



Unofficial translation of Minutes from the Annual General Meeting of shareholders of Modern Times Group MTG AB, reg. no. 556309-9158, on Wednesday 17 May 2023 at 13.00 – 14.30 in Stockholm, Sweden.

## § 1

### Opening of the Annual General Meeting by the Chairman of the Board (item 1 on the agenda)

Tone Myhre-Jensen, member of the Swedish Bar Association, who had been appointed by the Board to open the Annual General Meeting, welcomed the shareholders and other participants to the Annual General Meeting and declared the Annual General Meeting open.

Tone Myhre-Jensen informed that MTG's CEO and President, Maria Redin, MTG's CFO, Lasse Pilgaard, and the company's Group General Counsel Simon Hahn, who had been appointed to keep the minutes at the Annual General Meeting, were present.

It was noted that board members Chris Carvalho, Gerhard Florin, Simon Leung, Natalie Tydeman and Florian Schuhbauer, proposed new board members Liia Nõu and Susanne Maas, member of the Nomination Committee Joachim Spetz, and the company's auditor-in-charge, Helena Nilsson, were present at the meeting.

## § 2

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

Joachim Spetz presented the Nomination Committee's proposal for the Chair of the Annual General Meeting, Tone Myhre-Jensen, member of the Swedish Bar Association.

The meeting elected, in accordance with the Nomination Committee's proposal, Tone Myhre-Jensen, as Chair of the meeting.

The meeting approved that invited guests, e.g., employees and shareholders who had not registered their voting rights for their shares, were entitled to attend the meeting without the right to comment or to participate in the meeting's resolutions.

## § 3

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

The meeting resolved to approve the list, prepared by Computershare AB on behalf of the company, of shareholders who had given notice to attend and were present at the meeting, including proxies with any assistants, as well as received postal votes, attached as Appendix 1 to these minutes, would be used as voting list for the meeting.

The Chair informed that certain shareholders that were represented at the meeting had, in advance of the meeting, informed the company of their voting instructions regarding certain of the proposed resolutions. Further, the Chair informed that a summary of these voting instructions, as well as postal votes received, were available if any shareholder requested them.

## § 4

### Approval of the agenda (item 4 on the agenda)

The meeting resolved to approve the agenda proposed by the Board, which had been included in the notice convening the meeting, Appendix 2.

The annual report, the consolidated financial statements, the auditor's report and the consolidated auditor's report for the financial year 2022, as well as the statements and reports of the Board and the Nomination Committee and

other documents for the Annual General Meeting, which had been held available in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, were presented.

## § 5

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

The meeting resolved that the minutes would be checked and verified by one person, and elected Joachim Spetz, representing Swedbank Robur Fonder, in addition to the Chair, to check and verify the minutes.

## § 6

### Determination of whether the Annual General Meeting has been duly convened (item 6 on the agenda)

The Chair noted that the notice convening the meeting had been given in accordance with the Swedish Companies Act and the Articles of Association.

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

## § 7

### Presentation by the Chief Executive Officer (item 7 on the agenda)

MTG's CEO and President, Maria Redin, presented and reported on MTG's transformation and operations during 2022 and the first quarter of 2023.

After the Chair had declared the floor open, there were questions from the shareholders on, *inter alia*, the diversity and equality work, the impact of currency fluctuations on MTG's results, anti-corruption processes, who the company saw as its competitors, incentives for MTG's entrepreneurs and employees, and expertise within the Board. The questions were answered by Maria Redin and Lasse Pilgaard.

## § 8

### Presentation of the Annual Report and the Auditor's Report and the consolidated financial statements and the Auditor's Report on the consolidated financial statements (item 8 on the agenda)

The Chair noted that the annual report and the auditor's report as well as the consolidated financial statements and consolidated audit report for the financial year 2022 were presented by keeping the documents available at the company and on the company's website.

The company's auditor-in-charge, Helena Nilsson, from KPMG AB presented the work with the audit during 2022 and the conclusions from the auditor's report and answered questions from the shareholders regarding the challenges of auditing a global group and the auditor's independence.

## § 9

### Resolution on the adoption of the Income Statement and the Balance Sheet and of the consolidated Income Statement and the consolidated Balance Sheet (item 9 on the agenda)

The meeting resolved to adopt the balance sheet for the parent company and the consolidated balance sheet as per 31 December 2022, as well as to adopt the income statement for the parent company and the consolidated income statement for the financial year 2022.

## § 10

### Resolution on the treatment of the company's results as stated in the adopted Balance Sheet (item 10 on the agenda)

The meeting resolved, in accordance with the Board's proposal, that the company's results shall be distributed so that the retained earnings, the share premium reserve and the result for the year, a total amount of SEK 15,089,011,519, is to be carried forward.

## § 11

### Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer (item 11 on the agenda)

The meeting resolved to discharge the board members and the CEO from liability for the management of the company's business during the financial year 2022.

It was noted that the board members and the CEO did not participate in the resolution as far as their own discharge were concerned.

Further, it was noted that the resolution was supported by all the participating shareholders in the resolution, except for shareholders who had notified in advance or by postal vote announced votes against or abstain votes.

## § 12

### Presentation and resolution on the approval of the Remuneration Report (item 12 on the agenda)

It was noted that the Board's remuneration report for 2022 had been made available at the company and on the company's website.

The meeting resolved, in accordance with the Board's proposal, to approve the remuneration report for 2022.

## § 13

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

Joachim Spetz presented the Nomination Committee's proposals for resolutions, including determination of the number of board members, determination of remuneration to the board members, remuneration to the Auditor, election of board members and chairman of the Board as well as determination of number of auditors and election of Auditor and answered the shareholders' questions regarding the geographical footprint of the Board.

The proposed board members that were present introduced themselves to the meeting.

The meeting resolved, in accordance with the Nomination Committee's proposal, that for the period until the end of the next Annual General Meeting, the Board shall consist of eight (8) members.

## § 14

### Determination of the remuneration to the members of the Board (item 14 on the agenda)

The meeting resolved, in accordance with the Nomination Committee's proposal, that remuneration to the Board shall be paid with a total of SEK 7,605,000, to be distributed as follows:

- SEK 1,800,000 to the Chairman of the Board, 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, 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.

## § 15

### Determination of the remuneration to the Auditor (item 15 on the agenda)

The meeting resolved, in accordance with the Nomination Committee's proposal, that the Auditor shall be paid in accordance with approved invoices.

## § 16

### Election of Board members (items 16(a)-(h) on the agenda)

It was noted that information on which assignments the proposed board members hold in other companies was provided by keeping the information available at the meeting and at the company and on the company's website.

The meeting resolved, in accordance with the Nomination Committee's proposal, to re-elect Chris Carvalho, Simon Duffy, Gerhard Florin, Simon Leung, Natalie Tydeman and Florian Schuhbauer as board members, and to elect Liia Nõu and Susanne Maas as new board members.

## § 17

### Election of the Chairman of the Board (item 17 on the agenda)

The meeting resolved, in accordance with the Nomination Committee's proposal, to re-elect Simon Duffy as Chairman of the Board.

## § 18

### Determination of the number of Auditors and election of Auditor (item 18 on the agenda)

The meeting resolved, in accordance with the Nomination Committee's proposal, that the company shall have one registered accounting firm as auditor, and to re-elect the registered accounting firm KPMG AB as auditor until the end of the 2024 Annual General Meeting.

It was noted that the authorised public accountant Helena Nilsson will continue as auditor-in-charge.

## § 19

### Resolution regarding a combined short-term and long-term incentive plan for 2023, 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 (item 19 on the agenda)

The Chair presented the Board's proposal for a resolution on an incentive plan for 2023 under the items 19(a)-(e) on the agenda, Appendix 3.

The meeting resolved, in accordance with the Board's proposal under item 19(a) on the agenda, to adopt the program and under item 19(e) of the agenda to enter into a swap agreement with a third party in relation to the plan.

It was noted that the required majority for the resolutions under items 19(b)-(d) was not reached and that the meeting therefore resolved to reject the Board's proposals under items 19(b)-(d).

## § 20

### Resolutions to secure delivery of Class B shares under the 2022 combined short-term/long-term incentive plan, including resolutions regarding: (a) authorisation for the Board to resolve on a new issue of Class C shares, and (b) authorisation for the Board to resolve to repurchase own Class C Shares (item 20 on the agenda)

The Chair presented the Board's proposal regarding resolution to secure delivery of Class B shares under the 2022 combined short-term/long-term incentive plan according to the items 20(a) and (b) on the agenda, Appendix 4.

The meeting resolved, in accordance with the Board's proposal under item 20(a), to authorise the Board to resolve on a new issue of 389,241 Class C shares and in accordance with the Board's proposal under item 20(b) to authorise the Board to resolve to repurchase own Class C Shares.

It was noted that the resolutions was supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Annual General Meeting and that that the resolutions was supported by all the participating shareholders in the resolution, except for shareholders who had notified in advance or by postal vote announced votes against or abstain votes.

## § 21

### Resolution on reduction of the share capital by way of cancellation of repurchased own Class B shares (item 21 on the agenda)

The Chair presented the Board's proposal for resolution on reduction of the share capital by way of cancellation of repurchased own Class B shares, Appendix 5. Questions from the shareholders were answered regarding why the repurchased Class B shares were not instead transferred to the sellers of Ninja Kiwi, with reference to the proposed resolution on a directed issue of Class B shares to the sellers of Ninja Kiwi under item 24 on the agenda.

The meeting resolved, in accordance with the Board's proposal, on reduction of the share capital by way of cancellation of repurchased own Class B shares.

It was noted that the resolution was supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Annual General Meeting and that that the resolution was supported by all the participating shareholders in the resolution, except for shareholders who had notified in advance or by postal vote announced votes against or abstain votes.

## § 22

### Resolution regarding authorisation for the Board to resolve on repurchases and transfers of own shares (item 22 on the agenda)

The Chair presented the Board's proposal regarding authorisation for the Board to resolve on repurchases and transfers of own shares, Appendix 6.

Leo Gillholm, representative of the Swedish Shareholders' Association (Sw. *Sveriges Aktiesparares Riksförbund*) made a statement to the Board that an equal number of Class A shares and Class B shares should be repurchased going forward.

The meeting resolved, in accordance with the Board's proposal, to authorise the Board to resolve upon repurchases and transfers of own shares.

It was noted that the resolution was supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Annual General Meeting and that that the resolution was supported by all the participating shareholders in the resolution, except for shareholders who had notified in advance or by postal vote announced votes against or abstain votes.

## § 23

### Resolution on authorisation for the Board to resolve on new issues of Class B shares (item 23 on the agenda)

The Chair presented the Board's proposal on authorisation for the Board to resolve on new issues of Class B shares, Appendix 7.

Leo Gillholm, representative of the Swedish Shareholders' Association (Sw. *Sveriges Aktiesparares Riksförbund*) made a statement to the Board that new issues should also include Class A shares, and that all shareholders, regardless of share class, should be entitled to subscribe for new Class A shares.

The meeting resolved, in accordance with the Board's proposal, on authorisation for the Board to resolve on new issues of Class B shares.

It was noted that the resolution was supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Annual General Meeting and that that the resolution was supported by all the participating shareholders in the resolution, except for shareholders who had notified in advance or by postal vote announced votes against or abstain votes.

## § 24

### Resolution on a directed issue of Class B shares to sellers of Ninja Kiwi, including certain key employees responsible for Ninja Kiwi's operations, to settle earn-out obligations (item 24 on the agenda)

The Chair presented the Board's proposal on a directed issue of Class B shares to sellers of Ninja Kiwi, including certain key employees responsible for Ninja Kiwi's operations, to settle earn-out obligations, Appendix 8.

The meeting resolved, in accordance with the Board's proposal, on a directed issue of Class B shares to sellers of Ninja Kiwi, including certain key employees responsible for Ninja Kiwi's operations, to settle earn-out obligations.

It was noted that the resolution was supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Annual General Meeting and that the resolution was supported by all the participating shareholders in the resolution, except for shareholders who had notified in advance or by postal vote announced votes against or abstain votes.

**§ 25**

Closing of the Annual General Meeting (item 25 on the agenda)

The Chair concluded that no further matters had been referred to the meeting, after which the Chair, on behalf of the Board, thanked the resigning board members Dawn Hudson and Marjorie Lao for their contribution to MTG and declared the Annual General Meeting closed.

At the minutes:

Approved:

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Simon Hahn

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Tone Myhre-Jensen

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Joachim Spetz

**PROPOSED AGENDA**

1. Opening of the Annual General Meeting by the Chairman of the Board.
2. Election of Chairman of the Annual General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check and verify the minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. Presentation by the Chief Executive Officer.
8. Presentation of the Annual Report and the Auditor's Report and the consolidated financial statements and the Auditor's Report on the consolidated financial statements.
9. Resolution on the adoption of the Income Statement and the Balance Sheet and of the consolidated Income Statement and the consolidated Balance Sheet.
10. Resolution on treatment of the company's results as stated in the adopted Balance Sheet.
11. Resolution on discharge of liability of the members of the Board and the Chief Executive Officer.
12. Presentation and resolution on the approval of the Remuneration Report.
13. Determination of the number of members of the Board.
14. Determination of the remuneration to the members of the Board.
15. Determination of the remuneration to the Auditor.
16. 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) Simon Leung (re-election, proposed by the Nomination Committee).
  - (e) Natalie Tydeman (re-election, proposed by the Nomination Committee).
  - (f) Florian Schuhbauer (re-election, proposed by the Nomination Committee).
  - (g) Liia Nõu (new election, proposed by the Nomination Committee)
  - (h) Susanne Maas (new election, proposed by the Nomination Committee).
17. Election of the Chairman of the Board.
18. Determination of the number of Auditors and election of Auditor.
19. Resolution regarding a combined short-term and long-term incentive plan for 2023, 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.
20. Resolutions to secure delivery of Class B shares under the 2022 combined short-term/long-term incentive plan, including resolutions regarding:
  - (a) authorisation for the Board to resolve on a new issue of Class C shares, and
  - (b) authorisation for the Board to resolve to repurchase own Class C Shares.

21. Resolution on reduction of the share capital by way of cancellation of repurchased own Class B shares.
22. Resolution regarding authorisation for the Board to resolve on repurchases and transfers of own shares.
23. Resolution on authorisation for the Board to resolve on new issues of Class B shares.
24. Resolution on a directed issue of Class B shares to sellers of Ninja Kiwi, including certain key employees responsible for Ninja Kiwi's operations, to settle earn-out obligations.
25. Closing of the Annual General Meeting.



## Resolution regarding a combined short-term and long-term incentive plan for 2023 (item 19)

### *Background and objectives*

MTG is a pure-play gaming group with a strategy focused on helping its portfolio companies accelerate their commercial performance, while enabling them to continue to create great games through elevating key skills and capabilities across the Group. To recruit and retain executives and other key employees, the Board has resolved to propose an incentive structure for variable remuneration covering both the short-term variable remuneration (STI) and the long-term share-based remuneration of MTG (the "**2023 Incentive Plan**"). The 2023 Incentive Plan retains the same structure and maintains the same economic characteristics for the participants and the same overall criteria for measuring performance as the 2022 incentive plan, with an added condition relating to strategic performance. In the 2023 Incentive Plan, the number of participants has been increased as key employees in MTG's portfolio company, InnoGames, have been invited to participate to link their incentives to the future growth of the MTG share performance.

The 2023 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 2023 (the "**Performance Year**"), the participants in the 2023 Incentive Plan are allotted a variable remuneration in the beginning of 2024 (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 2025 and 50 percent in 2026, in both cases after the publication of the year-end report for 2024 and 2025, respectively.

For information regarding outstanding long term share or share price related incentive plans in MTG, please refer to MTG's website, [www.mtg.com](http://www.mtg.com).

### *Adoption of the Plan (item 19(a))*

#### *Participants and Performance Amount*

Approximately 36 key employees in MTG and InnoGames will be entitled to participate in the 2023 Incentive Plan.

The maximum Performance Amount that a participant will receive is based on the participant's level, performance and scope 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 for key employees at MTG's headquarters and three tiers for key employees at InnoGames as follows:

- The CEO ("**Tier 1 MTG**"), Senior Executives ("**Tier 2 MTG**"), and other Key employees ("**Tier 3 MTG**"). The maximum Performance Amount is for each tier expressed as a percentage of the participant's 2023 annual base salary. The proposed maximum values are: 250 percent for Tier 1 MTG (of which 100 percent as a cash component and 150 percent as Share Amount), 225 percent for Tier 2 MTG (of which 100 percent as a cash component and 125 percent as Share Amount) and 150 percent for Tier 3 MTG (of which 50 percent as a cash component and 100 percent as Share Amount), and
- The Chief Executives ("**Tier 1 InnoGames**"), Directors ("**Tier 2 InnoGames**"), and Heads of staff ("**Tier 3 InnoGames**"). The maximum Performance Amount is for each tier expressed as a percentage of the participant's 2023 annual base salary. The proposed maximum values are: 200 percent for Tier 1 InnoGames (of which 50 percent as a cash component and 150 percent as Share Amount), 80-95 percent for Tier 2 InnoGames (of which 20-30 percent as a cash component and 50-70 percent as Share Amount) and 45-55 percent for Tier 3 InnoGames (of which 15-25 percent as a cash component and 30 percent as Share Amount)

New employees who 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 2023, be offered to participate in the 2023 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 threshold and corresponding payout	Performance levels
Financial measures	Revenue	25%	Maximum level corresponding to Index 150	The target is linked to the full year 2023 budget for the Group (which will be reflected in the outlook for the full year 2023 as outlined in the Q1 2023 interim report). Threshold level and maximum level will be available on the company's website at <a href="http://www.mtg.com">www.mtg.com</a> under the heading "General Meetings" (which can be found under the section "Investors") on 26 April 2023. Between the threshold level and the maximum level there is a target level.
	Adjusted EBITDA	25%	Maximum level corresponding to Index 150	The target is linked to the full year 2023 budget for the Group (which will be reflected in the outlook for the full year 2023 as outlined in the Q1 2023 interim report). Threshold level and maximum level will be available on the company's website at <a href="http://www.mtg.com">www.mtg.com</a> under the heading "General Meetings" (which can be found under the section "Investors") on 26 April 2023. Between the threshold level and the maximum level there is a target level.

Strategic KPI	<u>MTG Participants:</u> AdTech platform investment roadmap	20%	Threshold: 50% of target level  Maximum level: 100% of target corresponding to Index 100	Performance will be calculated by assessing a number of KPIs, the AdTech platform investment roadmap and the performance in driving more effective ad monetization. Each KPI can contribute with an individual score between 0 percent and 125 percent depending on goal achievement.
	<u>InnoGames Participants:</u> Net Payout Potential (NPP)			The NPP performance level is linked to the full year goal of estimated future revenue created from marketing spend for InnoGames.

Shareholder value creation	Absolute total shareholder return	20%	Threshold: 5% TSR (threshold equals Index 50)  Maximum level: 20% enabling Index 150	The TSR threshold level is 5 percent and the maximum level is 20 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 12.5 percent. At threshold (5 percent) this performance condition enables a qualifier achievement of Index 50 with linear increase to 20 percent to enable Index 150.
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ESG	Diversity in workforce	5%	Threshold: 1% improvement  Maximum level: 3% improvement enabling Index 100	Diversity in workforce improvement will be calculated based on the ratio of female and non-binary employees in the Group compared to the prior year. Improvement will be measured on an individual company level, each with equal weighting, and will be measured between 1 January 2023 and 31 December 2023. Baseline will be revised based on impact from potential M&A.
	Data privacy	5%	Threshold: 70% of target  Maximum: 90% of target enabling index 100	MTG believes that comprehensive privacy conduct creates real long-term value and helps build a sustainable gaming business and therefore has an extensive data privacy program involving many different projects across the Group. The threshold level is a 70 percent completion rate of the data privacy build-up phase and the data privacy maintenance phase (with a weighting of 40 percent and 60 percent, respectively) for the companies that were part of the Group as a whole as of 1 January 2023 and the target level is a 90 percent completion rate of the same. The weighting of each company will be based on its 2023 revenue contribution.

For participants who are employed by InnoGames, the financial measures will instead be based on the Revenue and Adjusted EBITDA in InnoGames. Thresholds will be based on approved budgets and presented after the Performance Year. The participants will receive the maximum Performance Amount if the target level is reached for each of the performance conditions, or if the average weighted index is above 100, where the performance conditions based on financial measures and shareholder value return can contribute with up to index 150. The outcome for the participants in the 2023 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 2024, following the publication of the year-end report for 2023, 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 60 days after the publication of the year-end report for 2023, 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 year-end report for 2024 and 2025, 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 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 2023 Incentive Plan*

The maximum number of Class B Shares which may be delivered under the 2023 Incentive Plan is limited to 988,695 representing approximately 0.74 percent of the outstanding shares in MTG.

The total cost for the share component of the 2023 Incentive Plan is estimated to amount to no more than SEK 76 million, which corresponds to approximately 7.5 percent of total employment cost for MTG and InnoGames in 2022. The cost will be distributed over the years 2023-2025. The total cost includes salary costs of SEK 64 million and social security costs of SEK 12 million. The calculation of total salary costs is based on the maximum Share Amount being received by participants, a 10 percent employee turn-over, and a share price at grant (i.e 2024) of SEK 77.50. The calculation of social security costs is based on a 35 percent annual share price increase at 100 percent vesting and an average annual social security tax rate of 31.42 percent in Sweden and 0 percent in Germany, where the majority of participants reside.

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

MTG intends to present the outcome of 2023 Incentive Plan in its Remuneration Report for 2023 and Annual Reports for 2023-2025.

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

*Delivery of Class B Shares under the 2023 Incentive Plan*

To ensure the delivery of Class B Shares under the 2023 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 2023 Incentive Plan (items 19(b)-(d)).

Resolutions in accordance with items 19(b)-(d) require approval of shareholders representing at least nine tenths (9/10) of both the votes cast and the shares represented at the Annual General Meeting. In the event that the required majority under items 19(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 2023 Incentive Plan.

*Preparation and administration of the 2023 Incentive Plan*

In accordance with guidelines provided by the Board, the 2023 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 2023 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 2023 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 2023 Incentive Plan.

***Authorisation for the Board to resolve on a new issue of Class C Shares (item 19(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 4,943,475 by the issue of not more than 988,695 Class C Shares, each with a quota value of 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 2023 Incentive Plan.

***Authorisation for the Board to resolve to repurchase own Class C Shares (item 19(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 2023 Incentive Plan.

***Transfer of own Class B shares to the participants in the plan (item 19(d))***

The Board proposes that the Annual General Meeting resolves that a maximum of 988,695 own Class B shares may be transferred free-of-charge to the participants in the 2023 Incentive Plan, in accordance with the terms and conditions of the 2023 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.

***Swap agreement with a third party in relation to the plan (item 19(e))***

As set out above under item 19(a), the Board proposes that the Annual General Meeting resolves that the 2023 Incentive Plan may as an alternative, if the required majority for approval is not reached under item 19(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 2023 Incentive Plan.

**Resolutions to secure delivery of Class B Shares under the 2022 combined short-term and long-term incentive plan (item 20)**

As a consequence of the SEK 600m share repurchase programs implemented during 2022 and 2023, the Board did not utilise its authorisations from the 2022 Annual General Meeting to issue new Class C shares, and repurchase own Class C shares, to ensure delivery of shares in the combined short term and long term incentive plan for 2022 (the "**2022 Incentive Plan**"). Given this background, the Board now once again asks for these authorisations to be able to ensure the company's compliance with its obligation in the 2022 Incentive Plan.

***Authorisation for the Board to resolve on a new issue of Class C shares (item 20(a))***

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 1,946,205 by the issue of not more than 389,241 Class C Shares, each with a quota value of 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 the participants in the 2022 Incentive Plan.

***Authorisation for the Board to resolve to repurchase own Class C shares (item 20(b))***

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.

**The Board's complete proposal for resolution on reduction of share capital by way of cancellation of repurchased own Class B shares**

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The board of directors of Modern Times Group MTG AB, reg. no. 556309-9158, proposes that the Annual General Meeting resolves to reduce the company's share capital by no more than SEK 32,600,000 by cancellation of the Class B shares held in treasury repurchased by MTG during the period 20 June 2022 and 26 April 2023, under its, in total SEK 600m, share repurchase programs announced on 17 June 2022 and 25 October 2022, respectively. The purpose of the reduction is allocation to unrestricted equity. 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.

Stockholm, 25 April 2023

MODERN TIMES GROUP MTG AB

THE BOARD

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**Authorisation for the Board to resolve on repurchases and transfers of own shares (item 22)**

The Board proposes that the Annual General Meeting authorises 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 Annual General Meeting authorizes 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 authorisations 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.

Further, the purpose of the authorisation 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 Annual General Meeting.



**Authorisation for the Board to resolve on new issues of Class B shares (item 23)**

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 issues of Class B shares shall be made on market conditions, taking into account any discount on market terms. Payment may be made in cash, in kind or through set-off. New share issues resolved by the Board using this authorisation shall, in aggregate, represent no more than 10 percent of the total number of ordinary shares in MTG at the time when the Board exercises the authorisation for the first time.

The purpose of the authorisation, as well as the reason for any deviation from the shareholders' preferential rights, is to allow MTG to pursue potential investment opportunities as they arise and a broadening of the ownership base of MTG.

## Directed issue of Class B shares to the sellers of Ninja Kiwi, including certain key employees responsible for Ninja Kiwi's operations, to settle earn-out obligations (item 24)

### Background

In June 2021, MTG acquired 100 percent of the shares in leading tower defense gaming studio and publisher Ninja Kiwi Limited ("**Ninja Kiwi**"). The consideration consisted of an up-front payment, in cash and newly issued MTG class B shares, corresponding to in total approximately SEK 1,216m, on a cash and debt free basis. According to the agreement with the sellers of Ninja Kiwi, the sellers, including certain key employees responsible for Ninja Kiwi's operations, referred to as the "**Sellers**" had a right to receive earn-out payments, contingent upon certain profitability targets for Ninja Kiwi. A certain percentage of these earn-out payments were agreed to be paid by delivery of shares in MTG.

These profitability targets have been achieved, and an earn-out consideration in the form of two vendor loan notes, in a total aggregate amount corresponding to SEK 347,257,200 (the "**Earn-Out Amount**") issued by MTG shall be paid by MTG through a directed issue of Class B shares in MTG to the Sellers. The first vendor loan note amounts to SEK 101,404,800 (the "**VLN 1 Amount**") and is to be set-off by way of an issuance of 1,163,700 Class B shares, calculated based on the volume-weighted average price of MTG's class B share on Nasdaq Stockholm between 29 June 2022 and 26 July 2022, being SEK 87.14 (the "**VLN 1 Shares**"). The second vendor loan note amounts to SEK 245,852,400 (the "**VLN 2 Amount**") and is to be set-off by way of an issuance of Class B shares, the number of which shall correspond to the VLN 2 Amount divided by the volume-weighted average price of MTG's class B shares on Nasdaq Stockholm during the period 12 April - 10 May 2023 (the "**VLN 2 Shares**").

As an example, if the volume-weighted average price of MTG's class B share during the above-mentioned period would amount to SEK 75.28 (the closing price of MTG's class B share at Nasdaq Stockholm on 31 March 2023), a total of 4,429,539 class B shares would be issued to the Sellers to settle the Earn-Out Amount, which would entail that the Sellers would subscribe for shares corresponding to approximately 3.3 percent of the total number of shares in MTG following the directed issue in accordance with this item 24.

The earn-out shares that the Sellers receive will be subject to a one year lock-up undertaking.

In the event that the Annual General Meeting does not resolve on an issue of class B shares in accordance with this item 24, the Earn-Out Amount will be repaid by MTG to the Sellers in cash.

### Proposal

Given the above, the Board proposes a directed new issue of a maximum of 6,000,000 Class B shares to the Sellers, where the number of Class B shares to be allotted shall correspond to 1,163,700 shares (i.e. the VLN 1 Shares), plus the VLN 2 Amount divided by the volume-weighted average price of MTG's class B share on Nasdaq Stockholm during the period 12 April - 10 May 2023 (i.e. the VLN 2 Shares), and whereby MTG's share capital will be increased by a maximum of SEK 30,000,000, on the following terms:

- The right to subscribe for the new shares shall, with deviation from the shareholders' preferential rights, rest with the Sellers, in accordance with the agreement regarding the acquisition of Ninja Kiwi, as set out below.

Name	% share of the Earn-Out Amount
Stephen Harris, Co-Founder and CCO, (through family trust)	37%
Chris Harris, Co-Founder and Co-CEO, (through family trust)	37%
Scott Walker, Co-CEO, (through family trust)	10%
Others (in the proportions as set out in the agreement between MTG and the Sellers)	16%
<b>Total:</b>	<b>100%</b>

- The reason for the deviation from the shareholders' preferential rights is to settle earn-out obligations that is to be paid in Class B shares in MTG toward the previous owners of Ninja Kiwi in accordance with the agreement regarding the acquisition of Ninja Kiwi.
- The shares shall be subscribed for no later than 30 June 2023, on a subscription list. Payment for subscribed class B shares shall be made by way of set-off against each subscriber's part of the Earn-Out Amount no later than 30 June 2023. The Board shall be entitled to extend the subscription

- period and postpone the date for payment.
- The aggregate price to be paid for subscription of the VLN 1 Shares shall be SEK 101,404,800. The aggregate price to be paid for subscription of the VLN 2 Shares shall be SEK 245,852,400. The portion of the amount that exceeds the quota value shall be transferred to the free share premium.
  - The new shares shall carry entitlement to dividend from the date they have been recorded in the share register kept by Euroclear Sweden AB.