

MTG continues to successfully innovate and scale: accelerated organic growth of 9% in Q2 with 22% operating margin

Reported revenues double in Q2, with a 117% year over year increase in constant currencies on the back of consolidation of Plarium. Strong organic growth¹ of 9% in Q2, and 8% for the first six months of 2025. Business momentum remained high, driven by further expansion of key word games in new geographies and new word games, by continued innovation leading to strong growth in Warhammer 40,000: Tacticus and Heroes of History, and a highly successful season reset of F1 Clash. User acquisition spend in our original studios (UA) up by 52% year over year in constant currencies as we continued to invest in growth. Total UA spend represented 36% and 37% of revenues in Q2 and H1 respectively. Total adjusted EBITDA was up 50% year over year to SEK 640 million in Q2 and up 53% to SEK 1,256 million in H1, with operating margins of 22% and 23% respectively. MTG has full confidence in, and reiterates its outlook for, the full year 2025 of organic sales growth of 3-7% and total adjusted EBITDA margin for the full group of 21-24%.

Financial highlights Q2

- Net sales increased by 103% to SEK 2,911 (1,437) million year over year, and were up 117% in constant currencies with negative currency impact of -14%. Organic year over year growth of 9%
- UA spend of SEK 1,054 (470) million corresponding to 36% (33%) of revenues, and up 52% year over year for our original studios in constant currencies
- Adjusted EBITDA up by 50% year over year to SEK 640 (426) million with an adjusted EBITDA margin of 22% (30%). Adjustments included SEK 44 million for M&A transaction costs and revaluation of put/call options
- Reported EBITDA of SEK 596 (420) million and EBIT of SEK 222 (281) million impacted by increased amortization levels of intangible assets arising from the acquisition of Plarium, primarily related to RAID: Shadow Legends
- Net financial items of SEK -130 (-287) million, driven mainly by MTG's outstanding liability of the Class C shares held as part of the PlaySimple transaction and net interest amounted to SEK -76 (33) million
- Tax amounted to SEK -153 (-105) million
- Total net income of -61 (-111) million
- Cash flow from operations of SEK 325 (374) million. Levered cash conversion of 50% and unlevered cash

conversion of 48% for the 12-month period ended 30 June 2025

- Cash and cash equivalents at the end of the period amounted to SEK 1,230 (3,144) million with a net financial debt of SEK 3,183 (-2,980) million

Financial highlights first half-year

- Net sales increased by 90% to SEK 5,468 (2,884) million and were up 98% in constant currencies
- UA spend of SEK 2,013 (997) million corresponding to 37% (35%) of revenues
- Adjusted EBITDA of SEK 1,256 (822) million with an adjusted EBITDA margin of 23% (28%)
- Reported EBITDA of SEK 1,190 (797) million and EBIT of SEK 513 (517) million
- Net financial items of SEK -215 (-444) million, of which SEK -93 (66) was interest income
- Total net income of SEK 4 (-142) million and total basic earnings per share of SEK 0.03 (-1.17)
- Cash flow from operations of SEK 502 (667) million
- Outlook for 2025 maintained, organic sales growth is 3-7%, and an adjusted EBITDA margin for the full group to be between 21-24%

Financial overview

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Net sales	2,911	1,437	5,468	2,884	6,015
EBIT	222	281	513	517	901
EBITDA	596	420	1,190	797	1,476
Adjusted EBITDA	640	426	1,256	822	1,666
Net income	-61	-111	4	-142	-210
Cash flow from operations	325	374	502	667	1,340
Basic earnings per share (SEK)	-0.52	-0.92	0.03	-1.17	-1.74
Diluted earnings per share (SEK)	-	-0.91	-	-1.17	-1.74
Growth					
Sales growth, %	103%	-1%	90%	4%	3%
Changes in FX rates	-14%	0%	-8%	0%	0%
Sales growth at constant FX	117%	-1%	98%	3%	3%
of which organic growth	9%	-7%	8%	-2%	-1%

¹ Organic growth is defined as revenues from the studios MTG owned throughout the whole of 2024 and is calculated in constant currencies

President & CEO's comments



Continued investment in key titles and early scaling games delivering accelerated organic growth

I am very happy to deliver another quarter of strong, accelerated, profitable growth and healthy cash generation. Our scaled but disciplined marketing efforts, combined with the strength and quality of our studios and games, resulted in organic revenues growing by 9% year over year in Q2, whilst maintaining healthy operating margins at 22% for the quarter.

Our organic growth once again came from both our casual and midcore portfolios. Our casual Word Games continued to grow, driven almost equally across the expansion of established games in new geographies, with Word Search Explorer and Crossword Jam in particular performing strongly, and the success of new games.

On the midcore side, we delivered strong continued growth from Warhammer 40,000: Tacticus and our new title Heroes of History. Our Racing flagship title F1 Clash also delivered a strong performance, with the season reset in May one of its best ever. Revenues in Forge of Empires, our second largest game, were however down year over year, due to in-game events not performing in line with expectations during the quarter.

Our total growth in the quarter was supported by our largest title RAID: Shadow Legends, which was part of the recent Plarium acquisition and consolidated from February this year. In addition to the consolidation impact, the game's revenues were slightly up year over year in Q2, as the team delivered several strong events in the quarter.

As a result, total revenues were up 117% year over year in Q2 and 98% for the first six months of the year in constant currencies. Our reported revenues were impacted by the significant weakening of the US dollar in Q2. The currency impact amounted to -14% in the quarter, and our total reported sales were therefore up 103% year over in Q2, and up 90% for the first six months of the year.

Our performance in Q2 continued the strong momentum we had in Q1 and we are therefore confident in our ability to deliver on our full year outlook for organic revenue growth of 3-7%.

Healthy return levels from H1-weighted UA spend

We invested a total of SEK 1,054 million in user acquisition (UA) in Q2, and SEK 2,013 million in the first half of the year, corresponding to 36% and 37% of our total revenues for each respective period. UA spend for our original

studios was up 52% year over year in Q2 in constant currencies, and up slightly from the first quarter of the year.

The primary drivers of our increased organic UA spend were our ongoing investments in word games in new markets, in new casual titles, in Heroes of History and Warhammer 40,000: Tacticus. These investments continue to be done at healthy ROAS (return on advertising spend) levels. I am very happy with the sustained traction we are seeing in our key growing games and our ability to accelerate our marketing investments opportunistically.

We reported adjusted EBITDA of SEK 640 million in Q2 and SEK 1,256 million for the first six months of the year. Our operating margins of 22% and 23%, for Q2 and H1 respectively, mainly reflected the increased level of organic UA investments mentioned above. We therefore also remain confident in our full year outlook for operating margins of 21-24%.

We reported unlevered cash conversion of 48% and levered cash conversion of 50% for the 12-month period ended 30 June 2025. The cash conversion levels reflected recent higher M&A costs and withholding tax payments in both Q2 and Q1.

We are evolving our operating model for further growth

The core focus of our studios is to deliver fun and engaging experiences and gaming content to our players. At the same time, our vision has always been to create a more integrated gaming group that supports the strengths of our individual studios with the power of scale and shared services. The acquisition and integration of Plarium presents us with a major, unprecedented opportunity to accelerate our journey towards this vision.

Our strategic focus in Q2 has therefore been on the rapid but thorough evaluation of our capabilities, tech stacks and toolkits across the group, which began in Q1 following closing the Plarium transaction. We have now finished the first phase of this assessment and are working on our gameplan for evolving our operating model and creating a scalable shared platform. We have also begun to implement select initiatives across the group.

I remain firmly convinced that the work we are doing now will position MTG as one of the most attractive partners and effective ecosystems for gaming entrepreneurs who want to accelerate their journey and join a fantastic community of industry peers.

I look forward to sharing more about how we are evolving our operating model and the long-term value it will create at our Capital Markets Day on 9 October.

We also maintain our focus on finding the right balance between investing in organic growth, including maintaining a solid pipeline of new games in development and early scaling, AI initiatives and in potential M&A opportunities.

All of this needs to be balanced with reducing our debt to enhance our balance sheet and optionality – all with the aim of creating value for our shareholders.

I am convinced that we have the strategy, teams, games and tools that we need to succeed in our ambitions.

Thank you for your time and for your support on our journey.

Maria Redin

Group President & CEO, Modern Times Group MTG AB

2025 outlook reiterated

MTG's outlook for the full year 2025 is for organic sales growth (sales from MTG's businesses prior to the acquisition of Plarium, in constant currencies) to be within the range of 3% to 7%.

MTG intends to continue driving organic growth through continued scaled, but disciplined, marketing. The group therefore expects its full year, total reported adjusted EBITDA margin (including Plarium) to be within the range of 21% to 24%. The final margin will depend on the returns on, and levels of investment in, the marketing of new and established games.

Significant events

February 12 – MTG announces that it has successfully closed the transaction, signed on November 11, 2024, to acquire 100% of Plarium Global Ltd., the developer behind the #1 global RPG RAID: Shadow Legends. The deal ensures that MTG has the relevant scale to become one of the world's leading operators of successful mid-core and casual games.

February 25 – MTG announces that Nick Hopkins has been appointed as the group's Chief Financial Officer. Nick will join in May and will leverage skills and experience from over 15 years in investment banking, where he has

covered and advised on a range of sectors including gaming, media, technology and consumer retail.

May 2 - Conclusion of MTG's share buyback program that commenced on 17 May 2024. MTG has repurchased a total of 4,328,307 class B shares under the program, for a total value of SEK 400 million.

May 15 - MTG's Annual General Meeting (AGM) resolved on all proposals, including the adoption of income statements and balance sheets and treatment of MTG's result, and an incentive plan for 2025.

Further information about the group's significant events can be found on MTG's homepage on www.mtg.com

Group performance

Net sales

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Net sales	2,911	1,437	5,468	2,884	6,015
Sales growth, %	103%	-1%	90%	4%	3%
Changes in FX rates	-14%	0%	-8%	0%	0%
Sales growth at constant FX	117%	-1%	98%	4%	3%
of which organic growth	9%	-7%	8%	-2%	-1%

Net sales for the group grew by 9% organically, by 117% in constant currency, and by 103% in reported numbers year over year in Q2 to SEK 2,991 million. The organic increase of 9% was driven primarily by the expansion of our localized Word Games and new Word Games, by scaling of Warhammer 40,000: Tacticus and Heroes of History, and the F1 Clash season reset. Our reported year over year increase predominantly reflected the recent consolidation of Plarium and RAID: Shadow Legends.

Reported sales by franchise

(SEKm)	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Plarium	1,424	1,066	0	0	0
Word Games	598	608	671	552	561
Strategy & Simulation	530	567	674	524	507
Racing	184	114	135	161	166
Tower Defense	89	108	101	120	120
Other smaller franchises	85	95	112	81	84
Total sales	2,911	2,557	1,693	1,438	1,437

Plarium and its portfolio of games was consolidated from February 1, 2025. RAID: Shadow Legends delivered slight year over year growth, which was offset by lower performance in some of Plarium's other titles.

The performance of RAID: Shadow Legends was driven by a strong live-ops calendar. The Community Weeks engaged players with daily rewards and culminated in a live YouTube event. In June, the Summer campaign launched with a major content drop, including the Demon Invasion event, which introduced five new champions available through the loyalty program, in-game mechanics, and other live ops initiatives. The event is ongoing and runs until the first week of August.

Mech Arena kicked off the Primal Rage event with a special season sale, and rolled out a new battle mode in July. Merge Gardens ran several shorter live events, which featured themed puzzles and jigsaws. In June, the function Veranda Sidecamp was launched, introducing new core mechanics and showcasing the engaging features of event gardens to new players. These updates were successful and delivered increased monetization from new users. The game also expanded to the Microsoft Store to benefit from lower platform fees.

Word Games franchise revenues were up by 7% year over year in and 16% year over year in constant currencies. The franchise expanded Word Search Explorer, Crossword Jam, and Word Tour into key non-English markets, driving player growth and setting the stage for sustained organic momentum.

Word Search Explorer was expanded with a new puzzle type, while Word Trip received updated visuals aimed at extending session duration and improving retention among low-engagement users. Crossword Jam introduced mechanics to support early retention. In Daily Themed Crossword, monetization was refined across puzzle categories.

The studio also continued to iterate on their soft launched games. Content in Word Tour was adapted to support further geographical expansion. Tile Match received balancing updates to improve user retention, and the team also added new mechanics to drive engagement and improve performance in new games such as Two Square: 2048 Numbers Merge and Jigsaw Puzzle.

Strategy & Simulation franchise revenues were up 5% year over year and 7% year over year in constant currencies.

Forge of Empires hosted its Anniversary event during the quarter, which delivered increased reactivation of paying players, however the Viking event saw softer engagement than expected. As a result, Forge of Empires revenues declined slightly year over year.

Heroes of History delivered another quarter of rapid growth. New content was added throughout the quarter, led by the new heroes Alexander the Great and Florence Nightingale. The studio maintained high live-ops activity throughout the quarter, with the addition of three seasonal events, a new era, and three new hero seasons.

Warhammer 40,000 Tacticus continued its growth momentum, adding content during the quarter, with a

Spring seasonal event held at the end of April. The team focused on boosting organic installs in May by hosting the Festival of Skulls event and introduced the popular Adeptus Custodes faction. Snowprint also continued to focus on driving direct consumer revenues with the recently launched Tacticus Store.

Tower Defense franchise revenues were down -25% year over year and -17% year over year in constant currencies.

Bloons TD 6 added several updates during the period, including the new Desperado tower, the Spike Factory Paragon, a new map and additional content for the Rogue Legends DLC. However, revenue declined year over year, which reflected lower DAU levels in the game.

Bloons Card Storm rolled out its fourth update since launch, introducing further gameplay tuning and balance improvements. The team continues to iterate on the game based on insights from the soft launch phase.

Progress also continues to be made on the new games pipeline. A public playtest for Zombie Assault: Resurgence is scheduled for this summer. The release of Fightland was moved up to enable the team to iterate further based on early player feedback.

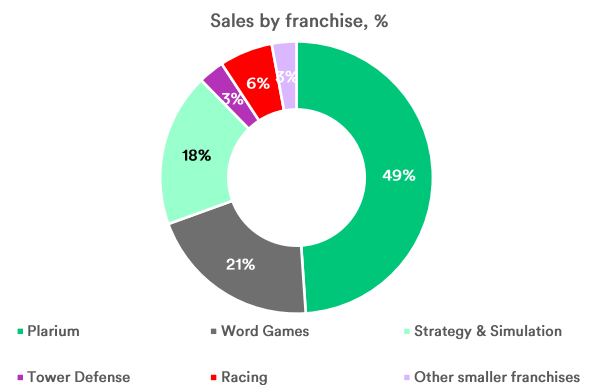
Racing franchise revenues were up by 11% year over year and by 14% year over year in constant currencies.

Growth was largely driven by the successful season reset of F1 Clash in early May. The reset brought a wide range of new content including new drivers, new core mechanics

and stats, and updated gameplay systems including objectives and new Legendary Drivers.

Top Drives added over 280 new cars as part of the Asia-Pacific Revival and French Riviera content updates, taking to total numbers of cars over 5,000. Matchcreek Motors rolled out its first PvP features and launched an official Discord server to support onboarding and strengthen player engagement.

The Racing franchise maintained its positive momentum into Q3, generating its highest ever weekly revenues in the first week of June 30th.



New games in early scaling and soft launch

Title/platform expansion	Publisher	Type
Matchcreek Motors	Hutch	Early scaling
Crossword Go	PlaySimple	Soft launch, Apple only
Cryptogram	PlaySimple	Soft launch, Android & Apple
Two Square: 2048 Numbers Merge	PlaySimple	Commercial launch
Tile Match	PlaySimple	Commercial launch
WordSearch Solitaire	PlaySimple	Soft launch
Word Tour	PlaySimple	Early scaling
Heroes of History	InnoGames	Early scaling
Cozy Coast	InnoGames	Soft launch
Bloons Card Storm	Ninja Kiwi	Early scaling
Fightland	Ninja Kiwi	New game launch
Bloons TD 6	Ninja Kiwi	Switch launch
Zombie Assault: Resurgence	Ninja Kiwi	New game launch
Elf Islands	Plarium	Soft launch

Key performance indicators

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
DAU, million	9.0	9.0	6.3	6.1	5.8
MAU, million	43.4	41.6	30.5	28.3	26.9
ARPDau, SEK	3.5	3.1	2.9	2.6	2.7
Revenue generated by the top 3 games, %	50%	49%	41%	39%	38%
Revenue generated by platform, %					
Mobile	70%	69%	78%	77%	76%
Direct to consumer	24%	24%	19%	19%	19%
Other	5%	7%	3%	5%	5%
Revenue generated by territory, %					
Europe	34%	35%	34%	35%	33%
North America	55%	57%	60%	59%	61%
Asia Pacific	9%	6%	5%	5%	5%
Rest of World	2%	1%	1%	1%	1%
Revenue generated by monetization type, %					
IAP	79%	75%	60%	62%	61%
IAA	19%	21%	36%	32%	33%
Other	2%	4%	4%	6%	6%
UA spend, SEKm	1,054	959	677	548	470

Total daily active users (DAU) increased by 55% year over year, driven primarily by the new Word Games franchise players and the consolidation of Plarium. DAU levels were flat on a sequential basis, as a slight increase in Word Game franchise player levels was offset by slight declines across the other franchises.

Average Revenue per Daily Active User (ARPDau) grew sequentially by 13% driven a full-quarter contribution from Plarium's games, compared to two months in Q1, as well as the strong season reset in F1 Clash. The year over year increase in ARPDau mainly reflected the consolidation of Plarium, higher ARPDau in our Racing franchise games, and small ARPDau increases in some of our Strategy and Simulation franchise games. This was partially offset by the rapid geographical expansion of key Word Games titles with lower ARPDau.

The group's top three largest games in Q2 were RAID: Shadow Legends, Forge of Empires and Warhammer 40,000: Tacticus. Together, these games accounted for 50% of the group's revenues in the second quarter, compared to 49% in the first quarter. This compares to 38% from the group's three largest titles in Q2 2024, prior to the consolidation of RAID: Shadow Legends. Mobile represented 70% (76%) of total revenues in the second quarter, while direct to consumer revenues, including browser, accounted for 24% (19%). The year over year increase in direct to consumer revenues reflect the full consolidation of Plarium and an increasing proportion of revenues from the newly introduced Warhammer 40,000: Tacticus web store.

Adjusted EBITDA, EBITDA and EBIT

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
EBIT	222	281	513	517	901
Amortization	345	123	623	249	516
Depreciation	28	15	54	31	59
EBITDA	596	420	1,190	797	1,476
Impairment own capitalized costs	-	-	-	-	8
Non-recurring bonus structures	-	6	1	20	24
M&A transaction costs and revaluation of put/call options	44	1	64	5	158
Adjusted EBITDA	640	426	1,256	822	1,666
<i>Adjusted EBITDA margin</i>	<i>22%</i>	<i>30%</i>	<i>23%</i>	<i>28%</i>	<i>28%</i>

Total user acquisition (UA) costs accounted for 36% of group revenues in Q2, up from 33% in the same period last year but down from 38% in Q1. UA spend for our original studios was up 52% year over year in constant currencies, driven by scaled marketing investments in the geographical expansion of word games, and our scaling Strategy and Simulation franchise titles Heroes of History and Warhammer 40,000: Tactics. Total group UA spend was up 124% year over year in Q2, following the consolidation of Plarium from 1 February 2025.

We reported a 50% increase in adjusted EBITDA to SEK 640 (426) million in Q2, with an operating margin of 22% in Q2. The decline in operating margin year on year was almost entirely driven by our increased marketing investments in several of our game franchises. Adjusted EBITDA was up 63% year over year in Q2 on a constant currency basis.

The group's adjustments to reported EBITDA amounted to SEK 44 (6) million in the quarter which included an adjustment for M&A transaction costs of approximately SEK 34 (1) million. The group's adjustments to reported EBITDA also included the performance-based revaluation of put/call options and performance-based payments related to the acquisition of Snowprint.

Depreciation and amortization amounted to SEK 373 (139) million and included amortization of purchase price allocations (PPA) of SEK 322 (102) million. The increased amortization levels arise from allocated surplus values related to RAID: Shadow Legends as well as other identified intangible assets following the consolidation of Plarium. Depreciation and amortization amounted to SEK 51 (37) million when excluding PPA.

Consolidated EBIT was SEK 222 (281) million in the quarter, which corresponded to an EBIT margin of 8% (20%). Operating costs before depreciation and amortization increased by 127% year over year to SEK 2,315 (1,018) million.

Net financials

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Net interest	-76	33	-93	66	129
Revaluation earnout effects	28	-261	104	-502	-690
Revaluation PlaySimple debt (C-shares)	-41	-5	-142	11	-68
Revaluation purchase price	1	-	-40	-	-
Put/call option	8	0	10	0	-111
Exchange rate differences	-45	-50	-26	-13	35
Other	-5	-4	-28	-6	-14
Total financial net	-130	-287	-215	-444	-719

Total net financial items amounted to SEK -130 (-287) million in the quarter, of which net interest amounted to SEK -76 (33) million and other financial items to SEK -54 (-320) million.

Other financial items included discounting and exchange rate effects on the revaluation of earnout liabilities, which amounted to SEK 28 (-261) million. In addition, other financial items included a SEK -41 (-5) million revaluation of the financial liability related to the class C shares held by the group as the final payment part of the agreement to acquire PlaySimple. MTG holds these C shares as an off-balance sheet item, and a future transfer of shares to PlaySimple would not have a cash impact. The revaluation of the financial liability related to the C shares was impacted by the uplift in the MTG B share price during the quarter.

Other financial items also comprise exchange rate differences in the quarter amounted to SEK -45 (-50) million, of which SEK -36 (0) million relates to VC funds. In addition, revaluation of put/call options and other revaluation effects amounted to SEK 3 (-4) million.

Taxes

The group's tax amounted to SEK -153 (-105) million in the quarter. The increase primarily reflected the consolidation of Plarium and withholding tax paid in PlaySimple, partially offset by lower tax in InnoGames, PlaySimple and Ninja Kiwi.

Venture capital fund investments

The MTG VC fund has invested a total of SEK 396 (USD 40) million in a total of 26 companies to date. VC investments complement MTG's majority stake investment in InnoGames, Hutch, Ninja Kiwi, PlaySimple, Snowprint and Plarium.

The portfolio assets range from start-up game developers across several game genres and game creation platforms in the US and Europe to pure esports-focused companies. VC investments related to esports remained in MTG after the divestment of ESL Gaming.

Financial review

Cash flow

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Cash flow from operations before changes in tax and working capital	512	469	1,042	800	1,599
Taxes paid	-236	-135	-449	-213	-522
Changes in working capital	49	39	-91	78	264
Cash flow from operations	325	374	502	667	1,340
Cash flow from investing activities	-1,138	-438	-7,183	-482	-551
Cash flow from financing activities	-96	-108	4,588	-118	-388
Total net change in cash and cash equivalents	-909	-172	-2,093	67	401
Cash and cash equivalents at the beginning of the period	2,176	3,332	3,542	2,956	2,956
Translation differences in cash and cash equivalents	-37	-16	-220	121	186
Cash and cash equivalents at end of the period	1,230	3,144	1,230	3,144	3,543

Cash flow from operations

Total cash flow from operations amounted to SEK 325 (374) million in the quarter. The group reported changes in working capital of SEK 49 (39) million in the quarter. The group's paid tax amounted to SEK -236 (-135) million in the quarter. The increase year over year primarily reflected the consolidation of Plarium from 1 February 2025 as well as withholding tax paid in the second quarter in PlaySimple.

Cash flow from investing activities

Total cash flow from investing activities amounted to SEK -1,138 (-438) million in the quarter. This mainly consisted of earnout payments amounting to SEK -1,074 (-521) million to PlaySimple. Investing activities also included capital expenditure on tangible and intangible assets amounting to SEK -54 (-22) million, primarily comprising capitalized development costs for games and platforms. In addition, other investments amounted to SEK 5 (0) million.

Cash flow from financing activities

Total cash flow from financing activities amounted to SEK -96 (-108) million, mainly consisting of a repurchase of shares amounting to SEK -41 (-98) million, share swap regarding incentive programs amounting to SEK -39 (-) million, an issued convertible loan and the group's leasing payments.

The net change in cash and cash equivalents amounted to SEK -909 (-172) million in the quarter and the group had a total cash and cash equivalents of SEK 1,230 (3,144) million at the end of the period.

Net debt

Net financial debt refers to the sum of interest-bearing liabilities, less cash and cash equivalents. Net financial debt as of June 30, 2025, amounted to SEK 3,183 (-2,980) million. The net debt calculation included external financing of SEK 4,181 million (0), lease liabilities of SEK 233 (164) million, less SEK 1,230 (3,144) million in cash and cash equivalents. The financial leverage ratio amounted to 1.12x based on the 12-month period EBITDA including Plarium.

Total net debt comprised interest-bearing liabilities of SEK 4,413 (164) million, earn-out liabilities of SEK 1,110 (1,421) million and put/call options of SEK 314 (166) million, less cash and cash equivalents of SEK 1,230 (3,144) million. Total net debt as of June 30 amounted to SEK 4,607 (-1,140) million. The leverage ratio amounted to 1.63x based on the 12-month period EBITDA including Plarium.

Parent company

Modern Times Group MTG AB is the group's parent company and is responsible for group-wide management, administration, and financing.

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Net sales	18	15	35	29	59
Net interest and other financial items	0	2	143	92	157
Income before tax and appropriations	-76	-39	1	15	-1

Net interest and other financial items for the quarter amounted to SEK 0 (2) million. Net interest amounted to SEK -1 (22) million. Unrealized and realized exchange rate differences amounted to SEK 0 (-16) million and other financial items to SEK 0 (-4) million.

The parent company had cash and cash equivalents of SEK 201 (1,674) million at the end of the period.

The total number of shares outstanding at the end of the period was 117,114,942 (120,799,775), excluding the 4,522,073 Class B shares and the 6,280,623 Class C shares held by MTG as treasury shares.

Other information

Accounting policies

This interim report has been prepared according to 'IAS 34 Interim Financial Reporting' and the 'Swedish Annual Accounts Act'. The interim report for the parent company has been prepared according to the Swedish Annual Accounts Act – Chapter 9 'Interim Report'.

The group's consolidated accounts and the parent company's accounts have been prepared according to the same accounting policies and calculation methods as were applied in the preparation of the 2024 Annual Report.

Disclosures in accordance with IAS 34.16A appear in the financial statements and the accompanying notes as well as in other parts of the interim report.

Related party transactions

No transactions between MTG and related parties that have materially affected the Group's position and earnings took place during the period.

Risks and uncertainties

Significant risks and uncertainties exist for the group and the parent company. These factors include the prevailing economic and business environments; commercial risks related to expansion into new territories; other political and legislative risks related to changes in rules and regulations in the various territories in which the group operates; exposure to foreign exchange rate movements, and the US dollar and euro-linked currencies in particular; the emergence of new technologies and competitors; and cyber-attacks.

The group's game development businesses depend on their ability to continue releasing successful titles that attract paying customers, conditions that are not under the group's full control.

Risks and uncertainties are also described in more detail in the 2024 Annual Report, which is available at www.mtg.com.

Stockholm, 18 July 2025

Maria Redin

Group President & CEO, Modern Times Group MTG AB

Condensed consolidated income statement

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Net sales	2,911	1,437	5,468	2,884	6,015
Cost of goods and services	-908	-380	-1,683	-763	-1,554
Gross income	2,003	1,058	3,785	2,121	4,462
Selling expenses	-1,232	-507	-2,283	-1,048	-2,302
Administrative expenses	-539	-271	-999	-558	-1,275
Other operating income	14	6	44	12	37
Other operating expenses	-24	-4	-34	-10	-21
EBIT	222	281	513	517	901
Net interest	-76	33	-93	66	129
Other financial items	-54	-320	-122	-510	-847
Income before tax	93	-6	298	73	182
Tax	-153	-105	-294	-216	-392
Total net income for the period	-61	-111	4	-142	-210
Net income for the period attributable to:					
Equity holders of the parent	-61	-111	4	-142	-210
Non-controlling interest	-	-	-	-	-
Net income for the period	-61	-111	4	-142	-210
Basic earnings per share, SEK	-0.52	-0.92	0.03	-1.17	-1.74
Diluted earnings per share, SEK	-	-0.91	-	-1.17	-1.74
Number of shares					
Shares outstanding at the end of the period	117,114,942	120,799,775	117,114,942	120,799,775	118,306,464
Basic average number of shares outstanding	117,178,374	121,296,605	117,545,892	121,489,004	120,500,977
Diluted average number of shares outstanding	-	121,493,176	-	121,748,995	121,137,914

Condensed statement of comprehensive income

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Net income	-61	-111	4	-142	-210
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss, net of tax:</i>					
Currency translation differences	-245	-22	-1,341	490	592
<i>Items that cannot be transferred to profit or loss, net of tax:</i>					
Fair value change of equity instruments	-3	-	-678	-	-55
Total comprehensive income	-309	-133	-2,016	348	327
Total comprehensive income attributable to:					
Equity holders of the parent	-309	-133	-2,016	348	327

Condensed consolidated balance sheet

(SEKm)	Jun 30 2025	Jun 30 2024	Dec 31 2024
Non-current assets			
Goodwill	11,283	10,243	10,383
Other intangible assets	5,944	1,991	1,761
Total intangible assets	17,226	12,234	12,145
Total tangible assets	135	31	28
Right of use assets	225	163	150
Shares and participations in associated and other companies	541	1,331	1,289
Other financial receivables	213	97	124
Total non-current financial assets	754	1,428	1,412
Total non-current assets	18,341	13,856	13,735
Current assets			
Other receivables	1,569	725	790
Cash and cash equivalents	1,230	3,144	3,543
Total current assets	2,800	3,869	4,333
Total assets	21,140	17,725	18,068
Equity			
Shareholders' equity	11,558	13,992	13,736
Total equity	11,558	13,992	13,736
Non-current liabilities			
Liabilities to financial institutions	4,071	-	-
Lease liabilities	186	128	115
Total non-current interest-bearing liabilities	4,257	128	115
Provisions	1,030	541	422
Contingent consideration	112	534	670
Other non-interest-bearing liabilities	47	188	184
Total non-current non-interest-bearing liabilities	1,190	1,263	1,276
Total non-current liabilities	5,447	1,391	1,391
Current liabilities			
Contingent consideration	998	887	1,004
Liabilities to financial institutions	95	-	-
Lease liabilities	47	36	36
Other interest-bearing liabilities	-	529	602
Other non-interest-bearing liabilities	2,996	891	1,300
Total current liabilities	4,135	2,342	2,941
Total liabilities	9,582	3,733	4,332
Total shareholders' equity and liabilities	21,140	17,725	18,068

Condensed consolidated statement of cash flows

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Income before tax	93	-6	298	73	182
Adjustment for items not included in cash flow	419	475	744	728	1,417
Taxes paid	-236	-135	-449	-213	-522
Changes in working capital	49	39	-91	78	264
Cash flow from operations	325	374	502	667	1,340
Investments/divestments in deposits	-	114	-	114	114
Acquisition / sale of subsidiaries, associates and other investments	-15	-8	-6,003	-28	-46
Earnout payments	-1,074	-521	-1,074	-521	-521
Investments in other non-current assets	-49	-22	-106	-47	-98
Cash flow from investing activities	-1,138	-438	-7,183	-482	-551
Repurchase of shares	-41	-98	-152	-98	-304
Loan	-7	-	4,800	-	-
Share swap regarding share incentive programs	-39	-	-39	-	-47
Other cash flow from/used in financing activities	-9	-10	-21	-19	-38
Cash flow from financing activities	-96	-108	4,588	-118	-388
Total net change in cash and cash equivalents	-909	-172	-2,093	67	401
Cash and cash equivalents at the beginning of the period	2,176	3,332	3,542	2,956	2,956
Translation differences in cash and cash equivalents	-37	-16	-220	121	186
Cash and cash equivalents at end of the period	1,230	3,144	1,230	3,144	3,543

Condensed consolidated statement of changes in equity

(SEKm)	Jun 30 2025	Jun 30 2024	Dec 31 2024
Opening balance	13,736	13,714	13,714
Net income for the period	4	-142	-210
Other comprehensive income for the period	-2,020	490	536
Total comprehensive income for the period	-2,016	348	327
Effect of employee share programs	30	28	45
Share swap regarding share-based incentive program	-39	-	-47
Repurchase of shares	-153	-98	-304
Closing balance	11,558	13,992	13,736

Parent company condensed income statement

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Net sales	18	15	35	29	59
Gross income	18	15	35	29	59
Administrative expenses	-95	-56	-180	-106	-217
Operating income	-77	-41	-144	-76	-158
Net interest and other financial items	0	2	143	92	157
Income before tax and appropriations	-76	-39	1	15	-1
Appropriations	0	-	-	-	-217
Net income for the period	-76	-39	1	15	-218

Net income for the period is in line with total comprehensive income for the parent company.

Parent company condensed balance sheet

(SEKm)	Jun 30 2025	Jun 30 2024	Dec 31 2024
Non-current assets			
Machinery and equipment	1	1	1
Shares and participations	15,231	13,821	13,821
Other financial receivables	20	4	14
Total non-current assets	15,253	13,826	13,836
Current assets			
Current receivables	55	16	122
Cash and cash equivalents	201	1,674	1,344
Total current assets	257	1,690	1,466
Total assets	15,509	15,516	15,302
Shareholders' equity			
Restricted equity	642	658	642
Non-restricted equity	14,182	14,794	14,343
Total equity	14,824	15,452	14,984
Untaxed reserves	-	9	-
Non-current liabilities			
Non-interest-bearing liabilities	10	9	11
Total non-current liabilities	10	9	11
Current liabilities			
Non-interest-bearing liabilities	676	45	307
Total current liabilities	676	45	307
Total shareholders' equity and liabilities	15,509	15,516	15,302

Financial instruments at fair value

The carrying amounts are considered to be reasonable approximations of fair value for all financial assets and liabilities, except shares and participations in other companies and contingent considerations for which the valuation technique is described below.

(SEKm)	Jun 30 2025				Dec 31 2024			
	Fair value	Level 1	Level 2	Level 3 ¹	Fair value	Level 1	Level 2	Level 3 ¹
Financial assets measured at fair value								
Shares and participations in other companies	541	-	-	541	1,287	-	-	1,287
Financial liabilities measured at fair value								
Contingent consideration	1,110	-	-	1,110	1,674	-	-	1,674

¹⁾ The amount of unrealised gains/losses in profit or loss is included in the financial net.

Valuation techniques

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.

(SEKm)	Jun 30 2025	Dec 31 2024
Opening balance 1 January	1,287	397
Reported gains and losses in net income for the period	-9	8
Reported gains and losses in OCI for the period	-655	-105
Acquisition ¹	0	908
Translation differences in income	-59	30
Translation differences in OCI	-24	50
Closing balance	541	1,287

¹⁾ Purchase price for Kongregate merging with Monumental during 2024 amount to SEK 889 million

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.

(SEKm)	Jun 30 2025	Dec 31 2024
Opening balance 1 January	1,674	1,439
New acquisitions	-	66
Exercised payments, cash-based	-1,074	-521
Revaluation	0	346
Acquisition	707	-
Interest expense	102	216
Translation differences	-299	128
Closing balance	1,110	1,674

(SEKm)	2025	2026	2027	2028+	Total
Cash consideration¹	-	998	-	112	1,110
Total contingent consideration	-	998	-	112	1,110

¹⁾ The table published in MTG's quarterly report for Q1 2025 contained an error, by which SEK 275 million which should have been included in the 2026 total was erroneously included in the 2028+ total instead. The error has been corrected in the table above.

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 uses the following APMs:

- Adjusted EBITDA
- Change in net sales from organic 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, non-recurring bonus structures, acquisition-related transaction costs, revaluation of put/call options and impairment of capitalized internal work. Items affecting comparability refer 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. During this year, the group changed its definition of adjusted EBITDA. The new definition of adjusted EBITDA also includes revaluation effects of put/call options.

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
EBIT	222	281	513	517	901
Amortization	345	123	623	249	516
Depreciation	28	15	54	31	59
EBITDA	596	420	1,190	797	1,476
Impairment own capitalized costs	-	-	-	-	8
Non-recurring bonus structures	-	6	1	20	24
M&A transaction costs and revaluation of put/call options	44	1	64	5	158
Adjusted EBITDA	640	426	1,256	822	1,666

Reconciliation of sales growth

Since the group generates the majority of its sales in currencies other than 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 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 total reported net sales.

(SEKm)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Group					
Organic growth	9%	-7%	8%	-2%	-1%
Acquisition/divestments	107%	6%	90%	6%	4%
Changes in FX rates	-14%	0%	-8%	0%	0%
Reported growth	103%	-1%	90%	4%	3%

Business combinations

Acquisitions in 2025

On November 11, 2024, Modern Times Group MTG AB (publ) ("MTG") signed an agreement to acquire 100% of the shares in Plarium Global Ltd ("Plarium"), a leading international game developer with a strong portfolio of successful games, including the popular mobile role-playing game RAID: Shadow Legends. The acquisition strengthens MTG's position in the mid-core mobile games segment and adds further expertise in live ops, monetization and marketing. The acquisition was completed on February 12, 2025. The total purchase price amounts to USD 659 million, of which USD 20 million will be paid as a deferred payment in 2026, initially valued at USD 20 million. In addition, the agreement includes performance-based earnouts of up to USD 200 million, based on future revenues, initially valued at USD 32 million. The acquisition is financed through a combination of existing cash and cash equivalents and secured external financing comprising a term loan with a maturity of 3+1 years, as well as a revolving credit facility, totaling USD 460 million.

Preliminary purchase price allocations for the year

Refers to acquisitions completed during the first quarter of 2025.

Goodwill arising from the acquisition is mainly attributed to Plarium's future revenue generating capacity, expertise in game development and synergies within MTG's existing operations. None of the goodwill recognized is expected to be tax deductible. The amounts recognized for intangible assets, such as IP, direct-to-consumer platform and paying player relationships, have been measured at the discounted value of future cash flows. The amortization periods for the identified assets reflect the determinable useful lives. The impact of the business combination on the group's cash and cash equivalents amounted to SEK 5,988 million. Estimated transaction costs for the acquisition amounted to SEK 109 million.

(SEKm)	Plarium
Intangible fixed assets	5,525
Other fixed assets	279
Other current assets	656
Cash and cash equivalents	632
Deferred tax receivables/liabilities net	-780
Other liabilities	-1,085
Acquired net assets	5,227
Goodwill	1,948
Purchase price including other non-paid considerations	7,175
Less cash and cash equivalents in acquired operation	-632
Additional purchase price and other settlements, non-paid	-555
Effect on consolidated cash and cash equivalents	5,988
Cash flow from business combination	
Cash payment	-6,620
Acquired cash and cash equivalents	632
Total effect on cash flow from investing activities	-5,988
Estimated transaction costs for acquisition (included in operating activities)	-109
Net outflow cash and cash equivalent	-6,097

Effect of acquisition on the group's results

The acquisition of Plarium was completed on February 12, 2025. The closing balance is based on the accounts as of January 31 and Plarium has been consolidated in MTG's accounts from this date.

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

(SEKm)

Sales	2,490
Income before tax ¹	225

¹⁾ Income before tax includes amortization of purchase price allocations of SEK 344 million

Group sales and income before taxes if the acquisition had occurred 1 January 2025

(SEKm)

Sales	6,027
Income before tax ¹	261

¹⁾ Income before tax includes amortization of purchase price allocations of SEK 635 million

Events after the end of the period

There were no other events after the end of the reporting period.

Definitions

Adjusted EBITDA

EBITDA, adjusted for the effects of items affecting comparability, long-term incentive programs, acquisition-related transaction costs, revaluations of put/call options 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 before other financial items, net interest and tax.

EBITDA

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

IAA

In app advertising.

IAP

In app purchases.

Interest-bearing liabilities

Interest-bearing liabilities include external financing and lease liabilities.

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.

Levered Cash Conversion (LCC)

Cash flow from operating activities including net interest in cash flow, including investments less realized exchange rate effects, as a percentage of adjusted EBITDA

MAU

Monthly active user.

Net financial debt

Net financial debt refers to the sum of interest-bearing liabilities, less cash and cash equivalents.

Net debt

Net debt refers to the sum of interest-bearing liabilities, earn-out liabilities and put/call option liabilities less cash and cash equivalents.

Organic growth

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

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.

Unlevered Cash Conversion (UCC)

Cash flow from operating activities excluding net interest in cash flow, including investments less realized exchange rate effects, as a percentage of adjusted EBITDA.

Shareholder information

Financial calendar

Item	Date
Capital Markets Day 2025	9 October 2025
Q3 & 9 Months 2025 Financial Results report	13 November 2025

Questions?

Anton Gourman, VP Communications

Direct: +46 8 562 000 50, anton.gourman@mtg.com

Follow us: [mtg.com](https://www.mtg.com) / [LinkedIn](#)

Conference call

MTG will host a livestream and conference call at 10.00 CET today, on 18 July 2025. The call will be held in English.

How to join:

- To participate via livestream, please use [this link](#).
- To join via phone, please register using [this link](#). After you've registered, you'll receive the dial-in number and conference ID to access the teleconference.
- You can ask questions via phone during the teleconference or by using the livestream Q&A tool.



Modern Times Group MTG AB (publ) – Reg no: 556309-9158 – Phone: +46 (0) 8-562 000 50

MTG (Modern Times Group MTG AB (publ)) (www.mtg.com) is an international mobile gaming group that owns and operates gaming studios with popular global IPs across a wide range of casual and mid-core genres. The group is focused on accelerating portfolio company growth and supporting founders and entrepreneurs. MTG is an active driver of gaming industry consolidation and a strategic acquirer of gaming companies around the world. We are born in Sweden but have an international culture and global footprint. Our shares are listed on Nasdaq Stockholm (“MTGA” and “MTGB”).

This information is information that Modern Times Group MTG AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 7:30 CET on July 18, 2025.

This interim report contains statements concerning, among other things, MTG’s financial condition and results of operations that are forward-looking in nature. Such statements are not historical facts but, rather, represent MTG’s future expectations. MTG believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions; however, forward-looking statements involve inherent risks and uncertainties, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Such important factors include but may not be limited to MTG’s market position; growth in the gaming industry; and the effects of competition and other economic, business, competitive and/or regulatory factors affecting the business of MTG, its group companies and the gaming industry in general. Forward-looking statements apply only as of the date they were made, and, other than as required by applicable law, MTG undertakes no obligation to update any of them in the light of new information or future events.