



ANNUAL GENERAL MEETING TUESDAY 18 MAY 2021

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1. The Nomination Committee's motivated statement regarding its proposal for election of the Board.

MTG's Nomination Committee

In accordance with the procedure for the Nomination Committee resolved by the 2019 Annual General Meeting, the Chairman of the Board has convened a Nomination Committee to prepare proposals for the 2021 Annual General Meeting.

The Nomination Committee comprises Klaus Roehrig, appointed by Active Ownership Corporation, Joachim Spetz, appointed by Swedbank Robur Fonder, David Marcus, appointed by Evermore Global Advisors, LLC and David Chance, the Chairman of the Board. In line with past practice, the members of the Nomination Committee have appointed Klaus Roehrig, representing the largest shareholder in the company on the last business day of August 2020, as the Committee Chairman.

The Nomination Committee's proposal for election of the Board

The Nomination Committee proposes:

- That the Board shall consist of seven (7) members.
- The re-election of all current members of the Board, except for David Chance who has declined re-election.
- The election of Simon Leung as new member of the Board.
- The election of Simon Duffy as new Chairman of the Board.

The Nomination Committee's proposal is thus that the following persons are elected to the Board of MTG for a term of office until the end of the next Annual General Meeting:

- Chris Carvalho
- Simon Duffy
- Gerhard Florin
- Dawn Hudson
- Marjorie Lao
- Natalie Tydeman
- Simon Leung

The Nomination Committee's work

The Nomination Committee has held a number of meetings, with additional candidate interviews and Committee discussions between meetings. The Nomination Committee's work has primarily focused on an orderly succession planning and the continued long-term development of the overall Board composition. The Nomination Committee's aim has been to strengthen the mix of experiences and competencies present at Board level in order to increasingly match the challenges and opportunities faced by MTG as the company continues to take important steps to shape its business for the future.

In its assessment of the degree to which the current Board meets the requirements placed on it, the Nomination Committee has reviewed the current Board members' ability to devote the necessary time and commitment required, as well as the balance and diversity of contributions of experiences from the digital entertainment industry. The Nomination Committee also had the benefit of an internal performance review of the Board and its individual members.

The Nomination Committee's motivated statement regarding its proposals for election of the Board

Having been informed of each Director's eligibility, except for David Chance who has declined re-election, the Nomination Committee resolved to propose the re-election of all the other current Board members.

In its work, the Nomination Committee has sought to strengthen the Board with complementary international experience with a good understanding from technology and consumer focused companies. As a result of this pursuit, the Nomination Committee proposes the election of one new member to MTG's Board of Directors – Simon Leung.

Simon Leung is currently based in Hong Kong and has had extensive experience working with international companies and leading their operations in Greater China and the Asian Pacific region. He served as Microsoft's Chairman and CEO of Greater China region, 2008-2012 and was President of Motorola Asia-Pacific, 1999-2008. Simon currently serves as the Vice Chairman and Executive Director of NetDragon Websoft Holdings Limited, a publicly listed leader in building and scaling multiple internet and mobile platforms; this includes China's number one online gaming portal, 17173.com and China's most influential smartphone app store platform, 91 Wireless, which is now owned by Baidu. He also chairs Edmodo, Inc., an e-learning technology start-up; JumpStart Games, Inc., a family interactive entertainment company; and Promethean World Limited, an interactive technology company focused on the education sector. Simon Leung received his Bachelor of Arts degree and an Honorary Doctorate in laws from the University of Western Ontario, Canada in 1978 and 2005, respectively, and a Doctorate in Business Administration from Hong Kong Polytechnic University in 2007. He travels to Europe on a regular basis to visit subsidiaries of the companies in which he is active.

The Nomination Committee is of the opinion that the proposed Board composition demonstrates the right skills and commitment needed to support MTG's management in driving profitable and organic growth in vertical companies and investing in high potential esports and gaming businesses. The addition of Simon Leung brings a strong understanding and wealth of experience of doing business in the Asian Pacific region, which is likely to play an important role in MTG's future expansion. He brings specialist and relevant knowledge which compliments the existing skill sets and attributes already present in the Board.

Klaus Roehrig, Chairman of the MTG Nomination Committee, recommended to propose that the Board shall consist of eight (8) members and to also propose a representative from Active Ownership Corporation as new Board member. The decisions to propose that the Board shall consist of seven (7) members and to not include a representative from Active Ownership Corporation in the Nomination Committee's proposal were passed by majority vote of the Nomination Committee members.

In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Nomination Committee gives particular consideration to the importance of an increased diversity on the Board, including gender, age and nationality, as well as depth of experiences, professional backgrounds and business disciplines. The Nomination Committee believes the composition of the proposed Board is fit-for-purpose in respect of the various dimensions of diversity, and will continue to pursue a high degree of diversity and gender balance in its efforts to compose the most capable Board.

Finally, it is noted that the Nomination Committee has evaluated each Board member's independence in the work of preparing its proposals for the 2021 Annual General Meeting, and found that the proposed Board is in compliance with the Swedish Corporate Governance Code's requirements for independence. Some members of the Board of MTG also serve on the Boards of MTG's subsidiaries or perform services to the subsidiaries outside their ordinary Board duties, and thus receiving Board fees or other compensation. Any such remuneration is noted in the Board's remuneration report. It is the opinion of the Nomination Committee that such compensation does not affect the assessment of these members' independence of MTG.

Information about the proposed members of the Board

Information about the proposed members of the Board, including the Nomination Committee's assessment of each member's independence, may be found on MTG's website at www.mtg.com.

The Nomination Committee's comments regarding its proposals for Board remuneration

The Nomination Committee proposes that remuneration per assignment is increased by approximately 10% for ordinary Board work.

The Nomination Committee was further fully supportive of trying to develop an equity component to Directors' remuneration and considered a number of alternatives in this regard, including structures currently in use in the Swedish market. However, it was unable to find a scheme that it felt would work for both shareholders and Directors, and it would like to encourage next year's Nomination Committee to continue this work and explore in greater detail whether a suitable equity participation scheme could

be found. As a result, the Nomination Committee unanimously resolved to remunerate the Board with a cash-only arrangement for this year.

April 2021

THE NOMINATION COMMITTEE
MODERN TIMES GROUP MTG AB (PUBL)

2. Information on the proposed members of the Board.

Chris Carvalho

Non-Executive Director

American, born 1965

Elected 2020

Chris Carvalho has vast experience as a Board member and advisor of several gaming and start-up companies. Chris spent four years between 2010-2013 as Chief Operating Officer at Kabam and ten years at Lucasfilm where he headed up business development, and eventually ran the company's internet division, StarWars.com. Chris has also been a Board member in G5 Entertainment, the worldwide developer and publisher of free-to-play mobile games listed on Nasdaq Stockholm. Chris is currently a Board member of Roblox and Rogue Games and an advisor to Chalk, Specifio, MTGx gaming and 4D Sight. Chris holds an MBA from UCLA Anderson School of Management and a Bachelor of Science from the University of California, Berkeley.

Member of the Audit Committee.

Independent of the Company and management and independent of the major shareholders.

Direct or related person ownership: 2,500 MTG shares per 31 December 2020.

Simon Duffy

Non-Executive Director and proposed new Chairman of the Board

British, born 1949

Elected 2008

Simon was Executive Chairman of Tradus plc until the company's sale in March 2008. Simon was also Executive Vice-Chairman of ntl:Telewest until 2007, having joined ntl in 2003 as CEO. Simon has also served as CFO of Orange SA, CEO of wireless data specialist End2End AS, CEO and Deputy Chairman of WorldOnline International BV, and held senior positions at EMI Group plc and Guinness plc. Simon has also served as Chairman of the Board of Bwin.party digital entertainment plc and Mblox Inc. as well as Board Member of Millicom International Cellular and Avito AB. Simon is currently a Chairman of the Board of Directors of Telit Communications Plc and YouView TV Ltd and Chairman of the Board of Governors of Manchester Metropolitan University as well as Board Member of Wizz Air Holdings Plc, Nordic Entertainment Group and Oger Telecom Limited. Simon is a Master's graduate of the University of Oxford and holds an MBA from Harvard Business School.

Chairman of the Audit Committee.

Independent of the Company and management and independent of the major shareholders.

Direct or related person ownership: 1,750 MTG class B shares per 31 December 2020.

Gerhard Florin

Non-Executive Director

German, born 1959

Elected 2018

Gerhard has spent over 20 years in the entertainment and gaming industry. Gerhard has previously served on the Boards of Codemasters plc, Funcom, Kobojo and King Digital Entertainment, and was Chairman of the latter between 2014 and 2016. Between 2006 and 2010, Gerhard served as an Executive Vice President and General Manager of Publishing at Electronic Arts, being responsible for the company's worldwide publishing business, prior to which he held various positions in Electronic Arts' German and British operations. Before joining Electronic Arts, Gerhard worked at Bertelsmann Music Group and McKinsey. Gerhard is currently a member of the Board of MTG's subsidiary InnoGames. Gerhard holds Masters and PhD degrees in Macro Economics from the University of Augsburg in Germany.

Member of the Remuneration Committee.

Independent of the Company and management, and independent of major shareholders.

Direct or related person ownership: 0 MTG shares per 31 December 2020.

Dawn Hudson

Non-Executive Director

American, born 1957

Elected 2020

Between 2014-2018 Dawn was Executive Vice President and Chief Marketing Officer for the National Football League (NFL) where she, among other things, was responsible for building the NFL brand and oversaw planning and execution of all major NFL events. Prior to joining the NFL, Dawn was Vice Chairman of the strategy consultancy company Parthenon Group, where she built and oversaw Parthenon's consumer practice focused on the food, beverage and restaurant sectors, and for more than 10 years she held senior positions at PepsiCo including President and CEO of Pepsi-Cola North America and CEO of PepsiCo Foodservices. Dawn Hudson is currently a Board member of NVIDIA, a visual computing company focused on among other things gaming, listed on Nasdaq in the U.S., Board member and member of the Governance Committee of Interpublic Group, one of the world's leading advertising and marketing services companies, listed on New York Stock Exchange and member of the Board and Compensation Committee of Rodan and Fields. Dawn has a Bachelor of Arts in English from Dartmouth College.

Member of the Audit Committee.

Independent of the Company and management and independent of the major shareholders.

Direct or related person ownership: 0 MTG shares per 31 December 2020.

Marjorie Lao

Non-Executive Director

Philippines, born 1974

Elected 2020

Marjorie Lao was the CFO of the LEGO Group from 2017-2020, where she oversaw the company's global operations with a broad mandate covering the traditional CFO role, as well as Legal, Government and Public Affairs, and Social and Environmental Responsibility. From 2014 to 2016, she was the Senior Vice President of Finance. Before joining the LEGO Group, from 2006 to 2010, Marjorie was the CFO of Tandberg ASA, a publicly listed company in the Oslo Stock Exchange, before it was acquired by Cisco. She also held senior finance, strategy and business development positions at Cisco from 2010 to 2012, McKinsey from 2002 to 2005, and Procter & Gamble from 1996 to 2000. She is currently a member of the Board of Directors and the Audit Committee of Logitech International, a member of the Board of Directors and Chair of the Audit Committee of MyTheresa Netherlands as well as a member of the Europe Advisory Board of Harvard Business School. Marjorie holds an MBA from Harvard Business School and a Bachelor of Science from the University of Philippines.

Member of the Audit Committee.

Independent of the Company and management and independent of the major shareholders.

Direct or related person ownership: 0 MTG shares per 31 December 2020.

Natalie Tydeman

Non-Executive Director

British, born 1971

Elected 2017

Between 2007 and 2016, Natalie was at GMT Communications Partners, one of Europe's leading private equity specialists in the media and communications sectors, where she became Partner in 2010 and later promoted to Senior Partner in 2014. Natalie helped launch Excite in Europe, built Discovery Communications' European internet operations, was Managing Director of Fox Kids Europe's Online

& Interactive division, and led Fremantle Media's business diversification and corporate venturing activities as Senior Vice President. Natalie is currently a Senior Investment Director at Kinnevik AB (publ). Natalie is also a board member of Nordic Entertainment Group and FutureLearn Ltd. Natalie holds a Bachelor of Arts in Mathematics from the University of Oxford and an MBA from Harvard Business School.

Chairman of the Remuneration Committee.

Independent of the Company and management and independent of the major shareholders.

Direct or related person ownership: 0 MTG shares per 31 December 2020.

Simon Leung

Proposed new Non-Executive Director

Canadian, born 1954

Simon Leung is currently based in Hong Kong and has had extensive experience working with international companies and leading their operations in Greater China and the Asian Pacific region. He served as Microsoft's Chairman and CEO of Greater China region, 2008-2012 and was President of Motorola Asia-Pacific, 1999-2008. Simon currently serves as the Vice Chairman and Executive Director of NetDragon Websoft Holdings Limited, a publicly listed leader in building and scaling multiple internet and mobile platforms; this includes China's number one online gaming portal, 17173.com and China's most influential smartphone app store platform, 91 Wireless, which is now owned by Baidu. He also chairs Edmodo, Inc., an e-learning technology start-up; JumpStart Games, Inc., a family interactive entertainment company; and Promethean World Limited, an interactive technology company focused on the education sector. Simon Leung received his Bachelor of Arts degree and an Honorary Doctorate in laws from the University of Western Ontario, Canada in 1978 and 2005, respectively, and a Doctorate in Business Administration from Hong Kong Polytechnic University in 2007. He travels to Europe on a regular basis to visit subsidiaries of the companies in which he is active.

Independent of the Company and management and independent of the major shareholders.

Direct or related person ownership: 0 MTG shares.

3. Auditor's opinion in accordance with Ch 8, Sec 54 of the Swedish Companies Act (2005:551) regarding whether the guidelines for remuneration to Senior Executives as approved by the Annual General Meeting have been complied with.



Auditor's opinion under Chapter 8 Section 54 of the Swedish Companies Act (2005:551) as to whether the guidelines of the annual general meeting on the remuneration of senior executives have been followed

To the annual general meeting of Modern Times Group MTG AB (publ.), Corporate identity No 556309-9158

Introduction

We have audited whether the Board of Directors and the Chief Executive Officer of Modern Times Group MTG AB (publ.) during the year 2020 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 21 May 2019 and the annual general meeting on 18 May 2020.

Responsibility of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the guidelines being followed and for the internal control that the Board of Directors and the Chief Executive Officer deem necessary to ensure that the guidelines are followed.

Responsibility of the auditor

Our responsibility is to issue an opinion, based on our audit, to the annual general meeting as to whether the guidelines have been followed. We have conducted the audit in accordance with FAR recommendation RevR 8 *Audit of remuneration of senior executives in some public limited companies*. This recommendation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the guidelines adopted by the annual general meeting are followed in all material aspects. The audit firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Modern Times Group MTG AB accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The audit has covered the company's organization for and documentation of remuneration issues for senior executives, the new decisions on remuneration that have been taken and a selection of the payments made during the financial year to the senior executives. The auditor chooses what procedures are to be performed, in part by assessing the risk of the guidelines not being followed in all material aspects. In making those risk assessments, the auditor considers internal control relevant to compliance with the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit provides a reasonable basis for our opinion set out below.

Opinion

We consider that the Board of Directors and Chief Executive Officer of Modern Times Group MTG AB (publ.) during 2020 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 21 May 2019 and the annual general meeting on 18 May 2020.

Stockholm 13 April 2021

KPMG AB

DocuSigned by:

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Helena Nilsson

Authorized Public Accountant

2020 REMUNERATION REPORT

This report describes how the Remuneration Guidelines of Modern Times Group MTG AB, adopted by the Annual General Meeting 2020, were implemented for the financial year that ended 31 December 2020. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related and share-price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 26 (Employees and personnel costs) on pages 105-111 in the Annual Report 2020. This includes fixed and variable compensation, long-term incentive plans and other benefits, as per the requirement by chapter 5, sections 40-44 of the Annual Accounts Act (1995:1554).

Remuneration of the Board of Directors is resolved annually by the Annual General Meeting and disclosed in note 26 on page 107 in the Annual Report 2020. Two of the Board members, Chris Carvalho and Gerhard Florin, have received other remuneration in addition to the board fees resolved by the AGM. The other remuneration paid to Chris Carvalho and Gerhard Florin will be covered by this report.

The Remuneration Committee

The Board has established a Remuneration Committee. In order to avoid any conflict of interest, the Remuneration Committee consist only of members that are independent of the company and its management. The remuneration is managed through well-defined processes ensuring that no individual is involved in the decision-making process related to their own remuneration.

The Remuneration Committee is responsible for preparing the Board's decision to propose guidelines for executive remuneration. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate

- programs for variable remuneration to the executive management,
- the application of the guidelines for executive remuneration, and
- the current remuneration structures and compensation levels in the company.

The Committee comprised three independent Non-Executive Directors, each of whom had served on the Committee for the full year 2020:

- Natalie Tydeman (Chairman of the Remuneration Committee)
- David Chance (Chairman of the Board)
- Gerhard Florin (Director of the Board)

Other Executives, including Jørgen Madsen Lindemann (former CEO), Maria Redin (as CFO and later in the year as CEO) and Lars Torstensson (CFO from September 2020) have been, from time to time, invited to attend meetings of the Committee. The Group Legal Counsel, Johan Levinsson, acts as secretary to the Committee. No individuals are involved in decisions related to their own remuneration.

Further information on the work of the Remuneration Committee in 2020 is set out in the corporate governance report available on pages 58 in the Annual Report 2020.

Advisers

The Committee is informed of key developments, market updates and best practice in the field of remuneration and obtains advice from independent external consultants, when required, on individual remuneration packages and executive remuneration practices in general.

Key developments 2020

The CEO summarizes the company's overall performance in her statement on page 6-9 in the Annual Report 2020.

The company's Remuneration Guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. The remuneration structures shall encourage employees to do their utmost to safeguard shareholders' interests and thereby the company's sustainability and long-term value creation. Under the guidelines, executive remuneration shall be on market terms and may consist of the following components: base salary, variable cash remuneration, pension and other benefits. The guidelines provide for the ability to set relevant financial and non-financial STI measures including governance, social and environmental, further contributing to alignment between the guidelines and sustainability. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy.

The Remuneration Guidelines, adopted by the Annual General Meeting 2020, have been fully implemented. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The guidelines are found on pages 106-107 in the Annual Report 2020. The auditor's report regarding the company's compliance with the guidelines is available on www.mtg.com/governance. To the Annual General Meeting 2021, the Board has decided to propose that the guidelines shall remain unchanged in all material respects, however minor adjustments will be proposed to reflect the current composi-

tion of the Management Team and its remuneration. The proposed new guidelines are found on pages 58-60 in the Annual Report 2020 and under item 17 in the notice to the Annual General Meeting (the notice is available on www.mtg.com/governance).

Total remuneration of the CEO

Jørgen Madsen Lindemann, the CEO of MTG Group since 2012, submitted his resignation to the Board in July 2020. Jørgen has twelve months' notice period in his employment contract. On 3 September 2020 MTG announced the appointment of Maria Redin, the current Group CFO, as the new Group CEO with immediate effect.

As stated in Jørgen's legacy employment agreement signed in 2012, when notice of termination has been given, the Board may at any time terminate the agreement with immediate effect and make a payment in lieu of notice. The Board decided to exercise this option and decided to terminate the employment on 30 September 2020 and to make a payment in lieu of notice. The payment is equal to Jørgen's base salary, no other benefits or pension, for the remaining part of the notice period. Jørgen Madsen Lindemann will continue to act as an adviser to the company and his non-compete obligations will remain in effect until 23 July 2021.

In April 2020 Jørgen received a legacy cash-based retention bonus of kSEK 12 882 which he was awarded as being instrumental in the project to split MTG into two companies, the cash-based retention bonus was approved prior to the split of MTG and NENT in Q1 2019.

The table below shows the total remuneration paid to the two CEOs.

Table 1 - Total CEO remuneration in 2020 (kSEK)

Name of director (position)	Fixed remuneration	Variable remuneration			Other benefits ³⁾	Extraordinary items ⁴⁾	Pension	Total remuneration	Proportion of fixed and variable remuneration ⁵⁾
	Base salary ¹⁾	One-year variable	Multi-year variable ²⁾						
Jørgen Madsen Lindemann Jan-Sept 2020 (former CEO)	9,303	5,690	12,882		936	9,923	930	39,664	38/62
Maria Redin Sept-Dec 2020 (new CEO)	1,924	1,413	-		45	-	194	3,576	60/40

¹⁾ Jørgen Madsen Lindemann's base salary amount refers to January-September 2020. Maria Redin's base salary refers to the period 3 September 2020 - 31 December 2020.

²⁾ Jørgen Madsen Lindemann's Multi-year variable refers to a legacy cash based retention bonus of kSEK 12 882 which he was awarded as being instrumental in the project to split MTG into two companies, the cash based retention bonus was approved prior to the split of MTG and NENT in Q1 2019 and it was paid out in April 2020.

³⁾ Jørgen Madsen Lindemann's Other benefits amount mainly refers to car allowance, housing and travel benefits. Maria Redin's Other benefits amount mainly refers to company car benefits.

⁴⁾ Jørgen Madsen Lindemann's Extraordinary items in the table above refers to a payment in lieu of notice is salary during the remainder of his notice period until 23 July 2021. As stated in Jørgen's legacy employment agreement signed in 2012, when notice of termination has been given, the Board may at any time terminate the agreement with immediate effect and make a payment in lieu of notice. The Board decided to exercise this option and decided to terminate the employment on 30 September 2020 and to make a payment in lieu of notice. The payment is equal to Jørgen's base salary, no other benefits or pension, for the remaining part of the notice period.

⁵⁾ The proportion of fixed and variable remuneration is excluding Jørgen Madsen Lindemann's Extraordinary item.

Other remuneration paid to Board members in addition to the board fees resolved at the AGM

Chris Carvalho has been a member of the Board of MTG since the Annual General Meeting 2020, i.e. since 18 May 2020. In parallel with his Board assignment Chris Carvalho has an assignment as a consultant and advisor at MTGx Gaming Holding AB, the commencement of this assignment was in February 2019. The consultancy fee paid by MTGx Gaming Holding AB to Chris Carvalho during the period 18 May 2020 to 31 December 2020, was 456 kSEK. Gerhard Florin has been a member of the Board of MTG since the Annual General Meeting 2018. He also serves as appointed Chairman of InnoGames. InnoGames has paid 767 kSEK in board fees to Gerhard Florin in 2020, the payment from InnoGames is outside the MTG board fees which were approved at the Annual General Meeting 2020.

Share-based remuneration

In light of the uncertain financial effects and possible impact from the spread of Covid-19 it was decided by the Board to not put forward any Long Term Incentive Plan for approval to the Annual General Meeting in May 2020, accordingly no shares/options were granted to the CEO during the financial year 2020.

The company has one outstanding Long Term Incentive program, that is the 2019 LTIP which comprise both a performance share plan and warrants.

The performance share plan in 2019 LTIP was directed towards 25 senior executives and other key employees. The CEO and the senior executives are required to have a certain shareholding in MTG shares (Target Holding) in order for the share awards to vest. The Target Holding to be achieved is for the CEO a shareholding equivalent to the value of 1 year's net base salary at time of grant and, for the senior executives, equivalent to a value of 50% of one year's net base salary.

Based on the participant's base salary and the share price at grant, the CEO is granted share awards equivalent of 56% of the base salary, senior executives are granted share awards equivalent of 50-65% of the base salary and, for the key employees, 57-75% of the base salary.

Depending on the fulfillment of certain stipulated performance conditions one (1) share award would vest as one (1) MTG Class B share to be allotted to the participants at the end of the 3-year vesting period. The CEO was granted 59,330 share awards and the plan in total comprised 218,333 share awards (entitling the participants to the corresponding number of MTG Class B shares depending on fulfillment of the performance conditions).

The performance conditions relate to MTG's organic revenue growth and organic EBITDA margin. The target level for the performance conditions were set by the Board for 2019, with the relative weight of each of the two conditions is 70% and 30% respectively, and each condition measured separately. The performance measurement period was one year, i.e. the financial year 2019. The fulfillment of the performance targets has been evaluated by the Board after year end and none of the performance targets did reach their respective entry levels. The outcome is presented in the table below. As the performance targets in 2019 LTIP were not met the CEO and the other participants will not be allotted any shares at the end of the 3-year vesting period.

Table 2 – Performance Share Plan (CEO)

The main conditions of share award plans						Information regarding the reported financial year					
Name of the holder (position)	Specification of plan	Performance period	Award date	Vesting date	End of retention period	Opening balance	During the year		Closing balance		Shares subject to retention period
						Share awards held at the beginning of the year	Awarded	Vested	Subject to performance condition	Awarded and unvested at year end	
Jørgen Madsen Lindemann (former CEO)	LTIP 2019 ⁹⁾	2019	31 May 2019	29 April 2022	29 April 2022	0	0	0	0	0	0
Maria Redin (new CEO)	LTIP 2019 ⁹⁾	2019	31 May 2019	29 April 2022	29 April 2022	0	0	0	0	0	0

⁹⁾ The maximum number of shares that could be awarded under LTIP 2019 for Jørgen Madsen Lindemann was 59 330 shares. The maximum number of shares that could be awarded under LTIP 2019 for Maria Redin, in her former CFO role, was 24 949 shares, the outcome of LTIP 2019 resulted in 0 shares for the former CEO and former CFO.

The warrant plan in 2019 LTIP was directed towards the CEO and senior executives. The warrants issued entitle to a maximum of 434,667 Class B shares. Each warrant entitles the holder to, during a period from 15 June 2022 to 15 June 2023, subscribe to one new Class B share at SEK 135 corresponding to 115% of the average volume-weighted share price during the period 9 May 2019 and 22 May 2019. MTG subsidized 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 has been 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 participants' maximum profit is capped at 4.0 times the share price of SEK 117.24, the average volume weighted share price during the five last trading days in March 2019.

The former CEO, Jørgen Madsen Lindemann, joined the 2019 LTIP warrant plan last year, he purchased 250,253 warrants, no subsidy was paid to the CEO.

Table 3 – Warrant Plan (CEO)

The main conditions of the warrant plan								Information regarding the reported financial year			
Name of the holder (position)	Name of plan	Performance period	Allotment date	Vesting date	Exercise period	Exercise price (subscription price) (SEK)	Warrants held at beginning of year	Opening balance	During the year		Closing balance
								Warrants allotted	Warrants vested	Warrants subject to performance condition	Warrants allotted and unvested
Jørgen Madsen Lindemann (former CEO) ¹⁾	LTIP 2019	21 June 2019 - 15 June 2022	21 June 2019	15 June 2022	15 June 2022 - 15 June 2023	135	250,253	0	0	0	250,253
Maria Redin (new CEO) ²⁾	LTIP 2019	21 June 2019 - 15 June 2022	21 June 2019	15 June 2022	15 June 2022 - 15 June 2023	135	58,284	0	0	0	58,284

¹⁾ At the time of Jørgen Madsen Lindemann's resignation from the company in July 2020 the Board decided to not exercise its right to repurchase the warrants which Jørgen paid for himself. Jørgen retains the 250 253 warrants and continues to be covered by the Terms and Conditions of the 2019 LTIP warrant plan.

²⁾ The new CEO, Maria Redin, was allotted 58 284 number of warrants in LTIP 2019, in her former role as CFO.

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2020 have been taken into account. The combination of these measures further contributes to the profitability and organic growth in the vertical companies as well as the long-term interests and alignment with sustainability of the company.

Table 4 - Performance of the CEO in the reported financial year: Variable cash remuneration

Name of director (position)	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/remuneration outcome (kSEK) ¹⁾	
Maria Redin Sept-Dec 2020 (new CEO)	Gaming revenues vs target rate	22.50%	a) 93,2%	b) 279,5 kSEK
	Gaming EBITDA vs target rate	22.50%	a) 100%	b) 329,2 kSEK
	eSport revenues vs target rate	22.50%	a) 100%	b) 329,2 kSEK
	eSport EBITDA vs target rate	22.50%	a) 100%	b) 329,2 kSEK
	CSR ²⁾	10.00%	a) 100%	b) 146,3 kSEK

¹⁾ The STI payout was pro rated for the period 3 September 2020 - 31 December 2020.

²⁾ The CSR target is evaluated from a qualitative perspective on the following parameters:

- Roll-out and full implementation of a new CSR management system common for all group vertical companies
- Implement a well-functioning whistle blower policy at ESL and DH (ESL Gaming)
- Continued recognition by SAM ESG/DJSI for the MTG CSR Strategy

Table 5 - Comparative information on the remuneration and company performance

As this is MTG's first remuneration report, the information in the table below only refers to the 2020 financial year. In the 2021 Remuneration Report, the remuneration for 2020 will be included to report the annual change.

CEO remuneration (kSEK)	2020
CEO remuneration (annualized) ¹⁾	10,986
Company performance (kSEK)	
Adjusted EBITDA ²⁾	535,224
Average remuneration on a full time equivalent basis of employees (kSEK)	
Average remuneration of employees of the parent company ³⁾	1,941

¹⁾ The new CEO's remuneration is annualized and it includes fixed salary, STI, benefits and pension.

²⁾ Definition of Adjusted EBITDA can be found on page 139 in the Annual Report 2020.

³⁾ Employees average remuneration are calculated as an average of 15 employees (FTE), and it includes fixed salary, STI, benefits and pension.