

## MTG kicks off 2025 with a strong Q1 with 6% organic revenue growth and healthy operating margin of 24%

Historic milestone Q1 defined by closing of transformative acquisition of Plarium and strong organic growth<sup>1</sup> on the back of scaled-up marketing for key titles and new games. Plarium was consolidated from 1 February and reported revenues were therefore up 77% year over year in Q1. Our original studios continued to successfully scale profitable marketing, with UA spend up 26% year over year for our original studios in Q1. Total user acquisition spend (UA) represented 38% of net sales in Q1. Total adjusted EBITDA amounted to SEK 616 million in Q1, a 56% increase year over year in, with an operating margin of 24%.

### Financial highlights Q1

- Net sales increased by 77% to SEK 2,557 (1,447) million year over year (6% organic growth) and were up 79% in constant currencies
- UA spend of SEK 960 (527) million corresponding to 38% (36%) of revenues and up 26% year over year for our original studios
- Adjusted EBITDA up by 56% year over year to SEK 616 (396) million with an adjusted EBITDA margin of 24% (27%), adjustments included SEK 14 million for M&A transaction costs and revaluation of put/call options
- Reported EBITDA of SEK 594 (377) million and EBIT of SEK 290 (236) million driven by increased amortization levels of intangible assets arising from the acquisition of Plarium, primarily related to RAID: Shadow Legends
- Net financial items of SEK -85 (-157) million, driven mainly by MTG's outstanding liability of the Class C shares held as part of the PlaySimple transaction. Net interest amounted to SEK -19 (33) million
- Tax amounted to SEK -140 (-111) million
- Total net income of 65 (-31) million
- Non-cash impairment of SEK 675 million of MTG's shareholding in Monumental<sup>2</sup> impacting OCI due to lower-than-expected performance in the company combined with lowered future expectations
- Cash flow from operations of SEK 176 (293) million driven by changes in working capital, including a non-cash change in deferred revenues at the time of the acquisition of Plarium. Cash conversion of 56% for the 12-month period ended 31 March 2025
- Cash and cash equivalents at the end of the period amounted to SEK 2,176 (3,332) million with a net financial debt of SEK 2,493 million
- MTG's has set November 13 as the new date for the announcement of our financial results for Q3 and nine-month period of 2025

### Financial overview

(SEKm)	Q1 2025	Q1 2024	FY 2024
Net sales	2,557	1,447	6,015
EBIT	290	236	901
EBITDA	594	377	1,476
Adjusted EBITDA	616	396	1,666
Net income	65	-31	-210
Cash flow from operations	176	293	1,340
Basic earnings per share (SEK)	0.55	-0.26	-1.74
Diluted earnings per share (SEK)	-	-0.26	-1.74
Growth			
Sales growth, %	77%	11%	3%
Changes in FX rates	-3%	1%	0%
Sales growth at constant FX	79%	10%	3%
of which organic growth	6%	4%	-1%

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

<sup>2</sup> MTG owns 30% of the shares and less than 20% of the votes in Monumental, and reports this investment as a financial asset. MTG received the shares as payment for Monumental's acquisition of Kongregate in February 2024.

## President & CEO's comments



### Strong Q1 kicks off 2025 with 6% organic growth, healthy margins and closed transformative deal

The first quarter of 2025 is one of the most significant milestone periods in our history. The closing of the transformative acquisition of Plarium significantly enhances our scale as a combined gaming group, nearly doubling our total revenues. The closing expands our portfolio with both high quality games, headlined by RAID: Shadow Legends, and effective commercial tools, including a best-in-class publishing platform. In addition, the consolidation expands our pipeline of new games for 2025 and 2026, which is a key element in our future growth journey.

It also makes me very happy to report strong organic year over year growth of 6%, together with scaled up marketing in our original studios in Q1. This, combined with a healthy operating margin in the quarter, reflects the strength of our operating model and quality of our studios.

We kicked off the integration work immediately after closing the Plarium transaction and are now evaluating how the combination of ours and Plarium's tech and tools can help us accelerate our strategic execution and delivery. I am convinced that MTG and Plarium are set to be better together, and I am also excited about the prospects of what we can achieve over the medium and long term as a scaled gaming group.

### Good operational momentum in Q1

Our good operational momentum continued throughout Q1 and into April. This sets us up to continue scaling marketing in Q2, and to deliver profitable organic growth in 2025 and beyond. Our studios remain focused on delivering effective live-ops and engaging content in our established evergreen titles, combined with an ambitious agenda to launch and scale new games to expand our portfolio over time.

Our organic revenue growth in the quarter was driven by the ongoing traction in our Word Games, continued strong growth in Warhammer 40,000: Tacticus and our new title Heroes of History, which has been resonating with players and scaling rapidly with encouraging KPIs. RAID: Shadow Legends, now our largest title, had an encouraging March with strong event performance.

Total net sales were up 77% year over year in Q1 following the consolidation of Plarium. Our top line results in the quarter were negatively affected by currency headwinds from the weakening US dollar and we therefore reported 79% year on year sales growth in constant currencies.

### Front-loaded marketing investments driving growth

We invested a total of SEK 960 million in user acquisition in Q1, corresponding to 38% of our revenues. UA spend was up 26% year over year for our original studios, as we continued to invest at healthy return levels after the seasonally strong Q4 last year.

The biggest drivers of our year over year increase in UA were the geographical expansion of our word games, our new well-performing strategy and city building title Heroes of History and Warhammer 40,000: Tacticus. We are very happy with this performance and will continue to invest in growth while maintaining our disciplined approach to return on ad spend.

We reported SEK 616 million of total adjusted EBITDA in Q1. This performance reflected the consolidation of Plarium and the increased user acquisition levels in three of our studios mentioned above. We therefore delivered an operating margin of 24% in the first quarter.

We reported a cash conversion of 56% for the 12-month period ending on 31 March 2025, which was within our current long-term guided range of 50%-60%. The result mainly reflected negative working capital in the quarter, a non-cash change in deferred revenues at the time of the Plarium acquisition and higher tax payments.

### We are building a scaled, leading ecosystem for game makers

Thanks to the Plarium acquisition, we are now the largest listed mobile gaming company in Europe and in the top-10 list of mobile developers in the West. Part of our vision and strategy as a gaming group is to build a synergetic common layer of shared proprietary tech and tools. The acquisition of Plarium enables us to accelerate this journey by adding strong proprietary technologies like GoGame, which is Plarium's marketing tools and tech, and Plarium Play, a strong publishing platform, to our portfolio.

We have already made good progress on evaluating areas of collaboration and the potential for acceleration and commercial synergies and increased efficiency that comes from our combined portfolio of tools and tech. Our firm belief is that we will be a better group together, and our ambition is to accelerate our overall commercial evolution and help our studios to work closer together.

We also continue to explore future M&A. As we scale and evolve, we can offer new studios more opportunities, more support and more knowledge when they join MTG. I want MTG to be a place that game makers are proud to call home and a group that attracts new, exciting talents. At the same time, we have a firm M&A framework in place, and we will continue to be highly selective in any future deals.

Last, but not least, we continue to execute on the share buyback program that runs until the end of April this year. Our Board of Directors is also seeking a new share repurchase mandate from the 2025 AGM in May.

Thank you for following our journey. We have a lot of exciting work ahead of us in 2025 and I look forward to continue updating you on our progress as we continue to transform MTG for the future.

*Maria Redin*

*Group President & CEO, Modern Times Group MTG AB*

## **2025 outlook**

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

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

## Significant events

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

**February 25** – MTG announces that Nick Hopkins has been appointed as the group's Chief Financial Officer. Nick will join in May and will leverage skills and experience from over 15 years in investment banking, where he has covered and advised on a range of sectors including gaming, media, technology and consumer retail.

**Further information about the group's significant events can be found on MTG's homepage on [www.mtg.com](http://www.mtg.com)**

## Group performance

### Net sales

(SEKm)	Q1 2025	Q1 2024	FY 2024
Net sales	2,557	1,447	6,015
Sales growth, %	77%	11%	3%
Changes in FX rates	-3%	1%	0%
Sales growth at constant FX	79%	10%	3%
of which organic growth	6%	4%	-1%

Following the acquisition of Plarium, our games portfolio now includes 47 live games. Net sales for the group were up by 6% organically year over year and by 77% year over year in Q1 to SEK 2,557 million, with a -3% negative impact from currency effects. The organic increase was driven by Snowprint, PlaySimple, Ninja Kiwi and InnoGames, while the reported year over year increase reflected the consolidation of Plarium.

### Reported sales by franchise

(SEKm)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Plarium	1,066	-	-	-	-
Word Games	608	671	552	561	575
Strategy & Simulation	567	674	524	507	521
Racing	114	135	161	166	129
Tower Defense	108	101	120	120	114
Other smaller franchises	95	112	81	84	108
Total sales	2,557	1,693	1,438	1,437	1,447

**Word Games** franchise revenues were up 7% year over year but decreased by -5% sequentially in constant currencies. The growth was primarily driven by the ongoing geographical expansion of key games beyond English-speaking markets, which has expanded the player base for the franchise, setting the stage for long-term organic growth.

PlaySimple has continued to expand its established games with features designed to boost engagement and improve the player experience. The team updated the visuals in Word Trip, launched a new puzzle format and live-ops in Daily Themed Crossword to support level progression and retention, added new puzzle types to enrich the gaming experience in Crossword Jam. To further strengthen engagement, the team launched a PvP event and refreshed content in Word Search while Word Roll received features for a more seamless player experience.

The team also continued to actively evolve its casual games outside the Word Games franchise. Tile Match was expanded with new in-game events and content to drive engagement. The user experience was enhanced in Two Square: 2048 Numbers Merge with targeted improvements aimed at strengthening player retention.

During the quarter, PlaySimple also soft-launched Word Search Solitaire and Crossword Go on iOS. These games are currently in a testing phase and have not yet been officially released.

**Strategy & Simulation** franchise revenues were up 10% year over year but down sequentially by -13% in constant currencies.

Forge of Empires hosted the Wildlife and the St Patrick's events during the quarter which were well received by players. They also launched a third event at the end of March.

Heroes of History continues to outperform previous new releases from InnoGames on a like-for-like basis. In Q1, the team expanded the game significantly with three in-game seasons featuring six new heroes, including Amelia Earhart and Wolfgang Amadeus Mozart.

Snowprint launched a downloadable PC desktop version of Warhammer 40,000: Tacticus, offering players greater flexibility and creating new monetization opportunities. The team also rolled out a web store loyalty program, adding an extra layer of rewards for players and encouraging gameplay outside of the mobile app stores. The legendary character Dante made a highly anticipated debut, drawing strong engagement from the community and further cementing the game's appeal among core Warhammer fans.

**Plarium franchise** games were consolidated from February 1 and contributed SEK 1,066 million of revenue in Q1. RAID: Shadow Legends, now our largest title following the acquisition of Plarium, celebrated its sixth anniversary in March with the Festival of Creation - a large-scale in-game event. The celebration included a special Fusion event and free in-game content designed to drive player engagement and reactivation. The milestone celebration delivered an all-time daily revenue record for the game, with March 2025 being the 4th all-time highest month ever in terms of revenues. During the quarter, the team expanded the game's reach and launched it on an alternative app store called Aptoide.

They also introduced five new Champions inspired by Alice in Wonderland to the game, adding fresh content to drive player engagement.

Mech Arena hosted a St Patrick's Day celebration with green themed puzzles and events to keep players engaged. In March, they launched a new season – Dead Tropical Island – introducing the new Mech Leech, new weapons, a new map, and two new skins for each Mech.

Plarium's casual title, Merge Gardens, continued to grow its live operations. The team launched a Valentine's Day event with themed puzzles, mission boards and special offers to boost engagement and in-game spending. In March, the game introduced Maze Quest, a new game mode in tournament style that was also featured on the Apple App Store, which resulted in increased visibility and installs. A new monetization system was also introduced, with the goal of increasing in-game purchases.

**Tower Defense** franchise revenues was up 3% year over year and up 15% sequentially in constant currencies.

In February Ninja Kiwi launched Rogue Legends, a major expansion for Bloons TD 6, which offers a new single-player mode with dynamic content. The expansion was well received by the Bloons community and has been a major driver behind the franchise's revenue performance in the quarter. The team also added a new map and an advanced new tower to the game.

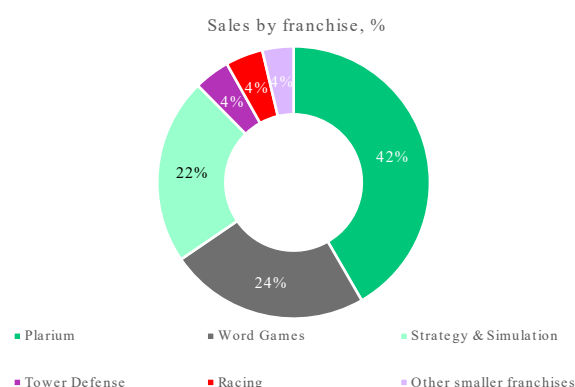
Bloons Card Storm is still in soft launch and introduced several new features in their latest update, most notably the new Ranked mode – a competitive real-time multiplayer experience that has quickly become a player favorite.

Ninja Kiwi continued development on two upcoming titles during the quarter. The team plans to release Fightland, a large-scale team battle arena based on a new IP, in early access next quarter. Work also progressed on Zombie

Assault: Resurgence, the second instalment in the popular action shooter game.

**Racing** franchise revenues were down by -12% both year over year and sequentially in constant currencies. The first quarter is typically slower for the franchise, as the annual F1 Clash season reset is launched in Q2, following the launch of the F1 racing season in March. The team has successfully continued to focus on driving the game's performance in the off-season with key content, and revenues in F1 Clash were therefore up year over year.

The team has also focused on the launch of Matchcreek Motors, taking the learnings from the match-3 game Forza Customs. As Hutch has reallocated their resources from Forza Customs to Matchcreek Motors, the push has led to a natural short-term year over year decline in revenues for the racing franchise. The new game targets a somewhat older and more casual audience. The team is monitoring early KPIs and will begin testing marketing performance at low levels in Q2.



## New games in early scaling and soft launch

Title/platform expansion	Publisher	Type
Matchcreek Motors	Hutch	Early scaling
Hot Wheels: Race Off	Hutch	Apple Arcade launched
Crossword Go	PlaySimple	Soft launch, Apple only
Cryptogram	PlaySimple	Soft launch, Android & Apple
Two Square: 2048 Numbers Merge	PlaySimple	Commercial launch
Tile Match	PlaySimple	Commercial launch
WordSearch Solitaire	PlaySimple	Soft launch
Word Trip	PlaySimple	Commercial launch
Heroes of History	InnoGames	Early scaling
Cozy Coast	InnoGames	Soft launch during Q2
Bloons Card Storm	Ninja Kiwi	Early scaling
Fightland	Ninja Kiwi	New game launch
Bloons TD 6	Ninja Kiwi	Switch launch
Zombie Assault: Resurgence	Ninja Kiwi	New game launch
Elf Islands	Plarium	Soft launch

## Key performance indicators

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
DAU, million	9.0	6.3	6.1	5.8	6.5
MAU, million	41.6	30.5	28.3	26.9	31.9
ARPDau, SEK	3.1	2.9	2.6	2.7	2.5
Revenue generated by the top 3 games, %	49%	41%	39%	38%	40%
Revenue generated by platform, %					
Mobile	73%	78%	77%	76%	75%
Direct to consumer	24%	19%	19%	19%	20%
Other	3%	3%	5%	5%	4%
Revenue generated by territory, %					
Europe	35%	34%	35%	33%	32%
North America	57%	60%	59%	61%	63%
Asia Pacific	7%	5%	5%	5%	4%
Rest of World	1%	1%	1%	1%	1%
Revenue generated by monetization type, %					
IAP	76%	60%	62%	61%	59%
IAA	21%	36%	32%	33%	35%
Other	3%	4%	6%	6%	5%
UA spend, SEKm	960	677	548	470	527

The group's total daily active users (DAU) grew by 44% sequentially, due to the inclusion of Plarium and supported by strong contributions from PlaySimple's geographical expansion of their word games. The Strategy & Simulation franchise also reported increased DAU levels, driven by the strong performance of new title Heroes of History. DAU's were up on an organic basis in Q1, both year over year and from Q4 2024.

Average Revenue per Daily Active User (ARPDau) grew sequentially by 7%, driven by the consolidation of Plarium. Combined ARPDau for our original studios declined somewhat sequentially from the fourth quarter, as PlaySimple's user base grew rapidly, which resulted in lower ARPDau levels. The year over year growth was driven by the inclusion of Plarium, as well as increased ARPDau levels in Hutch, Ninja Kiwi and InnoGames, offset by lower year over year ARPDau levels in our PlaySimple, reflecting the growing user base in new territories.

The group's top three largest games in Q1 were RAID: Shadow Legends, Forge of Empires and Warhammer 40,000: Tacticus. Together, these games accounted for 49% of the group's revenues in the first quarter, compared to 41% in the fourth quarter. Mobile represented 73% (75%) of total revenues in the first quarter, while direct to consumer revenues, including browser, accounted for 24% (20%).

## Adjusted EBITDA, EBITDA and EBIT

(SEKm)	Q1 2025	Q1 2024	FY 2024
EBIT	290	236	901
Amortization	275	126	516
Depreciation	29	15	59
EBITDA	594	377	1,476
Items affecting comparability	-	-	0
Impairment own capitalized costs	-	-	8
Non-recurring bonus structures	7	14	24
M&A transaction costs and revaluation of put/call options	14	5	158
Adjusted EBITDA	616	396	1,666
Adjusted EBITDA margin	24%	27%	28%

Total user acquisition (UA) costs accounted for 38% of group revenues in Q1, up from 36% in the same period last year but slightly down from 40% in Q4. UA spend for our original studios was up 26% year over year in constant currencies, driven by scaled marketing investments in the geographical expansion of word games, our new Strategy and Simulation franchise title Heroes of History and Warhammer 40,000: Tactics. Total group UA spend was up 84% year over year in Q1, following the consolidation of Plarium from 1 February 2025.

We reported a 56% increase in adjusted EBITDA to SEK 616 (396) million in Q1, with an operating margin of 24% in Q1, primarily driven by the consolidation of Plarium and increased marketing investments in several of our game franchises.

The group's adjustments to reported EBITDA amounted to SEK 21 (19) million in the quarter. This included an adjustment for non-recurring bonus structures of SEK 7 (14) million and an adjustment for M&A transaction costs of approximately SEK 14 (5) million. The group's adjustments to reported EBITDA also included the performance-based revaluation of put/call options.

Depreciation and amortization amounted to SEK 304 (141) million and included amortization of purchase price allocations (PPA) of SEK 245 (100) million. The increased amortization levels arise from allocated surplus values related to RAID: Shadow Legends as well as other identified intangible assets following the consolidation of Plarium.

Excluding PPA, depreciation and amortization amounted to SEK 59 (41) million.

Consolidated EBIT was SEK 290 (236) million in the quarter, which corresponded to an EBIT margin of 11% (16%). Operating costs before depreciation and amortization increased by 84% year over year to SEK 1,963 (1,069) million.



## Net financials

(SEKm)	Q1 2025	Q1 2024	FY 2024
Net interest	-19	33	129
Revaluation earnout effects	76	-241	-690
Revaluation PlaySimple debt (C-shares)	-101	16	-68
Revaluation purchase price	-41	-	-
Put/call option	2	-	-111
Exchange rate differences	20	37	35
Other	-23	-1	-14
<b>Total financial net</b>	<b>-85</b>	<b>-157</b>	<b>-719</b>

Total net financial items amounted to SEK -85 (-157) million in the quarter, of which net interest amounted to SEK -19 (33) million and other financial items to SEK -67 (-190) million. Other financial items comprised discounting effects and revaluation and exchange rate effects on earnout liabilities and amounted to SEK 76 (-241) million.

In addition, other financial items included a SEK -101 (16) million revaluations 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 a SEK -41 million effect from the final adjustment of the purchase price in PlaySimple related to an incentive plan taken over by MTG at the time of the acquisition.

Other financial items also included the revaluation of put/call options of SEK 2 (-) million and exchange rate differences in the quarter amounted to SEK 20 (37) million, of which SEK -10 (-12) million relates to VC funds. In addition other revaluation effects amounted to SEK -23 million.

## Taxes

The group's tax amounted to SEK -140 (-111) million in the quarter.

## Venture capital fund investments

The MTG VC fund has invested a total of SEK 415 (USD 40) million in a total of 26 companies to date. VC investments complement MTG's majority stake investment in InnoGames, Hutch, Ninja Kiwi, PlaySimple, Snowprint and Plarium.

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

## Financial review

### Cash flow

(SEKm)	Q1 2025	Q1 2024	FY 2024
Cash flow from operations before changes in tax and working capital	530	332	1,599
Taxes paid	-214	-78	-522
Changes in working capital	-140	39	264
Cash flow from operations	176	293	1,340
Cash flow from investing activities	-6,045	-45	-551
Cash flow from financing activities	4,685	-10	-388
Total net change in cash and cash equivalents	-1,184	240	401
Cash and cash equivalents at the beginning of the period	3,543	2,956	2,956
Translation differences in cash and cash equivalents	-183	137	186
Cash and cash equivalents at end of the period	2,176	3,332	3,543

#### Cash flow from operations

Total cash flow from operations amounted to SEK 176 (293) million in the quarter. The group reported changes in working capital of SEK -140 (39) million in the quarter. The year over year change in working capital reflected the timing of certain payments and effects from the consolidation of Plarium, which included differences in accounts receivables and a non-cash accounting change in deferred revenues at the time of the acquisition. Paid taxes amounted to of SEK -214 (-78) million in the quarter, driven in part by the payment of taxes related to 2023 in one of our studios.

#### Cash flow from investing activities

Total cash flow relating to investing activities amounted to SEK -6,045 (-45) million in the quarter. This mainly consisted of acquisition of subsidiaries amounted to SEK -5,988 (0) million. Investing activities also included capital expenditure on tangible and intangible assets amounting to SEK -41 (-24) million, primarily comprising capitalized development costs for games and platforms. In addition, other investments amounted to SEK -16 (-4) million.

#### Cash flow from financing activities

Total cash flow relating to financing activities amounted to SEK 4,685 (-10) million, mainly consisting of a repurchase of shares amounted to SEK -110 (-199) million, loans amounted to SEK 4,807 (0) million and the group's leasing payments.

The net change in cash and cash equivalents amounted to SEK -1,184 (240) million in the quarter and the group had a total cash and cash equivalents of SEK 2,176 (3,332) million at the end of the period.

### Net debt

Net financial debt refers to the sum of interest-bearing liabilities less cash and cash equivalents. Net financial debt as of March 31, 2025, amounted to SEK 2,493 (-3,165) million. The net debt calculation included external financing of SEK 4,416 million (0), lease liabilities of SEK 253 (167) million, less SEK 2,176 (3,332) million in cash and cash equivalents. The financial leverage ratio amounted to 0.82x based on the 12-month period EBITDA including Plarium.

Total net debt comprised interest-bearing liabilities of SEK 4,669 (167) million, earn-out liabilities of SEK 2,249 (1,680) million and put/call options of SEK 322 (159) million, less cash and cash equivalents of SEK 2,176 (3,332) million. Total net debt as at March 31 amounted to SEK 5,064 (-1,326) million. The leverage ratio amounted to 1.66x based on the 12-month period EBITDA including Plarium.

## Parent company

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

(SEKm)	Q1 2025	Q1 2024	FY 2024
Net sales	17	15	59
Net interest and other financial items	144	90	157
Income before tax and appropriations	77	55	-1

Net interest and other financial items for the quarter amounted to SEK 144 (90) million. Net interest amounted to SEK 8 (24) million. Unrealized and realized exchange rate differences amounted to SEK -13 (67) million and other financial items to SEK -1 (-1) million.

The parent company had cash and cash equivalents of SEK 66 (1,774) million at the end of the period.

The total number of shares outstanding at the end of the period was 117,507,931 (121,681,404), excluding the 4,522,073 Class B shares and the 6,280,623 Class C shares held by MTG as treasury shares.

## Other information

### Accounting policies

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

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

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

### Related party transactions

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

### Risks and uncertainties

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

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

Risks and uncertainties are also described in more detail in the 2024 Annual Report, which is available at [www.mtg.com](http://www.mtg.com).

Stockholm, 29 April 2025

*Maria Redin*

*Group President & CEO, Modern Times Group MTG AB*

## Condensed consolidated income statement

(SEKm)	Q1 2025	Q1 2024	FY 2024
Continuing operations			
Net sales	2,557	1,447	6,015
Cost of goods and services	-775	-383	-1,554
Gross income	1,783	1,063	4,462
Selling expenses	-1,051	-542	-2,302
Administrative expenses	-460	-286	-1,275
Other operating income	29	7	37
Other operating expenses	-11	-5	-21
EBIT	290	236	901
Net interest	-19	33	129
Other financial items	-67	-190	-847
Income before tax	205	80	182
Tax	-140	-111	-392
Total net income for the period	65	-31	-210
Net income for the period attributable to:			
Equity holders of the parent	65	-31	-210
Non-controlling interest	-	-	-
Net income for the period	65	-31	-210
Basic earnings per share, SEK	0.55	-0.26	-1.74
Diluted earnings per share, SEK	-	-0.26	-1.74
Number of shares			
Shares outstanding at the end of the period	117,507,931	121,681,404	118,306,464
Basic average number of shares outstanding	117,913,590	121,681,404	120,500,977
Diluted average number of shares outstanding	-	122,257,218	121,137,914

## Condensed statement of comprehensive income

(SEKm)	Q1 2025	Q1 2024	FY 2024
Net income	65	-31	-210
Other comprehensive income			
Items that are or may be reclassified to profit or loss, net of tax:			
Currency translation differences	-1,095	512	592
Items that cannot be transferred to profit or loss, net of tax:			
Fair value change of equity instruments	-675	-	-55
Total comprehensive income	-1,706	481	327
Total comprehensive income attributable to:			
Equity holders of the parent	-1,706	481	327

**Condensed consolidated balance sheet**

(SEKm)	Mar 31 2025	Mar 31 2024	Dec 31 2024
Non-current assets			
Goodwill	11,480	10,277	10,383
Other intangible assets	6,520	2,097	1,761
Total intangible assets	18,001	12,374	12,145
Total tangible assets	146	36	28
Right of use assets	252	166	150
Shares and participations in associated and other companies	585	1,328	1,289
Other financial receivables	207	212	124
Total non-current financial assets	792	1,540	1,412
Total non-current assets	19,190	14,116	13,735
Current assets			
Other receivables	1,396	697	790
Cash and cash equivalents	2,176	3,332	3,543
Total current assets	3,572	4,029	4,333
Total assets	22,762	18,145	18,068
Equity			
Shareholders' equity	11,932	14,208	13,736
Total equity	11,932	14,208	13,736
Non-current liabilities			
Liabilities to financial institutions	4,299	-	-
Lease liabilities	199	134	115
Total non-current interest-bearing liabilities	4,499	134	115
Provisions	1,144	556	422
Contingent consideration	954	1,205	670
Other non-interest-bearing liabilities	177	180	184
Total non-current non-interest-bearing liabilities	2,275	1,942	1,276
Total non-current liabilities	6,774	2,076	1,391
Current liabilities			
Contingent consideration	1,295	475	1,004
Liabilities to financial institutions	100	-	-
Lease liabilities	54	33	36
Other interest-bearing liabilities	718	518	602
Other non-interest-bearing liabilities	1,888	835	1,300
Total current liabilities	4,056	1,862	2,941
Total liabilities	10,830	3,937	4,332
Total shareholders' equity and liabilities	22,762	18,145	18,068

## Condensed consolidated statement of cash flows

(SEKm)	Q1 2025	Q1 2024	FY 2024
Income before tax	205	80	182
Adjustment for items not included in cash flow	325	253	1,417
Taxes paid	-214	-78	-522
Changes in working capital	-140	39	264
Cash flow from operations	176	293	1,340
Investments/divestments in deposits	-	-	114
Acquisition / sale of subsidiaries, associates and other investments	-6,003	-20	-46
Earnout payments	-	-	-521
Investments in other non-current assets	-41	-24	-98
Other cash flow from/used in investing activities	-	-	-
Cash flow from investing activities	-6,045	-45	-551
Repurchase of shares	-110	-	-304
Loan	4,807	-	-
Share swap regarding share incentive programs	-	-	-47
Other cash flow from/used in financing activities	-12	-10	-38
Cash flow from financing activities	4,685	-10	-388
Total net change in cash and cash equivalents	-1,184	240	401
Cash and cash equivalents at the beginning of the period	3,543	2,956	2,956
Translation differences in cash and cash equivalents	-183	137	186
Cash and cash equivalents at end of the period	2,176	3,332	3,543

## Condensed consolidated statement of changes in equity

(SEKm)	Mar 31 2025	Mar 31 2024	Dec 31 2024
Opening balance	13,735	13,714	13,714
Net income for the period	65	-31	-210
Other comprehensive income for the period	-1,771	512	536
Total comprehensive income for the period	-1,706	481	327
Effect of employee share programs	13	12	45
Share swap regarding share-based incentive program	-	-	-47
Repurchase of shares	-110	-	-304
Closing balance	11,932	14,208	13,736

## Parent company condensed income statement

(SEKm)	Q1 2025	Q1 2024	FY 2024
<b>Net sales</b>	<b>17</b>	<b>15</b>	<b>59</b>
Gross income	17	15	59
<b>Administrative expenses</b>	<b>-84</b>	<b>-50</b>	<b>-217</b>
Operating income	-67	-35	-158
<b>Net interest and other financial items</b>	<b>144</b>	<b>90</b>	<b>157</b>
Income before tax and appropriations	77	55	-1
<b>Appropriations</b>	<b>0</b>	<b>-</b>	<b>-217</b>
Net income for the period	77	55	-218

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

## Parent company condensed balance sheet

(SEKm)	Mar 31 2025	Mar 31 2024	Dec 31 2024
<b>Non-current assets</b>			
Machinery and equipment	1	1	1
Shares and participations	15,231	13,821	13,821
Other financial receivables	9	4	14
Total non-current assets	15,241	13,827	13,839
<b>Current assets</b>			
Current receivables	57	31	122
Cash and cash equivalents	66	1,774	1,344
Total current assets	124	1,804	1,466
Total assets	15,365	15,631	15,305
<b>Shareholders' equity</b>			
Restricted equity	642	658	642
Non-restricted equity	14,322	14,916	14,343
Total equity	14,964	15,575	14,984
Untaxed reserves	-	9	-
<b>Non-current liabilities</b>			
Provisions	9	15	11
Total non-current liabilities	9	15	11
<b>Current liabilities</b>			
Other interest-bearing liabilities	-	-	-
Non-interest-bearing liabilities	392	33	307
Total current liabilities	392	33	307
Total shareholders' equity and liabilities	15,365	15,631	15,302



## Financial instruments at fair value

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

(SEKm)	Mar 31 2025				Dec 31 2024			
	Fair value	Level 1	Level 2	Level 3 <sup>1</sup>	Fair value	Level 1	Level 2	Level 3 <sup>1</sup>
Financial assets measured at fair value								
Shares and participations in other companies	584	-	-	584	1,287	-	-	1,287
Financial liabilities measured at fair value								
Contingent consideration	2,249	-	-	2,249	1,674	-	-	1,674

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

## Valuation techniques

**Shares and participations in other companies** – acquisition cost is initially considered to be a representative estimate of fair value. Subsequently, values are remeasured at fair value and gains/losses recognized when there is subsequent financing through participation by a third-party investor, in which case the price per share in that financing is used, when there is a realized exit or when there are indications that cost is not representative of fair value and sufficient, more recent information is available to measure fair value. Listed holdings are valued at the current share price.

(SEKm)	Mar 31 2025	Dec 31 2024
Opening balance 1 January	1,287	397
Reported gains and losses in net income for the period	6	8
Reported gains and losses in OCI for the period	-660	-105
Acquisition <sup>1</sup>	4	908
Translation differences in income	-38	30
Translation differences in OCI	-15	50
Loan converted to shares	-	-
Closing balance	584	1,287

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

**Contingent consideration** – expected future values are discounted to present value. The discount rate is risk-adjusted. The most critical parameters are estimated future revenue growth and future operating margin.

(SEKm)	Mar 31 2025	Dec 31 2024
Opening balance 1 January	1,674	1,439
New acquisitions	651	66
Exercised payments, cash-based	-	-521
Exercised payments, share-based	-	-
Revaluation	-	346
Interest expense	76	216
Translation differences	-152	128
Closing balance	2,249	1,674

(SEKm)	2025	2026	2027	2028+	Total
Cash consideration	1,109	754	-	386	2,249
Total contingent consideration	1,109	754	-	386	2,249

## Alternative performance measures

The purpose of alternative performance measures (APMs) is to facilitate the analysis of business performance and industry trends that cannot be directly derived from financial statements. MTG uses the following APMs:

- Adjusted EBITDA
- Change in net sales from organic growth

## Reconciliation of adjusted EBITDA

Adjusted EBITDA is used to assess MTG's underlying profitability. Adjusted EBITDA is defined as EBITDA adjusted for the effects of items affecting comparability, non-recurring bonus structures, acquisition-related transaction costs, revaluation of put/call options and impairment of capitalized internal work. Items affecting comparability refer to material items and events related to changes in the group's structure or lines of business, which are relevant for understanding the group's development on a like-for-like basis. During this year, the group changed its definition of adjusted EBITDA. The new definition of adjusted EBITDA also includes revaluation effects of put/call options.

(SEKm)	Q1 2025	Q1 2024	FY 2024
EBIT	290	236	901
Amortization	275	126	516
Depreciation	29	15	59
EBITDA	594	377	1,476
Items affecting comparability	-	-	0
Impairment own capitalized costs	-	-	8
Non-recurring bonus structures	7	14	24
M&A transaction costs and revaluation of put/call options	14	5	158
Adjusted EBITDA	616	396	1,666

## Reconciliation of sales growth

Since the group generates the majority of its sales in currencies other than the reporting currency (i.e., SEK, Swedish krona) and currency rates have proven to be rather volatile, the group's sales trends and performance are analyzed as changes in organic sales growth. This presents the increase or decrease in overall SEK net sales on a comparable basis, allowing for separate discussions of the impact of exchange rates, acquisitions, and divestments. The following table presents changes in organic sales growth as reconciled to the change in total reported net sales.

(SEKm)	Q1 2025	Q1 2024	FY 2024
Group			
Organic growth	6%	4%	-1%
Acquisition/divestments	73%	7%	4%
Changes in FX rates	-3%	1%	0%
Reported growth	77%	11%	3%

## Business combinations

### Acquisitions in 2025

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

### Preliminary purchase price allocations for the year

Refers to acquisitions completed during the first quarter of 2025.

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

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

## Effect of acquisition on the group's results

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

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

(SEKm)

Sales	1,065
Income before tax <sup>1</sup>	118

<sup>1)</sup> Income before tax includes amortization of purchase price allocations of SEK -133 million

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

(SEKm)

Sales	3,081
Income before tax <sup>1</sup>	171

<sup>1)</sup> Income before tax includes amortization of purchase price allocations of SEK -315 million

## **Events after the end of the period**

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

## Definitions

### Adjusted EBITDA

EBITDA, adjusted for the effects of items affecting comparability, long-term incentive programs, acquisition-related transaction costs, revaluations of put/call options and impairment of own work capitalized, which are referred to as adjustments.

### ARPPDAU

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.

### 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.

### MAU

Monthly active user.

### Net financial debt

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

### Net debt

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

### Organic growth

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

### ROAS

Return on ad spend.

### Transactional currency effect

The effect that foreign exchange rate fluctuations can have on a completed transaction prior to settlement. This refers to the exchange rate, or currency risk associated specifically with the time delay between entering into a trade or contract and then settling it.

### Translational currency effect

Converting one currency to another, often in the context of the financial results of foreign subsidiaries into the parent company's and/or the group's functional currency.

### UA

User acquisition.

# Shareholder information

## MTG’s Annual General Meeting 2025

The Annual General Meeting will be held on 15 May 2025 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](http://www.mtg.com)

## Financial calendar

Item	Date
Annual General Meeting 2025	15 May 2025
Q2 & Half Year 2025 Financial Results report	18 July 2025
Q3 & 9 Months 2025 Financial Results report	13 November 2025
<i>Please note that this is the new date for the Q3 report</i>	

## Questions?

Anton Gourman, VP Communications  
Direct: +46 73 661 8488, [anton.gourman@mtg.com](mailto:anton.gourman@mtg.com)  
Follow us: [mtg.com](http://mtg.com) / [LinkedIn](#)

## Conference call

MTG will host a livestream and conference call at 10.00 CET today, on 29 April 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](http://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, 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.