



MTG publishes Q3 July-September 2021 interim financial results report

STOCKHOLM — Modern Times Group MTG AB (publ) (“MTG”) today publishes its third quarter 2021 interim financial results report which following successful strategy execution delivers a 16 percent pro forma net sales growth for the group. MTG’s gaming vertical delivered a record quarter driven by the inclusion of the newly acquired companies Hutch, Ninja Kiwi and PlaySimple, with net sales amounting to SEK 1,081 million and a year-over-year growth of 59 percent. On the back of a robust event schedule MTG’s esports vertical reports net sales amounting to SEK 357 million resulting in a year-over-year growth of 53 percent.

MTG’s Group President and CEO Maria Redin states in the report CEO letter:

“The gaming vertical’s result demonstrated the success of our strategy to create a more diversified portfolio. Whilst the performance across the group was mixed, we are pleased to see that on a proforma basis we grew 8 percent, which is the result of having games that are in different parts of their growth cycle, come from different genres and have different revenue drivers. We will continue to build on the back of this diversified portfolio and to leverage the capabilities that sit within each company. Total revenue amounted to SEK 1,081 million with an adjusted EBITDA of SEK 364 million.”

“The third quarter (for esports) benefitted from comparisons with the 2020 business year, which only included two smaller Masters events, resulting in organic net sales growth of 55 percent and reduced losses, with adjusted EBITDA amounting to SEK -33 million.” MTG Group President and CEO Maria Redin continues.

MTG’s Q3 2021 Interim Financial Results report highlights follows below. For the full report please see the attached file or www.mtg.com.

Operational highlights

- The gaming vertical delivered a record quarter, driven by the inclusion of the newly acquired companies Hutch, Ninja Kiwi, and PlaySimple. Net sales amounted to SEK 1,081 million resulting in a year-over-year growth of 59 percent, which is equivalent to 8 percent pro forma net sales growth for the vertical
- Following the diversification of the gaming vertical, MTG has created a central gaming organization to drive further synergies between its operating companies. As a result, Kongregate’s CEO Markus Lipp and InnoGames’ CMO Christian Pern will transition to new roles within the gaming vertical, taking up positions as gaming vertical CFO and CMO respectively
- The esports vertical reported a second consecutive quarter of net sales growth, on the back of a robust event schedule. ESL Gaming hosted five digital-only Master properties, of which one was a studio event. Net sales amounted to SEK 357 million, resulting in a year-over-year growth of 53 percent

- MTG's esports vertical continued to enhance its offerings and improve its strategic position with an elevated level of investment, ahead of a return to a full live-audience event schedule, which is expected during Q1 2022

Financial highlights

- Net sales increased by 58 percent to SEK 1,438 (912) million or 61 percent at constant currencies. Reflecting the headwinds faced by InnoGames and, to a lesser extent, Kongregate, organic growth was flat. Pro forma net sales growth amounted to 16 percent
- Adjusted EBITDA of SEK 306 (196) million. Adjustments included long-term incentive programs (LTI) of SEK 28 (50) million and total M&A transaction costs of SEK 41 (1) million
- EBITDA of SEK 237 (124) million and EBIT of SEK 95 (54) million
- Net income of SEK 45 (-11) million and basic earnings per share, before dilution of SEK 0.39 (-0.88) and after dilution of SEK 0.39 (-0.88)
- Cash balance of SEK 1,048 (1,589) million

Financial overview

(SEKm)	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	FY 2020
Net sales	1,438	912	3,647	2,932	3,997
of which Gaming	1,081	679	2,659	2,047	2,682
of which Esports	357	234	988	885	1,315
EBIT	95	54	63	-56	35
EBITDA	237	124	405	159	319
Adjusted EBITDA	306	196	561	342	535
Net income	45	-11	-90	-162	-96
Basic earnings per share, SEK	0.39	-0.88	-1.06	-3.86	-2.99
Diluted earnings per share, SEK	0.39	-0.88	-1.05	-3.86	-2.99
<i>Sales growth, %</i>	<i>58%</i>	<i>-13%</i>	<i>24%</i>	<i>-5%</i>	<i>-6%</i>
<i>Changes in FX rates, %</i>	<i>-3%</i>	<i>-4%</i>	<i>-6%</i>	<i>0%</i>	<i>-2%</i>
<i>Sales growth at constant FX, %</i>	<i>61%</i>	<i>-9%</i>	<i>30%</i>	<i>-5%</i>	<i>-4%</i>
<i>of which organic growth, %</i>	<i>0%</i>	<i>-9%</i>	<i>-1%</i>	<i>-5%</i>	<i>-4%</i>

Shareholder information

MTG's Annual General Meeting 2022

The Annual General Meeting will be held on 24 May 2022 in Stockholm. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing either by post to the "Company Secretary", Modern Times Group MTG AB, Annual General Meeting, P.O. Box 2094, SE- 103 13 Stockholm, Sweden or by email to agm@mtg.com at least seven weeks before the Annual General Meeting in order for the proposal to be included in the notice to the meeting. Further details on how and when to register will be published in advance of the meeting.

Nomination Committee ahead of 2022 Annual General Meeting

In accordance with the resolution by the Annual General Meeting of MTG shareholders regarding the procedure for the Nomination Committee, a Nomination Committee has been convened to prepare proposals for the 2022 Annual General Meeting. The Nomination Committee comprises Klaus Roehrig, appointed by Active Ownership Corporation; Joachim Spetz, appointed by Swedbank Robur Fonder; Eric Sibbern, appointed by Kabouter Management, LLC and Simon Duffy, the Chairman of the Board. In line with past practice, the members of the Committee have appointed Klaus Roehrig, representing the largest shareholder on the last business day of August 2021, as the Committee Chairman.

Please see the following section on MTG.com for information about the work of the Nomination Committee: <https://www.mtg.com/governance/nomination-committee/>.

Shareholders wishing to propose candidates for election to the MTG Board of Directors should submit their proposals in writing to agm@mtg.com or to the “Company Secretary”, Modern Times Group MTG AB, P.O. Box 2094, SE-103 13 Stockholm, Sweden.

Financial calendar

Activity	Date
Q4 2021 Interim Financial Results report	February 7, 2022
Q1 2022 Interim Financial Results report	April 27, 2022
Annual General Meeting 2022	May 24, 2022
Q2 2022 Interim Financial Results report	July 20, 2022
Q3 2022 Interim Financial Results report	October 26, 2022

Conference call

The company will host a conference call on Thursday, October 28, at 15:00 CEST. The conference call will be held in English. To participate in the conference call, please dial:

Sweden	+46 (0) 856 618 467
UK	+44 (0) 844 481 9752
US	+1 646 741 3167
Std. International	+44 (0) 2071 928338
Access pin code	612 52 39

Please note that only dial-in participants can ask questions during the conference call. The conference call will also be streamed via the following link:

<https://edge.media-server.com/mmc/p/isfg8s3w>

For more information:

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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 02:00pm CEST on October 28, 2021.

About MTG

MTG (Modern Times Group MTG AB (publ.)) (www.mtg.com) is a strategic acquiror and operator of esports and gaming entertainment companies. Born in Sweden, the shares are listed on Nasdaq Stockholm ('MTGA' and 'MTGB').