



MTG announces strategic review of its gaming vertical and to explore listing in the US

- MTG to initiate a strategic review of its gaming vertical in order to evaluate the best route to crystalize value for shareholders
- The strategic review could result in a Joint Venture (JV) partnership for the gaming vertical to enhance its competitive position or that MTG fully transitions to become a global pure play esports company
- Within the context of the strategic review, MTG will explore an additional listing in the US which is one of the biggest esports markets in the World

STOCKHOLM, October 29th 2019 07.31am CET — Modern Times Group MTG AB (MTG) today announces the initiation of a strategic review of its gaming vertical including the VC Fund's gaming investments, in order to evaluate the best route to crystalize value for shareholders. The outcome of the strategic review could result in a JV partnership for the gaming vertical to get access to capital and new geographies or MTG becoming a global pure play esports company.

The value creation in the gaming vertical has been significant since the acquisition of InnoGames. Since the split, MTG has been approached with a range of different alternatives for the company to become even more competitive. As a result, the company has decided to initiate a strategic review of the gaming vertical, in order to evaluate the best route to crystalize value for shareholders.

As part of the strategic review, MTG will explore an additional listing in the US which is one of the biggest esports markets in the World.

“We have the opportunity to establish MTG as a global leader in the esports industry and we will accelerate value creation by further combining and extracting synergies in our ownership of the two strongest esports brands globally, aided by our solid financial position and commercial operational expertise. Through the strategic review, we will consider all options for our gaming vertical to crystalize and create maximum shareholder value, and at the same time evaluate the potential for MTG as a global pure play esports company”, says President and CEO Jørgen Madsen Lindemann.

After the strategic review is completed, MTG intends to assess its financial principles and cash requirements going forward in accordance with the company strategy of growing organically and through acquisitions. The outcome of the review could lead to a potential redistribution of any excess cash to its shareholders.

Independent and in parallel to these processes, MTG considers implementing an operational efficiency program to ensure a right sized and more efficient headquarter organization. Expected annual savings amounts to around SEK 50 million, approximately 75 % being realized in 2020 and the remainder in 2021. The normalized targeted run rate for central operations cost will be approximately SEK 100 million per annum.



Before a final decision on the operational efficiency program is taken, MTG will enter into a period of consultation with employee organizations. This is planned to take place during November 2019.

MTG intends to regularly update the market on the progress of the strategic review and operational efficiency program in its quarterly interim reports.

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This information is information that MTG is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07.31am CET on Tuesday October 29th 2019.

About MTG

MTG (Modern Times Group MTG AB (publ.)) (www.mtg.com) is a strategic and operational investment holding company in esports entertainment. Born in Sweden, the shares are listed on Nasdaq Stockholm ('MTGA' and 'MTGB').