.

Discrepancies were identified in the emissions factors related to waste, company cars, and office heating, leading to inaccuracies in assumptions and overall emission calculations. To address this issue, a restructuring of the measurements was implemented, and the inclusion of Scope 3 (Category 5) was introduced, ensuring alignment with the GHG methodology for emissions calculations. The difference in data was sufficiently negligible to justify the decision not to adjust the previous year.

Employees GRI 2-7

	2023		
Employees	Female and non-binary*	Male	Total
Total employees	325	821	**1,146**
Permanent employees	294	791	**1,085**
Full-time employees	260	755	**1,015**
Part-time employees	34	36	**70**
Temporary employees	31	30	**61**

In the 2023 reporting, we cannot report the above data broken down per region as GRI Disclosure 2-7 Employees require due to limitations in the data collection process.

Workers GRI2-8

Workers	2023	2022
Total workers	4	14

The reported workers perform work such as QA, art design, safety and consultants. They are contracted as self-employed or as a supplier to the organization. 2022 was the first year for reporting on workers thus fluctuations in the number of workers are not recorded as of yet.

Collective bargaining agreements GRI 2-30

	2023	2022
% of total employees covered	0	0

Employees who are not covered by a collective bargaining agreement have contracts that align with local laws and regulations, our Code of Conduct, including a clear statement on freedom of association and collective bargaining. These contracts also adhere to the internal principles outlined in the International Labour Organization (ILO).

Employees hires and turnover gri 401-1

Employee hires	2023	2022	2023	2022
Total	**200**	**350**	**17.5%**	**31.3%**
Female and non-binary *	59	115	5.1%	10.3%
Male	141	235	12.3%	21.0%
Age				
<30	148	204	12.9%	18.3%
30-50	50	137	4.4%	12.3%
>50	2	9	0.2%	0.8%

* Employees who identify themselves as non-binary or other have been combined with female employees to ensure the anonymity of those employees. The percentage of employees who identify themselves as non-binary constitutes a non-material share, which is why they are not reported separately.

Employee turnover	2023	2022	2023	2022
Total	**239**	**195**	**20.9%**	**17.5%**
Female and non-binary	68	63	5.9%	5.6%
Male	171	132	14.9%	11.8%
Age				
<30	64	64	5.6%	5.7%
30-50	167	128	14.6%	11.5%
>50	8	3	0.7%	0.3%

Hire and turnover is calculated based on total employees. Employee turnover includes both voluntary and involuntary termination of employment.

Parental leave gri 401-3

	2023	2022
Return to work rate	**81%**	**80%**
Female and non-binary	61%	53%
Male	94%	91%
Retention rate	**85%**	**111%**
Female and non-binary	120%	225%
Male	76%	100%
Employees entitled to parental leave	**1,075**	**1,056**
Female and non-binary	314	291
Male	761	765
Employees that took parental leave in the reporting year	**57**	**63**
Female and non-binary	23	20
Male	34	43
Employees that returned to work in the reporting period after parental leave ended	**46**	**52**
Female and non-binary	14	10
Male	32	42
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	**44**	**50**
Female and non-binary	12	9
Male	32	41

In some instances, parental leave entitlement is acknowledged and adhered to in accordance with legal requirements, without the need for internal restatement in written form.

In other instances, parental leave entitlement is activated after a specified period of employment, such as 12 months. Similarly, in some cases, entitlement to parental leave is established upon becoming a parent.

These circumstances have been considered when reporting the number of employees entitled to parental leave in the reporting year. As a result, the total number of entitled employees may be lower than the overall employee count.

For employees who returned to work after their parental leave ended, it is currently not possible to determine if they will remain employed 12 months later as this time period has not yet elapsed.

Work-related injuries and ill health gri 403-9&10

Number and rate	2023	2022
Fatalities	0 (0)	0 (0)
High-consequence work-related injuries (excluding fatalities)	0 (0)	0 (0)
Recordable work-related injuries	2 (0)	0 (0)
Fatalities as a result of ill health	0 (0)	0
Cases of recordable work-related ill health	7	38
Estimated working hours	2,319,504	2,260,808

All reported cases of ill health in 2023 and 2022 were connected to Covid-19. The rates are calculated based on an assumption of 8 hours per day; 253 working days per year times the number of employees and per 1,000,000 hours worked.

MTG operates in countries where employees have access to non-occupational medical and healthcare services. For more information on additional support provided to employees, see the chapter on "Inclusive & Welcoming".

Managing indirect health and safety impacts

MTG acknowledges the impact on health and safety beyond our direct operations. Our Supplier Code of Conduct includes clear requirements for providing employees with safe and healthy work environments. We aim to operate in accordance with international standards, such as the Fundamental Conventions of the ILO and the UN Universal Declaration of Human Rights.

Average hours of training per employee gri 404-1

	2023	2022
Female and non-binary	7	8
Male	6	8
Senior executives	3	3
Top managers	15	2
Middle managers	10	18
Non-managers	5	8

During 2023, several professional training sessions were conducted for all employees regarding cyber-security and data privacy. Consequently, there was an overall increase in average hours of training for top managers during 2023.

Performance and development review gri 404-3

	2023	2022
% of total employees	**90%**	**82%**
Female and non-binary	89%	76%
Male	90%	85%
Senior Executives	83%	67%
Top managers	100%	67%
Middle managers	91%	92%
Non-managers	89%	83%

MTG lacks a central HR function that would enable centralized supervision of PDA processes at the group level. In some cases, PDA processes activate after the probation period ends for the respective employee, while in other instances, newly hired individuals may not be included in the PDA process immediately.

This implies that there is a designated cut-off period for participation in performance reviews. Consequently, employees hired after the cut-off date will automatically be excluded from the performance review for the year in which they joined the company.

Diversity gri 405-1

Number and share	2023	2022	2023	2022
Board of Directors				
Female and non-binary	3	3	38%	38%
Male	5	5	63%	63%
<30	0	0	0%	0%
30-50	2	2	25%	25%
>50	6	6	75%	75%
Nationalities represented	5	6		
Senior executives				
Female and non-binary	4	4	13%	15%
Male	26	23	87%	85%
<30	0	0	0%	0%
30-50	27	25	90%	93%
>50	3	2	10%	7%
Nationalities represented	7	9		
Top managers				
Female and non-binary	13	11	19%	15%
Male	57	64	81%	85%
<30	0	11	0%	15%)
30-50	65	60	93%	80%
>50	5	4	7%	5%
Nationalities represented	16	16		

Number and share	2023	2022	2023	2022
Middle managers				
Female and non-binary	27	24	21%	21%
Male	100	91	79%	79%
<30	9	10	7%	9%
30-50	115	102	91%	89%
>50	3	3	2%	3%
Nationalities represented	14	16		
Non-managers				
Female and non-binary	277	276	30%	31%
Male	642	624	70%	69%
<30	455	403	50%	45%
30-50	447	477	49%	53%
>50	17	20	2%	2%
Nationalities represented	56	57		
MTG total nationalities represented	**57**	**59**		

MTG does not have group common employee roles or titles.

— Managers are employees with staff responsibility. Non-managers are employees with no staff responsibility.

— Senior Executives include Chief Executive Officer, Chief Financial Officer, Executive Vice President, and Group General Council.

Charity donations and volunteer hours

	2023	2022
Cash donations, KSEK	1,009	3,835
Value of donated products and services, KSEK	52	178
Volunteer hours	2,346	26

Compliance data GRI 2-27

	2023	2022
Whistleblower reports	1	0
- Breach of our Code of Conduct	0	0
- Breach of our Anti-Discrimination & Harassment Policy	0	0
- Breach of our Anti-corruption Policy	0	0
Confirmed cases of corruption	**0**	**0**
Compliance with laws and regulations	**0**	**0**

One whistleblower case were reported in 2023; but for none of the categories above. There were no instances of non-compliance with laws and regulations, and no fines were incurred during the reporting period.

CLIMATE DATA

Emission data GRI 305-1 to 4

Greenhouse gas (GHG) emissions (tCO_2e)	2023	2022
Scope 1	**0**	**1.3**
Scope 2 (location-based)	**343.5**	**402.9**
Scope 2 (market-based)	231.7	312.2
Scope 3	**1,966.1**	**1,893.6**
- Purchased goods and services (3.1)	492.2*	492.2
- Fuel and energy related emissions (T&D) (3.3)	208.9	34.6
- Waste generated in operations (3.5)	9.9	6.5
- Business travel (3.6)	752.9	589.5
- Employee home office (3.7)	349.2	435.6
- Upstream leased assets (3.8)	152.9	335.3
Total emissions (location-based)	**2,309.6**	**2,297.8**
Total emissions (market-based)	2,197.8	2,207.1
Emissions, location-based (tCO_2e), per employee	2.0	2.1
Outside of scope emissions (tCO_2e)	- **	72.9

* For purchased goods and services information was unavailable due to incomplete data collection for the 2023 report, resulting from organizational changes and alterations in the reporting setup. Data from the previous year was therefor utilized for purchased goods and services.

** Data on outside of scope emissions was also unavailable due to incomplete data collection for the 2023 report. However, since this data is not included in the total GHG emissions, it has been excluded. It merely indicates the potential increase in emissions if biofuel were not utilized.

Data is reported and calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

Activity data has been gathered through procurement systems, supplier invoices, and reports, with estimates applied in cases where data was missing, along with landlord reporting. All this activity data is consolidated in the group's common platform, Position Green, where emissions are calculated based on the reported activity data.

Emission factors originate from DEFRA, IEA, AIB, research reports and suppliers.

In 2023, updates were made to emissions factors in accordance with the 2023 DEFRA (Department of Environment, Food and Rural Affairs) guidelines for the following categories:
- Business travel
- Homeworking
- Hotel nights

Emission factors for company cars were updated to AIB and IEA 2022/2023.

Additionally, discrepancies were identified in the emissions factors related to waste, company cars, and office heating, leading to inaccuracies in assumptions and overall emission calculations. To address this issue, a restructuring of the measurements was implemented, and the inclusion of Scope 3 (Category 5) was introduced, ensuring alignment with the GHG methodology for emissions calculations. The difference in data was sufficiently negligible to justify the decision not to adjust the previous year.

The climate data is calculated using GWP 100 from IPCC sixth assessment report (AR6) and includes all six greenhouse gases. An estimation of GHG emissions has been based on employee headcount (HC) in cases where it has not been possible to collect activity data. The inclusion of estimated data aims to ensure we capture our full value chain emissions.

— We have estimated GHG emissions for purchased goods and services (3.1) for Ninja Kiwi Auckland office and Kongregate.
— We have estimated GHG emissions for generated waste (3.5) for Kongregate and PlaySimple.

ABOUT THE SUSTAINABILITY REPORT

Reporting boundary

The Sustainability Report pages 22-35 and 138-158 summarizes MTG's efforts in Corporate Sustainability across all operations.

The report boundary has been defined using the Global Reporting Initiative (GRI) Boundary Protocol and completeness principle to reflect MTG's significant economic, environmental, and social impacts.

The material topics reported on have been identified based on their relevance to MTG's business as a strategic operational and investment holding company in gaming. The Corporate Sustainability 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).

Report scope

The reporting scope is defined by two criteria: inclusion of companies under decisive control (i.e., those where MTG Modern Times Group AB owns 50% or more) and companies that have been part of MTG for more than six months.

In 2023, all studios, including Hutch Games, InnoGames, Kongregate, Ninja Kiwi, and PlaySimple, along with the head office in Stockholm and operations in Germany, were included.

Report approval

The Sustainability report is reviewed and approved by MTG's Board of Directors, following a review by the Executive Management team and the Audit Committee.

Report Information

Period: 01/01/2023-31/12/2023
Report periodicity: Annually
Report framework: GRI Standards
Previous report: 08/04/2022
Send feedback to: comms@mtg.com

GRI INDEX

Statement of use	Modern Times Group MTG AB has reported the information cited in this GRI content index for the period January 1 to 31 of December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

General Disclosures

GRI Standard	Disclosure	Page	Omission: Reason	Omission: Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	2-3 & 6		
	2-2 Entities included in the organization's sustainability reporting	150		
	2-3 Reporting period, frequency and contact point	150		
	2-4 Restatements of information	149 & 150		
	2-6 Activities, value chain and other business relationships	2-3 & 8-9 & 18-23		
	2-7 Employees	145	Information unavailable	We are not able to break down the requested data per region due to limitations in the data collection process
	2-8 Workers who are not employees	145		
	2-9 Governance structure and composition	85-88		
	2-10 Nomination and selection of the highest governance body	78-83 & 85-86		
	2-11 Chair of the highest governance body	85		
	2-12 Role of the highest governance body in overseeing the management of impacts	24, 35, 142-143 & 152		
	2-13 Delegation of responsibility for managing impacts	35, 53 & 58		
	2-14 Role of the highest governance body in sustainability reporting	35, 142 & 152		
	2-15 Conflicts of interest	35 & 60-61		

GRI INDEX, CONTINUED

General Disclosures

GRI Standard	Disclosure	Page	Omission	
			Reason	Explanation
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	35 & 149 -150	Not applicable	No critical concerns where raised
	2-17 Collective knowledge of the highest governance body	-	Information incom-plete	No information to supplement with from 2023
	2-18 Evaluation of the performance of the highest governance body	80-81		
	2-19 Remuneration policies	26-27 & 56-57		
	2-20 Process to determine remuneration	26-27 & 56-57		
	2-21 Annual total compensation ratio	-	Information unavailable	MTG does not have a group common payroll system limiting our ability to correctly collect and calculate the requested data.
	2-22 Statement on sustainable development strategy	24		
	2-23 Policy commitments	33-35		
	2-24 Embedding policy commitments	33-35		
	2-25 Processes to remediate negative impacts	34-35 & 144-145		
	2-26 Mechanisms for seeking advice and raising con-cerns	34		
	2-27 Compliance with laws and regulations	148		
	2-28 Membership associations	36		
	2-29 Approach to stakeholder engagement	140		
	2-30 Collective bargaining agreements	145		

GRI INDEX, CONTINUED

Material topics

GRI Standard	Disclosure	Page	Omission	
			Reason	Explanation
GRI 3: Material Topics 2021	3-1 Process to determine material topics	140-141		
	3-2 List of material topics	140		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	35		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	148		
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	24-25 & 29-30, 145-146 & 151		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	149		
	305-2 Indirect (Scope 2) GHG emissions	149		
	305-3 Other indirect (Scope 3) GHG emissions	149		
	305-4 GHG emissions intensity	149		
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	28-29 & 145-150		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	145-146		
	401-3 Parental leave	146		

GRI INDEX, CONTINUED

Material topics

GRI Standard	Disclosure	Page	Omission: Reason	Omission: Explanation
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	27-28, 145 & 149		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	27-28 & 148-149		
	403-2 Hazard identification, risk assessment, and incident investigation	27-28, 145 & 148-149		
	403-3 Occupational health services	27-28 & 148-149		
	403-4 Worker participation, consultation, and communication on occupational health and safety	27-28 & 145		
	403-5 Worker training on occupational health and safety	27-28		
	403-6 Promotion of worker health	27-28 & 148-149		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	146-147		
	403-9 Work-related injuries	146-147		
	403-10 Work-related ill health	146-147		

GRI INDEX, CONTINUED

Material topics

GRI Standard	Disclosure	Page	Omission	
			Reason	Explanation
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	27 & 149		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	147		
	404-3 Percentage of employees receiving regular performance and career development reviews	147		
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	24-27, 148-150		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	147		

EU TAXONOMY

The EU Taxonomy, as described by The European Commission, presents and describes economic activities that are environmentally sustainable. The EU Taxonomy is part of the European green deal and aims to increase transparency, clarity and provide information on what economic activities can be considered environmentally sustainable.

MTG falls under the scope of the Non-Financial Reporting Directive and thus the scope of EU Taxonomy reporting on share of economic activities that meet the criteria put forth in the EU Taxonomy.

MTG has assessed its economic activities based on industry description and NACE codes as described in the EU Taxonomy Annexes I and II to the Climate Delegated Act (CDA). MTG is classified as 'Movie, Video and TV (J59)' according to the Swedish Tax Authority. MTG's economic activities are not yet included in the taxonomy, thus our share of eligible turnover as defined by the EU Taxonomy is 0%.

MTG has also reviewed our investments (see note 9 and 10), this review concluded that our share of eligible capital expenditures and operating expenses as defined by the taxonomy is 0%.

Nuclear and fossil gas related activities

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	**NO**
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	**NO**
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	**NO**
	Fossil related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	**NO**
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	**NO**
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	**NO**

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)*	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Activity																			
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
A. Turnover of Taxonomy-eligible activities (A.1+A.2)																			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy- non-eligible activities		5,829	100%																
Total		5,829	100%																

* 2023 data unavailable.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)*	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonmy-aligned)																			
Activity																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of real estate		144	21%	EL	-	-	-	-	-								8%		
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**144**	**21%**	**EL**	**-**	**-**	**-**	**-**	**-**								**8%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**144**	**21%**	**EL**	**-**	**-**	**-**	**-**	**-**								**8%**		
-B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy- non-eligible activities		551	79%																
Total		695	100%																

* 2023 data unavailable.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)*	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Activity																			
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
A. OpEx of Taxonomy-eligible activities (A.1+A.2)																			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy- non-eligible activities		0	100%																
Total		0	100%																

* 2023 data unavailable.

OTHER INFORMATION

DEFINITIONS

Adjusted EBITDA
EBITDA, adjusted for the effects of items affecting comparability, long-term incentive programs, acquisition-related transaction costs and impairment of own work capitalized, which are referred to as adjustments.

ARPDAU
Average net revenue per daily active user.

Capital expenditures (CAPEX)
Capital expenditures is a financial investment made with the expectation of future revenues.

Cash conversion
Cash flow from operating activities including investments less realized exchange rate effects, as a percentage of adjusted EBITDA.

Cash flow from operations
Cash flow from operating activities shows changes in working capital including profit for the year adjusted for profit and loss items that have not affected changes in cash flow.

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/Operating income
Net income for the period from continuing operations before other financial items, net interest and tax.

EBITDA
Profit for the period from continuing operations before other financial items, net interest, tax and depreciation and amortization.

IAA
In app advertising.

IAP
In app purchases.

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 comparable basis.

MAU
Monthly active user.

NET DEBT
Net debt refers to the sum of interest-bearing liabilities less cash and cash equivalents. Liabilities such as earn outs and lease liabilities are not included.

Organic growth
The change in net sales compared with the same period last year, excluding acquisitions and divestments and adjusted for currency effect.

ROAS
Return on ad spend.

Transactional currency effect
The effect that foreign exchange rate fluctuations can have on a completed transaction prior to settlement. This refers to the exchange rate, or currency risk associated specifically with the time delay between entering into a trade or contract and then settling it.

Translational currency effect
Converting one currency to another, often in the context of the financial results of foreign subsidiaries into the parent company's and/or the group's functional currency.

UA
User acquisition.

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
— Organic pro forma growth

Reconciliation of adjusted EBITDA

Adjusted EBITDA is used to assess MTG's underlying profitability. Adjusted EBITDA is defined as EBITDA adjusted for the effects of items affecting comparability, long-term incentive programs, acquisition-related transaction costs and impairment of capitalized internal work. 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.

(SEK million)	2023	2022
EBIT	**885**	**558**
Amortization	517	637
Depreciation	36	34
EBITDA	**1 439**	**1,229**
Items affecting comparability	40	
Impairment own capitalized costs	-	26
Long-term incentive programs	33	99
M&A transaction costs	36	19
Adjusted EBITDA	**1 548**	**1,373**

Reconciliation of sales growth

Since the group generates the majority of its sales in currencies other than in the reporting currency (i.e. SEK, Swedish krona) and currency rates have proven to be rather volatile, the group's sales trends and performance are analyzed as changes in organic sales growth. This presents the increase or decrease in the overall SEK net sales on a comparable basis, allowing for separate discussions of the impact of exchange rates, acquisitions, and divestments. The following table presents changes in organic sales growth as reconciled to the change in the total reported net sales.

(SEK million)	2023	2022
Total operations		
Organic growth	-2%	-4%
Acquisition/divestments	2%	35%
Changes in FX rates	5%	9%
Reported growth (%)	5%	41%

Reconciliation of cash conversion

Operating cash flow as a percentage of adjusted EBITDA. The purpose is to analyse cash conversion.

(SEK million)	Not	2023	2022
Net cash flow from operations, continuing operations		1 258	868
Investment in other non-current assets		-212	-234
Net exchange rate differences	7	-60	-316
Unrealised exchange differences	18	-75	229
Free cash flow		**911**	**547**
Adjusted EBITDA		**1 548**	**1 373**
Cash generation, %		**0,59**	**0,40**

FINANCIAL CALENDAR

Interim Report Q1 2024
April 24, 2024

Annual General Meeting 2024
May 16, 2024

Interim Report Q2 2024
July 18, 2024

Interim Report Q3 2024
October 24, 2024

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