

Minutes kept at the extraordinary general meeting of Modern Times Group MTG AB (publ), 556309-9158, on 21 January 2021 in Stockholm

§ 1 Opening of the meeting

The meeting was opened by *advokat* Fredrik Palm.

It was noted that *advokat* Daniel Sveen had been asked to keep the minutes at the meeting.

It was noted that the board of directors had decided that the extraordinary general meeting should be held without physical presence of shareholders, proxies or external parties and that the shareholders shall exercise their voting rights by postal voting pursuant to sections 20 and 22 of the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations. (Sw. *Lagen (2020:198) om tillfälliga undantag för att underlätta genomförandet av bolags- och föreningsstämmor*).

It was noted that a summary of the results of the received postal votes was presented, [appendix 1](#). It was also noted that the summary contains the information that the company is required to present pursuant to section 26 of the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations.

It was noted that no shareholder had stated in its voting form that the resolution on a matter included on the proposed agenda set out in the notice of the general meeting should be postponed to a continued general meeting.

§ 2 Election of chairman of the meeting

Advokat Fredrik Palm was elected chairman of the meeting.

§ 3 Election of persons to verify the minutes of the meeting

Mats Gustafsson, representing Lannebo Fonder, and Johannes Wingborg, representing Länsförsäkringar Fonder, were elected to verify the minutes of the meeting.

It was noted that the assignment to verify the minutes also includes verifying the voting list and that the received postal votes are correctly reflected in the minutes of the meeting.

§ 4 Preparation and approval of voting list

It was resolved to approve the register prepared by Computershare AB based on the company's share register and postal votes received by the company (and verified and approved by the persons that had been elected to verify the minutes) as voting list for the meeting, [appendix 2](#).

§ 5 Approval of the agenda

It was resolved to approve the agenda as proposed in the notice of the meeting.

§ 6 Determination of whether the meeting was duly convened

It was noted that the notice of the meeting had been available on the company's website since 23 December 2020 and that it was published in the Swedish Official Gazette on 29 December 2020 and that information on that notice had taken place was announced in Svenska Dagbladet on 29 December 2020.

The meeting thus declared that it had been duly convened.

§ 7 Resolution on approval of the board of directors' resolution to issue class B shares with preferential rights for the company's shareholders

It was noted that the board of directors on 17 December 2020 resolved on a new issue of class B shares with preferential rights for the company's shareholders, subject to approval by the extraordinary general meeting (on the terms set out in [appendix 3](#)) and that the board of directors on 17 January 2021 resolved on the maximum amount by which the company's share capital shall be increased, the maximum number of class B shares to be issued and the subscription price to be paid for each new class B share (in accordance with [appendix 4](#)).

It was resolved to approve the board of directors' resolution on an issue of class B shares with preferential rights for the company's shareholders in accordance with the terms set out in appendix 3 and appendix 4.

§ 8 Resolution on authorisation for the board of directors to resolve on issue of class B shares

It was resolved to authorise the board of directors to resolve on issues of class B shares in accordance with the board of directors' proposal, [appendix 5](#).

It was noted that the required majority was reached since the resolution was supported by shareholders holding not less than two thirds of both the votes cast and the shares represented at the meeting.

§ 9 Resolution on class B shares to certain sellers of Hutch Games with payment by way of set-off

It was resolved to issue class B shares to certain sellers of Hutch Games with payment by way of set-off in accordance with the board of directors' proposal, [appendix 6](#).

It was noted that the required majority was reached since the resolution was supported by shareholders holding not less than nine tenths of both the votes cast and the shares represented at the meeting.

§ 10 Resolution on approval of issue of new shares in MTG Esports Holding AB with payment in kind

It was resolved to approve that Kommstart 3108 AB (to be changed to MTG Esports Holding AB) resolves on a new issue of shares in accordance with the board of directors' proposal, [appendix 7](#).

It was noted that the required majority was reached since the resolution was supported by shareholders holding not less than nine tenths of both the votes cast and the shares represented at the meeting.

§ 11 Resolution on implementation of long term incentive program

It was resolved to implement a long term incentive program (LTIP 2021) in accordance with the board of directors' proposal, [appendix 8](#).

§ 12 Resolution on alternative hedging and share delivery arrangement under the long term incentive program through (a) Authorisation for the board of directors to resolve on a directed issue of class C shares, (b) Authorisation for the board of directors to resolve on acquisition of class C shares and (c) Transfer of own class B shares to participants in the long term incentive program

It was resolved, in accordance with the board of directors' proposal, [appendix 9](#), to (a) authorise the board of directors to resolve on a directed issue of class C shares, (b) authorise the board of directors to resolve on an acquisition of own class C shares and (c) transfer class B shares to the participants in the long term incentive program (LTIP 2021).

It was noted that the required majority was reached since the resolution was supported by shareholders holding not less than nine tenths of both the votes cast and the shares represented at the meeting.

It was noted that the board of directors had proposed that the meeting's resolution should be conditional upon that the meeting also resolving in accordance with the board of directors' proposal under item 11 of the proposed agenda, and that this condition had been satisfied through the resolution set out under § 11 of the minutes.

§ 13 Closing of the meeting

The meeting was declared closed.

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Keeper of the minutes

Verified

Daniel Sveen

Fredrik Palm

Mats Gustafsson

Johannes Wingborg

Summary of the result of received postal votes

Dagordningspunkt Agenda item	Beslutspunkter på dagordningen Resolution items on the agenda	Röster / Votes					Aktier / Shares	
		(% nedan avser andel av de på stämman avgivna rösterna) (% below refers to part of cast votes at the meeting)					Aktier för vilka röster har avgetts (antal) ("Avgivna") Shares where votes have been cast (amount) ("Cast")	Andel av det totala antalet aktier i bolaget som de Avgivna representerar (%) (Part of the total amount of shares in the company the Given shares represent (%))
		Ja (antal) Yes (amount)	Ja (%) Yes (%)	Nej (antal) No (amount)	Nej (%) No (%)	Avstår (antal) Abstain(amount)		
2.	Val av ordförande Election of chairman	37 444 632,0	100,000%	0,0	0,000%	39 346,0	35 993 751	53,208%
3.	Val av två justeringspersoner Election of two persons to verify the minutes of the meeting	37 444 632,0	100,000%	0,0	0,000%	39 346,0	35 993 751	53,208%
4.	Upprättande och godkännande av röstlängd Preparation and approval of voting list	37 444 646,0	100,000%	0,0	0,000%	39 332,0	35 993 765	53,208%
5.	Godkännande av dagordningen Approval of the agenda	37 444 646,0	100,000%	0,0	0,000%	39 332,0	35 993 765	53,208%
6.	Prövning av om stämman blivit behörigen sammankallad Determination as to whether the meeting was duly convened	37 444 646,0	100,000%	0,0	0,000%	39 332,0	35 993 765	53,208%
7.	Beslut om efterföljande godkännande av styrelsens beslut om nyemission av B-aktier med företrädesrätt för bolagets aktieägare Resolution on approval of the board of directors' resolution to issue class B shares with preferential rights for the company's shareholders	37 483 978,0	100,000%	0,0	0,000%	0,0	36 033 097	53,266%
8.	Beslut om bemyndigande för styrelsen att besluta om nyemission av B-aktier Resolution on authorisation for the board of directors to resolve on issue of class B shares	37 436 078,0	99,872%	47 900,0	0,128%	0,0	36 033 097	53,266%
9.	Beslut om nyemission av B-aktier till vissa säljare av Hutch Games med betalning genom kvittning Resolution on issue of class B shares to certain sellers of Hutch Games with payment by way of set-off	37 483 978,0	100,000%	0,0	0,000%	0,0	36 033 097	53,266%

Dagordningspunkt Agenda item	Beslutspunkter på dagordningen Resolution items on the agenda	Röster / Votes					Aktier / Shares	
		(% nedan avser andel av de på stämman avgivna rösterna) (% below refers to part of cast votes at the meeting)					Aktier för vilka röster har avgetts (antal) ("Avgivna") Shares where votes have been cast (amount) ("Cast")	Andel av det totala antalet aktier i bolaget som de Avgivna representerar (%) (Part of the total amount of shares in the company the Given shares represent (%))
		Ja (antal) Yes (amount)	Ja (%) Yes (%)	Nej (antal) No (amount)	Nej (%) No (%)	Avstår (antal) Abstain(amount)		
10.	Beslut om godkännande av nyemission av aktier i MTG Esports Holding AB med betalning med apportegendom Resolution on approval of issue of new shares in MTG Esports Holding AB with payment in kind	37 477 603,0	99,983%	6 375,0	0,017%	0,0	36 033 097	53,266%
11.	Beslut om att implementera ett långsiktigt incitamentsprogram Resolution on implementation of long term incentive program	37 427 276,0	99,849%	56 702,0	0,151%	0,0	36 033 097	53,266%
12.	Beslut om alternativa arrangemang för säkring av och aktieleverans i enlighet med långsiktigt incitamentsprogram genom: a) Bemyndigande för styrelsen att besluta om riktad nyemission av C-aktier b) Bemyndigande för styrelsen att besluta om förvärv av egna C-aktier c) Överlåtelse av B-aktier till deltagarna i det långsiktiga incitamentsprogrammet Resolution on alternative hedging and share delivery arrangement under the long term incentive program through: Authorisation for the board of directors to resolve on a directed issue of class C shares Authorisation for the board of directors to resolve on acquisition of own class C shares Transfer of own class B shares to participants in the long term incentive program	37 427 276,0	99,849%	56 702,0	0,151%	0,0	36 033 097	53,266%

Item 7: The board of directors' resolution on 17 December 2020 on a new issue of class B shares with preferential rights for the company's shareholders subject to approval by an extraordinary general meeting

The board of directors resolves on an issue of class B shares with preferential rights for the company's shareholders of approximately SEK 2.5 billion on the following terms and conditions, subject to approval by an extraordinary general meeting of the company.

Authorisation for the board to determine the final terms

The board of directors, or any board member appointed by the board of directors, shall be authorised to, no later than on 18 January 2021, resolve on the highest amount by which the company's share capital shall be increased, the highest number of class B shares which shall be issued and the amount to be paid for each new class B share.

Subscription rights

The right to subscribe for the new class B shares shall rest with those who are registered as shareholders of the company on the record date, irrespective of which class of shares held, in proportion to the number of shares held on such date.

Should all new class B shares not be subscribed for with subscription rights, the board of directors shall resolve on the allotment of class B shares subscribed for without subscription rights in accordance with the following:

- Firstly, the new class B shares shall be allotted to those that have applied for subscription with subscription rights, regardless if they were shareholders on the record date on 25 January 2021 or not, in proportion to the number of subscription rights each such person exercised for subscription of class B shares, and where this is not possible, by drawing of lots.
- Secondly, the new class B shares shall be allotted to others that have applied for subscription without subscription rights and, in case of oversubscription, in proportion to the number of class B shares that each such person has applied to subscribe for, and where this is not possible, by drawing of lots.
- Thirdly, the new class B shares shall be allotted to any potential parties that have provided additional subscription commitments, if any, pursuant to specific agreements with the company, in accordance with the terms and conditions of such potential agreements.
- Ultimately, the new class B shares shall be allotted to potential underwriters, if any, that have entered into underwriting agreements with the company, in accordance with the terms and conditions of such potential agreements.

Subscription period and payment

Subscription of new class B shares with subscription rights shall be made by payment in cash during the period 27 January–10 February 2021.

Subscription of new class B shares without subscription rights shall be made on a separate subscription list during the period 27 January–10 February 2021. Payment for class B

shares subscribed for without subscription rights shall be made not later than two banking days from the date of the issue of the contract note stating the allotment of shares.

The board of directors shall have the right to extend the subscription period and postpone the date for payment.

Record date

The record date for determining the right to receive subscription rights shall be 25 January 2021.

Right to dividend

The new class B shares shall entitle the holder to dividends for the first time on the first record date for dividends that occurs after the registration of the shares with the Swedish Companies Registration Office.

Authorisation to make minor amendments

The board of directors, or any person appointed by the board of directors, shall be authorised to make such minor adjustments of the resolution as may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office and Euroclear Sweden AB.

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17 December 2020
MODERN TIMES GROUP MTG AB (publ)
THE BOARD OF DIRECTORS

Item 7: The board of directors' resolution on the maximum amount by which the company's share capital shall be increased, the maximum number of class B shares that shall be issued and the amount to be paid for each new class B share

On 17 December 2020, the board of directors resolved on an issue of class B shares of approximately SEK 2,500 million with preferential rights for the company's shareholders, subject to approval by an extraordinary general meeting. Pursuant to the board of directors' resolution, the board of directors shall be authorised to, no later than on 18 January 2021, resolve on the maximum amount by which the company's share capital shall be increased, the maximum number of class B shares that shall be issued and the amount to be paid for each new class B share. Against this background, the board of directors resolves on the following terms.

1. The company's share capital shall be increased by not more than SEK 141,603,485.
2. Not more than 28,320,697 class B shares shall be issued.
3. Those who are registered as shareholders in the share register maintained by Euroclear Sweden AB on the record date 25 January 2021 shall receive one (1) subscription right for each share held in the company (irrespective of the share class, i.e., both holders of class A shares and holders of class B shares shall receive subscription rights for new class B shares). Twelve (12) subscription rights shall entitle to subscription for five (5) new class B shares.
4. The subscription price shall be SEK 90 per class B share.

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17 January 2021
MODERN TIMES GROUP MTG AB (publ)
THE BOARD OF DIRECTORS

Item 8: Resolution on authorisation for the board of directors to resolve on issue of class B shares

The board of directors proposes that the extraordinary general meeting resolves to authorise the board of directors to, on one or several occasions up until the next annual general meeting, resolve upon the issue of class B shares representing, in aggregate, not more than 10.0 per cent of the total number of shares in the company at the time when the board of directors exercises the authorisation for the first time.

Any new issue of class B shares shall be made on market terms and conditions. Payment may be made in cash, in kind or through set-off.

New issues of shares may be effected with deviation from the shareholders' preferential rights. However, no single investor shall have the right to subscribe for shares representing more than 5.0 per cent of the total number of shares in the company.

The purpose of the authorisation is, and the reason for any deviation from the shareholders' preferential rights shall be, to enable the company to pursue potential acquisition opportunities as they arise and in line with its strategy, including to raise capital on an accelerated basis for such purposes.

Majority requirement

A resolution in accordance with the board of directors' proposal under this item 8 is only valid if supported by shareholders holding not less than two thirds (2/3) of the votes cast as well as the shares represented at the general meeting.

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Stockholm in December 2020
MODERN TIMES GROUP MTG AB (publ)
THE BOARD OF DIRECTORS

Item 9: Resolution on issue of class B shares to certain sellers of Hutch Games with payment by way of set-off

Background

On 8 December 2020, the company announced that it had acquired Hutch Games Ltd. (“Hutch”). The company has agreed to pay part of the consideration for Hutch by issuing class B shares to certain of the sellers of Hutch (including employees of Hutch), subject to the extraordinary general meeting resolving on such an issue of shares.

In connection with the acquisition of Hutch, a subsidiary of the company issued a vendor loan note in an amount of approximately USD 9.7 million (the “VLN”), which subsequently has been transferred to the company and thereby constitutes a debt obligation of the company. The VLN is to be set off as payment of the new class B shares. In the event that the general meeting does not resolve on an issue of class B shares in accordance with this item 9, the VLN will be repaid by the company in cash.

Proposal

The board of directors proposes that the extraordinary general meeting resolves on an issue of class B shares on the following terms.

Increase in share capital and number of shares

The company’s share capital shall be increased by a maximum of SEK 3,137,155 by way of a new issue of not more than 627,431 class B shares.

Subscription rights

The right to subscribe for the new class B shares shall, with deviation from the shareholders’ preferential rights, rest with the following holders of the VLN:

Name	Number of class B shares	Amount of VLN to be set off
James McDonald	170,802 class B shares	SEK 22,170,574
James Emmins	170,802 class B shares	SEK 22,170,574
Shaun Rutland	166,153 class B shares	SEK 21,567,121
Jonathan Alpine	41,002 class B shares	SEK 5,322,174
Andrew Watson	21,868 class B shares	SEK 2,838,527
Peter Hansen-Chambers	21,419 class B shares	SEK 2,780,246
Timothy Mannveille	21,231 class B shares	SEK 2,755,843
James Levick	14,154 class B shares	SEK 1,837,229
Total:	627,431 class B shares	SEK 81,442,288

The reason for the deviation from the shareholders’ preferential rights is to enable a set-off of the VLN against new class B shares in the company in accordance with the agreement regarding the acquisition of Hutch.

Subscription period, payment and subscription price

Subscription for new class B shares with shall be made on a separate subscription list not

later than 31 March 2021. Payment for subscribed class B shares shall be made by way of set-off against each subscriber's part of the VLN in connection with the subscription.

The board of directors shall have the right to extend the subscription period and postpone the date for payment.

In aggregate, SEK 81,442,288 will be paid for 627,431 class B shares, which implies a subscription price for the new class B shares of SEK 129.80 per class B share. The subscription price was determined pursuant to the agreement for the acquisition of Hutch and corresponds to the volume-weighted average price of the company's class B shares on Nasdaq Stockholm during the period of 10 November–7 December 2020.

Right to dividend

The new class B shares shall entitle the holder to dividends for the first time on the first record date for dividends that occurs after the registration of the shares with the Swedish Companies Registration Office.

Authorisation to make minor amendments

The board of directors, or any person appointed by the board of directors, shall be authorised to make such minor adjustments of the resolution as may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office and Euroclear Sweden AB.

Majority requirement

A resolution in accordance with the board of directors' proposal under this item 9 is only valid if supported by shareholders holding not less than nine tenths (9/10) of the votes cast as well as the shares represented at the general meeting.

Additional documents

Copies of the board of directors' reports and the auditor's statements pursuant to Chapter 13, Sections 6–8 of the Swedish Companies Act are available at the company at Skeppsbron 18, 111 30 Stockholm and at the company's website, www.mtg.com.

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Stockholm in December 2020
MODERN TIMES GROUP MTG AB (publ)
THE BOARD OF DIRECTORS

Item 10: Resolution on approval of issue of new shares in MTG Esports Holding AB with payment in kind

Background

The company intends to consolidate its holding of certain esports assets into a new indirectly wholly-owned Swedish holding company, Kommstart 3108 AB (to be changed to MTG Esports Holding AB, the “**New Esports HoldCo**”).

ESL Gaming GmbH (“**ESL Gaming**”) is a subsidiary of the company which, following an internal group restructuring in December 2020, holds, *inter alia*, all shares in Dreamhack AB. MTGx eSports Holding AB, another subsidiary of the company, owns 91.46 per cent of all shares in ESL Gaming. The remaining 8.54 per cent of the shares in ESL Gaming are held by, *inter alia*, certain current and former employees of direct and indirect subsidiaries of the company (the “**ESL Minority**”).

The New Esports HoldCo intends to resolve on an issue of shares with payment in kind whereby the 8.54 per cent shareholding in ESL Gaming (12,480 shares) held by the ESL Minority is contributed to the New Esports HoldCo in exchange for an equal proportion of shares in the New Esports HoldCo.

Following such share issue, the New Esports HoldCo would hold 100 per cent of the shares in ESL Gaming. The ESL Minority would hold in aggregate 8.54 per cent of the shares in the New Esports HoldCo (*i.e.*, equivalent to their current shareholding in ESL Gaming), and a subsidiary of the company would hold the remaining 91.46 per cent of the shares in the New Esports HoldCo.

Proposal

The board of directors proposes that the extraordinary general meeting resolves to approve that the New Esports HoldCo resolves on a new issue of shares on the following terms. The New Esports HoldCo shall have no obligation to resolve on such share issue.

Increase in share capital and number of shares

The New Esports HoldCo’s share capital shall be increased by a maximum of SEK 12,480 by way of a new issue of not more than 12,480 shares.

Subscription rights

The right to subscribe for the new shares in the New Esports HoldCo shall rest with the ESL Minority (*i.e.*, the current minority shareholders of ESL Gaming) in proportion to their shareholding in ESL Gaming.

Subscription period, payment and subscription price

Subscription for new shares in the New Esports HoldCo shall be made on a separate subscription list not later than 30 April 2021. Payment for subscribed for shares shall be made in connection with subscription by the ESL Minority contributing all 12,480 shares in ESL Gaming held by the ESL Minority to the New Esports HoldCo, *i.e.*, the ESL Minority

shall contribute one share in ESL Gaming for each new share in the New Esports HoldCo.

The board of directors shall have the right to extend the subscription period and postpone the date for payment.

In the event of full subscription, the value of the non-cash assets is estimated to amount to SEK 291,821,492.24, which would amount to a subscription price of approximately SEK 23,383.13 per share.

Right to dividend

The new shares in the New Esports HoldCo shall entitle the holder to dividends as from the registration of the increase of the share capital with the Swedish Companies Registration Office.

Authorisation to make minor amendments

The board of directors, or any person appointed by the board of directors, shall be authorised to make such minor adjustments of the resolution as may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office.

Majority requirement

A resolution in accordance with the board of directors' proposal under this item 10 is only valid if supported by shareholders holding not less than nine tenths (9/10) of the votes cast as well as the shares represented at the general meeting.

Additional documents

Copies of the board of directors' reports and the auditor's statements pursuant to Chapter 13, Sections 6–8 of the Swedish Companies Act are available at the company at Skeppsbron 18, 111 30 Stockholm and at the company's website, www.mtg.com.

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Stockholm in December 2020
MODERN TIMES GROUP MTG AB (publ)
THE BOARD OF DIRECTORS

Item 11: Resolution on implementation of a long term incentive program

Background

MTG introduced two long term incentive plans (LTIPs) in 2019: the 2019 warrant plan and the 2019 performance share plan. Continuation of these two LTIPs was not proposed at the 2020 annual general meeting due to uncertainty of the potential covid-19 business impact and initial drop in MTG's share price in Q1 2020. Since March 2020, MTG's share price has recovered with a new long-term strategic plan in place to further accelerate business growth and correspondingly drive share price growth.

To recruit, retain and align MTG executives and key employees with the new growth and shareholder value creation plans, the board of directors has resolved to propose a new co-investment performance share plan (the "**LTIP 2021**").

The participants of the LTIP 2021 are required to own shares in MTG. These investment shares can either be shares already held or shares purchased on the market in connection with the notification to participate in the LTIP 2021. The LTIP 2021 is proposed to include approximately 17 key employees within MTG.

Preparation and administration of LTIP 2021

MTG's Remuneration Committee has prepared LTIP 2021 in consultation with external advisors and major shareholders. LTIP 2021 has been dealt with at meetings of the board of directors during Q4 2020. The board of directors or the Remuneration Committee shall be responsible for preparing the detailed terms and conditions of the LTIP 2021 in accordance with the terms and guidelines resolved on by the extraordinary general meeting.

Information regarding other long term share or share price related incentive plans in MTG

For further information regarding currently ongoing long term share or share price related incentive plans in MTG, please refer to MTG's website, www.mtg.com.

Objectives of the LTIP 2021

The main objectives for adopting the LTIP 2021 is to drive company financial performance and create conditions to recruit and retain key talent. In summary, the board of directors believes that the implementation of the LTIP 2021 will have a positive effect on the group's long-term and sustainable value growth, will ensure the participants' long-term commitment and will thus be beneficial to both the shareholders and the company.

Participants and personal investment

Participants in LTIP 2021 are required to hold shares in MTG equivalent to at least 5 per cent and up to 20 per cent of the gross annual base salary of each participant ("**Qualifying Shares**"). The MTG shares can either be shares already held or shares purchased on the market in connection with the notification to participate in LTIP 2021. If a participant is

prohibited from acquiring shares in connection with the notification to participate in LTIP 2021 due to regulations under the Regulation (EU) No 596/2014 on market abuse, the Swedish Securities Market Abuse Penal Act (Sw. *lagen (2016:1307) om straff för marknadsmissbruk på värdepappersmarknaden*), the Swedish Act with Supplementary Provisions to the European Union’s Market Abuse Regulation (Sw. *lagen (2016:1306) med kompletterande bestämmelser till EU:s marknads-missbruksförordning*) or other insider legislation applicable in respect of MTG (“**Insider Legislation**”), the board of directors shall be entitled to instead allow the participant to acquire Qualifying Shares as soon as this is permitted.

The maximum number of Qualifying Shares for each participant is calculated by multiplying the participant’s annual base salary, gross before taxes, (the “**Base Salary**”) with 20 per cent and dividing it with a share price at market value calculated as the volume weighted average share price of the class B shares (“**VWAP**”) during the period from 1 October 2020 until 21 December 2020 (both dates inclusive) (the “**Share Price**”). The VWAP period has been determined to reflect the changes in executive management in September 2020 and the fact that no long term incentive plan was proposed at the 2020 annual general meeting (due to uncertainty of the potential covid-19 business impact and initial drop in MTG’s share price in Q1 2020).

For each Qualifying Share, the participant receives rights to receive MTG class B shares free of charge (the “**Share Rights**”), which shall vest depending on the fulfilment of pre-determined performance criteria (see below), as follows.

Category	Maximum number of Share Rights per Qualifying Share	Number of participants
CEO	10 Share Rights	1
Senior executives	8 Share Rights	Approx. 10
Key employees	6 Share Rights	Approx. 6

The LTIP 2021 is proposed to include approximately 17 participants within MTG. The maximum number of Share Rights that may be granted under the LTIP 2021 is 363,331 (prior to any recalculation, including the recalculation if the extraordinary general meeting approves the rights issue as set out below), representing approximately 0.54 per cent of the outstanding shares and 0.50 per cent of the outstanding votes in MTG.

Performance measure for Share Rights

The Share Rights shall vest (*i.e.*, give the participant the right to receive MTG class B shares) after a three-year period, ending on 31 December 2023 (the “**Vesting Period**”). The number of Share Rights that vest shall be determined based on the annual total shareholder return (*i.e.*, the value increase plus (i) any dividends paid during such period and (ii) the theoretical value of any subscription rights allotted to shareholders in any

rights issue, including, for the avoidance of doubt, the rights issue resolved on by the board of directors on 17 December 2020) of MTG's class B shares at the end of the Vesting Period (the "TSR"). The TSR shall be determined based on an initial share price equivalent to the VWAP during the period from 1 October 2020 to 31 December 2020, and a final share price equivalent to the VWAP during the period from 1 October 2023 to 31 December 2023 (plus (i) any dividends paid during such period and (ii) the theoretical value of any subscription rights allotted to shareholders in any rights issue, including, for the avoidance of doubt, the rights issue resolved on by the board of directors on 17 December 2020).

If the TSR is less than 8 per cent per annum (the "Threshold TSR") no Share Rights shall vest. If the TSR is equal to the Threshold TSR (*i.e.*, 8 per cent per annum), 25 per cent of the Share Rights shall vest. If the TSR is equivalent to 35 per cent per annum or more (the "Maximum TSR"), 100 per cent of the Share Rights shall vest. If the TSR is between the Threshold TSR and the Maximum TSR, the Share Rights shall vest in a linear proportion.

As referred to below, the amount of Share Rights will be recalculated, provided that the rights issue is approved by the extraordinary general meeting.

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 extraordinary general meeting and not later than 26 February 2021 provided however that the board of directors may approve grants to new employees not later than 1 August 2021 (and provided in each case that if a participant is prohibited at such time from acquiring Share Rights due to Insider Legislation the board of directors shall be entitled to instead grant Share Rights as soon as this is permitted).
- Vest after the three-year Vesting Period (ending on 31 December 2023).
- May not be transferred or pledged.
- One (1) Share Right entitle the participant to receive one (1) MTG class B share, if and to the extent vested, as long as the participant remains employed by MTG or a group company throughout the Vesting Period. Exceptions to the condition that the participant must be employed throughout the Vesting Period may be approved by the board of directors in certain cases.
- The number of Share Rights may be recalculated by the board of directors in the event of rights issues of shares, share splits, reversed share splits or similar events.
- It is further proposed that the board of directors 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 LTIP 2021 no longer correctly reflects the performance of MTG. Any such adjustments shall only be made in order to fulfil the main objectives of the LTIP 2021.

Rights issue recalculation

On 17 December 2020, the board of directors resolved on a rights issue subject to the approval by the extraordinary general meeting. If the extraordinary general meeting approves the rights issue, the number of Share Rights will be subject to customary recalculation (in addition to the TSR being increased by the theoretical value of the subscription rights).

Costs of the LTIP 2021 and effect on certain key ratios

The LTIP 2021 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; prior to any recalculation as referred to above; that the annual employee turnover is 10 per cent; and that all participants own shares equivalent to 10 per cent of the annual base salary (*i.e.*, half of the maximum amount) except for the CEO and CFO which are assumed to own shares equivalent to 20 per cent of the annual base salary (*i.e.*, the maximum amount) the total cost, exclusive of social security costs, for the LTIP 2021 is estimated to be approximately SEK 15 million at 50 per cent vesting and SEK 45 million at 100 per cent vesting.

Social security costs will also be recorded as a personnel expense in the income statement by current accruals. The social security costs are, based on the assumptions above and an average social security tax rate of 31.42 per cent, estimated to be approximately SEK 8 million at 50 per cent vesting and SEK 38 million at 100 per cent vesting.

The impact on basic earnings per share if the LTIP 2021 had been introduced in 2019 with the assumptions above (at 50 per cent vesting) would result in a decrease of SEK 0.11 on a yearly pro forma basis. The annual cost of the LTIP 2021 including social security contributions is estimated to be approximately SEK 8 million based on these assumptions. This cost corresponds to approximately 0.8 per cent of MTG's total personnel costs, including social security contributions, of SEK 966 million in 2019. MTG intends to present the final outcome of the LTIP 2021 in the 2023 Annual Report.

Administration of LTIP 2021

It is proposed that the board of directors shall be entitled to make other adjustments to the LTIP 2021, if it so deems appropriate, if changes occur in MTG, its operating environment or the market that results in a situation where the conditions for vesting of Share Rights becomes unreasonable, including, among other things, to resolve on a reduced allotment of class B shares, or to not allot any class B shares at all. Any such adjustments shall only be made in order to fulfil the main objectives of the LTIP 2021.

Delivery of class B shares

The board of directors proposes that the extraordinary general meeting resolves that MTG may enter into a hedging arrangement with a third party to hedge the obligations of MTG to deliver shares under the LTIP 2021. Such arrangement would entail that MTG enters

into an agreement with the third party, under which the third party shall, in its own name, acquire and transfer MTG class B shares to participants under LTIP 2021 (the “**Hedging Arrangement**”).

The board of directors has, in addition to the hedging arrangement set out above, considered another alternative for delivering MTG class B shares to the participants. This alternative would entail that MTG transfers class B shares held by MTG (and issues and acquires additional class C shares to be converted into class B shares) to the participants, free-of-charge, in accordance with items 12 a)–12 c) on the proposed agenda. The board considers the alternative set out under items 12 a)–12 c) to be preferable, as it is less expensive than the Hedging Arrangement. However, if the extraordinary general meeting does not approve the proposed issue, acquisition and transfer of MTG shares in accordance with the proposals under items 12 a)–12 c) on the proposed agenda, or to the extent such alternative is insufficient to deliver class B shares following a recalculation, the Hedging Arrangement will instead be utilised.

Majority requirement

A resolution in accordance with the board of directors’ proposal under this item 11 (*i.e.*, approving the LTIP 2021 and the Hedging Arrangement as outlined above) is valid if supported by shareholders representing a simple majority of the votes cast at the general meeting.

* * *

Stockholm in December 2020
MODERN TIMES GROUP MTG AB (publ)
THE BOARD OF DIRECTORS

Items 12 a)–c): Resolutions on alternative hedging and share delivery arrangement under the long term incentive program

The board of directors has proposed that the general meeting resolves on a co-investment performance share plan (LTIP 2021). In order facilitate delivering MTG class B shares to the participants of the LTIP 2021, the board of directors proposes the following.

Item 12 a): Resolution on authorisation for the board of directors to resolve on a directed issue of class C shares

The board of directors proposes, for the purposes of securing delivery of shares to the participants of LTIP 2021 that the board of directors is authorised to resolve on a directed issue of class C shares in accordance with the following.

- A maximum of 130,000 class C shares shall be issued (in order to secure delivery following any recalculations, including the expected recalculation due to the rights issue as set out above).
- The right to subscribe for the new class C shares shall, with deviation from the shareholders' preferential rights, rest with Nordea Bank Abp, Swedish branch.
- The subscription price shall correspond to the quota value of the shares at the time of the subscription for the shares.
- Payment for subscribed class C shares shall be made in cash at subscription.
- A conversion provision and a redemption provision shall apply to the new class C shares.
- The authorisation may be exercised until the next annual general meeting.

Item 12 b): Resolution on authorisation for the board of directors to resolve on acquisition of class C shares

The board of directors proposes, for the purposes of securing delivery of shares to the participants of LTIP 2021 that the board of directors is authorised to resolve on acquisitions of own class C shares in accordance with the following.

- A maximum of 130,000 class C shares may be acquired (in order to secure delivery following any recalculations, including the expected recalculation due to the rights issue as set out above), however only to such extent that, following each acquisition, MTG holds a maximum of 10 per cent of all shares in MTG.
- Acquisition shall be made through an offer directed to all holders of class C shares.
- The purchase price shall be an amount that corresponds to the quota value of the shares (applicable at the time of the subscription for the shares).
- Payment for acquired class C shares shall be made in cash.
- The authorisation may be exercised until the next annual general meeting.

Statements pursuant to Chapter 19, Sections 22 and 23 of the Swedish Companies Act

As of 31 December 2019, the company's restricted equity totalled approximately SEK 433 million and its non-restricted equity totalled approximately SEK 5,132 million and,

accordingly, the parent company's total equity totalled approximately SEK 5,565 million. As of 31 December 2019, the group's total equity attributable to the shareholders of the parent company totalled approximately SEK 5,179 million.

An acquisition of 130,000 own class C shares at the quota value of SEK 5 per share would correspond to a value transfer of SEK 0.65 million.

The business of the company and the group does not involve any risks other than those related to or expected to be related to the company's and the group's line of business or the risks involved in conducting business in general. The company's and the group's dependence on market conditions does not differ from that in the company's and the group's line of business. The board of directors is of the opinion that the company's total equity and the group's total equity attributable to the shareholders of the parent company will be sufficient in relation to the scope of the parent company's and the group's business after an acquisition of 130,000 own class C shares at the quota value.

The parent company's and the group's respective equity to asset ratios will not be materially affected by the proposed acquisition of 130,000 own class C shares. The board assesses that an acquisition of 130,000 own class C shares does not jeopardise the abilities of the company or the group to carry out the investments considered necessary or ability to manage unexpected events and temporary variations in the cash flows to a reasonable extent.

Based on the above, the board of directors considers that an acquisition of 130,000 own class C shares is justified in view of the demands with respect to the size of shareholders' equity which are imposed by the nature, scope and risks associated with the company's and the group's operations as well as the company's and the group's need to strengthen its balance sheet, liquidity and financial position in general.

The company's distributable funds available pursuant to Chapter 17, Section 3, first paragraph of the Swedish Companies Act amounts to SEK 5,131,894,350.

Item 12 c): Resolution on transfer of own class B shares to participants in the long term incentive program

The board of directors proposes, for the purpose of securing delivery of shares under LTIP 2021, that a maximum of 434,880 class B shares (in order to secure delivery following any recalculations, including the expected recalculation due to the rights issue as set out above and consisting of the 304,880 class B treasury shares currently held by MTG and up to 130,000 class C shares issued pursuant to item 12 a) and acquired pursuant to item 12 b) on the proposed agenda and converted into class B shares) be transferred to the participants of LTIP 2021 in accordance with the following.

- The right to receive class B shares shall, with deviation from the shareholders' preferential rights, be granted to the participants, with right for each of the participants to receive no more than the maximum number of class B shares allowed under the terms and conditions of LTIP 2021.

- The participants' right to receive class B shares are conditional upon the fulfilment of all terms and conditions of LTIP 2021.
- The class B shares shall be transferred within the time period set out in the terms and conditions of LTIP 2021.
- The class B shares shall be transferred free of charge.
- The number of class B shares that may be transferred to the participants may be recalculated in the event of rights issues, share splits, reverse share splits or similar events having an impact on the total number of shares in the Company in accordance with the terms and conditions of LTIP 2021.

Joint resolution

The board of directors proposes that the extraordinary general meeting resolves on the proposals under items 12 a)–12 c) as one joint resolution and that the resolution is conditional upon that the extraordinary general meeting resolves in accordance with the board of directors' proposal under item 11 of the proposed agenda.

Majority requirement

A resolution in accordance with the board of directors' proposal under items 12 a)–12 c) is only valid if supported by shareholders holding not less than nine tenths (9/10) of the votes cast as well as the shares represented at the general meeting.

Additional documents

Copies of the board of directors' reports and the auditor's statements pursuant to Chapter 19, Section 35 (with reference to Chapter 13, Section 6) and Chapter 19, Section 24 of the Swedish Companies Act are available at the company at Skeppsbron 18, 111 30 Stockholm and at the company's website, www.mtg.com.

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Stockholm, 30 December 2020
MODERN TIMES GROUP MTG AB (publ)
THE BOARD OF DIRECTORS