

Record Q4 with organic revenues up 9%, margin of 27%, Plarium deal set to double group revenues

We have delivered on our full year 2024 outlook following a strong Q4. Reported revenues grew by 6% year over year in Q4 and 3% for the full year in constant currencies and grew by 15% from Q3 2024. The performance in Q4 was driven by a large extent by Snowprint almost doubling revenues year over year, InnoGames delivering a strong Q4, and PlaySimple growing year over year driven by geographical expansion and new titles. We achieved better traction for profitable UA (user acquisition) spend in seasonally strong Q4, and total UA was up 11% year over year and up 21% from Q3. We invested 40% of total revenues into UA in Q4 taking advantage of a more encouraging marketing environment. UA spend was up from 38% both in Q4 2023 and Q3 2024. Adjusted EBITDA was up 4% year over year and 17% from Q3 driven by the scaling of Snowprint and revenue growth in InnoGames and PlaySimple. We reported a strong margin of 27% in Q4 and 28% for the full year. We generated SEK 327 million in cash from operations in Q4, with a strong cash conversion of 71% for the full year.

Financial highlights Q4

- Net sales increased by 8% to SEK 1,693 (1,571) million year over year (9% organic growth) and were up 6% in constant currencies
- UA spend of SEK 677 (600) million corresponding to 40% (38%) of revenues
- Adjusted EBITDA up by 4% year over year to SEK 455 (439) million with an adjusted EBITDA margin of 27% (28%), adjustments included SEK 138 million for M&A transaction costs and revaluation of put/call options
- Reported EBITDA of SEK 317 (420) million and EBIT of SEK 170 (259) million
- Net financial items of SEK -325 (-187) million, including revaluation of performance-based earnout liabilities, driven by underlying exchange rate differences, the outstanding liability of the Class C shares and put/call option revaluation attributable to underlying performance improvement in Snowprint. Interest income was SEK 34 (36) million
- Tax amounted to SEK -87 (-184) million
- Total net income of -242 (-112) million
- Cash flow from operations of SEK 327 (292) million
- Cash and cash equivalents at the end of the period amounted to SEK 3,543 (2,956) million with a cash conversion of 71% for the 12-month period ended 31 December 2024

Financial highlights full year 2024

- Net sales increased by 3% to SEK 6,015 (5,829) million both in reported and constant currencies
- UA spend of SEK 2,222 (2,254) million corresponding to 37% (39%) of revenues
- Adjusted EBITDA of SEK 1,666 (1,548) million up by 8% with an adjusted EBITDA margin of 28% (27%)
- Reported EBITDA of SEK 1,476 (1,439) million and EBIT of SEK 901 (885) million
- Net financial items of SEK -719 (-325) million, of which SEK 129 (162) was interest income
- Total net income of SEK -210 (164) million and total basic earnings per share of SEK -1.74 (1.33)
- Cash flow from operations of SEK 1,340 (1,258) million
- Cash and cash equivalents at the end of the period amounted to SEK 3,543 (2,956) million
- Successfully and fully delivered on 2024 outlook

Financial overview

(SEKm)	Q4 2024	Q4 2023	FY 2024	FY 2023
Net sales	1,693	1,571	6,015	5,829
EBIT	170	259	901	885
EBITDA	317	420	1,476	1,439
Adjusted EBITDA	455	439	1,666	1,548
Net income	-242	-112	-210	164
Cash flow from operations	327	292	1,340	1,258
Basic earnings per share (SEK)	-2.03	-0.91	-1.74	1.33
Diluted earnings per share (SEK)	-2.02	-0.91	-1.73	1.32
Growth				
Sales growth, %	8%	13%	3%	5%
Changes in FX rates	2%	1%	0%	5%
Sales growth at constant FX	6%	12%	3%	0%
of which organic growth	9%	3%	-1%	-2%

President & CEO's comments



Focused high-quality portfolio delivers strong organic growth and record profits in Q4

I am proud and happy to report a strong Q4. We ended 2024 on a high note and delivered on our full year guidance. In Q4 we also took a significant step towards our future as a leading international gaming group with relevant scale, by signing the agreement to acquire Parium, the makers of the international mobile hit RAID: Shadow Legends.

We had a very busy period both in terms of overall activity and volume of in-game events. This enabled us to continue building healthy momentum in most of our studios and deliver on the high expectations that we set for ourselves for this year, and for the second half in particular.

We reported strong organic growth of 9% in Q4, with organic sales down -1% for the full year. Our organic sales uplift was driven by an outstanding performance from Snowprint, a very strong quarter from InnoGames and good momentum from PlaySimple, driven by geographical expansion through their localized word games and new casual titles.

This was the first quarter of organic contribution from Snowprint after the acquisition in October 2023, and we continue to be excited and impressed with the quality of the content at a very high pace the studio is delivering.

Sales in constant currencies were up 6% year over year in Q4 and 3% for the full year. Sales were also up 15% sequentially in constant currencies, driven by healthy momentum for our marketing and monetization. This enabled us to deliver sales growth in constant currencies in the middle of our outlook of 1% to 5%.

We continue building positive momentum across the group

PlaySimple revenues grew year over year and were up significantly from Q3 2024, as the localization of Crossword Jam and Word Search Explorer and new game initiatives launched by the studio earlier in the year began to pay off. The strong uplift from Q3 2024 also reflected the change in timing of certain third-party platform revenues between the quarters. Digital ad impression price dynamics continued to be somewhat muted in Q4, and we saw a slightly lower level of uplift in eCPM¹ levels after Thanksgiving than in 2023.

InnoGames had an encouraging quarter in Q4 and reported higher sales both year over year and from Q3 2024, driven by strong events in Forge of Empires. The

studio successfully improved individual event performance in the quarter, and held one more in-game event compared to Q4 2023. InnoGames' new title Heroes of History reported very encouraging early momentum and is outperforming previously launched new games on a like-for-like basis.

Snowprint's revenues almost doubled year over year in Q4 and grew strongly from Q3 thanks to continued outstanding performance from Warhammer 40,000: Tacticus. The growth reflected a strong schedule of live-ops in the period, combined with a steady stream of additional in-game content. Snowprint also continued to work on a desktop version of the game, which will be launched this year.

Hutch reported lower revenues both year over year and on a sequential basis. The studio continued to add content to F1 Clash and Top Drives during the quarter and is working on a major update for Forza Customs, which was launched in Q4 2023. Shaun Rutland, the co-founder of Hutch, took the position of Executive Chairman of the studio from the start of 2025. He remains connected to the business and is working closely with the leadership team and our Group CPO Oliver Bulloss who has taken up the position as interim co-CEO until a permanent replacement can be found.

Ninja Kiwi's revenues were down in Q4 both year over year and from Q3 2024. Bloons TD 6 received two smaller updates in the quarter while the studio was fully focused on the launch of major paid downloadable content for the game, which became available two days ago. Bloons Card Storm was soft launched in October and the studio continues to evolve the game based on early learnings. Ninja Kiwi also announced two new games during Q4. Fightland will be a massive team battle arena game, and Zombie Assault: Resurgence, which builds on the success of SAS Zombie Assault 4 from 2017.

We report strong profits while continuing to invest in our future through disciplined user acquisition

We invested a total of SEK 677 million in user acquisition (UA) in the quarter, which corresponded to 40% of our total revenues, up from 38% in both Q4 2023 and Q3 2024. This represented an 11% increase year over year and a 21% increase from Q3 2024 in constant currencies, as we saw good opportunities to invest in UA both for our midcore and casual titles. The uplift was relatively evenly split between Snowprint, InnoGames and PlaySimple.

We reported record adjusted EBITDA in the quarter despite our increased user acquisition spend. This was mainly driven by strong mobile and browser revenue growth with a higher volume of, and overall more successful, events in our key games. We also benefited from the Q3 delay in third party revenues that I mentioned

¹ Effective cost per thousand impressions

earlier, which positively affected our profitability in the quarter.

Our total adjusted EBITDA therefore amounted to SEK 455 million in Q4 and SEK 1,666 million for the full year 2024. This represented a 4% year over year increase in Q4 and an 8% increase for the full year. It is worth noting that we benefited from certain positive effects in Q4 2023, which meant that underlying year over year uplift in profits would have been even stronger.

Our business continued to be highly cash generative, and we achieved a strong cash conversion of 71% for the full year 2024, well above our long-term guidance of 50-60%. This high result reflected positive working capital timing effects and boosts from interest income in the quarter, as well as our disciplined capital allocation, and low CAPEX levels, enabling healthy underlying profit-to-cash conversion. It's worth noting that while the timing effects worked in our favor in Q4 and for the full year, we expect them to fluctuate throughout 2025 and we therefore continue to be comfortable with our long-term range.

Becoming a scaled industry leader with state-of-the-art tech and tools

Our results in 2024 demonstrate the strength and expertise of our studios. On the midcore side, we have shown a strong ability to adapt to prevailing market conditions and to push the envelope when it comes to the quality and volume of live-ops and in-game content while maintaining strong marketing discipline. As a result, players have spent more on average in many of our most successful titles. On the casual side, we had to adapt to Google's ad bidding changes and, PlaySimple, responded impressively by adapting several of their hit games to reach new geographical audiences, increasing our user base and future monetization ability.

We now go into an incredibly exciting time for our group. In November 2024 we signed a deal to acquire Plarium, the developers of the global superhit RAID: Shadow Legends. This is a transformative deal that adds one of the world's best evergreen midcore titles to our offering. Plarium also has state-of-the-art tools for marketing and monetizing games. By bringing together MTG and Plarium, we will be able to leverage some of the best gaming tech, tools and knowledge in the industry to help accelerate and drive the performance of our games.

The acquisition will enable us to take a significant leap towards fulfilling our mission to become a leading gaming group with relevant scale. It also propels us toward a unified ecosystem of industry-leading tools, empowering game makers to drive performance and growth.

We expect to close the deal in the next couple of weeks. This moment will mark the starting point of the next chapter in our transformative journey as a group.

We have a lot of work ahead of us. Our goal is to empower our studios to work together in a new way. A way that will continue to enable them to make amazing, popular, games, while making sure that they can benefit from some

of the best tools in the industry to monetize their IP's over the long term.

We also continue to execute on the share repurchase program approved by the 2024 AGM. We will also seek a new share repurchase mandate from the 2025 AGM.

Thank you for following our progress. I look forward to sharing further news and updates with you going forward.

Maria Redin

Group President & CEO, Modern Times Group MTG AB

2024 outlook delivered

MTG's outlook for 2024 was for reported full year sales growth to be within the range of 1 to 5% on a currency adjusted basis. The outlook for reported adjusted EBITDA margin for the full year was between 26% and 29%. MTG has delivered on this outlook and reported sales growth of 3% on a currency adjusted basis and a 28% adjusted EBITDA margin for the full year 2024.

Our aim is to present the new MTG to our investors and other stakeholders during a Capital Markets Day, which we now expect to take place in Q3 2025.

Significant events

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

January 30 – MTG's Extraordinary General Meeting (EGM) resolved on all proposals, including a transfer of class B shares to the sellers of PlaySimple as well as transfers of class B shares on a regulated market or by way of accelerated bookbuilding procedures.

February 8 – MTG announces a non-cash agreement to divest Kongregate by merging it with the US game development studio Monumental for a 30% equity stake in the combined company on a fully diluted basis.

April 16 – MTG announces that its wholly owned game studio Ninja Kiwi has acquired AutoAttack Games, the studio behind the successful tower defense title Legion TD 2, which is available on Steam.

April 24 - MTG announces a SEK 100 million share buyback program, launching on April 24 and running until May 15, 2024. MTG has the intention to seek further approval at the 2024 AGM, and launch another share repurchase program after the AGM, should shareholders provide the Board with the necessary approvals.

May 16 – The Annual General Meeting (AGM) resolved on the following proposals, among others, to adopt an incentive plan for 2024, to elect Öhrlings PricewaterhouseCoopers AB as new Auditor, and to reduce the share capital of the company by way of cancellation of repurchased own Class B shares.

May 16 – Conclusion of MTG's share buyback program that commenced on 24 April 2024. MTG has repurchased a total of 586,755 class B shares under the program, for a total value of SEK 55 million.

May 16 - MTG announces an SEK 400 million share repurchase program. The program will run between 17 May and 30 April 2025. The Board of Directors' view is that share repurchase programs provide a flexible and sustainable increase in the value created for MTG's shareholders while enabling MTG to continue pursuing its strategic M&A objectives.

June 4 – MTG secures new SEK 1 billion unsecured revolving credit facility with a 2-year tenor, with an option to extend for an additional year.

October 3 – MTG announces that MTG's Chief Product Officer Oliver Bulloss will take up the position interim Co-CEO from 2 January 2025. Shaun Rutland, co-founder of Hutch is stepping up from his operational Co-CEO role to take on the position as Executive Chairman of Hutch from 2 January 2025.

October 9 – MTG announces that its CFO Nils Mösko has stepped down from his role with immediate effect. The decision was made amicably and in mutual agreement. MTG's CEO Maria Redin will oversee the CFO responsibilities while MTG searches for a replacement.

November 11 - MTG announces that it has signed an agreement with Aristocrat Leisure Limited ("Aristocrat") to acquire 100% of Plarium Global Ltd ("Plarium"), the international studio behind the popular squad battler RPG RAID: Shadow Legends, a highly successful evergreen cross-platform IP.

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

Group performance

Net sales

(SEKm)	Q4 2024	Q4 2023	FY 2024	FY 2023
Net sales	1,693	1,571	6,015	5,829
Sales growth, %	8%	13%	3%	5%
Changes in FX rates	2%	1%	0%	5%
Sales growth at constant FX	6%	12%	3%	0%
of which organic growth	9%	3%	-1%	-2%

We have a strong and focused mobile-first portfolio of 42 live games managed by our five studios. Group reported net sales were up by 8% year over year in Q4 to SEK 1,693 million, with a 2% positive impact from currency effect. The increase was driven by strong performances from Snowprint, PlaySimple, and InnoGames, which more than offset lower year over year revenues from Ninja Kiwi and Hutch for both periods. Group full year sales were up by 3% year over year up to SEK 6,015m, driven by the Strategy & Simulation franchise.

Reported sales by franchise

(SEKm)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Word Games	671	552	561	575	630
Strategy & Simulation	674	524	507	521	539
Racing	135	161	166	129	149
Tower Defense	101	120	120	114	137
Other smaller franchises	112	81	84	108	117
Total sales	1,693	1,438	1,437	1,447	1,571

Word Games franchise revenues were up 4% year over year and increased by 17% sequentially in constant currencies, driven by geographical expansion through localized games and growth initiatives and scaled UA spending in the second half of the year. The results were also positively impacted by a change in timing of a revenue from a third-party platform. The key driver for the strong performance in Q4 was an improved ability to scale UA during the quarter. The results also benefited from the scaling of UA and subsequent increase in players in Q3 2024.

PlaySimple has been fully focused on returning the franchise to growth. During the quarter the studio released a range of new features across its established games to enhance user engagement and monetization. Word Trip introduced seasonal events, while Crossword Explorer added themed content to encourage longer sessions. Daily Themed Crossword enhanced monetization with time-limited in-app purchase offers, and Word Roll launched new features aimed at boosting both user engagement and revenue.

PlaySimple also continued to work on features to improve Tile Match and Two Square: 2048 Numbers Merge during the quarter, as both games are still in the early scaling stage. The new game Crossword Go was also released on the Apple App Store during the quarter.

Strategy & Simulation franchise revenues were up 25% year over year and up sequentially by 28% in constant currencies, primarily driven by the continued successful

scaling of Warhammer 40,000: Tacticus and several notable events in Forge of Empires.

Our largest title Forge of Empires hosted three events this quarter, compared to two events during Q4 last year. The increased number of events, combined with their strong execution, accounted for the majority of InnoGames' quarterly revenue growth. Q4 started strong with the Fellowship event, which was well-received and drove reactivation of paying players. In October, Forge of Empires also launched its 23rd age, the Space Age Space Hub, reactivating established players. The Fellowship event, coupled with the launch of Space Age Space Hub, made October InnoGames' best-performing month in two years. The year ended on a high note with the Winter event, which was engaging and appreciated among the players.

Newly launched Heroes of History maintained its positive momentum, with events designed to drive player engagement. In November, InnoGames introduced a browser version of the game, creating new avenues to improve profitability by reducing dependence on app stores.

Tribal Wars achieved its highest annual revenue in 2024, underscoring the longevity and profitability of mid-core games, even with minimal active development.

Snowprint continued scaling Warhammer 40,000: Tacticus by introducing new content and events to engage players. The game was awarded PocketGamer's 'Best Game We're Still Playing,' a testament to players'

continued enthusiasm for the title. In celebration of Halloween, Snowprint added the Genestealer Cults faction, expanding the Survival game mode. The festive “Grotmas” event, featuring the holiday grinch Da Red Gobbo, generated strong interest and high player participation.

Snowprint has nearly doubled its revenue year over year, underscoring the strong growth trajectory of Warhammer 40,000: Tacticus. The game also benefited from the wider popularity of the Warhammer franchise, bolstered by the success of other game releases and recent video streaming content.

Tower Defense franchise revenues declined -25% year over year and -15% sequentially in constant currencies.

Ninja Kiwi expanded Bloons TD 6 with two updates during the quarter. These included two new maps, and a new endgame boss and tower – the Tack Shooter paragon. The latter was especially well-received, driving strong community engagement. BTD6 received PocketGamer's 'Mobile Game of the Year' 2024 award six years after its debut, highlighting its exceptional quality, player retention and engagement.

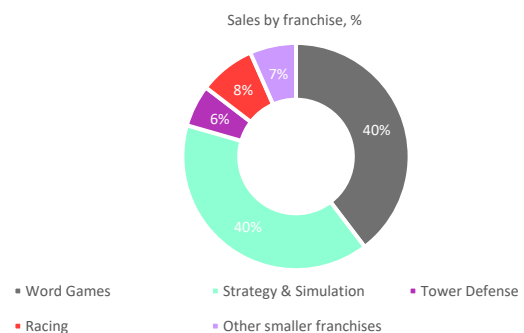
Ninja Kiwi's newly launched collectible card game, Bloons Card Storm was released in October. The game offers both PVP and PVE modes and introduced a content update at the end of the year with a new hero and several new cards. The game is currently in soft launch, the team

is actively refining content and gameplay to unlock its full potential.

Racing franchise revenues were down by -14% year over year and -17% sequentially in constant currencies.

Hutch launched new sponsor tasks in F1 Clash designed to improve monetization and activity in the game. The feature was well-received by players, and the studio is currently evaluating its impact on the game's performance.

The Top Drives team launched the Lamborghini update, which added several new models, rebalancing in-game car stats and finally, debuting new premium Iconic Variant cars to the game. In December, Hutch also launched its 2016 title Hot Wheels: Race Off on Apple Arcade.



New games in early scaling and soft launch

Title/platform expansion	Publisher	Type
Forza Customs	Hutch	Early scaling
NASCAR Manager	Hutch	Early scaling
Hot Wheels: Race Off	Hutch	Apple Arcade launched
Crossword Go	PlaySimple	Soft launch, Apple only
Cryptogram	PlaySimple	Soft launch, Android only
Two Square: 2048 Numbers Merge	PlaySimple	Commercial launch
Tile Match	PlaySimple	Commercial launch
Word Trip	PlaySimple	In soft launch
Heroes of History	InnoGames	Early scaling
New title	InnoGames	New game launch
New title	InnoGames	New game 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

Key performance indicators

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
DAU, million	6.3	6.1	5.8	6.5	6.5
MAU, million	30.5	28.3	22.7	31.9	32.3
ARPDau, SEK	2.9	2.6	2.7	2.5	2.6
Revenue generated by the top 3 games, %	41%	39%	38%	40%	41%
Revenue generated by platform, %					
Mobile	78%	77%	76%	75%	78%
Browser	19%	19%	19%	20%	19%
Other	3%	5%	5%	4%	3%
Revenue generated by territory, %					
Europe	34%	35%	33%	32%	33%
North America	60%	59%	61%	63%	62%
Asia Pacific	5%	5%	5%	4%	4%
Rest of World	1%	1%	1%	1%	1%
Revenue generated by monetization type, %					
IAP	60%	62%	61%	59%	58%
IAA	36%	32%	33%	35%	36%
Other	4%	6%	6%	5%	6%
UA spend, SEKm	677	548	470	527	600

The group's total daily active users (DAU) grew sequentially by 3% in Q4, mainly driven by the newly localized word games and new puzzle titles. The Strategy & Simulation franchise reported sequential DAU growth on the back of the success of Heroes of History, the popular Fellowship event in Forge of Empires, and Warhammer 40,000: Tacticus. The group's total DAU grew year over year when adjusted for the divestment of Kongregate in February 2024. The year over year increase was primarily driven by our localized word games.

Average Revenue per Daily Active User (ARPDau) grew sequentially by 14% and year over year by 9%. The sequential growth was driven by higher ARPDau levels in four out of our five studios. The year over year growth was driven by InnoGames and Hutch. Snowprint has successfully grown ARPDau on a sequential basis for every quarter of 2024 after the acquisition in Q4 2023 thanks to an active pipeline of new in-game content and a successful live-ops calendar.

The group's top three performing games in Q4 were Forge of Empires, Warhammer 40,000: Tacticus, and Word Trip. Together, these games accounted for 41% of the group's revenues in the fourth quarter, compared to 39% in the third quarter. Mobile represented 78% (78%) of total revenues in the fourth quarter, while browser accounted for 19% (19%).

Adjusted EBITDA, EBITDA and EBIT

(SEKm)	Q4 2024	Q4 2023	FY 2024	FY 2023
EBIT	170	259	901	885
Amortization	132	144	516	487
Depreciation	15	17	59	67
EBITDA	317	420	1,476	1,439
Items affecting comparability	0	0	0	40
Impairment own capitalized costs	8	-	8	-
Non-recurring bonus structures	3	6	24	33
M&A transaction costs and revaluation of put/call options	127	13	158	36
Adjusted EBITDA	455	439	1,666	1,548
<i>Adjusted EBITDA margin</i>	<i>27%</i>	<i>28%</i>	<i>28%</i>	<i>27%</i>

Total user acquisition (UA) costs represented 40% of group revenues in Q4, up from 38% in both Q4 2023 and Q3 2024. The increase in UA was driven by Snowprint, InnoGames and PlaySimple both sequentially and year over year. Our improved

ability to invest in profitable UA in the seasonally important Q4 was also supported by a somewhat more positive marketing environment. Warhammer 40,000: Tacticus was able to scale their investments in UA on the back of strong engagement from players and reached a new level of overall marketing spend in the quarter.

We reported a 4% increase in adjusted EBITDA to SEK 455 (439) million in Q4, and a 8% increase to SEK 1,666 (1,548) million for the full year, with an operating margin of 27% in Q4 and 28% for the full year, primarily driven by higher mobile and browser revenues across in most of our game franchises.

The group's adjustments to the reported EBITDA amounted to SEK 138 (19) million in the quarter. This included an adjustment for non-recurring bonus structures of SEK 3 (6) million and an adjustment for M&A transaction costs of approximately SEK 90 million. The group's adjustments to reported EBITDA also included the performance-based revaluation of put/call options held by two of the founders of Snowprint.

Depreciation and amortization amounted to SEK 147 (161) million and included amortization of purchase price allocations (PPA) of SEK 102 (101) million. Excluding PPA, depreciation and amortization amounted to SEK 45 (60) million.

Consolidated EBIT was SEK 170 (259) million in the quarter, which corresponded to an EBIT margin of 10% (16%). Operating costs before depreciation and amortization increased by 27% year over year to SEK 1,467 (1,151) million.

Net financials

(SEKm)	Q4 2024	Q4 2023	FY 2024	FY 2023
Net interest	34	36	129	162
Revaluation earnout effects	-216	-81	-690	-496
Revaluation PlaySimple debt (C-shares)	-109	-76	-68	18
Put/call option	-106	-	-111	-
Exchange rate differences	79	-65	35	-3
Other	-7	-1	-14	-6
Total financial net	-325	-187	-719	-325

Total net financial items amounted to SEK -325 (-187) million in the quarter, of which net interest amounted to SEK 34 (36) million and other financial items to SEK -359 (-223) million. Other financial items comprised discounting effects, revaluation and exchange rate effects on earnout liabilities and amounted to SEK -216 (-81) million, mainly driven by exchange rate differences between the SEK and USD during the quarter. As a result of its cash deposits, MTG has a natural currency hedge on its earn-out liabilities. The group's cash reserves are, however, held both at the HQ level in USD and on local company levels in local currency and only the HQ-held balance revaluations have an effect on the group's financial net. The locally held balances are reported as part of the group's OCI (Other Comprehensive Income)

In addition, other financial items included a SEK -109 (-76) million revaluation of 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 will 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 included the revaluation of put/call options of SEK -106 million in the quarter, affected by better underlying performance in Snowprint. Exchange rate differences in the quarter amounted to SEK 79 (-65) million, of which SEK 30 (-12) million relates to VC funds.

Taxes

The group's tax amounted to SEK -87 (-184) million in the quarter. The year over year difference in tax expenses primarily reflected two one-off adjustments in Q4 2023 increasing tax expenses for that period, and an adjustment reducing tax expenses for Q4 2024. The adjustments in Q4 2023 comprised the impairment of a deferred tax asset and the revaluation of deferred tax assets and liabilities, due to adjustments in tax rates for two of MTG's subsidiaries. The adjustments for Q4 2023 comprised SEK -73 million in total. The one-off adjustment for Q4 2024 amounted to SEK 18 million due to the recognition of losses carried forward as a deferred tax asset in one of the group's studios. On an underlying basis, the group's tax in the period was therefore relatively stable year over year.

Venture capital fund investments

The MTG VC fund has invested a total of 424 SEK (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 and Snowprint.

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)	Q4 2024	Q4 2023	FY 2024	FY 2023
Cash flow from operations before changes in tax and working capital	377	430	1,599	1,714
Taxes paid	-151	-120	-522	-431
Changes in working capital	101	-18	264	-25
Cash flow from operations	327	292	1,340	1,258
Cash flow from investing activities	-43	-978	-551	-2,353
Cash flow from financing activities	-119	-209	-388	-536
Total net change in cash and cash equivalents	165	-894	401	-1,630
Cash and cash equivalents at the beginning of the period	3,196	3,989	2,956	4,733
Translation differences in cash and cash equivalents	182	-138	186	-147
Cash and cash equivalents at end of the period	3,543	2,956	3,543	2,956

Cash flow from operations

Total cash flow from operations amounted to SEK 327 (292) million in the quarter. The group reported changes in working capital of SEK 101 (-18) million in the quarter. The year over year change in working capital includes transactions costs of SEK 72 million, SEK 22 million of tax refunds, and timing effects in accounts receivables as well as increased accounts payables due to higher UA spend in PlaySimple. The combined net effect of the accounts receivables and payables amounted to SEK 98 million in the quarter. Paid taxes amounted to of SEK -151 (-120) million in the quarter.

Cash flow from investing activities

Total cash flow relating to investing activities amounted to SEK -43 (-978) million in the quarter. This mainly consisted of investing activities also included capital expenditure on tangible and intangible assets amounting to SEK -39 (-42) million, primarily comprising capitalized development costs for games and platforms. In addition, other investments amounted to SEK -4 (-4) million.

Cash flow from financing activities

Total cash flow relating to financing activities amounted to SEK -119 (-209) million, mainly consisting of a repurchase of shares amounted to SEK -110 (-199) million and the group's leasing payments.

The net change in cash and cash equivalents amounted to SEK 165 (-894) million in the quarter and the group had a total cash and cash equivalents of SEK 3,543 (2,956) million at the end of the period.

Net debt

Net debt refers to the sum of interest-bearing liabilities, less cash and cash equivalents. Interest-bearing liabilities such as additional purchase considerations or lease liabilities are not included.

Net debt as of December 31, 2024, amounted to SEK -3,543 (-2,956) million. The net debt calculation includes external financing of SEK 0 (0) million less SEK 3,543 (2,956) million in cash and cash equivalents.

Parent company

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

(SEKm)	Q4 2024	Q4 2023	FY 2024	FY 2023
Net sales	15	15	59	61
Net interest and other financial items	85	-61	157	-128
Income before tax and appropriations	38	-101	-1	-264

Net interest and other financial items for the quarter amounted to SEK 85 (-61) million. Net interest amounted to SEK 17 (23) million. Unrealized and realized exchange rate differences amounted to SEK 75 (-83) million and other financial items to SEK -7 (-1) million.

The parent company had cash and cash equivalents of SEK 1,344 (1,599) million at the end of the period.

The total number of shares outstanding at the end of the period was 118,306,464 (121,681,404), excluding the 3,679,820 Class B shares and the 6,324,343 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 2023 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 2023 Annual Report, which is available at www.mtg.com.

Stockholm, 6 February 2025

Maria Redin

Group President & CEO, Modern Times Group MTG AB

Condensed consolidated income statement

(SEKm)	Q4 2024	Q4 2023	FY 2024	FY 2023
Continuing operations				
Net sales	1,693	1,571	6,015	5,829
Cost of goods and services	-417	-486	-1,554	-1,577
Gross income	1,276	1,085	4,462	4,252
Selling expenses	-690	-620	-2,302	-2,344
Administrative expenses	-427	-194	-1,275	-1,071
Other operating income	17	-	37	61
Other operating expenses	-5	-11	-21	-14
EBIT	170	259	901	885
Net interest	34	36	129	162
Other financial items	-359	-223	-847	-486
Income before tax	-155	72	182	561
Tax	-87	-184	-392	-397
Total net income for the period	-242	-112	-210	164
Net income for the period attributable to:				
Equity holders of the parent	-242	-112	-210	164
Non-controlling interest	-	-	-	-
Net income for the period	-242	-112	-210	164
Basic earnings per share, SEK	-2.03	-0.91	-1.74	1.33
Diluted earnings per share, SEK	-2.02	-0.91	-1.73	1.32
Number of shares				
Shares outstanding at the end of the period	118,306,464	121,681,404	118,306,464	121,681,404
Basic average number of shares outstanding	118,883,611	122,673,759	120,500,977	123,189,366
Diluted average number of shares outstanding	119,639,057	123,204,634	121,137,914	123,710,735

Consolidated statement of comprehensive income

(SEKm)	Q4 2024	Q4 2023	FY 2024	FY 2023
Net income	-242	-112	-210	164
Other comprehensive income				
<i>Items that are or may be reclassified to profit or loss, net of tax:</i>				
Currency translation differences	391	-804	592	-270
<i>Items that cannot be transferred to profit or loss, net of tax:</i>				
Fair value change of equity instruments	-34	-	-55	-
Total comprehensive income	116	-916	327	-107
Total comprehensive income attributable to:				
Equity holders of the parent	116	-916	327	-107

Condensed consolidated balance sheet

(SEKm)	Dec 31 2024	Dec 31 2023
Non-current assets		
Goodwill	10,383	10,418
Other intangible assets	1,761	2,440
Total intangible assets	12,145	12,859
Total tangible assets	28	39
Right of use assets	150	172
Shares and participations in associated and other companies	1,289	399
Other financial receivables	124	289
Total non-current financial assets	1,412	687
Total non-current assets	13,735	13,758
Current assets		
Other receivables	790	787
Cash and cash equivalents	3,543	2,956
Total current assets	4,333	3,743
Total assets	18,068	17,500
Equity		
Shareholders' equity	13,736	13,714
Total equity	13,736	13,714
Non-current liabilities		
Lease liabilities	115	138
Total non-current interest-bearing liabilities	115	138
Provisions	422	610
Contingent consideration	670	1,007
Other non-interest-bearing liabilities	184	166
Total non-current non-interest-bearing liabilities	1,276	1,784
Total non-current liabilities	1,391	1,921
Current liabilities		
Contingent consideration	1,004	432
Lease liabilities	36	36
Other interest-bearing liabilities	602	534
Other non-interest-bearing liabilities	1,300	863
Total current liabilities	2,941	1,865
Total liabilities	4,332	3,786
Total shareholders' equity and liabilities	18,068	17,500

Condensed consolidated statement of cash flows

(SEKm)	Q4 2024	Q4 2023	FY 2024	FY 2023
Income before tax	-155	72	182	561
Adjustment for items not included in cash flow	531	358	1,417	1,153
Taxes paid	-151	-120	-522	-431
Changes in working capital	101	-18	264	-25
Cash flow from operations	327	292	1,340	1,258
Investments/ divestments in deposits	-	-	114	-118
Acquisition / sale of subsidiaries, associates and other investments	-4	-454	-46	-601
Earnout payments	-	-482	-521	-1,421
Investments in other non-current assets	-39	-42	-98	-212
Cash flow from investing activities	-43	-978	-551	-2,353
Repurchase of shares	-110	-199	-304	-499
Share swap regarding share incentive programs	-	-	-47	-
Other cash flow from/ used in financing activities	-10	-11	-38	-38
Cash flow from financing activities	-119	-209	-388	-536
Total net change in cash and cash equivalents	165	-894	401	-1,630
Cash and cash equivalents at the beginning of the period	3,196	3,989	2,956	4,733
Translation differences in cash and cash equivalents	182	-138	186	-147
Cash and cash equivalents at end of the period	3,543	2,956	3,543	2,956

Condensed consolidated statement of changes in equity

(SEKm)	Dec 31 2024	Dec 31 2023
Opening balance	13,714	13,934
Net income for the period	-210	164
Other comprehensive income for the period	536	-270
Total comprehensive income for the period	327	-107
Effect of employee share programs	45	37
New share issue	-	347
Share swap regarding share-based incentive program	-47	-
Repurchase of shares	-304	-499
Closing balance	13,736	13,714

Parent company condensed income statement

(SEKm)	Q4 2024	Q4 2023	FY 2024	FY 2023
Net sales	15	15	59	61
Gross income	15	15	59	61
Administrative expenses	-61	-56	-217	-198
Operating income	-46	-41	-158	-137
Net interest and other financial items	85	-61	157	-128
Income before tax and appropriations	38	-101	-1	-264
Appropriations	-217	127	-217	127
Net income for the period	-179	26	-218	-137

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

Parent company condensed balance sheet

(SEKm)	Dec 31 2024	Dec 31 2023
Non-current assets		
Machinery and equipment	1	1
Right of use assets	3	5
Shares and participations	13,821	13,821
Other financial receivables	14	3
Total non-current assets	13,839	13,830
Current assets		
Current receivables	122	163
Cash and cash equivalents	1,344	1,599
Total current assets	1,466	1,762
Total assets	15,305	15,592
Shareholders' equity		
Restricted equity	642	658
Non-restricted equity	14,343	14,850
Total equity	14,984	15,508
Untaxed reserves	-	9
Non-current liabilities		
Provisions	11	12
Lease liabilities	2	3
Total non-current liabilities	13	16
Current liabilities		
Lease liabilities	1	1
Other interest-bearing liabilities	-	2
Non-interest-bearing liabilities	307	55
Total current liabilities	308	59
Total shareholders' equity and liabilities	15,305	15,592

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)	Dec 31 2024				Dec 31 2023			
	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	1,287	-	-	1,287	397	-	-	397
Financial liabilities measured at fair value								
Contingent consideration	1,674	-	-	1,674	1,439	-	-	1,439

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)	Dec 31 2024	Dec 31 2023
Opening balance 1 January	397	408
Reported gains and losses in net income for the period	8	-23
Reported gains and losses in OCI for the period	-105	-
Acquisition ¹	908	17
Translation differences in income	30	-33
Translation differences in OCI	50	-
Loan converted to shares	-	27
Closing balance	1,287	397

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)	Dec 31 2024	Dec 31 2023
Opening balance 1 January	1,439	2,703
New acquisitions	66	0
Exercised payments, cash-based	-521	-1,421
Exercised payments, share-based	-	-347
Revaluation	346	326
Interest expense	216	212
Translation differences	128	-33
Closing balance	1,674	1,439

(SEKm)	2024	2025	2026	2027+	Total
Cash consideration	-	1,004	605	66	1,674
Total contingent consideration	-	1,004	605	66	1,674

Divestment

Kongregate was deconsolidated from early Q1 this year due to the merger of Kongregate into Monumental. MTG's holding in Monumental is calculated as a purchase price which amounts to a 30% stake in business. MTG's shares represent less than 20% of the votes in Monumental and the holding is therefore reported as a financial asset as part of the shares in associated companies and other companies in the group's balance sheet. The initial value is based on a fair value assessment.

Effects on the cash flow from the divestment are shown below:

(SEKm)	Q1 2024
Assets	993
Cash and cash equivalents	15
Total assets	1,008
Liabilities and provisions	119
Total liabilities and provisions	119
Purchase price	889
Non-cash settlement through shares ¹	889
Cash and cash equivalents in Kongregate	-15
Impact on cash and cash equivalents	-15

¹) Received shares in Monumental, booked as a financial assets

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 quarter, the group changed its definition of adjusted EBITDA. The new definition of adjusted EBITDA also includes revaluation effects of put/call options.

(SEKm)	Q4 2024	Q4 2023	FY 2024	FY 2023
EBIT	170	259	901	885
Amortization	132	144	516	487
Depreciation	15	17	59	67
EBITDA	317	420	1,476	1,439
Items affecting comparability	0	0	0	40
Impairment own capitalized costs	8	-	8	-
Non-recurring bonus structures	3	6	24	33
M&A transaction costs and revaluation of put/call options	127	13	158	36
Adjusted EBITDA	455	439	1,666	1,548

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)	Q4 2024	Q4 2023	FY 2024	FY 2023
Group				
Organic growth	9%	3%	-1%	-2%
Acquisition/ divestments	-3%	9%	4%	2%
Changes in FX rates	2%	1%	0%	5%
Reported growth	8%	13%	3%	5%

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 from continuing operations before other financial items, net interest and tax.

EBITDA

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

IAA

In app advertising.

IAP

In app purchases.

Items affecting comparability (IAC)

Items affecting comparability refers to material items and events related to changes in the group's structure or lines of business, which are relevant for understanding the group's development on a comparable basis.

MAU

Monthly active user.

Net debt

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

Organic growth

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

Shareholder information

MTG's Annual General Meeting 2025

The Annual General Meeting will be held on 15 May 2025 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 (publ), 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 Annual General Meeting 2025

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 2025 Annual General Meeting.

The Nomination Committee comprises:

- Christian Rauda, appointed by EHM Holding GmbH
- Klaus Roehrig, appointed by Active Ownership Corporation
- Malin Björkmo, appointed by Handelsbanken Fonder AB and
- Simon Duffy, the Chairman of the Board

In line with past practice, the members of the Committee have appointed Christian Rauda, representing the largest shareholder on the last business day of August 2024, as the Committee Chairman.

Please see the following [section](#) on MTG.com for information about the work of the 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, Box 2094, SE-103 13 Stockholm, Sweden.

Financial calendar

Item	Date
Q1 2025 Financial Results report	29 April 2025
Annual General Meeting 2025	15 May 2025
Q2 & Half Year 2025 Financial Results report	18 July 2025
Q3 & 9 Months 2025 Financial Results report	23 October 2025

Questions?

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Conference call

MTG will host a livestream and conference call at 10.00 CET today, on 6 February 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 February 6, 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.