

Unofficial translation of the Minutes kept at the Annual General Meeting of shareholders of Modern Times Group MTG AB (publ), company reg. no. 556309-9158, 21 May 2019 at Alströmergatan 20 in Stockholm.

Time: 12.00-13.35 CET

Present: Shareholders and proxy holders, Appendix 1, stating the number of shares and votes, and other attendees, Appendix 2.

Furthermore, noted as present were the Chairman of the Nomination Committee Joachim Spetz, the Board members David Chance (Chairman of the Board), Simon Duffy, Gerhard Florin, Donata Hopfen and Natalie Tydeman, the Chief Executive Officer Jørgen Madsen Lindemann, the Chief Financial Officer Maria Redin and the auditor-in-charge Joakim Thilstedt.

§ 1

Opening of the Annual General Meeting (agenda item 1)

David Chance welcomed the shareholders and opened the Annual General Meeting.

§ 2

Election of Chairman of the Annual General Meeting (agenda item 2)

The Meeting elected Tone Myhre-Jensen, member of the Swedish Bar Association, as Chairman of the Meeting, in accordance with the Nomination Committee's proposal.

The Chairman informed the Meeting that Henrik Wällgren had been appointed to act as minute keeper at the Meeting, that a sound recording for internal use was made in order to facilitate the preparation of the minutes from today's Meeting and that other audio or video recording was not permitted.

The Meeting resolved that invited guests, shareholders who had not registered their shares for voting and other persons who were not shareholders were entitled to attend the Meeting, but without the right to address the Meeting or participate in the Meeting's resolutions.

§ 3

Preparation and approval of the voting list (agenda item 3)

The Meeting approved the procedure for preparing the voting list and that the list of shareholders who had given notice to attend and were present at the Meeting, Appendix 1, should serve as the voting list at the Meeting.

The Chairman informed that a number of foreign shareholders were represented at the Meeting and had submitted certain instructions for voting in respect of some agenda items and that these instructions for voting will be accounted for in the minutes to the extent they would have any impact on the Meeting's decisions and when the Meeting votes using voting devices.

§ 4

Approval of the agenda (agenda item 4)

The Meeting approved the proposed agenda of the Meeting, Appendix 3, which had been included in the notice.

The Chairman informed that the complete proposals of the Board and the Nomination Committee had been included in the notice.

The Annual Report, the Group Annual Report, the Auditor's Report and the Group Auditor's Report for the financial year 2018 as well as statements and reports of the Board and the Nomination Committee, and other documents to the Annual General Meeting, which had been kept available in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, were presented.

§ 5

Election of one or two persons to check and verify the minutes (agenda item 5)

The Meeting elected John Hernander, representing Nordea Funds, and Jimmy Bengtsson, representing Skandia Life and Skandia Funds, to check and verify the minutes jointly with the Chairman.

§ 6

Determination of whether the Annual General Meeting had been duly convened (agenda item 6)

The Chairman found that notice had been made in accordance with the provisions in the Swedish Companies Act and the Articles of Association.

The Meeting resolved to approve the notice procedure and declared the Meeting duly convened.

§ 7

Remarks by the Chairman of the Board (agenda item 7)

David Chance gave a presentation regarding the split of MTG and the investment strategy as well as the work of the Board and its committees during 2018 and the first quarter of 2019 and commented on the Board's proposals to the Meeting. David Chance thanked the previous Board member Joakim Andersson and the resigning Board member John Lagerling for their commitment and efforts for MTG.

§ 8

Presentation by the Chief Executive Officer (agenda item 8)

Jørgen Madsen Lindemann gave a presentation regarding MTG's development into a streamlined company within global digital entertainment, MTG's investment activity comprising MTG's VC fund, verticals and company portfolio as well as the e-sport and gaming market.

§ 9

Presentation of the Annual Report and Auditor's Report and the consolidated financial statements and the Auditor's Report on the consolidated financial statements (agenda item 9)

The Chairman found that the Annual Report of the company and the Group, as well as the Auditor's Report for the parent company and the Group for 2018 had been presented at the Annual General Meeting.

Auditor-in-charge Joakim Thilstedt, from the registered accounting firm KPMG, reported on the audit

work and commented on the Auditor's Report, the issue of discharge of liability and the application of the guidelines for remuneration to the senior executives in respect of the parent company and the Group for 2018.

After the Chairman had opened for questions, the shareholders asked questions and gave their remarks on, among other things, shareholdings of the Board, the e-sport market and MTG's business, monetisation, market position and geographical presence, risks and opportunities in relation to climate changes, the split of MTG, active ownership and principles for company investments, hybrid general meetings as well as advertisement directed towards women and quotas during the hiring process in MTG. The questions were answered by David Chance and Jørgen Madsen Lindemann.

§ 10

Resolution on the adoption of the Income Statement and the Balance Sheet and of the consolidated Income Statement and the consolidated Balance Sheet (agenda item 10)

The Meeting resolved to adopt the income statement for 2018 and balance sheet per 31 December 2018 for the parent company and the Group.

§ 11

Resolution on the treatment of the company's results as stated in the adopted Balance Sheet (agenda item 11)

The Meeting resolved, in accordance with the Board's proposal, for the disposition of the company's results such that the retained earnings, the share premium reserve and the result for the year should be carried forward.

§ 12

Resolution on the discharge of liability for the members of the Board and the Chief Executive Officer (agenda item 12)

The Meeting discharged the Board and the Chief Executive Officer from liability for the management of the company and its affairs during the financial year 2018.

It was noted that the members of the Board and the Chief Executive Officer did not take part in the resolution and that all shareholders attending the Meeting supported the resolution, except for those shareholders that in advance had given special instructions for no or abstain votes.

§ 13

Determination of the number of members of the Board (agenda item 13)

The Chairman of the Nomination Committee, Joachim Spetz, presented how the Nomination Committee conducted its work as well as the Nomination Committee's proposals.

The Meeting resolved, in accordance with the Nomination Committee's proposal, that for the period until the end of the next Annual General Meeting, the Board will consist of five members.

§ 14

Determination of the remuneration to the members of the Board and the auditor (agenda item 14)

The Meeting resolved, in accordance with the Nomination Committee's proposals regarding remuneration to the Board and the auditor, which was that the Board remuneration shall be allocated

as follows:

- SEK 1,450,000 to the Chairman of the Board and SEK 500,000 to each of the other four members of the Board,
- SEK 235,000 to the Chairman of the Audit Committee and SEK 130,000 to each of the other two members, and
- SEK 140,000 to the Chairman of the Remuneration Committee and SEK 52,500 to each of the other two members.

The Meeting resolved, in accordance with the Nomination Committee's proposal, that remuneration to the auditor shall be paid in accordance with approved invoices.

§ 15

Election of Board members (agenda item 15(a)-(e))

The Chairman informed the Meeting of what assignments the proposed members of the Board holds in other companies.

The Meeting voted, by electronic voting devices, on election of each one of the proposed members of the Board under items 15(a)-(e), and resolved in accordance with the Nomination Committee's proposal to re-elect David Chance, Simon Duffy, Gerhard Florin, Donata Hopfen and Natalie Tydeman. The result of the counting of votes is stated in the table below:

<u>Board member</u>	<u>Number of votes in favour</u>
David Chance	35,732,725
Simon Duffy	36,608,814
Gerhard Florin	36,738,100
Donata Hopfen	36,661,326
Natalie Tydeman	36,662,613

§ 16

Election of the Chairman of the Board (agenda item 16)

The Meeting resolved, in accordance with the Nomination Committee's proposal, to re-elect David Chance as Chairman of the Board.

§ 17

Determination of the number of Auditors and election of Auditor (agenda item 17)

The Meeting resolved, in accordance with the Nomination Committee's proposal, that the company shall have a registered accounting firm as auditor, and re-elected the registered accounting firm KPMG AB as auditor for the period until the end of the 2020 Annual General Meeting.

It was noted that KPMG AB had informed that the authorised auditor Joakim Thilstedt will continue as auditor-in-charge.

§ 18

Approval of the procedure of the Nomination Committee (agenda item 18)

The Chairman presented the main terms of the Nomination Committee's proposal regarding the procedure of the Nomination Committee.

The Meeting resolved in accordance with the Nomination Committee's proposal in Appendix 4 regarding the procedure of the Nomination Committee to apply until the General Meeting resolves to change the procedure of the Nomination Committee.

§ 19

Resolution regarding guidelines for remuneration to the senior executives (agenda item 19)

The Chairman of the Remuneration Committee, Natalie Tydeman, presented the main contents of the Board's proposal for remuneration to the senior executives and the Board's proposal on an incentive plan.

Jimmy Bengtsson, representing Skandia Life and Skandia Funds, informed that Skandia Life and Skandia Funds intended to vote against the proposal regarding the performance share plan for key employees and a warrant plan for senior executives and certain key employees (agenda item 20(a)-(b)) and presented the reasons for this in accordance with the following: "We intend to vote against the proposal regarding a long-term performance share plan since we believe that one year's evaluation of performance measures is too short-term. Furthermore, we believe that the performance measure of organic EBITDA margin doesn't have to give a consistent picture of the shareholder's development". Jimmy Bengtsson continued: "We intend to vote against the proposal for the long-term warrant plan, since we believe that the subsidy should be granted when vesting and not in connection with the acquisition, as this construction reduces the alignment with the shareholders' interests".

Jakob Nordmark, representing the Second Swedish National Pension Fund, informed that the Second Swedish National Pension Fund intended to vote against the proposal regarding a warrant plan for senior executives and certain key employees (agenda item 20(b)) and presented the reasons for this.

The Meeting resolved, in accordance with the Board's proposal in Appendix 5, regarding guidelines for remuneration to the senior executives.

§ 20

Resolutions regarding LTI 2019, including resolutions regarding adoption of a performance share plan for key employees, and a warrant plan for senior executives and certain key employees (agenda item 20(a)-(b))

The Meeting resolved, in accordance with the Board's proposal in Appendix 6, to adopt a performance share plan for key employees in MTG.

The Meeting voted, by electronic voting devices, and resolved, with 90.5 per cent of the votes cast and 94.1 per cent of the shares represented at the Meeting, in accordance with the Board's proposal in Appendix 7 to adopt a warrant plan for senior executives and certain key employees in MTG.

It was noted that Skandia Life and Skandia Funds, as well as the Second Swedish National Pension Fund voted against the Board's proposals.

§ 21

Resolutions regarding delivery of MTG Class B shares to the participants in the performance share plan (agenda item 21(a)-(b))

It was noted that the shareholders who had given certain instructions to their representatives to vote no or abstain from voting together represented 5,111,321 shares and votes at the Meeting and that the Board's proposal under item 21(a) therefore would not be approved in accordance with Ch. 16 of the Swedish Companies Act.

The Chairman declared that the Meeting had resolved to reject the Board's proposal under agenda item 21(a).

The Meeting resolved, in accordance with the Board's proposal in Appendix 8, that MTG shall enter into an agreement with a third party, who shall, in its own name, be able to acquire and transfer MTG Class B shares to the participants in the performance share plan under item 20(a).

§ 22

Resolution regarding amendments of the Articles of Association (agenda item 22)

The Meeting voted, by electronic voting devices, and resolved, with 99.9 per cent of the votes cast and 99.9 per cent the shares represented at the Meeting, in accordance with the Board's proposal in Appendix 9 regarding amendments of the Articles of Association.

The new Articles of Association is included in Appendix 10.

§ 23

Closing of the Annual General Meeting (agenda item 23)

Since all items on the agenda had been addressed, the Annual General Meeting was declared closed.

At the minutes:
Henrik Wållgren

Minute checkers:
Tone Myhre-Jensen
John Hernander
Jimmy Bengtsson

PROPOSED AGENDA

1. Opening of the Annual General Meeting.
2. Election of Chairman of the Annual General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check and verify the minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. Remarks by the Chairman of the Board.
8. Presentation by the Chief Executive Officer.
9. Presentation of the Annual Report, the Auditor's Report and the consolidated financial statements and the Auditor's Report on the consolidated financial statements.
10. Resolution on the adoption of the Income Statement and the Balance Sheet and of the consolidated Income Statement and the consolidated Balance Sheet.
11. Resolution on the treatment of the company's results as stated in the adopted Balance Sheet.
12. Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer.
13. Determination of the number of members of the Board.
14. Determination of the remuneration to the members of the Board and the auditor.
15. Election of Board members:
 - (a) David Chance (re-election, proposed by the Nomination Committee).
 - (b) Simon Duffy (re-election, proposed by the Nomination Committee).
 - (c) Gerhard Florin (re-election, proposed by the Nomination Committee).
 - (d) Donata Hopfen (re-election, proposed by the Nomination Committee).
 - (e) Natalie Tydeman (re-election, proposed by the Nomination Committee).
16. Election of the Chairman of the Board.
17. Determination of the number of Auditors and election of Auditor.
18. Approval of the procedure of the Nomination Committee.
19. Resolution regarding guidelines for remuneration to the senior executives.
20. Resolutions regarding LTI 2019, including resolutions regarding adoption of (a) a performance share plan for key employees, and (b) a warrant plan for senior executives and certain key employees.
21. Resolutions regarding delivery of MTG Class B shares to the participants in the performance share plan (items (a)-(b)).
22. Resolution regarding amendments of the Articles of Association.
23. Closing of the Annual General Meeting.

Approval of the procedure of the Nomination Committee (item 18)

The Nomination Committee proposes that the work of preparing proposals to the 2020 Annual General Meeting regarding the Board and auditor, in the case that an auditor should be elected, and their remuneration, Chairman of the Annual General Meeting and the procedure for the Nomination Committee shall be performed by a Nomination Committee. In addition, the Nomination Committee proposes that this procedure shall apply until the General Meeting resolves to change the procedure for appointing the Nomination Committee.

The Nomination Committee will be formed during September in consultation with the largest shareholders of the company as of the last business day in August. The Committee shall consist of at least three members appointed by the largest shareholders of the company who have wished to appoint a member. The Chairman of the Board will also be a member of the Nomination Committee, and will act as its convenor. The members of the Nomination Committee will appoint the Committee's Chairman at their first meeting.

The Nomination Committee is appointed for a term of office commencing at the time of its formation and ending when a new Committee is formed. If a member resigns during the Committee term, the Committee may choose to appoint a new member. The shareholder that appointed the resigning member shall in such case be asked to appoint a new member, provided that the shareholder still is one of the largest shareholders in the company. If that shareholder declines participation in the Nomination Committee, the Committee may choose to ask the next largest qualified shareholder to participate (the Chairman shall however continue to contact the shareholders that are next in line if required to form a Nomination Committee composed of three members, including the Chairman of the Board). In the event of changes to the ownership structure of the company, the Committee may choose to amend its composition in order to ensure that the Committee appropriately reflects the ownership of the company. However, unless there are special circumstances, the composition of the Nomination Committee may remain unchanged following changes in the ownership structure of the company that are either minor or occur less than three months prior to the Annual General Meeting.

The Nomination Committee shall have the right to upon request receive personnel resources such as secretarial services from the company, and to charge the company with costs for recruiting consultants and related travel if deemed necessary.

Guidelines for remuneration to the senior executives (item 19)

The Board proposes the following guidelines for determining remuneration for MTG's CEO and other senior executives in the MTG Group (the "**Senior Executives**"), as well as members of the Board if they are remunerated outside their directorship.

Remuneration Guidelines

MTG's Remuneration Guidelines is designed to drive and reward company and individual performance, be market competitive to attract and retain key talent, and to incentivise creation of long-term shareholder value.

Total remuneration may consist of fixed salary, variable components in the form of short-term and long-term incentive plans, pension and other benefits/allowances.

Fixed salary

The fixed salary for the Senior Executives shall be competitive and based on their individual responsibilities and performance.

Variable remuneration (STI)

The STI shall be based on fulfilment of established targets for the MTG Group and in the area of responsibility for each of the Senior Executives, respectively. The result shall be linked to pre-determined, measurable targets (qualitative, quantitative, general, individual). The targets within each area of responsibility are defined to promote MTG's development in the short and long-term.

The maximum payment under the STI shall generally not exceed 100 per cent of Senior Executives' individual fixed salary.

Variable remuneration (LTI)

The LTI shall be linked to pre-determined performance criteria, and may be both share and share price related as well as cash based.

Pension and other benefits

All benefits/allowances including pensions follow the competitive market practice in the applicable country of the Senior Executives' employment or residence.

Notice of termination and severance pay

Notice period can be up to 12 months depending on the local country market practice, but in any event compensation paid during the notice period plus any additional severance pay payable will not in total exceed an amount equivalent to the individual's 24 months fixed salary.

Deviation from the guidelines

The Board may deviate from the above guidelines on a case by case basis. For example, additional variable remuneration or cash payments may be paid in the case of exceptional performance or in special circumstances such as recruitment or retention. In such cases the Board will explain the reason for the deviation at the following Annual General Meeting.

Information regarding levels and structure for remuneration within MTG, and evaluation of the guidelines and auditor's statement with respect to the application of the guidelines

For information regarding the application of, and deviation from, the guidelines for remuneration to the Senior Executives during 2018, see the evaluation of remuneration to the Senior Executives (Report according to the Swedish Corporate Governance Code 9.1 and Ch 8 Sec 51 of the Swedish Companies Act), and the auditor's statement according to Ch 8 Sec 54 of the Swedish Companies Act regarding the application of the guidelines for remuneration which have applied during 2018 that are available on the company's website www.mtg.com under the heading "2019 Annual General Meeting" (which can be found under the section "Investors" under the heading "General Meetings").

Performance Share Plan for key employees in MTG (item 20(a))

Objectives of the Performance Share Plan

The main objective for adopting the Performance Share Plan is to drive company financial performance and create conditions to retain key talent. In summary, the Board believes that the implementation of the Performance Share Plan will have a positive effect on the Group's value growth and will ensure the participants' long-term commitment to the company.

The Performance Share Plan in brief

The structure of the Performance Share Plan is similar to the long-term incentive plans adopted in MTG during 2013-2017, with the following key changes: the performance measures are MTG's organic revenue growth and organic EBITDA margin, and the performance is measured during a one-year performance period. The proposed changes have been introduced to further tie participant remuneration to business performance and value growth and to simplify the Performance Share Plan.

The Performance Share Plan is proposed to include approximately 27 key employees within MTG. The participants will be granted rights to receive MTG Class B shares free-of-charge after the three-year Vesting Period (as defined below). Allotment of shares requires that the participant is employed by MTG throughout the Vesting Period, and, applicable to the CEO and CFO and the other senior executives in Category 2 (as defined below), that they own MTG-shares amounting to a target holding. In addition, the number of MTG Class B shares that vests depend on the level of fulfilment of the two performance measures.

Grant of share rights

The number of rights to receive MTG Class B shares free-of-charge (the "**Share Rights**") granted to a participant shall be calculated by dividing the participant's annual base salary, gross before taxes, (the "**Base Salary**"), and a share price of SEK 117.24 (the average volume weighted price on MTG's Class B share at Nasdaq Stockholm during the last five (5) trading days in March 2019, the "**Share Price**").

In accordance with the above, grant of Share Rights under the Performance Share Plan will be the following:

- the CEO of MTG will be granted Share Rights amounting to approximately 56 per cent of his Base Salary;
- the CFO of MTG, approximately 4 other senior executives and 3 key employees ("**Category 2**") will be granted Share Rights amounting to approximately 50-65 per cent of their individual Base Salary;
- approximately 4 key employees ("**Category 3**") will be granted Share Rights amounting to approximately 57 per cent of their individual Base Salary; and
- approximately 14 key employees ("**Category 4**") will be granted Share Rights amounting to 75 per cent of their individual Base Salary.

In addition to the above, all participants except Category 4 will be entitled to participate in the proposed Warrant Plan under item 20(b).

Main terms of the Share Rights

The Share Rights shall be governed by the following main terms and conditions:

- Granted free-of-charge after the 2019 Annual General Meeting and will vest after a three-year period, ending when MTG's interim financial report for the period January – March 2022 is released (the "**Vesting Period**").
- May not be transferred or pledged.
- Dividends paid on the MTG Class B share will increase the number of shares that each Share

Right entitles to, in order to align the participants' and shareholders' interests.

- One (1) Share Right entitle the participant to receive one (1) MTG Class B shares, as long as the participant throughout the Vesting Period is employed by MTG and the relevant performance measure for the Share Right has been reached. Exceptions to the condition that the participant must be employed throughout the Vesting Period can be approved by the Board in certain cases. For the CEO and the CFO and the other senior executives in Category 2, vesting also requires that they own shares corresponding to a target holding in MTG, that is 100 per cent of the annual base salary, net after taxes, (the "**Net Salary**") for the CEO and 50 per cent of the Net Salary for the CFO and the other senior executives (the "**Target Holding**").

Performance measures for the Share Rights

The number of MTG Class B shares that will vest depends on the level of fulfilment of the relevant performance measure for the Share Right during the financial year 2019 (the "**Performance Period**"):

- *MTG's organic revenue growth* (i.e. growth adjusted for additions and deductions in amounts corresponding to the sales revenues relating from acquired or divested businesses/verticals).
- *MTG's organic EBITDA margin*. EBITDA will be adjusted to reflect underlying performance (adjustments includes extra-ordinary and unbudgeted items including items affecting comparability and M&A costs).

70 per cent of the granted Share Rights will be measured on MTG's organic revenue growth and 30 per cent on organic EBITDA margin. Each of the two performance criteria is measured separately.

The target levels (*entry* and *stretch*) for the performance measures have been set by the Board and after the Performance Period, MTG will in the 2019 Annual Report inform the shareholders of the target levels and the achievement of the performance measures as well as the number of MTG Class B shares to be transferred to the participants (subject to that the participants are employed by MTG throughout the Vesting Period, and, applicable to the CEO and the CFO and the other senior executives in Category 2, that they own MTG shares amounting to the Target Holding).

In order for each Share Right to entitle the participant to one (1) MTG Class B share, the *stretch level* for must have been fulfilled. If the *entry level* for the Share Rights is reached, 25 per cent of the participant's Share Rights measured on that performance criterion will vest. Where the level of fulfilment of the performance measures is between the entry and stretch level, vesting will occur on a linear basis. If the *entry level* is not reached all Share Rights measured on that performance criterion will lapse.

Administration of the Performance Share Plan

It is further proposed that the Board shall be entitled to make other adjustments, if it so deems appropriate, should changes occur in MTG or its operating environment that entails that the Performance Share Plan no longer correctly reflects the performance of MTG. Any such adjustments shall only be made in order to fulfil the main objectives of the Performance Share Plan.

Scope

The maximum number of MTG Class B shares which may be delivered to the participants on vesting of the Share Rights are limited to 213,995, representing approximately 0.32 per cent of the outstanding shares and 0.30 per cent of the outstanding votes. The number of MTG Class B shares that according to the Performance Share Plan may be delivered to the participants shall, under conditions that the Board stipulates, be subject to recalculation following a bonus issue, a share split or a reverse share split, a rights issue or similar measures.

Costs of the Performance Share Plan and effect on certain key ratios

The Performance Share Plan will be accounted for in accordance with IFRS 2, which stipulates that the Share Rights should be recorded as a personnel expense over the Vesting Period. Based on the Share Price; that the annual employee turnover is 10 per cent and that the CEO, CFO and the other senior

executives in Category 2 own shares amounting to the Target Holding; and that 50 per cent of the granted Share Rights will vest, the total cost, exclusive of social security costs, for the Performance Share Plan is estimated to be approximately SEK 10.1 million.

Social security costs will also be recorded as a personnel expense in the income statement by current accruals. The social security costs are estimated to be approximately SEK 4.2 million with the assumptions above, an average social security tax rate of 31.42 per cent and an annual share price increase of 10 per cent during the Vesting Period.

The impact on basic earnings per share if the Performance Share Plan had been introduced in 2018 with the assumptions above would result in a decrease of SEK 0.10 on a yearly pro forma basis. The annual cost of the Performance Share Plan including social security contributions is estimated to be approximately SEK 4.9 million based on the above assumptions. This cost corresponds to approximately 0.4 per cent of MTG's total personnel costs, including social security contributions, of SEK 1,248 million in 2018.

The participant's maximum profit per Share Right (the "Cap") is limited to SEK 468.96 (including possible compensation that the participants receive for dividends paid to shareholders). This maximum profit corresponds to 4.0 times the Share Price of SEK 117.24. If the value of the MTG Class B share at vesting exceeds SEK 468.96 the number of shares each Share Right entitles the participant to receive will be reduced accordingly.

Assuming that the Cap is reached and 100 per cent fulfilment of the performance measures, the maximum cost for the Performance Share Plan is approximately SEK 25.1 million in accordance with IFRS 2, and the maximum cost for social security contributions is approximately SEK 31.5 million.

MTG intends to present the final outcome of the Performance Share Plan in the 2022 Annual Report.

All comparative figures for 2018 is calculated excluding Nordic Entertainment Group AB that MTG distributed to its shareholders following a resolution on the Extraordinary General Meeting 7 February 2019.

Delivery of shares under the Performance Share Plan

The Board has considered two alternatives for delivering MTG Class B shares to the participants, subject to the terms and conditions of Performance Share Plan; either MTG (i) transfers MTG Class B shares held by MTG to the participants, free-of-charge, in accordance with item 21(a) or (ii) enters into an agreement with a third party, under which the third party shall, in its own name, acquire and transfer MTG Class B shares in accordance with item 21(b).

The Board considers the first alternative as its preferred option. However, should the Annual General Meeting not approve the proposed transfer of own MTG Class B shares in accordance with the proposal under item 21(a), the Board proposes that the Annual General Meeting resolves that the Board may enter into a hedging arrangement with a third party to hedge the obligations of MTG to deliver shares under the Performance Share Plan in accordance with the proposal under item 21(b).

Warrant plan for senior executives and certain key employees in MTG (item 20(b))

Objectives of the Warrant Plan

The main objective of the Warrant Plan is to link senior executives' and certain key employees' incentives to the MTG share's long-term value growth, and thereby aligning the interests of the participants with those of the shareholders. The Board considers that the Warrant Plan will be for the benefit for MTG and MTG's shareholders, as the Warrant Plan will be an important program for MTG in order to create an entrepreneurial feel and an upside potential for the best talent in the Group; this is vital in order for MTG to achieve long-term value-growth for the shareholders.

Participation

The Warrant Plan is proposed to include the CEO of MTG and participants in Category 2 and 3.

Warrant issue and principal terms for the warrants

The Board proposes that the Annual General Meeting resolves to issue no more than 450,104 warrants, in one series (the "**Warrants**") as follows.

- MTG's wholly-owned subsidiary MTG Broadcasting AB, or another wholly-owned subsidiary to Mordern Times Group MTG AB, (the "**Subsidiary**") shall, with deviation from the shareholders' preferential right, be entitled to subscribe for the Warrants. The reason for the proposed deviation from the shareholders' preferential right is set out under the heading "Objectives of the Warrant Plan" above.
- The Warrants shall be issued free-of-charge.
- Subscription shall take place on a subscription list no later than 21 June 2019. The Board has the right to extend the subscription period.
- There can be no over-subscription.

The issued Warrants entitle to a maximum of 450,104 MTG Class B shares, representing approximately 0.67 per cent of the outstanding shares and 0.62 per cent of the outstanding votes. If all Warrants are exercised, the share capital will increase with a maximum of SEK 2,250,520.

In addition, the Warrants shall be governed by the following main terms and conditions:

- Subject to the Warrant Cap (as defined below), each Warrant shall entitle the holder to subscribe for one (1) MTG Class B share.
- Each Warrant shall, during the period commencing on 15 June 2022 and up to and including 15 June 2023, entitle the holder to subscribe for one (1) new MTG Class B share for a subscription price corresponding to 115 per cent of the "**Entry Value**", i.e. the average volume-weighted price paid for MTG's share on Nasdaq Stockholm during the period 9 May – 22 May 2019, rounded off to the nearest full SEK ten (10) öre, whereby SEK five (5) öre shall be rounded up.
- The exercise price and the number of shares that each Warrant entitles to subscribe for shall be recalculated in the event of a split, reversed split, new share issue etc. in accordance with market practice for Swedish warrants. The exercise price will not be less than the quota value of the share (Sw. *kvotvärde*).
- The new shares will entitle to dividends as from the time when they are recorded in the shareholders' register maintained by Euroclear Sweden.

The complete terms for the Warrants are available at www.mtg.com under the heading "2019 Annual General Meeting" (which can be found under the section "Investors" under the heading "General Meetings").

Transfer of the Warrants to the participants

The following terms and conditions shall apply for the transfer of the Warrants to the participants in the

Warrant Plan.

The Subsidiary shall offer the Warrants to the participants in the Warrant Plan. The transfer of the Warrants shall be made at a price corresponding to the market value of the Warrants at the time of transfer (the premium), calculated by Willis Towers Watson by using the Binomial Options Pricing Model (BOPM). The transfer is estimated to occur during June 2019.

In addition, the Remuneration Committee has resolved on the detailed terms of the pre-emption agreement that will be entered into with the participants prior to the transfer of the Warrants to the participants. The main terms of the agreement with the participants are as follows:

- MTG subsidises the participants' purchase of Warrants by granting the participants a cash compensation corresponding to between 25-75 per cent (depending on the participant's category), net after taxes, of the Warrants purchased by the participant. Such subsidy will be paid out at the time of purchase of the Warrants. If the participant leaves MTG during the three year vesting period for the subsidy, MTG may under certain circumstances reclaim the subsidy, in whole or in part in proportion to the term of the vesting period.
- The number of MTG Class B shares that the participant's Warrants entitle the holder to subscribe for will be capped to 4.0 times the Entry Value (the "**Warrant Cap**"). If the value of MTG's Class B share at exercise exceeds the Warrant Cap, the number of the participants' Warrants that may be exercised to subscribe for new MTG Class B shares will be reduced accordingly.
- MTG reserves a right (but no obligation) to buy-back the Warrants, if the participant ceases to be employed by MTG, or if the participant should wish to transfer its Warrants, at fair market value for unsubsidised or vested Warrants and the lower of the fair market value and purchase price for subsidised unvested Warrants after deduction of the subsidy, net after taxes, (pre-emptive right).

MTG's senior executives and certain key employees shall be entitled to acquire Warrants, as follows:

- The CEO of MTG can acquire no more than 250,253 Warrants at market value, and MTG will pay a subsidy that corresponds to the premium for 25 per cent of the Warrants, net after taxes;
- Participants in Category 2 can acquire up to 58,284 Warrants each at market value, and MTG will pay a subsidy that corresponds to the premium for 40-75 per cent of the Warrants, net after taxes; and
- Participants in Category 3 can acquire up to 4,643 Warrants each at market value, and MTG will pay a subsidy that corresponds to the premium for 75 per cent of the Warrants, net after taxes.

The number of Warrants that a participant may subscribe for is based on the participant's competence and area of responsibility. In practice, this means that most of the participants in Category 2 and 3 will not be offered to subscribe for the maximum number of Warrants for their respective category, as set out above.

Impact on key ratios

MTG's earnings per share is not affected by the issue of Warrants since the present value of the exercise price exceeds the current market price at the time of the transfer.

Costs

The transfer of the Warrants shall be made at a price equivalent to the market value at the time of transfer, which means that there are no social security contributions for MTG at the issue and transfer of the Warrants.

According to a preliminary valuation, based on the market value of the MTG Class B share during the last five (5) trading days in March 2019, the market value is SEK 18.53 per Warrant. The Binomial Options Pricing Model (BOPM) has been used for the valuation, assuming an exercise price of SEK 134.80 per share, a risk-free rate of 0 per cent and a volatility of 28.5 per cent. Paid premiums in connection with

the transfer of the Warrants is expected to amount to a maximum of SEK 8.3 million and will increase equity. MTG's cost of the subsidy payable in connection with the transfer of the Warrants and social security contributions relating to the subsidy is expected to amount to a maximum of SEK 11.1 million in total during the term of the Warrants.

**TERMS AND CONDITIONS FOR WARRANTS 2019/2022 FOR SUBSCRIPTION OF
SHARES IN MODERN TIMES GROUP MTG AB (PUBL)**

1 Definitions

“Bank”	the bank or account operator which the Company at each time has appointed to handle the administration of the Warrants in accordance with these terms and conditions;
“Business Day”	a day which is not a Saturday, Sunday or other public holiday or, with respect to the payment of promissory notes, is not equated with a public holiday in Sweden;
“Companies Act”	the Swedish Companies Act (SFS 2005:551);
“Company”	Modern Times Group MTG AB (publ), reg. no. 556309-9158;
“Euroclear”	Euroclear Sweden AB (the Swedish Central Securities Depository and Clearing Organisation);
“Market Quotation”	listing of shares in the Company on a regulated market place, or other corresponding trading venues;
“Securities Account”	a securities account (Sw. <i>avstämningskonto</i>) with Euroclear in which the respective Warrant Holders' holdings of Warrants or holdings of shares acquired pursuant to Warrants are registered;
“Subscription”	subscription of shares in the Company on exercise of Warrants in accordance with Chapter 14 of the Companies Act;
“Subscription Price”	the price at which Subscription for new shares may take place on exercise of Warrants;
“Warrant”	the right to subscribe for a newly issued share of class B in the Company in exchange for payment in accordance with these terms and conditions;
“Warrant Holder”	a person registered in a Securities Account as the holder of a Warrant;
“Weekday”	a day which is not a Sunday or public holiday (i.e. also Saturdays).

2 Warrants and registration

The total number of Warrants amounts to no more than 450,104. The Warrants shall be registered in Securities Accounts in accordance with Chapter 4 of the Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479).

Requests for particular registration measures in respect of the Warrants shall be submitted to the account operator with which the Warrant Holder has opened a Securities Account.

3 Right to subscribe for new shares

Each Warrant entitles the holder thereof to subscribe for one new share of class B in the Company at a Subscription Price of 115 per cent of the volume weighted average price paid for the Company's share on Nasdaq Stockholm during the period commencing on 9 May 2019 up to and including 22 May 2019. The so calculated Subscription Price shall be rounded off to the nearest ten öre, for which purposes five öre shall be rounded downwards.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe may be recalculated in the circumstances set out in section 8 below.

Subscription may only take place in respect of the entire number of shares for which the total number of Warrants entitles the Warrant Holder to subscribe and which a single Warrant Holder desires to exercise. On such Subscription, any excess fractions of Warrants which cannot be exercised shall be disregarded.

4 Application for Subscription

Application for Subscription of shares may take place during the period commencing on 15 June 2022 up to and including 15 June 2023 or such earlier date as may be determined in accordance with section 8 below. If an application for Subscription is not submitted within the time stated above, the Warrant shall lapse.

On application for Subscription, a completed application form in the predetermined form shall be submitted to the Company. Applications for Subscription are binding and irrevocable.

5 Payment for new share

On application for Subscription, payment for the number of shares which the application for Subscription covers shall be made simultaneously. Payment shall be made in cash to a bank account designated by the Company.

6 Registration in Securities Account and in the share register

Following payment for subscribed shares, Subscription shall be effected through the registration of the new shares as interim shares in the Company's share register and on the respective Warrant Holder's Securities Account. Following registration with the Swedish Companies Registration Office, the registration of the new shares in the share register and on Securities Accounts will become definitive. According to section 8 below such registration might in certain circumstances be postponed.

7 Dividends on new shares

Shares issued following Subscription shall entitle the holders thereof to participate in the distribution of dividends for the first time on the record date that occurs immediately following the Subscription.

8 Recalculation of Subscription Price and the number of shares

The following provisions shall govern the right that vests for the Warrant Holder in the event the share capital prior to the Subscription is increased or reduced, convertible bonds or warrants are issued, or the Company is dissolved or ceases to exist as a consequence of a merger or division, or there is an Extraordinary Dividend (as defined below):

A Bonus issue

In the event of a bonus issue, where an application for Subscription is submitted at such time that the allotment of shares cannot be made on or before the fifth weekday prior to the general meeting which resolves to make the bonus issue, Subscription shall be effected only after the general meeting has adopted a resolution approving the bonus issue. Shares which vest pursuant to Subscription effected after the adoption of a resolution approving the bonus issue shall be registered in the Warrant Holder's Securities Account as interim shares, and accordingly such shares shall not entitle the holder thereof to participate in the bonus issue. Definitive registration in Securities Accounts shall only take place after the record date for the bonus issue.

In conjunction with Subscription which is effected after the adoption of a resolution to make a bonus issue, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe shall be applied. The recalculation shall be carried out by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the number of shares in the Company prior to the bonus issue) / (the number of shares in the Company after the bonus issue)

Recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the number of shares in the Company after the bonus issue) / (the number of shares in the Company prior to the bonus issue).

The Subscription Price and the number of shares which each Warrant entitles the holder to subscribe for, recalculated as set out above, shall be determined by the Company as soon as possible after the general meeting has adopted a resolution approving the bonus issue.

B Reverse share split/share split

In the event the Company effects a reverse share split or share split, the provisions of sub-section A above shall apply *mutatis mutandis*. The record date shall be deemed to be the date on which the reverse share split or share split is carried out by Euroclear at the request of the Company.

C New issue

If the Company issues new shares subject to preferential rights for shareholders to subscribe for new shares in exchange for cash payment, the following shall apply with respect to the right to participate in the new issue held by the shareholders whose shares vest as a consequence of Subscription on exercise of the Warrant:

1. If the board of directors of the Company has resolved to carry out a new issue conditional on the approval of the general meeting of the shareholders or pursuant to authorisation granted by the general meeting of the shareholders, the resolution of the issue shall state

the last day on which Subscription must be effected in order to entitle the holders of the shares held pursuant to the Subscription to participate in the new issue.

2. If the general meeting adopts a resolution to issue new shares, where an application for Subscription is submitted at such time that it cannot be effected on or before the fifth weekday prior to the general meeting which shall address the question of the new issue, Subscription shall only be effected following the adoption of a resolution with respect thereto by the general meeting. Shares which vest as a consequence of such Subscription shall be registered in the Securities Account as interim shares, and accordingly shall not entitle the holders to participate in the new issue. Definitive registration in Securities Accounts shall only take place after the record date for the new issue.

Where Subscription is effected at such time that no right to participate in the new issue arises, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during the subscription period stated in the resolution approving the issue (referred to below as the "average price of the share")) / (the average price of the share increased by the theoretical value of the subscription right calculated on the basis thereof)

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the theoretical value of the subscription right calculated on the basis thereof) / (the average price of the share)

The average price of the share shall be deemed to be the equivalent of the average calculated mean value, for each trading day during the subscription period, of the highest and lowest quoted paid price on that day according to the stock exchange or market place list on which the shares are quoted. In the absence of a quoted paid price, the bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The theoretical value of the subscription right is calculated in accordance with the following formulae:

Theoretical value of subscription right = (the maximum number of new shares which may be issued pursuant to the resolution approving the issue) x ((the average price of the share) – (the issue price of the new share)) / (the number of shares prior to the adoption of the resolution approving the issue)

If this results in a negative value, the theoretical value of the subscription right shall be deemed to be zero.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the subscription period and shall apply to each Subscription effected thereafter.

If the Company's shares, at the time of the resolution to issue the new shares, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of

shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

D Issue of convertible bonds or warrants in accordance with Chapter 14 and 15 of the Companies Act

In the event the Company issues convertible bonds or warrants, in both cases subject to preferential rights for the shareholders to subscribe for such equity related instrument in exchange for cash payment, the provisions of sub-section C, first paragraph, sub-paragraphs 1 and 2 shall apply *mutatis mutandis* in respect of the right to participate in the issue for any share which has been issued through Subscription.

Where Subscription is effected at a such time that no right to participate in the new issue arises, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during the relevant period stated in the resolution approving the issue (referred to below as the "average price of the share")) / (the average price of the share increased by the value of the subscription right).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the value of the subscription right) / (the average price of the share).

The average price of the share shall be calculated in accordance with the provisions of sub-section C above.

The value of the subscription right shall be deemed to be the equivalent of the average calculated mean value, for each trading day during the subscription period, of the highest and lowest quoted paid price on that day according to the stock exchange or market place list on which the subscription rights are quoted. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

If the subscription rights are not subject to a Market Quotation, the value of the subscription right shall, to the greatest extent possible, be determined based upon the change in the market value of the Company's shares which may be deemed to have occurred as a consequence of the issue of the convertible bonds or warrants.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the subscription period and shall apply to each Subscription effected thereafter.

If the Company's shares, at the time of the resolution to issue the notes, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, the provisions in sub-section C last paragraph shall apply correspondingly.

E Other offers to shareholders

Where the Company, in circumstances other than those referred to in sub-sections A-D above, makes offers to the shareholders, subject to preferential rights for the shareholders in accordance with the principles set out in Chapter 13, section 1 of the Companies Act, to acquire securities or rights of any type from the Company or resolves, in accordance with the principles mentioned above, to distribute such securities or rights to the shareholders without consideration, in conjunction with Subscription which is effected at such time that the shares thereby received do not entitle the holder to participate in the offer, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during the application period for the offer (referred to below as the "average price of the share")) / (the average price of the share increased by the value of the right to participate in the offer (referred to below as the "value of the purchase right")).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the value of the purchase right) / (the average price of the share).

The average price of the share shall be calculated in accordance with the provisions of sub-section C above.

Where shareholders have received purchase rights and trading in these has taken place, the value of the right to participate in the offer shall be deemed to be equivalent to the value of the purchase rights. For this purpose, the value of the purchase right shall be deemed to be equivalent to the average calculated mean value, for each trading day during the application period, of the highest and lowest quoted paid price during the day according to the stock exchange or market place list on which the purchase rights are quoted. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

If the shareholders do not receive purchase rights or where such trading in purchase rights as referred to in the preceding paragraph otherwise does not take place, the recalculation of the Subscription Price shall be made as far as possible by applying the principles set out above in this

sub-section E and the following shall apply. Where listing of the securities or rights offered to the shareholders takes place, the value of the right to participate in the offer shall be deemed to be equivalent to the average calculated mean value, for each trading day during the period of 25 trading days calculated from the first day of listing, of the highest and lowest transaction prices quoted for trades in such securities or rights on the securities exchange or other marketplace for financial instruments on which those securities or rights are listed, reduced where appropriate by the consideration paid for these in conjunction with the offer. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation of the value of the right to participate in the offer. In the recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, the period of 25 trading days referred to above shall be deemed to be the application period determined for the offer pursuant to the first paragraph of this Section E.

Where no listing of such securities or rights offered to the shareholders takes place, the value of the right to participate in the offer shall, to the greatest extent possible, be determined based on the change in the market value of the Company's shares which may be deemed to have occurred as a consequence of the offer.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated in accordance with the above, shall be determined by the Company as soon as possible after it becomes possible to calculate the value of the right to participate in the offer.

If the Company's shares, at the time of the offer, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

F Equal treatment of Warrant Holders and shareholders

Where the Company issues new shares or makes an issue pursuant to Chapters 14 or 15 of the Companies Act, with preferential rights for shareholders to subscribe for equity related instruments in exchange for cash payment, the Company may grant all Warrant Holders the same preferential rights as the shareholders. In conjunction therewith, each Warrant Holder, irrespective of whether subscription for shares has been made, shall be deemed to be the owner of the number of shares which such Warrant Holder would have received, had Subscription on the basis of the Warrant been effected in respect of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to issue the shares.

If the Company resolves to make an offer to the shareholders as described in sub-section E above, what has been stated in the preceding paragraph shall apply *mutatis mutandis*. However, the

number of shares of which each warrant holder shall be deemed to be the owner shall, in such circumstances, be determined on the basis of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to make the offer.

If the Company resolves to grant the warrant holders preferential rights in accordance with the provisions set out in this sub-section F, no recalculation as set out in sub-sections C, D, or E above of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe for shall be made.

G Extraordinary Dividend

If the Company decides to pay a cash dividend to the shareholders, a recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, shall be made in respect of any Subscription requested at such a time that the shares thereby received do not carry rights to receive such dividend. The recalculation shall be based on the total dividend and repayment (referred to below as “Extraordinary Dividend”).

The recalculation shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during a period of 25 trading days calculated from the day on which the share is listed without any right to Extraordinary Dividend (referred to below as the “average price of the share”)) / (the average price of the share increased by the Extraordinary Dividend paid per share).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the Extraordinary Dividend paid per share) / (the average price of the share).

The average price of the share shall be calculated according to the provisions in sub-section C above.

The recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe shall be determined by the Company two Business Days after the expiry of the above-mentioned period of 25 trading days and shall apply to each Subscription effected from the day on which the share is listed without any right to Extraordinary Dividend.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares, Subscription shall be effected in accordance with the provisions in sub-section C last paragraph above.

H Reduction of share capital

If the Company’s share capital is reduced through a repayment to the shareholders, and such reduction is compulsory, a recalculated Subscription Price and a recalculated number of shares for which each Warrant entitles the holder to subscribe, shall be applied.

The recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during a period of 25 trading days calculated from the day on which the share is listed

without any right to participate in the distribution (the “average price of the share”)) / (the average price of the share increased by the amount repaid per share).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the amount repaid per share) / (the average price of the share).

The average price of the share is calculated in accordance with the provisions set out in sub-section C above.

In carrying out the recalculations according to the above and where the reduction is made through redemption of shares, instead of using the actual amount which corresponds to the amount which is repaid for each share, an amount calculated as follows shall be applied:

Calculated amount to be repaid for each share = (the actual amount repaid for each redeemed share reduced by the average market price of the share during a period of 25 trading days immediately prior to the day on which the share is listed without any right to participate in the reduction (the “average price of the share”)) / (the number of shares of the Company which carry an entitlement to the redemption of one share, reduced by 1).

The average exchange price is calculated in accordance with the provisions set out in sub-section C above.

The Subscription Price and number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the above-mentioned period of 25 trading days, and shall apply to each Subscription effected thereafter.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares, Subscription shall be effected in accordance with the provisions in sub-section C last paragraph above.

If the Company’s share capital is reduced through redemption of shares with repayment to the shareholders, where such reduction is not compulsory, but where, in the opinion of the Company, the reduction, due to its technical structure and its financial effects, is equivalent to a compulsory reduction, the recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall be made, to the greatest extent possible, in accordance with the principles stated above in this sub-section H.

If the Company’s shares, at the time of the reduction of share capital, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

I Recalculation shall give a reasonable result

Should the Company take actions such as those stated in sub-sections A-E, G or H above and if, in the Company’s opinion, application of the recalculation formula established for such action, taking into account the technical framework of such action or for other reasons, could not be made or would result in the Warrant Holders receiving, in relation to the shareholders, economic

compensation that is not reasonable, the Company shall, subject to prior written approval by the board of directors of the Company, make the recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, in such a manner as the Company determines is appropriate to ensure that the recalculation gives a reasonable result.

J Rounding off

On recalculation of the Subscription Price in accordance with the above, the Subscription Price shall be rounded off to the nearest ten öre, for which purposes five öre shall be rounded downwards and the number of shares shall be rounded off to two decimal places.

K Mergers

Where the general meeting adopts a resolution to approve a merger plan pursuant to Chapter 23, section 15 of the Companies Act, pursuant to which the Company is to be merged into another company or where the board of directors adopts a resolution pursuant to Chapter 23, section 28 of the Companies Act adopts a resolution that the Company be merged into its parent company, the Warrant Holders shall receive rights in the acquiring company corresponding at least to the rights held in the Company (the transferor company), unless, pursuant to the merger plan, the Warrant Holders are entitled to demand redemption of their Warrants by the acquiring company.

L Division

Where the general meeting adopts a resolution to approve a division plan pursuant to Chapter 24, section 17 of the Companies Act, pursuant to which a proportion of the assets and liabilities of the Company are taken over by two or more other companies, a recalculated subscription price and a recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe shall be calculated. The provisions of sub-section G regarding Extraordinary Dividend shall then apply *mutatis mutandis*. The recalculation shall be based on the proportion of the assets and liabilities of the Company that are taken over by the transferee company or companies.

Where all assets and liabilities of the companies are taken over by two or more other companies, on paying consideration to the shareholders of the Company, the provisions of sub-section M (*Liquidation*) below regarding liquidation shall apply *mutatis mutandis*. Inter alia, this means that the right to demand Subscription shall terminate simultaneously with the registration in accordance with Chapter 24, section 27 of the Companies Act and that the Warrant Holder shall be notified no later than four weeks before the division plan shall be submitted for approval to the general meeting.

M Liquidation

If it is resolved that the Company be put into liquidation, for whatever reason, Subscription may not take place thereafter. The right to demand Subscription shall terminate simultaneously with the adoption of the resolution to put the Company in liquidation, irrespective of whether such resolution has become final.

Not later than four weeks prior to the adoption of a resolution by a general meeting in respect of whether or not the Company should be put into liquidation in accordance with Chapter 25 of the Companies Act, the Warrant Holders shall be notified with respect to the planned liquidation in

accordance with section 10 below. The notice shall state that subscription may not take place following the adoption of the resolution in respect of liquidation.

If the Company gives notice of a planned liquidation pursuant to the above, the Warrant Holders shall, notwithstanding the provisions of section 4 in respect of the earliest date for application for Subscription, be entitled to apply for Subscription commencing on the day on which the notice is given, provided that Subscription may be effected not later than prior to the general meeting at which the resolution regarding the liquidation of the Company shall be addressed.

Notwithstanding the provisions above pursuant to which Subscription may not take place after the adoption of a resolution regarding liquidation, the right to subscribe shall be reinstated in the event the liquidation is not carried out.

N Insolvent liquidation

If the Company is put into insolvent liquidation, Subscription may not take place through the exercise of Warrants. Where, however, the decision to put the Company into insolvent liquidation is set aside by a higher court, subscription rights shall be reinstated.

9 Nominees

According to Chapter 3 section 7 of the Financial Instruments Accounts Act (SFS 1998:1479), a legal entity shall be entitled to be registered as nominee. Such a nominee shall be regarded as a Warrant Holder for the purposes of the application of these terms and conditions.

10 Notices

Notices relating to these Warrant Terms and Conditions shall be provided to each Warrant Holder and any other rights holders registered in Securities Accounts.

11 Right to represent Warrant Holders

The Bank shall be entitled to represent Warrant Holders in matters of a formal nature concerning the Warrants without special authorisation from the Warrant Holders.

12 Amendments to terms and conditions

The Company shall be entitled to amend the terms and conditions of the Warrants to the extent required by legislation, decisions of courts of law or decisions of governmental authorities or where otherwise, in the Company's opinion, such is necessary or expedient for practical reasons and provided that the rights of the Warrant Holders are in no way prejudiced.

13 Confidentiality

The Company and Euroclear may not, without authorisation, disclose information regarding the Warrant Holders to any third party. The Company shall have access to information contained in the register of warrants held by Euroclear which sets out the persons registered as holders of Warrants.

14 Limitation of liability

In respect of measures which it is incumbent on the Company, Euroclear or the Bank to take in accordance with the terms and conditions of the Warrants, taking into consideration the provisions of the Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479), neither the Company, Euroclear nor the Bank shall be liable for loss which arises as a consequence of Swedish or foreign legislation, the actions of Swedish or foreign governmental authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation in respect of strikes, blockade, boycotts, and lockouts shall apply notwithstanding that the Company, Euroclear or the Bank is itself the subject of, or effects, such measures.

Nor shall Euroclear be liable for loss which arises under other circumstances provided Euroclear has duly exercised normal caution. The Company and the Bank shall also enjoy a corresponding limitation of liability. In addition, under no circumstances shall the Company or the Bank be liable for indirect loss.

If the Company, Euroclear or the Bank is unable to perform its obligations as a consequence of a circumstance specified in the first paragraph, such performance may be postponed until such time as the cause for the impediment has terminated.

15 Applicable law and forum

The Warrants, and all legal issues related to the Warrants, shall be determined and interpreted in accordance with Swedish law. Legal proceedings relating to the Warrants shall be brought before the Stockholm District Court or such other forum as is accepted in writing by the Company.

Delivery of MTG Class B shares to the participants in the Performance Share Plan (item 21(b))

The Board proposes the following methods to secure delivery of MTG Class B shares to the participants under the Performance Share Plan.

Agreement with a third party in relation to transfer of MTG Class B shares to the participants in the Performance Share Plan (item 21(b))

As set out above under item 20(a), the Board proposes that the Annual General Meeting resolves that the Performance Share Plan may as an alternative, if the required majority for approval is not reached under item 21(a), be hedged by MTG entering into an agreement with a third party, under which the third party shall, in its own name, acquire and transfer MTG Class B shares to the participants in the Performance Share Plan

Amendment of the Articles of Association (item 22)

The Board proposes that MTG’s Articles of Association is amended to better reflect MTG’s operations following the split, in accordance with the following.

Current wording

Proposed wording

§ 3, second and third paragraph

The object of the Company’s business is to develop and sell goods and services within the media, information and communications businesses and other activities compatible therewith.

The Company shall also be entitled to own and manage real estate as well as shares and other movables, and carry on other activities compatible therewith.

The object of the Company’s business shall be to own and manage real property and movables, primarily through investments in businesses within the sectors of digital entertainment, esport and online gaming. Furthermore, the object of the Company’s business shall be to conduct business operations compatible with the above mentioned businesses.

ARTICLES OF ASSOCIATION

MODERN TIMES GROUP MTG AB

Adopted by the Annual General Meeting on 21 May 2019

§ 1

The name of the Company is Modern Times Group MTG AB. The Company is a public company (publ).

§ 2

The board of directors shall have its registered office in the municipality of Stockholm.

§ 3

The primary purpose of the Company's business shall be to generate profit for its shareholders.

The object of the Company's business shall be to own and manage real property and movables, primarily through investments in businesses within the sectors of digital entertainment, esports and online gaming. Furthermore, the object of the Company's business shall be to conduct business operations compatible with the above mentioned businesses.

The Company shall have the right to guarantee or otherwise pledge security for obligations assumed by other companies within the group.

§ 4

The Company's share capital shall be not less than SEK 298,000,000 and not more than SEK 1,192,000,000.

The number of shares in the Company shall be not less than 59,600,000 and not more than 238,400,000.

§ 5

Shares may be issued in three Classes, Class A, Class B and Class C. Class A shares may be issued to a maximum number of 238,400,000, Class B shares to a maximum number of 238,400,000 and Class C shares to a maximum number of 238,400,000. Each Class A share carry ten votes and each Class B share and Class C share carry one vote.

Class C shares do not entitle to dividends. Upon the Company's liquidation, Class C shares carry an equivalent right to the Company's assets as the other classes of shares, however not to an amount exceeding up to the quota value of the share, annualised as per day of distribution with an interest rate of STIBOR 30 days with an additional one percentage point calculated from the day of payment of the subscription price. STIBOR 30 days is set on the first business day of each calendar month.

Should the Company resolves on an issue of new Class A, Class B and Class C shares, against other payment than contribution in kind, each holder of Class A, Class B and Class C shares has preferential rights to subscribe for new shares of the same class in proportion to the number of old shares held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the Company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of already shares held, or, to the extent that this is not possible, by lot.

Should the Company resolves on an issue of new shares solely of Class A shares, Class B shares or Class C shares, against other payment than contribution in kind, all shareholders, irrespective of which class of shares held, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares previously held.

The stipulations regarding preferential rights shall apply mutatis mutandis for new issues of warrants and convertible debt, and shall not infringe on the possibility to resolve on an issue in which the preferential rights of shareholders are waived.

If the share capital is increased by a bonus issue, where new shares are issued, new shares of Class A and Class B shall be issued in relation to the number of shares of the same classes already held. In such cases, old shares of a specific class shall entitle to new shares of the same class. Class C shares do not carry rights to participate in bonus issues. Following a requisite amendment in the Articles of Association, the aforementioned stipulation shall not infringe on the possibility to issue shares of a new class by a bonus issue.

Reduction of the share capital, however not below the minimum share capital, may on request of holders of Class C shares or as resolved by the Company's Board of Directors or General Meeting, be made by redemption of Class C shares. A request from a shareholder shall be made in writing to the Company's Board of Directors and the Board of Directors shall promptly act on the matter. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the Company's equity reserves, if the required funds are available.

The redemption payment per Class C share shall correspond to the quota value of the share annualised per day with an interest rate of STIBOR 30 days with additional one percentage point calculated from the day of payment of the subscription price. STIBOR 30 days shall be initially set on the day of payment of the subscription price.

Following notice of the redemption resolution, holders having requested redemption shall promptly receive payment for the share, or, if authorisation from the Swedish Companies Registration Office or a court is required, following notice that the final decision has been registered.

Upon decision by the Board of Directors, Class C shares shall be reclassified into Class B shares, provided that the shares are held by the Company. Immediately thereafter, the Board of Directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered and the reclassification been noted in the Swedish Central Securities Depository.

It shall be possible to reclassify Class A shares to Class B shares. Holders of Class A shares shall, during the calendar months January and July each year (the "Reclassification periods"), be entitled to request that all or part of the shareholder's Class A shares shall be reclassified to Class B shares. The request shall be made in writing and must have been received by the Board of Directors no later than on the last day of the specific Reclassification period. The request shall state (i) the number of Class A shares that the shareholder wants to reclassify or (ii) the maximum percentage of the total number of votes in the Company, that the shareholder wants to hold, after reclassification has been completed of all Class A shares requested to be reclassified during the specific Reclassification period. When making a request according to alternative (ii) above, the shareholder shall also state the total number of Class A and Class B shares that the shareholder holds at the time of the request.

After the end of each Reclassification period, the Board of Directors shall consider the question of reclassification. Immediately thereafter, the Board of Directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered and the reclassification been noted in the Swedish Central Securities Depository.

§ 6

The board shall consist of no less than three and no more than nine directors.

§ 7

The Company shall have no more than three auditors with up to three deputy auditors. A registered accounting firm may be elected as auditor. The auditor's term of office shall last until the end of the Annual General Meeting that is held during the first, second, third or fourth financial year after the auditor was elected.

§ 8

The Company's financial year shall be the calendar year.

§ 9

Notice of a General Meeting of shareholders shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) as well as on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

§ 10

A shareholder that wishes to participate at the general meeting shall, firstly, have been registered as shareholder in a transcript of the entire share register with respect to the situation five business days before the meeting, and secondly, register with the Company on the registration day set forth in the notice convening the meeting. Such registration day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve, New Year's Eve or any day earlier than five week days prior to the meeting.

A shareholder attending a general meeting may be accompanied by an assistant, however only where the shareholder has provided notification hereof in accordance with the foregoing paragraph.

§ 11

The shareholder or nominee who on the record date is registered in the share register and in a central securities depository register pursuant to Chapter 4 of the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).
