



NOTICE OF THE ANNUAL GENERAL MEETING

The shareholders of Modern Times Group MTG AB (publ) are hereby given notice of the Annual General Meeting on Wednesday 8 June 2022.

The Board has decided that the Annual General Meeting is to be held only through postal voting in accordance with temporary legislation. This means that the Annual General Meeting will be conducted without the physical presence of shareholders, representatives or third parties. Information on the resolutions by the Annual General Meeting will be announced on Wednesday 8 June 2022, as soon as the outcome of the postal voting has been finally confirmed.

A presentation by the Chief Executive Officer Maria Redin will be available on the company's website www.mtg.com under the heading "General Meetings" (which can be found under the section "Investors") at the latest on Wednesday 1 June 2022.

PARTICIPATION

Shareholders who wish to participate in the Annual General Meeting shall:

- be recorded as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Monday 30 May 2022; and
- give notice to participate no later than Tuesday 7 June 2022 by casting their postal vote as instructed under the heading "Postal voting" below, so that the postal vote is received by Computershare AB no later than that day.

To be entitled to participate in the Annual General Meeting, shareholders whose shares are registered in the names of nominees must, in addition to giving notice to participate by casting their postal vote, re-register such shares in their own name so that the shareholder is recorded in the presentation of the share register as of Monday 30 May 2022. Such re-registration may be temporary (voting rights registration) and can be requested from the nominee in accordance with the nominee's procedures in such time in advance as the nominee determines. Voting rights registrations effected by the nominee no later than Wednesday 1 June 2022 will be considered in the presentation of the share register.

POSTAL VOTING

Shareholders may exercise their voting rights at the Annual General Meeting only by postal voting in advance in accordance with Section 22 of the Act (2022:121) on temporary exemptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for postal voting. The form is available on the company's website at www.mtg.com under the heading "General Meetings" (which can be found under the section "Investors").

The completed postal voting form must be received by Computershare AB (administering the forms on behalf of the company) no later than Tuesday 7 June 2022. The form may be submitted either by email to info@computershare.se, or by post to Computershare AB, "AGM of MTG", P.O. Box 5267, SE-102 46 Stockholm, Sweden. Shareholders may also cast their postal votes digitally through BankID verification. Link to digital postal voting can be found on the company's website at www.mtg.com under the heading "General Meetings" (which can be found under the section "Investors"). If the shareholder postal votes by proxy, a power of attorney shall be enclosed with the postal voting form. A template proxy form is available on the company's website at www.mtg.com under the heading "General Meetings" (which can be found under the section "Investors"). If the shareholder is a legal entity, a copy of a registration certificate or a corresponding document for the legal entity shall be enclosed with the postal voting form. Further instructions and conditions can be found on the postal voting form.

PROPOSED AGENDA

1. Election of Chairman of the Annual General Meeting.
2. Election of one or two persons to check and verify the minutes.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Determination of whether the Annual General Meeting has been duly convened.
6. Presentation of the Annual Report, the Auditor's Report and the consolidated financial statements and the Auditor's Report on the consolidated financial statements.
7. Resolution on the adoption of the Income Statement and the Balance Sheet and of the consolidated Income Statement and the consolidated Balance Sheet.
8. Resolution on the treatment of the company's results as stated in the adopted Balance Sheet.
9. Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer.
10. Presentation and resolution on the approval of the Remuneration Report.
11. Determination of the number of members of the Board.
12. Determination of the remuneration to the members of the Board.
13. Determination of the remuneration to the Auditor.
14. Election of Board members:
 - (a) Chris Carvalho (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) Dawn Hudson (re-election, proposed by the Nomination Committee).
 - (e) Marjorie Lao (re-election, proposed by the Nomination Committee).
 - (f) Simon Leung (re-election, proposed by the Nomination Committee).
 - (g) Natalie Tydeman (re-election, proposed by the Nomination Committee).
 - (h) Florian Schuhbauer (new election, proposed by the Nomination Committee).
15. Election of the Chairman of the Board.
16. Determination of the number of Auditors and election of Auditor.
17. Resolution regarding a new incentive plan for 2022, including resolutions regarding:
 - (a) adoption of the plan;
 - (b) authorisation for the Board to resolve on a new issue of Class C shares;
 - (c) authorisation for the Board to resolve to repurchase own Class C Shares;
 - (d) transfer of own Class B shares to the participants in the plan; and
 - (e) swap agreement with third party in relation to the plan.
18. Resolution regarding an offer to repurchase warrants from the participants in MTG's 2019 warrant plan.
19. Resolution regarding an extraordinary cash value transfer through a share redemption plan including resolutions regarding:
 - (a) amendments to the Articles of Association in order to facilitate the share split 2:1;
 - (b) share split 2:1;
 - (c) amendments to the Articles of Association in order to facilitate a reduction of the share capital through redemption of shares;

- (d) reduction of the share capital through redemption of shares, and
 - (e) increase of the share capital through a bonus issue without issuance of new shares.
20. Resolution regarding authorisation for the Board to resolve on repurchases and transfers of own shares.
 21. Resolution on reduction of the share capital by way of cancellation of repurchased own shares.
 22. Resolution on authorisation for the Board to resolve on new issues of Class B shares.
 23. Resolution on a directed issue of Class B shares to the minority shareholder in MTG Gaming against payment through contribution in-kind.

RESOLUTIONS PROPOSED BY THE NOMINATION COMMITTEE

Election of Chairman of the Annual General Meeting (item 1)

The Nomination Committee proposes that Tone Myhre-Jensen at Advokatfirman Cederquist, member of the Swedish Bar Association, is elected to be the Chairman of the Annual General Meeting, or in the event she is prevented from participating, the person appointed by the Board.

Determination of the number of members of the Board and election of the members of the Board and the Chairman of the Board (items 11, 14(a)-(h) and 15)

The Nomination Committee proposes that the Board shall consist of eight (8) members.

The Nomination Committee proposes that, for the period until the end of the next Annual General Meeting, Chris Carvalho, Simon Duffy, Gerhard Florin, Dawn Hudson, Marjorie Lao, Simon Leung and Natalie Tydeman shall be re-elected as members of the Board, and that Florian Schuhbauer shall be elected as new member of the Board.

The Nomination Committee proposes that Simon Duffy is re-elected as Chairman of the Board.

Determination of the remuneration to the members of the Board (item 12)

A prerequisite for successful implementation of MTG's strategy is that MTG is able to attract and retain the best mix of experiences and competencies at Board level. This requires that, at a minimum, MTG recruits members of the Board from the geographies within which it operates, which at present include Europe, North America and Asia. To ensure this, it is necessary that MTG offers competitive remuneration within the context of its international peers.

Further, the Nomination Committee is of the opinion that it is an advantage for MTG and its shareholders that the members of the Board acquire shares in the company, and retain them for as long as they remain members of the Board. The shareholding of each member of the Board should after four years correspond to one annual gross board fee.

Against this background, and in order to ensure that Board fees remain internationally competitive, the Nomination Committee proposes that the remuneration for the Chairman and for each Board member is increased by SEK 200,000 and SEK 150,000, respectively, conditional upon such increases being invested in MTG shares, which are to be held for as long as the individual remains a member of the Board. The remuneration for work within the committees of the Board is proposed to remain unchanged.

Accordingly, the Nomination Committee proposes remuneration for Board work in the amount of SEK 7,605,000 in total (2021: SEK 5,805,000), to be allocated in accordance with the following:

- SEK 1,800,000 to the Chairman of the Board (2021: SEK 1,600,000), out of which SEK 200,000 is conditional upon it being invested in MTG shares.
- SEK 700,000 to each of the other members of the Board (2021: SEK 550,000), out of which SEK 150,000 is conditional upon it being invested in MTG shares.
- SEK 235,000 to the Chairman and SEK 130,000 to each of the other three members of the Audit Committee.
- SEK 140,000 to the Chairman and SEK 70,000 to each of the other two members of the Remuneration Committee.

Determination of the remuneration to the Auditor (item 13)

The Nomination Committee proposes that remuneration to the Auditor shall be paid in accordance with approved invoices.

Determination of the number of Auditors and election of Auditor (item 16)

In accordance with the Audit Committee's recommendation, the Nomination Committee proposes that the company shall have one registered accounting firm as Auditor, and that the registered accounting firm KPMG AB shall be re-elected as Auditor until the end of the 2023 Annual General Meeting. KPMG AB has informed MTG that the authorised public accountant Helena Nilsson will continue as auditor-in-charge if KPMG AB is re-elected as Auditor.

RESOLUTIONS PROPOSED BY THE BOARD

Election of one or two persons to check and verify the minutes (item 2)

The Board proposes that Johan Ståhl, representing Lannebo Fonder, or to the extent he is prevented from participating, the person appointed by the Board, is elected to check and verify the minutes. The assignment to check and verify the minutes shall also include verifying the voting list and that the postal votes are correctly reflected in the minutes.

Preparation and approval of the voting list (item 3)

The voting list proposed to be approved is the voting list prepared by Computershare AB on behalf of MTG, based on the general meeting share register and received postal votes, confirmed by the person assigned to check and verify the minutes.

Treatment of MTG's result (item 8)

The Board proposes that MTG's retained earnings, the share premium reserve and the result for the year, a total of SEK 9,093,686,627 is to be carried forward.

On 21 April 2022, MTG announced that it had successfully closed the transaction to divest ESL Gaming to Savvy Gaming Group in an all cash transaction. MTG's net proceeds from the transaction amounted to approximately USD 875 million (SEK 8,174 million). Further to the transaction, and in line with MTG's intention to return at least 40 percent of the net proceeds from the divestment of ESL Gaming to its shareholders, the Board proposes that a SEK 2,767 million extraordinary cash value transfer is made through a share redemption plan, under items 19(a)-(e) on the proposed agenda, as well as the intention announced by MTG on 9 May 2022 to continue to repurchase own shares.

Resolution on a new incentive program (item 17)

Background and objectives

Following the transaction to divest ESL Gaming, MTG is a pure-play gaming group with a strategy focused on helping its portfolio companies to accelerate their commercial performance, while providing them with the freedom and autonomy to continue to create great games. MTG also continuously work to evolve key skills and capabilities across the Group. To recruit and retain executives and other key employees, the Board has resolved to propose a new simplified incentive structure for variable remuneration covering both the short-term variable remuneration (STI) and the long-term share-based remuneration of MTG (the "**2022 Incentive Plan**").

The 2022 Incentive Plan provides the participants a possibility to receive variable remuneration partly in the form of cash remuneration, partly in the form of MTG shares. In brief, to the extent certain performance conditions are achieved during the financial year 2022 (the "**Performance Year**"), the participants in the 2022 Incentive Plan are allotted a variable remuneration in the beginning of 2023 (the "**Performance Amount**") of which a part will be paid out in cash, and a part will be allotted in the form of rights to receive MTG Class B shares free-of-charge (the "**Share Amount**" and the "**Share Rights**", respectively). Each Share Right carries a right to receive one (1) MTG Class B share, subject to continued employment at the time of vesting. 50 percent of the Share Rights vest in 2024 and 50 percent in 2025, in both cases after the publication of the year-end for 2023 and 2024, respectively.

The redesign was prompted by concerns about MTG's ability to retain key talent in an environment where the increased share price volatility in the gaming sector is causing uncertainty around the value of MTG's outstanding incentive plans, and significantly reducing their retention value. MTG's remuneration principles, however, remain the same and are based on pay-for-performance, and that share-based incentives ensure alignment between the interests of MTG's management, key employees and shareholders. Compared to the outstanding incentive plans, the proposed performance period is shorter in the 2022 Incentive Plan.

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

Implementation of the 2022 Incentive Plan (item 17(a))

Participants and Performance Amount

Approximately 20 key employees in MTG will be entitled to participate in the 2022 Incentive Plan.

The maximum Performance Amount that a participant will receive is based on the participant's competence and area of responsibility. In practice, this means that some participants will not be eligible to receive the maximum Performance Amount for their respective tier, as set out below.

The participants are divided into three tiers: the CEO ("**Tier 1**"), senior executives ("**Tier 2**"), and other key employees ("**Tier 3**"). The maximum Performance Amount is for each tier expressed as a percentage of the participant's 2022 annual base salary. The proposed maximum values are: 250 percent for Tier 1 (of which 100 percent as a cash component and 150 percent as Share Amount), 225 percent for Tier 2 (of which 100 percent as a cash component and 125 percent as Share Amount) and 150 percent for Tier 3 (of which 50 percent as a cash component and 100 percent as Share Amount).

New employees that have not yet commenced their employment at the time when notification to participate in the program at the latest shall be given may, upon the condition that the employment commences during 2022, be offered to participate in the 2022 Incentive Plan, if the Board or its Remuneration Committee deems it to be in line with the purpose of the plan. In such cases, the Performance Amount shall be reduced linearly, reflecting the portion of the Performance Year that the participant has been employed.

Performance Conditions

The Performance Amount, i.e. the outcome for the participants, is based on the level of fulfilment of the following performance conditions during the Performance Year:

Performance categories	Performance conditions	Relative weighting of the performance criteria	Performance levels
Financial measures	Revenue	30 percent	The performance levels are linked to the full year 2022 budget for the Group (which is reflected in the outlook for the full year 2022 as outlined in the Q1 2022 interim report). The threshold level is SEK 4,849 million and the maximum level is SEK 5,927 million, and shall be adjusted for exchange rates. Between the threshold level and the maximum level there is a target level.
	Adjusted EBITDA	30 percent	The performance levels are linked to the full year 2022 budget for the Group (which is reflected in the outlook for the full year 2022 as outlined in the Q1 2022 interim report). The threshold level is SEK 1,255 million and maximum level is SEK 1,585 million. Between the threshold level and the maximum level there is a target level.
Shareholder value creation	Absolute total shareholder return	25 percent	The TSR threshold level is 8 percent and the maximum level is 23 percent, adjusted on the basis of the shareholder reinvesting all dividends and other value transfers into the MTG Class B share, before tax, on each respective ex-dividend date. Between the threshold level and the maximum level there is a target level of 15 percent.
ESG	Diversity in workforce	7.5 percent	The threshold level is a 1 percent improvement of the 2021 year-end ratio of 27.3 percent female and non-binary employees in the Group and the target level is a 3 percent improvement of the same.

	Data privacy and security	7.5 percent	MTG has an extensive data privacy program involving execution of 78 different projects across the Group. The threshold level is 80 percent completion of the data privacy and security build phase projects for the Group as a whole including the newly acquired companies (where 'build phase' means the phase during which a basic foundation for compliance is laid) and the target level is 100 percent completion of the same.
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The participants will receive the maximum Performance Amount, if the target level is reached for each of the performance conditions. For performance achievement between the threshold and target level (or maximum level if applicable), the outcome will be measured linearly in relation to each of the performance conditions. In case of overperformance of one or more of the performance conditions based on financial measures and shareholder value return, to the extent that that the performance is between the target level and maximum level, the relative weighting on such condition may be linearly increased with up to 50 percent. The outcome for the participants in the 2022 Incentive Plan may however never exceed the maximum Performance Amount.

Share Amount and Share Rights

Following the Performance Year, the Performance Amount for each participant is divided into an upfront cash component paid out in 2023, following the publication of the year-end report for 2022, and deferred allotment of the Share Amount (as set out above). The Share Amount shall thereafter be converted into a maximum number of Share Rights, based on the volume-weighted average price paid for MTG's Class B Share on Nasdaq Stockholm during a period of 30 days after the publication of the interim report for the 2022, rounded down to a whole number of Share Rights.

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

- Granted after the Performance Year, based on the principles set out above, and 50 percent will vest after a one-year period, and the remaining 50 percent will vest after a two-year period, ending when MTG's interim report for 2023 and 2024, respectively, is released.
- May not be transferred or pledged.
- One (1) Share Right entitle the participant to receive one (1) MTG Class B share, as long as the participant at vesting is employed by MTG. Exceptions to the condition that the participant must be employed at vesting can be approved by the Board in certain cases.
- Dividends and other value transfers (including the share redemption plan as referred to under items 19(a)-(e) below) 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.

Scope and cost of the 2022 Incentive Plan

The maximum number of Class B Shares which may be delivered under the 2022 Incentive Plan is limited to 495,000, representing approximately 0.42 percent of the outstanding shares in MTG. The maximum number of Class B Shares which may be delivered under MTG's outstanding incentive plans and the 2022 Incentive Plan, in aggregate, is limited to 1,328,320, representing approximately 1.12 percent of the outstanding shares in MTG.

The total cost for the share component of the 2022 Incentive Plan is estimated to amount to no more than SEK 85 million, which corresponds to approximately 7 percent of total employment cost for 2021. The cost will be distributed over the years 2022-2024. The total cost includes salary costs of SEK 55 million and social security costs of SEK 30 million. The calculation of total salary costs is based on the maximum Share Amount being received by participants, an 10 percent employee turn-over, and a share price at grant (i.e 2023) of SEK 121. The calculation of social security costs is based on a 35 percent annual share price increase and an average annual social security tax rate of 31.42 percent.

The costs are expected to have a limited effect on MTG's key ratios.

MTG intends to present the outcome of 2022 Incentive Plan in its Remuneration Report for 2022 and

Annual Reports for 2022-2024.

Comparative figures for 2021 is calculated excluding ESL Gaming that MTG divested during April 2022.

Delivery of Class B Shares under the 2022 Incentive Plan

To ensure the delivery of Class B Shares under the 2022 Incentive Plan, the Board proposes that the Board is authorised to resolve on a directed issue of Class C shares to a third party and subsequently repurchase the Class C Shares from the third party. The Class C Shares will then be held by the company, whereafter the appropriate number of Class C Shares will be reclassified into Class B Shares and subsequently be delivered to the participants in the 2022 Incentive Plan (items 17(b)-(d)).

Resolutions in accordance with items 17(b)-(d) require approval of at least nine tenths (9/10) of the shares represented and votes cast at the Annual General Meeting. In the event that the required majority under items 17(b)-(d) below is not reached, the company intends to enter into an agreement with a third party, under which the third party shall, in its own name, buy and transfer MTG Class B Shares to the participants in the 2022 Incentive Plan.

Preparation and administration of the 2022 Incentive Plan

In accordance with guidelines provided by the Board, the the 2022 Incentive Plan has been prepared by the Remuneration Committee together with external advisors. The Board or the Remuneration Committee shall be responsible for preparing the detailed terms and conditions of the 2022 Incentive Plan, in accordance with the terms and guidelines resolved on by the Annual General Meeting. 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 would entail that the adopted terms and conditions for the 2022 Incentive Plan are no longer in line with its purpose. Any such adjustments shall only be made in order to fulfil the main objectives of the 2022 Incentive Plan.

Authorisation for the Board to issue new Class C Shares (item 17(b))

The Board proposes that the Annual General Meeting resolves to authorise the Board, during the period until the next Annual General Meeting, to increase the company's share capital by not more than SEK 2,475,000 by the issue of not more than 495,000 Class C Shares, each with a quota value of approximately SEK 5. With deviation from the shareholders' preferential rights, a third party shall be entitled to subscribe for the new Class C Shares at a subscription price corresponding to the quota value of the shares. The purpose of the authorisation and the reason for the deviation from the shareholders' preferential rights in connection with the issue of shares is to ensure delivery of shares to participants in the 2022 Incentive Plan.

Authorisation for the Board to resolve to repurchase own Class C Shares (item 17(c))

The Board proposes that the Annual General Meeting resolves to authorise the Board, during the period until the next Annual General Meeting, on one or more occasions, to repurchase own Class C Shares. The repurchase may only be effected through an offer directed to all holders of Class C Shares. The purchase may be affected at a purchase price corresponding to the quota value of the share. Payment for the Class C shares shall be made in cash. The purpose of the repurchase authorisation is to ensure the company's compliance with its obligations under the 2022 Incentive Plan.

Transfer of own Class B shares to the participants in the 2022 Incentive Plan (item 17(d))

The Board proposes that the Annual General Meeting resolves that a maximum of 495,000 own Class B shares may be transferred free-of-charge to participants, in accordance with the terms of the 2022 Incentive Plan. The number of shares that may be transferred to the participants shall be subject to recalculation in the event of an intervening bonus issue, reversed split, split, rights issue and/or other similar events.

Agreement with a third party in relation to transfer of MTG Class B shares to the participants in the 2022 Incentive Plan (item 17(e))

As set out above under item 17(a), the Board proposes that the Annual General Meeting resolves that the 2022 Incentive Plan may as an alternative, if the required majority for approval is not reached under item 17(d), 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 2022 Incentive Plan.

Offer to repurchase warrants from the participants in MTG's 2019 warrant plan (item 18)

Background and objectives

The Annual General Meeting 2019 resolved to adopt a long-term warrant plan for the executive management and certain key employees. In total, 450,104 warrants were issued in one series (Series 2019/2022) that can be exercised to subscribe for new shares during the period 15 June 2022 to 15 June 2023, inclusive. As of the date of this notice, the number of outstanding warrants in the plan amounts to 426,420. MTG has a right (but not an obligation) to repurchase the warrants, if the participant should wish to transfer its warrants, at fair market value. No transfer restrictions apply for MTG Class B shares that have been subscribed for by exercising the warrants.

If all warrants are exercised, the share capital will increase with a maximum of SEK 2,132,100, and the subscription price paid by the participant would amount to SEK 51,170,400 in total. MTG is not in need of further capital injections, and therefore the Board proposes that the participants shall be given the option to transfer the warrants to MTG instead of exercising the warrants, with the subsequent sale of shares for financing purposes.

The proposed offer only concerns the settlement of the warrants and does not entail any changes to the terms of the warrants or the plan. The offer does not entail any additional tax costs nor any transaction fees for the company and it simplifies the administration for the company.

The offer simplifies settlement compared to if the warrants had been exercised. Further, the repurchase of the warrants decreases the warrants' dilutive effect on votes compared to if the warrants had been exercised. As MTG has communicated its intention to continue repurchasing shares, the offer is cost neutral for MTG, as MTG in the scenario where all the warrants would have been exercised, MTG would repurchase the corresponding number of MTG Class B shares on the market.

The offer to repurchase warrants

The Board proposes that MTG shall make an offer to repurchase all outstanding warrants of Series 2019/2022 at market terms (corresponding to MTG's share price calculated as the volume-weighted average price paid during 10 trading days prior to the date of notification of repurchase, with deduction of the warrant's subscription price), starting on 15 June 2022 and up to 15 June 2023, inclusive, subject to closed periods and that the warrant holder possess inside information.

Based on an assumed share price of SEK 126.90 (the volume-weighted average share price during March 2022), the consideration for the offer would amount to in total SEK 2.9 million, if all holders fully accept the offer.

Extraordinary cash value transfer through a share redemption plan (items 19 (a)-(e))

The proposed share redemption plan entails that one (1) Class A or Class B share in MTG entitles to one (1) redemption share, and each redemption share entitles to a redemption amount of SEK 25 per share, corresponding to a cash value transfer to MTG's shareholders of up to SEK 2,767 million in total. Class C redemption shares as well as any Class A redemption shares and Class B redemption shares held in treasury do not entitle to a redemption amount.

An information brochure with further information regarding the share redemption plan will be available on MTG's website www.mtg.com under the heading "General Meetings" (which can be found under the section "Investors") no later than 18 May 2022.

Amendments to the Articles of Association in order to facilitate the share split 2:1 (item 19(a))

In order to adjust the number of shares permitted under the Articles of Association to the proposed share split 2:1 under item 19(b), the Board proposes the following amendments to the Articles of Association:

Current wording

Proposed wording

§ 4

second paragraph

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

The number of shares in the Company shall be not less than 119,200,000 and not more than 476,800,000.

§ 5

first paragraph

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.

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 476,800,000, Class B shares to a maximum number of 476,800,000 and Class C shares to a maximum number of 476,800,000. Each Class A share carry ten votes and each Class B share and Class C share carry one vote.

Share split 2:1 (item 19(b))

The Board proposes a split of the shares in the company, a so-called share split, entailing that one (1) existing share in the company is split into two (2) shares, whereof one is a so-called redemption share. Each existing Class A share is split into two new Class A shares (one Class A share and one Class A redemption share), each existing Class B share is split into two new Class B shares (one Class B share and one Class B redemption share), and each existing Class C share is split into two new Class C shares (one Class C share and one Class C redemption share).

The Board is authorised to set the record date for the share split which, at the time of this notice, is estimated to be 15 June 2022. Based on the estimated record date for the share split, the last trading day in the MTG shares including the right to receive redemption shares will be 13 June 2022, and the first trading day in the MTG shares not including the right to receive redemption shares will be 14 June 2022.

Amendments to the Articles of Association in order to facilitate a reduction of the share capital through redemption of shares (item 19(c))

In order to adjust the number of shares permitted under the Articles of Association to the proposed reduction of the share capital through redemption of shares under item 19(d), the Board proposes the following amendments to the Articles of Association:

Current wording

Proposed wording

§ 4

second paragraph

The number of shares in the Company shall be not less than 119,200,000 and not more than 476,800,000.

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

§ 5

first paragraph

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 476,800,000, Class B shares to a maximum number of 476,800,000 and Class C shares to a maximum number of 476,800,000. Each Class A share carry ten votes and each Class B share and Class C share carry one vote.

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.

Reduction of the share capital through redemption of shares (item 19(d))

The Board proposes that the share capital is to be reduced:

- (i) for repayment to the shareholders (the "**Repayment**") through cancellation of a maximum of 110,690,712 Class A redemption shares and Class B redemption shares. The shares to be so redeemed shall be the shares that after the share split in accordance with the Board's proposal under item 19(b) in the proposed agenda are classified as Class A redemption shares and Class B redemption shares.

The terms of the redemption and the Repayment shall be as follows:

- repayment for each Class A redemption share and Class B redemption share (with exception for Class A redemption shares and Class B redemption shares held in treasury as set out under item (ii) below) shall be made with SEK 25.00 (the "**Redemption Amount**");
- trading in Class A redemption shares and Class B redemption shares is estimated to take place during the time from and including 16 June 2022 to and including 30 June 2022, based on the estimated record date for the share split; and
- the Board is authorised to set the record date for the right to receive the Redemption Amount, which, at the time of this notice, is estimated to be 4 July 2022. The Redemption Amount is estimated to be distributed to the yield account linked to shareholder's securities accounts, nominee accounts or equivalent around 7 July 2022.

The Repayment corresponds to a total Redemption Amount of up to SEK 2,767 million. Of the Redemption Amount, SEK 22.50 exceed the quota value for each Class A redemption share and Class B redemption share.

- (ii) for transfer to the company's non-restricted equity (the "**Transfer**") through cancellation of 6,324,343 Class C redemption shares as well as any Class A redemption shares and Class B redemption shares held in treasury on the record date. As neither the Class C shares nor the shares held in treasury entitle to dividends or other value transfers, no Repayment is made to the holders of such shares. The shares to be so redeemed shall be the shares that after the proposed share split in accordance with the Board's proposal under item 19(b) in the proposed agenda are classified as Class C redemption shares and Class A redemption shares and Class B redemption shares held in treasury by MTG.

Through redemption of shares for Repayment in accordance with (i) and Transfer in accordance with (ii), the share capital of the company will be reduced by a total of SEK 292,537,637.50 through retirement of 117,015,055 redemption shares.

Increase of the share capital through a bonus issue without issuance of new shares (item 19(e))

In order to achieve a time efficient share redemption plan that does not require authorisation from the Swedish Companies Registration Office or a court of general jurisdiction, the Board proposes a bonus issue in order to restore the share capital of the company to its original level, SEK 585,075,275, by increasing the share capital of the company by SEK 292,537,637.50 by transferring the corresponding amount to the share capital from the company's non-restricted equity.

No new shares shall be issued in connection with the increase of the share capital through the bonus issue.

Authorisation for the Board to resolve on repurchases and transfers of own shares (item 20)

As announced by MTG on 9 May 2022, the Board intends to continue repurchasing shares over the coming twelve-month period as a part of the shareholder return following the divestment of ESL Gaming.

Against this background the Board proposes that the Meeting authorize the Board to decide on repurchase of own shares on the main terms and conditions set out below.

- Repurchase of shares (Class A and/or Class B) shall take place on Nasdaq Stockholm, on one or more occasions during the period up until the next Annual General Meeting.
- So many shares may, at the most, be repurchased so that MTG's holding does not at any time exceed 10 percent of the total number of shares in MTG.

- Repurchase of shares on Nasdaq Stockholm may occur at a price per share within the at each time registered share price interval, by which is meant the difference between the highest buying price and the lowest selling price.
- It is the from time to time lowest priced, available, shares that shall be repurchased by MTG.
- Payment for the shares shall be made in cash.

Furthermore, the Board proposes that the Meeting authorize the Board to decide on transfer of own shares, with or without deviation from the shareholders' preferential rights, on the main terms and conditions set out below.

- Transfers of shares (Class A and/or Class B) shall take place (i) on Nasdaq Stockholm or (ii) outside Nasdaq Stockholm in connection with an acquisition of companies or businesses.
- Transfers may take place on one or more occasions during the period up until the next Annual General Meeting.
- Transfer of own shares may be made of up to such number of shares as is held by MTG at the time of the Board's decision regarding the transfer.
- Transfers of shares on Nasdaq Stockholm may occur at a price per share within the at each time registered share price interval, by which is meant the difference between the highest buying price and the lowest selling price on Nasdaq Stockholm. In case of transfers outside Nasdaq Stockholm, the consideration for the shares may be made by cash payment, for payment in kind or by way of set-off and the price shall be established so that the transfer is made on market terms.

The purpose of the authorizations to repurchase and transfer own shares, and the reason for the deviation from the shareholders' preferential rights (in relation to transfers of own shares), is to enable the company to pursue potential acquisition opportunities as they arise and in line with the company's strategy.

Further, the purpose of the authorization to repurchase own shares is also to give the Board more options in its efforts to deliver long-term shareholder value and total return, and/or to give a possibility to MTG to transfer own shares to the participants in MTG's long-term incentive programs. Please note that any transfer of such repurchased shares to the participants in the long-term incentive programs requires a separate resolution by the Meeting.

Reduction of the share capital by way of cancellation of repurchased shares (item 21)

The Board proposes that the company's share capital shall be reduced by no more than SEK 10,000,000 by cancellation of the shares (Class A and/or Class B) repurchased by MTG between 2 May and 7 June 2022 with the purpose to reduce the share capital of MTG. The reduction amount shall be reserved to non-restricted equity. The reduction of the share capital by way of cancellation of repurchased shares will be effectuated after the share redemption program under item 19 and the new issue of Class B shares against payment through contribution in-kind under item 23. Further, the reduction resolution may not be effectuated until registration with the Swedish Companies Registration Office has been completed and the authorisation of the Swedish Companies Registration Office has been obtained.

Authorisation for the Board to resolve on new issues of Class B shares (item 22)

The Board proposes that the Annual General Meeting resolves to authorise the Board to, on one or more occasions during the period up until the next Annual General Meeting, resolve upon the issue of new Class B shares with or without deviation from the shareholders' preferential rights. 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. The purpose of the authorisation, as well as the reason for any deviation from the shareholders' preferential rights, is to enable the company to pursue potential acquisition opportunities as they arise and in line with the company's strategy, including to raise capital for such acquisitions, on - as the case may be - an accelerated basis. New share issues resolved by the Board using the authorisation shall, in aggregate, represent no more than 15 percent of the total number of shares in the company at the time when the Board exercises the authorisation for the first time. At least one third (1/3) of this authorisation is intended to be used as payment/consideration in connection with acquisitions (in kind or through set-off), and the remainder may be used for new issues to raise capital for acquisitions. In a new issue to raise capital – with

deviation from the shareholders' preferential rights on an accelerated basis – no single new investor may subscribe for Class B shares representing more than 5 percent of the total number of shares in the company.

Directed issue of Class B shares to the minority shareholder in MTG Gaming against payment through contribution in-kind (item 23)

Background

MTG indirectly owns 79 percent of the shares in MTG Gaming AB ("**MTG Gaming**"), a holding company that holds MTG Group's entire gaming business. The remaining shares are held by EHM Holding GmbH ("**EHM**"), which in turn is owned by Hendrik Klindworth, Eike Klindworth and Michael Zillmer, the founders of InnoGames and also employees in the MTG Group.

MTG has now entered into an agreement to purchase EHM's shares in MTG Gaming, and the purchase price consists of newly issued Class B shares in MTG (the "**EHM Roll-Up**"). The completion of the EHM Roll-Up is subject to approval of the 2022 Annual General Meeting.

As announced on 21 April 2022, MTG has successfully closed the transaction to divest ESL Gaming, its entire e-sports business, and has thus become a pure-play gaming group. The Board therefore believes that the timing of the proposed EHM Roll-Up is favourable for MTG's shareholders and that the strategic and financial rationale is compelling. The EHM Roll-Up will result in a simpler and more transparent corporate structure for MTG, and will also strengthen the Group's financials, balance sheet and cash flow access. The Board therefore proposes that the Annual General Meeting resolves on a directed issue of shares of Class B against payment in kind whereby the 21 percent shareholding in MTG Gaming (17,578,869 shares) held by EHM is contributed to MTG, in exchange for shares in MTG with a corresponding value. The number of MTG Class B shares to be issued to EHM will be decided on the basis of the price paid for MTG's Class B shares, reduced by the net assets in MTG (as set out below). Following the EHM Roll-Up, MTG will hold 100 percent of the shares in MTG Gaming. Assuming a share price of SEK 114 or lower, EHM would hold 14.2 percent of the shares in MTG after the EHM Roll-Up, and the corresponding holding assuming a share price of SEK 124 would be 14.9 percent. At a share price corresponding to or exceeding the cap of SEK 167, EHM would hold 16.9 percent of the shares in MTG. The closing price for MTG's Class B on 9 May 2022 was SEK 105.60.

The Board of MTG considers the property in kind consideration as fair to MTG's shareholders from a financial point of view, and will also obtain a fairness opinion from EY. The fairness opinion will be available on the company's website at www.mtg.com under the heading "General Meetings" (which can be found under the section "Investors") no later than 18 May 2022.

Proposal

The Board proposes a directed new issue to EHM of a maximum of 22,310,782 Class B shares. MTG's share capital will be increased by a maximum of SEK 111,553,910. To derive the value of EHM's minority stake and thus the number of shares to be received by EHM, the implied enterprise value of MTG shall be calculated based on the 110,690,712 outstanding trading shares in MTG multiplied by the higher of 1) SEK 114, and 2) the volume-weighted average price paid for MTG B-shares on Nasdaq Nordic during 9 May – 3 June 2022, however capped at SEK 167, less a share redemption plan of SEK 2,767,267,800 and the ongoing share buyback program of in total SEK 125,000,000, and adjusting for MTG's net assets as per the date of the agreement with EHM, SEK 3,674,873,625. The implied MTG enterprise value shall be grossed up by EHM's 21 percent minority stake to arrive at EHM's MTG Gaming stake valuation and thus EHM's ownership share in MTG.

- The subscription price for each newly issued share has been estimated to SEK 80.60 (the preliminary subscription price has been calculated based on the closing price for MTG's Class B share as of 9 May 2022, taking into consideration a share redemption amount of SEK 25 per Class A and B share, respectively). The Board estimates that the contributed MTG Gaming shares will be recorded at a value in the balance sheet of MTG of, in aggregate, SEK 1,798,249,029.20, based on that the volume-weighted average price paid for MTG's Class B share on Nasdaq Nordic during 9 May – 3 June 2022 is corresponding to, or exceeding, SEK 167 and the estimated subscription price of SEK 80.60 per share. As a result of applicable accounting standards, the subscription price as well as the value that the property in kind is recorded at in the balance sheet of MTG may change depending on the value of MTG's shares on the so-called transaction date. Further, in case the volume-weighted average price

paid for MTG's Class B share on Nasdaq Nordic during 9 May – 3 June 2022 is lower than SEK 167, the number of shares to be allocated to EHM will be adjusted, and as result the value the contributed MTG Gaming shares will be recorded at in the balance sheet of MTG will be reduced according to what is set out above. The number of shares to be allocated to EHM shall in any case not be fewer than 18,074,753. The portion of the subscription amount that exceeds the quota value shall be transferred to the free share premium.

- The new shares shall be subscribed for by EHM.
- Oversubscription may not occur.
- The new shares shall be subscribed for no later than 30 June 2022 on a subscription list.
- Payment for the shares shall be made no later than in connection with subscription for the new shares by contribution of all EHM's 17,578,869 shares in MTG Gaming (property in kind) to MTG.
- The new shares shall entitle to dividend for the first time on the first record date for dividend that occurs following registration of the share issue with the Swedish Companies Registration Office.

MISCELLANEOUS

Shares and votes

There are a total number of 117,015,055 shares in MTG, whereof 545,662 Class A shares, 110,145,050 Class B shares and 6,324,343 Class C shares. The total number of votes for all MTG shares is 121,926,013. As per the date of this notice, MTG holds 572,968 Class B shares and 6,324,343 Class C shares in treasury, which cannot be represented at the Annual General Meeting.

Special majority requirements and conditions

Valid resolutions to:

- authorise the Board to issue and re-purchase own class C shares under items 17(b) and (c);
- make an extraordinary cash value transfer through a share redemption plan (including resolutions to amend the Articles of Association) under items 19(a)-(e);
- authorise the Board to resolve on repurchases and transfers of own Class A and Class B shares under item 20;
- reduce the share capital by way of cancellation of repurchased own shares under item 21; and to
- authorise the Board to resolve on new issues of Class B shares under item 22;

require support by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

Valid resolutions to transfer own Class B shares under item 17(d) and to issue new Class B shares against payment in-kind under item 23 require support by shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting.

The resolutions under items 17(b)-(d) and 19(a)-(e), respectively, are conditional upon each other.

Shareholders' right to request information

The Board and the CEO shall, if any shareholder so requests and the Board believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the Group and the consolidated accounts. A request for such information shall be made in writing to Modern Times Group MTG AB (publ), Att. "AGM", P.O. Box 2094, SE-103 13 Stockholm, Sweden, or by email to simon.eliasson@mtg.com no later than 30 May 2022. The information will be made available on the company's website at www.mtg.com under the heading "General Meetings" (which can be found under the section "Investors") and at the company's premises at Skeppsbron 18 in Stockholm, Sweden, no later than 3 June 2022. The information will also be sent, within the same period of time, to the shareholders who requested it and stated their postal or e-mail address.

Documentation

The Board's and the Nomination Committee's complete proposals to the Annual General Meeting are set out in this notice. The Nomination Committee's motivated statement regarding its proposal for election of the Board and information on the proposed members of the Board are available on the company's website at www.mtg.com under the heading "General Meetings" (which can be found under the section "Investors").

The 2021 Annual Report is available on the company's website at www.mtg.com under the heading "Reports and presentations" (which can be found under the section "Investors") and at the company's premises at Skeppsbron 18 in Stockholm, Sweden. The Board's Remuneration report, an information brochure regarding the proposed share redemption plan as well as the statements and opinions of the Board and the Auditor in accordance with the Swedish Companies Act (2005:551) will be available on the company's website and at the company's premises no later than 18 May 2022. The documents are presented by being available at the company's premises and on the website. Copies of the documents will also be sent to those shareholders who so request and state their postal or email address. The documents can be ordered by email to info@computershare.se, by post to Computershare AB, "AGM of MTG", P.O. Box 5267, SE-102 46 Stockholm, Sweden or by telephone at +46 (0) 771-246 400.

The general meeting share register will be held available at the company's premises at Skeppsbron 18 in Stockholm, Sweden.

Authorisation

The Board, or the person that the Board will appoint, shall be authorised to make the minor adjustments in the Annual General Meeting's resolutions as may be required in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

Shareholders' personal data

For information on how your personal data is processed, please visit www.computershare.com/se/gm-gdpr and www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf.

Stockholm, May 2022

MODERN TIMES GROUP MTG AB (PUBL)

THE BOARD
