



MTG invests in Splay to accelerate expansion

MTG has increased its shareholding in Splay, the number one multi-channel network in Scandinavia, from 49% to 81% by buying more shares from the founders and investing directly in the company to accelerate Splay's expansion. Splay is already present in Germany and continues to expand internationally. Splay's content is currently generating over 120 million monthly views (up over 900% since the beginning of 2014) on its 430 YouTube channels. Splay's video stars have 14 million subscribers on YouTube and over 50 million followers on Instagram.

In just two years, Splay has developed from a Swedish start-up into an international digital content powerhouse promoting talents across YouTube, Facebook, Instagram and Twitter. Splay provides its 'millenials' audience with a wide range of short form comedy, music, sports, fashion, beauty, gaming and vlog entertainment.

Splay stars include the largest Swedish language YouTube channel "I Just Want To Be Cool", as well as popular channels like 'Clara Henry' and 'Rackartygarna' in Sweden; 'Prebz og Dennis' in Norway; and 'Kristine Sloth' in Denmark.

Splay primarily generates its revenues from advertising and influencer marketing campaigns for global brands like Coca-Cola, Unilever, P&G, McDonalds and L'Oréal. Splay's sales grew more than sixfold in 2014 and are expected to double in 2015. Splay has recently launched GoSnap (www.gosnap.co) in Scandinavia and Germany. GoSnap is an influencer marketing tool that connects Splay celebrity content creators directly with advertisers through a simple and quick online marketplace.

Splay continues to be managed by founder Vigor Sörman and team, who remain shareholders, and its results will now be consolidated within MTGx after the closing of the transaction.

Splay is part of MTG's fast growing portfolio of complementary digital video entertainment companies, which include Viaplay (subscription video on demand), Viagame (esports), NetInfo (Bulgaria's leading digital service provider), and MTG's 'Play' advertising video on demand TV sites in 8 European countries. MTG has also just announced its investment in a majority shareholding in ESL, which is the world's largest esports company.

“Splay's hypergrowth reflects the mass appeal of its content and huge potential of this proven business model. Splay is a fantastic youth entertainment brand, and this investment reflects the success of our partnership to date and high ambition for the future. It is in line with our digital strategy to invest in relevant, complementary and scalable digital content and communities. We are only just beginning to realise Splay's potential, and look forward to working with this talented and passionate

team to grow further and explore new opportunities together.

Splay's gaming channels will add further to our esports leadership and expansion potential with ESL and Viagame. At the same time, the combination with our own Play TV services will enable each business to grow more quickly, and offer unique cross-platform reach and promotion opportunities."

Jørgen Madsen Lindemann, MTG President and CEO

"Thanks to our cooperation with MTG, we have gone from a basement company to the market leader in our home markets. MTG's continued investment in Splay makes it possible for us to continue building our brand, develop our talents, and accelerate our international expansion. We look forward to continuing to work with MTG to build the digital media house for the next generation of content creators."

Vigor Sörman, Founder and CEO of Splay

Photos available from mtg.com

Any questions?

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MTG (Modern Times Group MTG AB (publ.)) is an international entertainment group. Our operations span six continents and include TV channels and platforms, online services, content production businesses and radio stations. We are also the largest shareholder in CTC Media, which is Russia's leading independent media company. Our shares are listed on Nasdaq OMX Stockholm ('MTGA' and 'MTGB').