

MTG reports record Q1 with 14% pro forma growth and 25% adjusted EBITDA margin

Financial highlights Q1

- Net sales up 24% YoY to SEK 3,159 (2,557) million and up 37% in constant currencies
 - Pro forma¹ sales up 14% YoY and organic sales up 12% YoY
- Group total UA spend of SEK 1,199 (959) million, or 38% (38%) of total revenues, up 17% on a pro forma basis
- Adjusted EBITDA up by 30% YoY to SEK 802 (616) million, with adjusted EBITDA margin of 25% (24%)
 - Adjustments of SEK -49 (-21) million for M&A transaction costs, revaluation of put/call options and other adjustments
- Reported EBITDA of SEK 754 (594) million and EBIT of SEK 371 (290) million
- Net financial items of SEK -160 (-86) million, including net interest of SEK -64 (-19) million
- Tax of SEK -72 (-140) million
- Net income of SEK 138 (65) million, and adjusted net income of SEK 550 (326) million
- Cash flow from operations of SEK 605 (176) million and unlevered cash conversion of 78% for the 12-month period ended 31 March 2026

Strategic and operational highlights Q1

- PlaySimple’s Draft Red Herring Prospectus filed on 23 April as part of potential 2026 IPO preparations
- Midcore District transformation well underway and on track for annualized cost savings of USD 20 million by the end of 2026
- AI integration proceeding at rapid pace across the group, with adoption of external and internal AI tools across areas such as concept development, data analytics, marketing and game localization
 - Today’s extended Q1 call will include an AI update and Q&A
- Increasing contribution from Direct-to-consumer revenues, up to 39% (24%) of group revenues in Q1

Financial overview

(SEKm)	Q1 2026	Q1 2025	FY 2025
Net sales	3,159	2,557	11,579
EBIT	371	290	963
EBITDA	754	594	2,383
Adjusted EBITDA	802	616	2,648
Net income	138	65	-62
Cash flow from operations	605	176	1,723
Basic earnings per share (SEK)	1.16	0.55	-0.53
Diluted earnings per share (SEK)	1.16	0.55	-0.53
Growth			
Sales growth, %	24%	77%	92%
Organic growth, %	12%	6%	9%
Pro forma growth, %	14%	-	-

¹ MTG calculates pro forma growth on a like-for-like basis: as if all currently owned businesses had been consolidated (or de-consolidated) for the entirety of both the current and comparative periods, and on a constant currency basis.

Letter from the President and CEO



A great way to kick off 2026

I am incredibly proud of our performance in Q1, as the positive momentum of our games that we built through strong execution in 2025 has continued into 2026. We had another record quarter, with 14% pro forma growth year over year. This performance is another proof point that MTG delivers on its promise as a growth company, with Q1 marking our 6th sequential quarter of strong organic growth. This doesn't come easily or for free. It is testament to the fusion of the high quality of our games and IP's, the drive and ambition of our teams, and our focus on consistent strategic execution.

This report has a new format that reflects our new operating model with two Gaming Districts, that we implemented from the beginning of the year. This operating model has been designed from the ground up to make us better at empowering and supporting our studios. It enables us to best realize the benefits from our proprietary tech and tools, and emergent technologies like AI at scale, and it reinforces our competitive moat – together strengthening our ability to ship great games and content, and to deliver continued profitable growth.

Our Midcore District had a strong Q1, reporting 10% pro forma year over year growth. This was largely driven by RAID: Shadow Legends, with exceptional 25% pro forma year over year growth driven by a busy schedule of in-game content in the quarter, including a highly successful IP partnership in January and a very strong anniversary event in March. The release of new content for RAID: Shadow Legends will be more measured in Q2 and the summer period, which is important for the long-term health of the game and the player base, before a step-up in pace through the second half of the year. In the Casual District, sales were up an outstanding 29% year over year in constant currencies, as PlaySimple continued to rapidly and successfully scale key new games including Crossword Go and Tile Match.

Strong margins of 25% despite continued UA investments

We remain focused on driving long term profitable growth and I'm pleased that we were able to continue to invest in marketing our games at attractive return levels. We invested a total of SEK 1,199 million in user acquisition in Q1, corresponding to 38% of our total revenues in the period and representing a pro forma increase of 17%. User acquisition spend for the Midcore District was up 3% on year over year on a pro forma basis, primarily reflecting the strong momentum in RAID: Shadow Legends and F1 Clash. User acquisition spend for the Casual District was up 48% year over year in constant currencies as PlaySimple continued to scale key new games.

We reported a record SEK 802 million in adjusted EBITDA in Q1, up 30% year over year, and with a strong adjusted EBITDA margin of 25%. The Midcore District reported an adjusted EBITDA margin of 28%, underscoring the inherent strength of evergreen midcore titles. I want to again call out the success of RAID: Shadow Legends in the quarter, which showcased how strong in-game content that resonates with our player base can have a very direct and



noticeable impact on our bottom line, as growth is underpinned by an increase in ARPDAU. Our margins also benefited from our continued strategic focus on DTC initiatives, as the Midcore District generated almost half of its revenues from direct-to-consumer sales in Q1. Our Casual District, which continues to have a focus on scaling new games, reported a strong margin of 24% in Q1 despite ongoing investments in marketing.

Our unlevered cash conversion amounted to 78% of adjusted EBITDA for the rolling 12-month period ended 31 March 2026. The strong performance reflected robust underlying cash generation across the group, and in particular Plarium, complemented by certain timing effects including a one-off tax-related item. While we expect some quarter-to-quarter variation during 2026, due to both the natural seasonality of the business and the timing of certain working capital items, we do however expect unlevered cash conversion to remain materially above our medium-term guidance of being in excess of 60%.

Midcore transformation on track

We are progressing well in our roll-out of an advanced and efficient state-of-the-art central services platform to empower our Midcore studios. This transformation is enabling our studios to more effectively do what they love and are great at – developing, launching and scaling games to serve our players - whilst making us faster and more agile.

PlaySimple IPO first milestone reached with public filing of Draft Red Herring Prospectus

PlaySimple submitted the Draft Red Herring Prospectus (“DRHP”) on April 23, 2026. We therefore remain on track, subject to all requisite regulatory approvals and commercial considerations, for a potential public listing of PlaySimple in the second half of 2026. We remain firmly convinced that a potential listing presents an exciting opportunity for MTG and PlaySimple, which we believe could in turn strengthen our ability to deliver shareholder value and growth over the medium and long term. We will come back with further details about the final size of the offering, the timing and the use of proceeds at the appropriate time.

New full-year outlook for 2026 underpins our growth ambitions

We remain confident in delivering on the medium-term guidance we set last year, targeting group gross revenue growth of 3-7%, a group adjusted EBITDA margin of over 24% and steady state unlevered cash conversion of over 60%. For 2026 we expect full year pro forma revenue growth to be in the range of 5-8% and a group adjusted EBITDA margin in the range of 22-24%. This outlook reflects our very strong start to the year, as well as the timing of key game events in the year, the typical seasonality of our business and industry, and our new game release pipeline.

We look forward to another transformative year for our group

MTG has clear goals and priorities, and we are executing on the strategy we presented in October last year. We continue to deliver growth with healthy margins and high levels of cash generation. We have clear and ambitious strategic initiatives to deliver shareholder value in 2026 and beyond. Leveraging the new AI technologies at our disposal to the fullest is one of these core strategic priorities across the group. Our teams are embracing new ways of working driven by AI, and are rapidly building out internal tools that empower our people to get more out of our



creativity, proprietary data and technologies. As you may have seen, we will host an extended video conference call today, where Oliver Bulloss, the CEO of the Midcore District, will present and answer questions about the progress on AI adoption within the District.

I remain excited and enthusiastic about the strength and quality of our games, our people and our ability to execute on our plans in a highly competitive and rapidly evolving market and macroeconomic environment.

Thank you for your continued support. I look forward to sharing more news with you when the time is right.

Maria Redin,
Group President & CEO, MTG



2026 full year outlook

- MTG expects full year 2026 pro forma revenue growth to be in the range of 5-8%.
- MTG expects full year 2026 its group adjusted EBITDA margin to be the range of 22-24%.

Significant events

January 7 - MTG to transfer 6,194,343 class B shares to the sellers of PlaySimple by the end of January 2026 and reduce holding of own shares and votes below 5%.

April 23 – PlaySimple files Draft Red Herring Prospectus as part of preparation for potential listing of the company in 2026. The prospectus can be downloaded [on this link](#).

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

Group performance

(SEKm)	Q1 2026	Q1 2025	FY 2025
Net sales			
RAID: Shadow Legends	1,309	794	4,040
Forge of Empires	184	274	983
Warhammer 40,000: Tacticus	174	173	745
Other games	1,492	1,316	5,811
Total net sales	3,159	2,557	11,579
Sales growth, %	24%	77%	92%
Organic growth, %	12%	6%	9%
Pro forma growth, %	14%	-	-
User acquisition	-1,199	-959	-4,316
Adjusted EBITDA	802	616	2,648
Adjusted EBITDA margin, %	25%	24%	23%

Total group revenues amounted to SEK 3,159 million in the quarter, corresponding to revenue growth of 24% year over year in reported currencies and 37% growth in constant currencies. Revenues were up 14% year over year on a pro forma basis, primarily reflecting the continued rapid scaling of PlaySimple's new casual games and a very strong quarter for RAID: Shadow Legends, but also the continued growth in F1 Clash.

The group's three largest games are RAID: Shadow Legends, Forge of Empires and Warhammer 40,000: Tacticus. These games accounted for 53% of the group's total revenues in the quarter, an increase from 49% in the first quarter of 2025 and 50% in the fourth quarter of 2025.

RAID: Shadow Legends generated revenues of SEK 1,309 million in Q1, delivering pro forma growth of 25% year over year. Highlights of the quarter included the Assassin's Creed IP partnership in January, the launch of a new in-game faction supported by a dedicated event, and the popular 7-year anniversary event in March. The team also continued to deploy a highly active flow of live-ops throughout the quarter. As a result, there were positive player dynamics across both DAU and ARPDau during the period. Whilst the team have an exciting content release slate for the rest of 2026, and beyond, RAID's event line-up in Q1 was more intense than a typical quarter, and the release of new key content will unfold at a slightly slower pace over the coming months, to optimize the balance of engagement and monetization. This is crucial for ensuring the long-term health of the player base, before the next step-up in pace in the second half of the year.

Forge of Empires revenues were down by 30% year over year in constant currencies to 184 million SEK. 2026 marks the 14th anniversary of the game, and as such, Forge of Empires is a mature game which continues to deliver strong profitability and cash generation. Given the maturity of the game, retaining and engaging long-term players is key, and the main driver of the decline in revenue has been due to too low levels of content aimed at long-term players. This is something that the team is now working to address and we expect to see new content aimed at our veteran players from Q3.



Warhammer 40,000: Tacticus revenues were up by 1% year on year in constant currencies in Q1 to SEK 174 million, as strong underlying USD performance was impacted by negative exchange rate movements in our SEK reporting currency. The team has continued to expand in-game content by introducing the well-received new Leagues of Votann faction in February. Warhammer 40,000: Tacticus continued to have an active live-ops schedule in Q1 with multiple concurrent events running throughout the quarter, including recurring Legendary and Hero Release events.

The group invested a total of SEK 1,199 (959) million in user acquisition in the first quarter, which was a 25% increase year over year and reflected the consolidation of Plarium from February 2025. User acquisition spend was up 17% year over year on a pro forma basis. The pro forma growth reflected increased marketing spend in the Casual District to scale new games and higher user acquisition spending in RAID: Shadow Legends, somewhat offset by lower marketing spend in Forge of Empires and certain other games. User acquisition represented 38% of the group's total revenues in Q1, which was stable year over year.

The group reported SEK 802 (616) million in adjusted EBITDA in Q1, representing a 30% year over year increase. This was primarily driven by the consolidation of Plarium from February 2026, the strong operational performance in RAID: Shadow Legends, and the increase in DTC revenue contribution.

Segment performance

Midcore District

(SEKm)	Q1	Q1	FY
	2026	2025	2025
Net sales	2,466	1,949	9,039
Sales growth, %	27%	124%	147%
Organic growth, %	7%	5%	5%
Pro forma growth, %	10%	-	-
DAU, million	4.1	4.2	4.0
ARPPDAU, SEK	6.6	5.1	6.1
User acquisition	-735	-603	-2,727
Adjusted EBITDA	698	485	2,278
Adjusted EBITDA margin, %	28%	25%	25%

The Midcore District reported total revenues of SEK 2,466 (1,949) million in the quarter, corresponding to a growth of 27% year over year in reported currencies and 10% on a pro forma basis. The increase in reported revenue primarily reflected the consolidation of Plarium from 1 February 2025, whilst the double-digit pro forma growth was driven largely by the strong performance of RAID: Shadow Legends, F1 Clash and Heroes of History, more than offsetting the decline in Forge of Empires and certain other games.

Daily active user (DAU) levels for the Midcore District were stable year over year, amounting to 4.1 (4.2) million. Whilst DAU levels were stable, the Midcore District reported a 29% year over year increase in average revenue per daily user (ARPPDAU) to SEK 6.6 (5.1) in Q1, driven by higher ARPPDAU levels in RAID: Shadow Legends and F1 Clash offsetting lower ARPPDAU in Forge of Empires and other games.



The Midcore District generated 49% (32%) of its revenues from direct-to-consumer (DTC) sales in Q1, up from 42% in Q4 2025. This strong performance reflected the continued strategic focus on driving DTC revenues and initiatives launched in the second half of 2025 in RAID: Shadow Legends and Warhammer 40,000: Tacticus in particular.

The Midcore District invested a total of SEK 735 (603) million in user acquisition in Q1, with the increase primarily reflecting the consolidation of Plarium from February 2025. District UA spend was up 3% year over year in Q1 on a pro forma basis, driven by higher UA spend in RAID: Shadow Legends offsetting lower marketing spend in Forge of Empires and certain other games.

The Midcore District reported SEK 698 (485) million in adjusted EBITDA in Q1, with the increase reflecting the consolidation of Plarium from February 2025, combined with the flow-through impact to profitability from the more active event schedule in RAID: Shadow Legends driving an increase in ARPDau in the quarter. Profitability also increased due to the strong continued growth in DTC revenues. The Midcore District therefore reported an adjusted EBITDA margin of 28% in Q1, up from 25% for the corresponding period of last year.

Casual District – PlaySimple

(SEKm)	Q1 2026	Q1 2025	FY 2025
Net sales	693	608	2,540
Sales growth, %	14%	6%	8%
Organic growth, %	29%	7%	17%
Pro forma growth, %	29%	-	-
DAU, million	4.8	4.8	5.1
ARPDau, SEK	1.6	1.4	1.4
User acquisition	-464	-356	-1,589
Adjusted EBITDA	166	166	576
Adjusted EBITDA margin, %	24%	27%	23%

The Casual District reported total revenues of SEK 693 million in the quarter, corresponding to growth of 14% year over year in reported currencies and 29% in constant currencies. The very strong Q1 performance was predominantly driven by the continued rapid scaling of new word games such as Crossword Go, and the ongoing expansion into adjacent non-word genres from games like Tile Match, as well as growth from several of our established titles. PlaySimple also continued to rapidly integrate AI into their technology platform and across the game development value chain, which supports time-to-market for new content and the successful scaling of new titles.

Daily active user (DAU) levels for the Casual District were stable year over year at 4.8 (4.8) million as rapid user intake in new games offset lower DAU levels in certain established titles. Casual District ARPDau was up by 15% year over year to SEK 1.6 (1.4). These dynamics reflect the ongoing evolution of PlaySimple's portfolio, where newer games with higher monetization levels are increasing their contribution to the overall revenue. The improved monetization of these new titles reflects the continued development of Little Engine, PlaySimple's data-driven technology platform,



together with a disciplined approach to our marketing investments. This supports continued investment in user acquisition whilst maintaining attractive return levels given the positive impact to the life-time-value of the players.

The Casual District invested a total of SEK 464 (356) million in user acquisition in Q1, which was a 48% increase in constant currencies, reflecting the rapid scaling of new titles discussed above. Casual District adjusted EBITDA was flat year over year in Q1 and amounted to SEK 166 (166) million, with an operating margin of 24% (27%). The margin performance reflected the scaled revenue and UA levels in the quarter and the timing of the marketing ramp-up of new titles. Casual District operating expenses had some one-off benefits in the quarter, driven by currency exchange gains, some one-off cost adjustments, and as a result, we expect the Casual District cost base to be slightly higher on a normalized basis going forward.

Key performance indicators

	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Group					
DAU, million	8.9	9.4	8.9	9.0	9.0
ARPPDAU, SEK	3.9	3.6	3.7	3.5	3.1
Revenue generated by platform, %					
Mobile app stores	56%	64%	69%	70%	69%
Direct to consumer	39%	32%	26%	24%	24%
Other	5%	4%	5%	5%	7%
Revenue generated by monetization type, %					
IAP	77%	74%	78%	79%	75%
IAA	20%	22%	20%	19%	21%
Other	3%	4%	2%	2%	4%
Revenue generated by territory, %					
Europe	33%	35%	36%	34%	35%
North America	56%	55%	55%	55%	57%
Asia Pacific	9%	8%	8%	9%	6%
Rest of World	2%	2%	2%	2%	1%
Revenue generated by the top 3 games, %	53%	50%	51%	50%	49%
Midcore					
DAU, million	4.1	3.9	4.0	4.0	4.2
ARPPDAU, SEK	6.6	6.7	6.5	6.3	5.1
Revenue generated by platform, %					
Mobile app stores	45%	54%	62%	64%	63%
Direct to consumer	49%	42%	33%	31%	32%
Other	6%	4%	5%	5%	6%
Revenue generated by monetization type, %					
IAP	95%	94%	95%	95%	94%
IAA	2%	3%	3%	3%	3%
Other	3%	3%	2%	2%	3%
Casual					
DAU, million	4.8	5.5	4.9	5.0	4.8
ARPPDAU, SEK	1.6	1.4	1.4	1.3	1.4
Revenue generated by platform, %					
Mobile app stores	96%	97%	97%	95%	91%
Direct to consumer	0%	0%	0%	0%	0%
Other	4%	3%	3%	5%	9%
Revenue generated by monetization type, %					
IAP	10%	9%	13%	15%	16%
IAA	87%	90%	88%	83%	78%
Other	3%	1%	-1%	3%	6%

Financial review

Adjusted EBITDA

SEKm	Q1 2026	Q1 2025	FY 2025
Adjusted EBITDA	802	616	2,648
Items affecting comparability	-9	-	-25
Non-recurring bonus structures	-2	-7	-45
M&A transaction costs and revaluation of put/call options	-38	-14	-195
EBITDA	754	594	2,383
Depreciation, amortization and impairment	-383	-304	-1,419
EBIT	371	290	963

We reported a 30% increase in adjusted EBITDA to SEK 802 (616) million in Q1, with an adjusted operating margin of 25%. The increase in adjusted EBITDA primarily reflected the flow-through of the increase in gross sales, the increased contribution of DTC revenue in the mix, and the consolidation of Plarium, partially offset by UA investments.

The group's adjustments to reported EBITDA amounted to SEK 49 (21) million in the quarter. These were split between M&A transaction costs of SEK 38 (14) million, adjustments for non-recurring bonus structures of SEK 2 (7) million, and items affecting comparability of SEK 9 (0) mainly related to restructuring costs. The adjustments for M&A transaction costs mainly reflected the performance-based revaluation of put/call options related to the acquisition of Snowprint.

Depreciation, amortization and impairment, amounted to SEK 383 (304) million and included amortization of purchase price allocations (PPA) of SEK 292 (245) million and a SEK 47 million impairment related to a Midcore District game which did not perform in line with expectations.

Consolidated EBIT was SEK 371 (290) million in the quarter, which corresponded to an EBIT margin of 12% (11%). Operating costs before depreciation and amortization increased by 23% year over year to SEK 2,405 (1,963) million.

Cash flow

SEKm	Q1 2026	Q1 2025	FY 2025
Cash flow from operations before taxes and changes in	734	530	2,259
Taxes paid	-18	-214	-695
Changes in working capital	-111	-140	159
Cash flow from operations	605	176	1,723
Cash flow from investing activities	-710	-6,045	-7,502
Cash flow from financing activities	220	4,685	3,827
Total net change in cash and cash equivalents	116	-1,183	-1,952
Cash and cash equivalents at the beginning of the period	1,230	3,543	3,542
Translation differences in cash and cash equivalents	35	-183	-360
Cash and cash equivalents at end of the period	1,381	2,176	1,230
Cash flow from operations	605	176	1,723
Investments	-57	-41	-198
Realized exchange rate differences and paid interest	-34	-7	-257
Unlevered free cash flow	582	142	1,783

Cash flow from operations

Total cash flow from operations amounted to SEK 605 (176) million in the quarter. The group's paid tax amounted to SEK -18 (-214) million in the quarter, partly impacted by a one-off tax refund in Plarium. The group reported changes in working capital of SEK -111 (-140) million in the quarter. The negative working capital in the quarter reflected a reversal of the positive effect in Q4 2025, partially offset by positive effects in accounts payable and other timing effects in Q1.

Cash flow from investing activities

Total cash flow from investing activities amounted to SEK -710 (-6,045) million in the quarter. Investing activities in the quarter included the final earn-out payment to the founders of PlaySimple, amounting to SEK -630 million. Cash flow from investing activities for the comparable period of 2025 amounted to SEK -5,988 million and primarily comprised the acquisition of Plarium, which was closed on 12 February 2025. Investing activities also included capital expenditure on tangible and intangible assets amounting to SEK -57 (-41) million, primarily comprising capitalized development costs for games and platforms. In addition, other investments amounted to SEK -23 (-16) million.

Cash flow from financing activities

Total cash flow from financing activities amounted to SEK 220 (4,685) million in the quarter. This mainly consisted of raising of new external loans of SEK 594 (5,008) million, the repurchase of shares amounting to SEK -172 (-110) million, and amortization of external loans amounting to SEK -201 (-212) million and the group's leasing payments. The net

change in cash and cash equivalents amounted to SEK 116 (-1,183) million in the quarter and the group had total cash and cash equivalents of SEK 1,381 (2,176) million at the end of the period.

Unlevered cash conversion

Our unlevered cash conversion amounted to 78% of adjusted EBITDA for the rolling 12-month period ended 31 March 2026. The elevated performance in the quarter reflected a combination of effects, including the very strong underlying cash generation in Plarium and a positive one-off impact from a tax return, whilst on a rolling 12-month basis we had the positive impact of the very high cash conversion in Q4 2025. We continue to expect to see some fluctuations in cash conversion in the coming quarters of 2026, reflecting both the seasonality of the business and the timing of certain working capital items. However, unlevered cash conversion is expected to remain materially above our medium term guidance of being in excess of 60%.

Net financials

SEKm	Q1 2026	Q1 2025	FY 2025
Revaluation	-21	-19	-182
Gain and loss	-4	-124	-158
Net interest	-64	-19	-243
Unrealized exchange rate differences	-64	163	254
Realized exchange rate differences	23	-7	-21
Discounting effects	-28	-76	-183
Other	-2	-3	-8
Total	-160	-86	-543

Total net financial items amounted to SEK -160 (-86) million in the quarter, of which net interest amounted to SEK -64 (-19) million and other financial items amounted to SEK -97 (-68) million.

Other financial items included exchange rate differences of SEK -41 (156) million, of which SEK -64 (163) million were unrealized exchange rate differences and SEK 23 (-7) million realized exchange rate differences. Discounting effects on earnout liabilities amounted to SEK -28 (-76) million. Revaluation effects amounted to SEK -21 (-19) million, mainly related to the revaluation of the put/call options related to Snowprint. Additionally, financial items also included gain and loss of SEK -4 (-124) and other SEK -2 (-3) million SEK.

Taxes

The group's tax amounted to SEK -72 (-140) million in the quarter.

Net debt

Net financial debt refers to the sum of interest-bearing liabilities, less cash and cash equivalents. Net financial debt as of March 31, 2026, amounted to SEK 3,009 (2,493) million. The net financial debt calculation included external financing of SEK 4,141 (4,416) million, lease liabilities of SEK 249 (253) million, less SEK 1,381 (2,176) million in cash and cash equivalents. The financial leverage ratio amounted to 1.18x based on the 12-month period EBITDA. Total net debt as of March 31 amounted to SEK 3,875 (5,064) million. Total net debt comprised interest-bearing liabilities of SEK 4,390 (4,669) million, earn-out liabilities of SEK 592 (2,249) million and put/call options of SEK 274 (322) million, less cash and cash equivalents of SEK 1,381 (2,176) million. The leverage ratio amounted to 1.52x based on the 12-month period EBITDA.

Parent company

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

Net interest and other financial items for the quarter amounted to SEK -4 (144) million. Net interest amounted to SEK -2 (8) million. Unrealized and realized exchange rate differences amounted to SEK -1 (-13) million and other financial items to SEK - (-1) million. The parent company had cash and cash equivalents of SEK 132 (66) million at the end of the period. The total number of shares outstanding at the end of the period was 120,179,285 (117,507,931), excluding the 3,130,000 Class B 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 2025 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 2025 Annual Report, which is available at www.mtg.com.

Stockholm, 29 April 2026

Maria Redin

Group President & CEO, Modern Times Group MTG AB



Condensed consolidated income statement

SEKm	Q1 2026	Q1 2025	FY 2025
Net sales	3,159	2,557	11,579
Total revenue	3,159	2,557	11,579
Platform fees	-394	-408	-1,834
Other sales related costs	-59	-43	-235
User acquisition	-1,199	-959	-4,316
Other external expenses	-183	-139	-701
Personnel expenses	-630	-454	-2,276
Own work capitalized	46	20	174
Depreciation, amortization and impairment	-383	-304	-1,419
Other operating income	28	29	85
Other operating expenses	-13	-11	-93
Operating result (EBIT)	371	290	963
Net financial items	-160	-86	-543
Profit before tax	210	205	421
Taxes for the period	-72	-140	-484
Net result for the period	138	65	-62
Basic earnings per share (SEK)	1.16	0.55	-0.53
Diluted earnings per share (SEK)	1.16	0.55	-0.53
Number of shares			
Shares outstanding at the end of the period	120,179,285	117,507,931	115,808,942
Basic average number of shares outstanding	119,173,022	117,913,411	117,174,874
Diluted average number of shares outstanding	119,173,022	117,913,411	117,174,874

Condensed statement of comprehensive income

(SEKm)	Q1 2026	Q1 2025	FY 2025
Net income	138	65	-62
Other comprehensive income			
<i>Items that are or may be reclassified to profit or loss, net of tax:</i>			
Currency translation differences	174	-1,095	-2,032
<i>Items that cannot be transferred to profit or loss, net of tax:</i>			
Fair value change of equity instruments	-9	-675	-728
Total comprehensive income	303	-1,706	-2,822
Total comprehensive income attributable to:			
Equity holders of the parent	303	-1,706	-2,822

Condensed consolidated balance sheet

(SEKm)	Mar 31 2026	Mar 31 2025	Dec 31 2025
Non-current assets			
Goodwill	10,847	11,480	10,700
Other intangible assets	4,984	6,520	5,148
Total intangible assets	15,831	18,001	15,848
Total tangible assets	118	146	118
Total right of use assets	244	252	250
Shares and participations	349	585	351
Other receivables	207	207	199
Total non-current financial assets	555	792	551
Total non-current assets	16,749	19,190	16,767
Current assets			
Other receivables	1,246	1,396	1,289
Cash and cash equivalents	1,381	2,176	1,230
Total current assets	2,627	3,572	2,519
Total assets	19,376	22,762	19,286
Equity			
Shareholders' equity	11,376	11,932	10,617
Total equity	11,376	11,932	10,617
Non-current liabilities			
Liabilities to credit institutions	3,701	4,299	3,119
Lease liabilities	192	199	198
Total non-current interest-bearing liabilities	3,893	4,499	3,317
Provisions	858	1,144	909
Contingent consideration	122	954	129
Other non-interest-bearing liabilities	40	177	61
Total non-current non-interest-bearing liabilities	1,020	2,275	1,099
Total non-current liabilities	4,913	6,774	4,416
Current liabilities			
Contingent consideration	470	1,295	1,016
Liabilities to credit institutions	430	100	368
Lease liabilities	57	54	55
Other non-interest-bearing liabilities	2,130	2,606	2,814
Total current liabilities	3,087	4,056	4,253
Total liabilities	8,000	10,830	8,669
Total shareholders' equity and liabilities	19,376	22,762	19,286

Condensed consolidated statement of cash flows

(SEKm)	Q1 2026	Q1 2025	FY 2025
Income before tax	210	205	421
Adjustment for items not included in cash flow	524	325	1,838
Taxes paid	-18	-214	-695
Changes in working capital	-111	-140	159
Cash flow from operations	605	176	1,723
Acquisition / sale of subsidiaries, associates and other investments	-630	-6,003	-6,200
Earnout payments	-	-41	-1,074
Investments in other non-current assets	-80	-	-228
Cash flow from investing activities	-710	-6,045	-7,502
Repurchase of shares	-172	-110	-306
Loan	393	4,807	4,229
Share swap regarding share incentive programs	-	-	-39
Other cash flow from/used in financing activities	-	-12	-57
Cash flow from financing activities	220	4,685	3,827
Total net change in cash and cash equivalents	116	-1,183	-1,952
Cash and cash equivalents at the beginning of the period	1,230	3,543	3,542
Translation differences in cash and cash equivalents	35	-183	-360
Cash and cash equivalents at end of the period	1,381	2,176	1,230

Condensed consolidated statement of changes in equity

(SEKm)	Mar 31 2026	Mar 31 2025	Dec 31 2025
Opening balance	10,617	13,735	13,735
Net income for the period	138	65	-62
Other comprehensive income for the period	165	-1,771	-2,760
Total comprehensive income for the period	303	-1,706	-2,823
Effect of employee share programs	27	13	50
Share swap regarding share-based incentive program	-80	-	-39
Repurchase of shares	-172	-110	-306
Re-distribution of repurchased shares	680	-	-
Closing balance	11,376	11,932	10,617

Parent company condensed income statement

SEKm	Q1 2026	Q1 2025	FY 2025
Net sales	19	17	72
Total revenue	19	17	72
Other external expenses	-24	-51	-168
Personnel expenses	-57	-43	-196
Depreciation, amortization and impairment	-1	0	-1
Other operating income	1	9	11
Other operating expenses	-1	1	-2
Operating result (EBIT)	-63	-67	-284
Net financial items	-4	144	139
Income before tax and appropriations	-66	77	-144
Appropriations	-	-	267
Net result for the period	-66	77	122

Parent company condensed balance sheet

(SEKm)	Mar 31 2026	Mar 31 2025	Dec 31 2025
Non-current assets			
Machinery and equipment	1	1	1
Shares and participations	15,366	15,231	15,231
Other financial receivables	35	9	26
Total non-current assets	15,402	15,241	15,258
Current assets			
Current receivables	568	57	321
Cash and cash equivalents	132	66	111
Total current assets	700	124	432
Total assets	16,102	15,365	15,690
Shareholders' equity			
Restricted equity	617	642	617
Non-restricted equity	14,545	14,322	14,194
Total equity	15,161	14,964	14,811
Non-current liabilities			
Non-interest-bearing liabilities	11	9	14
Liabilities to financial institutions	80	-	-
Total non-current liabilities	91	9	14
Current liabilities			
Non-interest-bearing liabilities	849	392	866
Total current liabilities	849	392	866
Total liabilities	940	401	880
Total shareholders' equity and liabilities	16,102	15,365	15,690

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)	Mar 31 2026				Dec 31 2025			
	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	349	-	-	349	351	-	-	351
Other receivables	45	-	-	45	30	-	-	30
Financial liabilities measured at fair value								
Contingent consideration	592	-	-	592	1,145	-	-	1,145
Other liabilities	-	-	-	-	680	680	-	-

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)	Mar 31 2026	Dec 31 2025
Opening balance 1 January	351	1,287
Reported gains and losses in net income for the period	-7	-144
Reported gains and losses in OCI for the period	-13	-701
Acquisition	4	-
Investments during the year	-	14
Dividend	-	-10
Translation differences in income	9	-67
Translation differences in OCI	4	-28
Closing balance	348	351

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)	Mar 31 2026	Dec 31 2025
Opening balance 1 January	1,145	1,674
Exercised payments, cash-based	-601	-1,074
Acquisition	-	707
Interest expense	28	180
Translation differences	20	-342
Closing balance	592	1,145

(SEKm)	2026	2027	2028	2029+	Total
Cash consideration	475	-	58	59	592
Total contingent consideration	475	-	58	59	592

Operating segments

Q1 2026 (SEKm)	Midcore	Casual	Group operations and eliminations	Group total
Revenue from external customers	2,466	693	-	3,159
Total revenue	2,466	693	-	3,159
User acquisition	-735	-464	-	-1,199
Adjusted EBITDA	698	166	-62	802
Items affecting comparability	-9	-	-	-9
Non-recurring bonus structures	-	-1	-1	-2
M&A transaction costs and revaluation of put/call options	-35	-	-3	-38
EBITDA	655	165	-66	754
Depreciation, amortization and impairment	-354	-28	-1	-383
EBIT	301	137	-67	371
Net financial items				-160
Profit before tax				210

Q1 2025 (SEKm)	Midcore	Casual	Group operations and eliminations	Group total
Revenue from external customers	1,949	608	-	2,557
Total revenue	1,949	608	-	2,557
User acquisition	-603	-356	-	-959
Adjusted EBITDA	485	166	-35	616
Non-recurring bonus structures	-	0	-7	-7
M&A transaction costs and revaluation of put/call options	-14	-	-	-14
EBITDA	470	166	-42	594
Depreciation, amortization and impairment	-265	-38	-1	-304
EBIT	205	128	-43	290
Net financial items				-85
Profit before tax				205

FY				
2025	Midcore	Casual	Group operations and eliminations	Group total
(SEKm)				
Revenue from external customers	9,039	2,540	-	11,579
Total revenue	9,039	2,540	-	11,579
User acquisition	-2,727	-1,589	-	-4,316
Adjusted EBITDA	2,278	576	-206	2,648
Items affecting comparability	-25	-	-	-25
Non-recurring bonus structures	-9	-36	-	-45
M&A transaction costs and revaluation of put/call options	-191	-1	-4	-195
EBITDA	2,053	540	-210	2,383
Depreciation, amortization and impairment	-1,278	-135	-6	-1,419
EBIT	775	405	-217	963
Net financial items				-542
Profit before tax				421

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
- Adjusted net income

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 and revaluation of put/call options. 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.

(SEKm)	Q1 2026	Q1 2025	FY 2025
EBIT	371	290	963
Amortization	312	278	1,288
Depreciation	25	26	104
Impairment tangible and intangible assets	47	-	28
EBITDA	754	594	2,383
Items affecting comparability	9	-	25
Non-recurring bonus structures	2	7	45
M&A transaction costs and revaluation of put/call options	38	14	195
Adjusted EBITDA	802	616	2,648

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)	Q1 2026	Q1 2025	FY 2025
Organic growth	12%	6%	9%
Acquisition/divestments	25%	73%	98%
FX Impact	-13%	-3%	-15%
Reported growth	24%	77%	92%

Adjusted net income

Net income adjusted for PPA related amortizations, non-cash items in financial net.

(SEKm)	Q1	Q1	FY
	2026	2025	2025
Net income	138	65	-62
Non-Cash items in the net finance	120	16	276
Amortization (PPA)	292	245	1,176
Adjusted net income	550	326	1,390

Definitions

Adjusted EBITDA

EBITDA, adjusted for the effects of items affecting comparability, non-recurring bonus structures, acquisition-related transaction costs and revaluations of put/call options.

Adjusted EBITDA margin

Adjusted EBITDA compared to net revenues. Also referred to as “operating margin” in the text.

Adjusted net income

Net income adjusted for PPA related amortizations, non-cash items in financial net.

ARPDau

Average net revenue per daily active user.

Capital expenditures (CAPEX)

Capital expenditure is a financial investment made with the expectation of future revenues.

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.

Direct-to-consumer revenue share

Revenue from selling products directly to customers and thereby bypassing any third-party.

Earnings per share

Earnings per share are 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

EBIT margin

EBIT as a percentage of net sales.

EBITDA

Profit for the period before other financial items, tax, net interest, depreciation, amortization and impairment on tangible and intangible assets.

Financial leverage ratio

Net financial debt divided by last twelve months EBITDA.

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.

Leverage ratio

Net debt divided by last twelve months EBITDA.

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.

Net financial debt

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

Net sales growth in constant currencies

Net sales at constant exchange rates is a financial measure that shows sales growth excluding the effects of exchange rate fluctuations.

Organic growth

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

Pro forma growth

Pro forma growth is calculated on a like-for-like basis, as if all currently owned businesses had been consolidated (or de-consolidated) for the entirety of both the current and comparative periods and on a constant currency basis.

Sales growth

Change in net sales compared with a previous period.

UA

User acquisition.

Unlevered Cash Conversion (UCC)

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

Unlevered free cash flow

Cash flow from operating activities excluding paid interest in cash flow, including investments less realized exchange rate effects.

Shareholder information

MTG's Annual General Meeting 2026

The Annual General Meeting will be held on 21 May 2026 in Stockholm.

All information relating to the Annual General Meeting, including the notice, the Nomination Committee's proposals and related materials has been published at www.mtg.com

Financial calendar

Item	Date
Annual General Meeting 2026	21 May 2026
Q2 & 6 Months 2026 Financial Results report	21 July 2026
Q3 & 9 Months 2026 Financial Results report	5 November 2026

Questions?

MTG Investor Relations

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Conference call

MTG will host a livestream and conference call at 10.00 CET today, on 29 April 2026. 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.

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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 April 29, 2026.

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.

