



NOTICE TO ATTEND THE ANNUAL GENERAL MEETING

The shareholders of Modern Times Group MTG AB (publ) are hereby invited to the Annual General Meeting on Monday 18 May 2020 at 13.00 CEST at Wallenbergsalen, IVA Konferenscenter, Grev Turegatan 16 in Stockholm. The doors open for shareholders at 12.40 CEST.

INFORMATION REGARDING REMOTE PARTICIPATION IN THE ANNUAL GENERAL MEETING 2020

In light of the outbreak of the corona virus and COVID-19 and for the safety of all shareholders, MTG encourage that shareholders seriously consider to not attend the 2020 Annual General Meeting in person. Shareholders are instead requested to attend by way of a proxy holder or vote via remote access by post. More information regarding proxy services and voting by post can be found on MTG's website at www.mtg.com under the heading "2020 Annual General Meeting" (which can be found under the section "Investors" under the heading "General Meetings").

SPECIAL ARRANGEMENTS IN VIEW OF THE OUTBREAK OF THE CORONA VIRUS AND COVID-19

The continued spread of the corona virus and COVID-19 remains difficult to assess with any certainty. At the time of the issuance of this notice, public gatherings of more than 50 participants are restricted. MTG is mindful of the health of our shareholders and will comply with any applicable restrictions and limitations. If there is a risk that the number of people present at the Annual General Meeting will exceed the restrictions and limitations for gatherings applicable at the time, MTG may decide to postpone the Annual General Meeting until a later date. Further, as a precautionary measure MTG has decided to implement special arrangements at the 2020 Annual General Meeting. Such arrangements include, among other things, that:

- MTG's Chief Executive Officer, Jørgen Madsen Lindemann, and Chairman David Chance, will not give their customary presentations to the Annual General Meeting this year but will participate in the meeting via link. Also, a speech from the CEO will be recorded and made available at MTG's website;
- the presence of the Board and management will be limited; and
- no food or refreshments will be served.

MTG is closely monitoring the impact of the corona outbreak in Sweden, and in case of updated government instructions or recommendations from relevant authorities, MTG may decide on additional precautionary measures in connection with the meeting. Information and updates on the special arrangements in view of the spread of the corona virus can be found on MTG's website at www.mtg.com under the heading "2020 Annual General Meeting" (which can be found under the section "Investors" under the heading "General Meetings").

NOTICE TO ATTEND ETC.

Shareholders who wish to attend the Annual General Meeting shall

- be entered in the share register maintained by Euroclear Sweden on Tuesday 12 May 2020; and
- give notice of their attendance no later than Tuesday 12 May 2020. Notification is to be made on the company's website at www.mtg.com under the heading "2020 Annual General Meeting" (which can be found under the section "Investors" under the heading "General Meetings"), by telephone to +46 (0) 771 246 400 or by mail to Computershare AB "AGM, MTG", P.O. Box 5267, SE-102 46 Stockholm, Sweden. Shareholders shall in their notice to attend state name, personal identification number or company registration number, address, phone number and advisors, if applicable.

Shareholders whose shares are registered in the names of nominees must temporarily re-register such shares in their own name in order to be entitled to attend the Annual General Meeting. In order for such re-

registration to be completed on Tuesday 12 May 2020 the shareholder must inform their nominees well before that day. Shareholders attending by a proxy or a representative should send documents of authorisation to the mail address above, well before the Annual General Meeting.

For information on how your personal data is processed, please visit <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

IMPORTANT INFORMATION REGARDING VOTING BY POST AND PROXY SERVICES ETC.

MTG has decided that shareholders are to be able to exercise their voting rights by post before the annual general meeting. The company urges shareholders to use this option to minimise the number of participants present in person at the meeting, thereby helping to reduce the risk of spreading the corona virus and COVID-19.

Information regarding voting by post, but also regarding proxy services, as well as template forms for postal voting and proxy, are available on the company's website www.mtg.com under the heading "2020 Annual General Meeting" (which can be found under the section "Investors" under the heading "General Meetings").

PROPOSED AGENDA

1. Opening of the Annual General Meeting.
2. Election of Chairman of the Annual General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check and verify the minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. Presentation of the Annual Report, the Auditor's Report and the consolidated financial statements and the Auditor's Report on the consolidated financial statements.
8. Resolution on the adoption of the Income Statement and the Balance Sheet and of the consolidated Income Statement and the consolidated Balance Sheet.
9. Resolution on the treatment of the company's results as stated in the adopted Balance Sheet.
10. Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer.
11. Determination of the number of members of the Board.
12. Determination of the remuneration to the members of the Board and the Auditor.
13. Election of Board members:
 - (a) David Chance (re-election, proposed by the Nomination Committee).
 - (b) Simon Duffy (re-election, proposed by the Nomination Committee).
 - (c) Gerhard Florin (re-election, proposed by the Nomination Committee).
 - (d) Natalie Tydeman (re-election, proposed by the Nomination Committee).
 - (e) Marjorie Lao (new election, proposed by the Nomination Committee).
14. Election of the Chairman of the Board.
15. Determination of the number of Auditors and election of Auditor.
16. Resolution regarding guidelines for remuneration to the senior executives.
17. Resolution to authorise the Board to resolve on repurchase of own shares.
18. Resolution regarding amendments of the Articles of Association.
19. Closing of the Annual General Meeting.

RESOLUTIONS PROPOSED BY THE NOMINATION COMMITTEE

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

The Nomination Committee proposes that Tone Myhre-Jensen at Cederquist, member of the Swedish Bar Association, is elected to be the Chairman of the Annual General Meeting.

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, 13(a)-(e) and 14)

The Nomination Committee proposes that the Board shall consist of five members.

The Nomination Committee proposes that, for the period until the end of the next Annual General Meeting, David Chance, Simon Duffy, Gerhard Florin and Natalie Tydeman shall be re-elected as members of the Board, and that Marjorie Lao is elected as new member of the Board.

The Nomination Committee proposes that David Chance is re-elected as Chairman of the Board.

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

The Nomination Committee proposes that remuneration per member level remain unchanged for the period until the end of the next Annual General Meeting, corresponding to a total remuneration for Board work and within the committees of the Board amounting to, in total, SEK 4,190,000, to be allocated in accordance with the following:

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

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 15)

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 2021 Annual General Meeting. KPMG AB has informed MTG that the authorised public accountant Helena Nilsson will be appointed as auditor-in-charge if KPMG AB is re-elected as Auditor.

RESOLUTIONS PROPOSED BY THE BOARD

Treatment of MTG's result (item 9)

The Board proposes that MTG's retained earnings, the share premium reserve and the result for the year, a total of SEK 5,136 million is to be carried forward.

Guidelines for remuneration to the senior executives (item 16)

The Board proposes the following guidelines for determining remuneration for MTG's CEO and other senior executives in the MTG Group (the "**Senior Executives**"), as well as members of the Board if they are remunerated outside their directorship. The Group Management currently comprises six Senior Executives (the CEO and 5 other Senior Executives).

Subject to the adoption by the 2020 Annual General Meeting, these Remuneration Guidelines shall be applied to employment agreements entered into after the 2020 AGM and to changes made to existing agreements thereafter. The guidelines shall be in force until new guidelines are adopted by the General Meeting, the intention is for the guidelines to remain in place for up to four years. These guidelines do not apply to any remuneration decided or approved by the General Meeting such as long-term share or share price related incentive plans and ordinary Board remuneration.

The Board has established a Remuneration Committee. In order to avoid any conflict of interest, the Remuneration Committee consist only of members that are independent of the company and its management. The remuneration is managed through well-defined processes ensuring that no individual is involved in the decision-making process related to their own remuneration. The Remuneration Committee's tasks include preparing the Board's decision to propose guidelines for executive remuneration. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company.

Information regarding the existing remuneration arrangements for the Senior Executives can be found in Note 26 of the 2019 Annual Report, this includes fixed and variable compensation, long-term incentive plans and other benefits.

MTG is a strategic operational and investment company that combines investment expertise with hands-on operational engagement. MTG's Vision is to become the home of esports and gaming entertainment. MTG's Mission is to grow the gaming ecosystem and benefit its communities through relevant storytelling with craftsmanship, innovation and sustainability at its centre. MTG's Strategy is to drive profitability and organic growth in portfolio companies and invest in high-potential esports and gaming businesses.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. The remuneration structures shall encourage employees to do their utmost to safeguard shareholders' interests and thereby the company's sustainability and long-term value creation.

More information on MTG's strategy can be found on the MTG's website and in the most recent annual report, www.mtg.com.

Remuneration principles

The Remuneration Guidelines provides a structure that aligns remuneration with the successful delivery of our long-term strategy: to drive profitability and organic growth in our portfolio companies and invest in high-potential esports and gaming business. The guidelines sets guiding principles for selection of LTIP performance measures and LTIP performance periods to ensure the link to the shareholder value and as such the guidelines contributes to the long-term success and value creation of the company. The guidelines provides for the ability to set relevant financial and non-financial STI measures including governance, social and environmental, further contributing to alignment between the guidelines and sustainability as well as the company values, which are Bold, Smart, Engaging and Fun. The performance measures for the STI are determined by the Remuneration Committee based on the business priorities for the year. Each year stretch objectives are set in the light of the Company's annual business plan and the operating environment. The guidelines provides incentives for the CEO and the Senior Executives to drive innovative and

performance based culture which contributes to achieving our company mission.

The remuneration of the CEO and the Senior Executives consist of base salary, short-term and long-term incentives, pension and other benefits.

Base salary

Attracts and retains the CEO and the Senior Executives taking into account of their individual responsibilities, their personal contribution, the size of role and business complexity. The base salary for the CEO and the Senior Executives shall be competitive. The base salary is reviewed annually, typically with effect from 1 January. The Remuneration Committee looks at pay practices in selected comparison groups, the benchmarks are conducted through independent advisors. Decisions on salary also take into account the performance and experience of the individual, changes in the size and scope of the role, and the level of salary awards across the business.

Short Term Incentive (STI)

Drives and rewards achievement of our stretching annual financial, strategic, operational and sustainability targets aligned with our business strategy. The STI is capped at 125% of the individual's base salary. Performance measures and weightings are reviewed at the start of each year to take account of current business plans and to ensure they continue to support the short-term business strategy. These measures can vary from year to year to reflect business priorities and typically the measures includes a balance of the Company's financial performance measures (for example profitability, revenue and cash flow measures) and non-financial measures (for example key operational, strategic, environmental, social, governance or other sustainability related measures) provided that in any given year majority of weighting will be on financial performance measures. Through the combination of the financial measures with the non-financial measures the STI will contribute to the long-term interests and sustainability of the company. Details of actual performance measures applied for each year and how they support the business strategy will be disclosed in the annual Remuneration Report. Performance against targets is monitored and determined based on assessment of performance level versus each target level. The Board reviews the performance and determines the extent to which each of the targets have been achieved, to determine the final pay-out level. As regards to the financial criteria, the evaluation shall be based on the latest financial information made public by MTG. The Board has discretion to adjust the formulaic STI outcome in changed circumstances to improve the alignment of pay with value creation for shareholders, and to ensure the outcome is a fair reflection of the company's performance, and will take into account any relevant environmental, social, and governance (ESG) matters when determining outcomes. To further strengthen the connection to the shareholders' interest and the company's long-term value creation, payment of part of the STI may be deferred and delivered in MTG shares and such shares to be retained for an agreed period of time. Awards are subject to claw-back in cases where the final payment is made based on performance that is proven to be manifestly misstated. The Board may decide to reclaim whole or a part of the final payment. In its decision to reclaim any amount the Board may, in its sole discretion, reduce the amount to be reclaimed based on the employee's lack of direct involvement in the performance and reporting of performance which has been manifestly misstated.

Extraordinary arrangements

By way of exception, additional one-off arrangements can be made on a case by case basis when deemed necessary, under the condition that such extraordinary arrangement is made for recruitment or retention purposes, subject to Board approval. Each such arrangement shall be capped at, and never exceed, 200% of the individual's annual base salary.

Long Term Incentive Programme (LTIP)

The Board may offer LTIPs in order to attract and retain key individuals, as well as to share the success of the company's growth. The LTIPs that can be offered are 3-4 –year plans which are share or share price related programmes (such as performance share plans and/or warrant plans), which will be put forward to the General Meeting to resolve on – irrespective of these guidelines. Share and share price related LTIPs shall be structured to ensure a long-term commitment to the development of MTG and with the intention that the Senior Executives shall have a significant long-term shareholding in MTG. The outcome shall be linked to certain pre-determined performance criteria, based on MTG's share price and value growth. The Board has also – irrespective of these guidelines – in 2018 agreed to offer one employee, today a Senior Executive, participation in the local Management Incentive Programs, i.e. a cash based LTIP linked to pre-

determined levels for the value creation of a specific vertical or subsidiary within MTG. The maximum outcome has a predetermined cap.

More information regarding the ongoing LTIPs, including the criteria which the outcome depend on, can be found on MTG's website and in the most recent annual report, www.mtg.com.

Pension

Provides competitive and appropriate retirement arrangement in the context of the market practice in the applicable country of the executives employment or residence and total remuneration. The pension arrangements shall be provided in the form of a defined contribution or as a cash allowance and shall amount to no more than 20% of the individual's annual base salary.

Other benefits

Provides competitive level of benefits and supports recruitment and retention. Other benefits may include car allowance, company car and housing. The combined value of these benefits shall normally constitute a limited value in relation to the total remuneration package and shall correspond to market practice.

Additional benefits may be received by Senior Executives in certain circumstances such as relocation or international assignment, taking into account the overall purpose of these guidelines.

Termination of employment and severance pay

In general, executive contracts have indefinite duration. The notice period can be up to one year for either party and non-compete restrictions can go up to one year. The Company may require the individual to continue to fulfil current duties during the notice period or may assign garden leave.

In case of termination of a Senior Executive's employment agreement, the STI is evaluated and paid pro-rata for the period up to the termination date where applicable. It should be noted that these cases are handled according to the discretionary right of the Board.

Salary and employment conditions for employees

In the preparation of the Board's proposal for these guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employee's total income, the components of the remuneration and increase and growth rate over time, in the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Deviations from the Guidelines

The Board may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. The Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

Information regarding levels and structure for remuneration within MTG, and evaluation of the guidelines and auditor's statement with respect to the application of the guidelines during 2019

For information regarding the application of, and deviation from, the guidelines for remuneration to the Senior Executives during 2019, see the evaluation of remuneration to the Senior Executives (Report according to the Swedish Corporate Governance Code 9.1, and the auditor's statement according to Ch 8 Sec 54 of the Swedish Companies Act regarding the application of the guidelines for remuneration which have applied during 2019 that are available on the company's website www.mtg.com under the heading "2020 Annual General Meeting" (which can be found under the section "Investors" under the heading "General Meetings"). Note that due to the impact of the outbreak of the corona virus and COVID-19, the Board has decided not to propose an LTIP for 2020 to the Annual General Meeting.

Authorisation for the Board to resolve on repurchase of own shares (item 17)

The Board proposes that the Annual General Meeting resolves to authorise the Board to resolve on repurchases of MTG's own shares, for cancellation of shares through a reduction of the share capital, in accordance with the following conditions:

- The 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.

- The 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.

The purpose of the authorisation is to give the Board more options in its efforts to deliver long-term shareholder value and total return.

Amendment of the Articles of Association (item 18)

The Board proposes that the Annual General Meeting resolves to amend the Articles of Association. A new section is proposed to be inserted in the Articles of Association allowing the Board to collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, paragraph 2 of the Companies Act and allowing the Board to decide that shareholders shall have the right to provide their votes by post before a General Meeting. Further, a number of editorial amendments are proposed and amendments to reflect changes in legislation.

Current wording

§ 1

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

§ 10, first paragraph

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

§ 11

Proposed wording

The *business* name (Sw. *företagsnamn*) of the company is Modern Times Group MTG AB. The company is a public company (publ).

A shareholder that wishes to participate at the general meeting *shall notify the company of its participation no later than the day stated in the notice convening the meeting.*

The Board may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act.

The Board has the right before a General Meeting to decide that shareholders shall be able to exercise their right to vote by post before the General Meeting.

As a consequence of the insertion of a new section 11 a renumbering of section is proposed, whereby the old § 11 becomes § 12.

MISCELLANEOUS

Shares and votes

There are a total number of 67,647,124 shares in MTG, whereof 545,662 class A shares and 67,101,462 class B shares. The total number of votes for all issued MTG shares is 72,558,082. As per the date of this notice, MTG holds 304,880 class B shares as treasury shares, which cannot be represented at the Annual General Meeting.

Special majority requirements and conditions with respect to the proposed resolutions in items 17 and 18

The resolutions to authorise the Board to resolve on repurchase of own shares under item 17 and to amend the articles of association under item 18 are valid only if supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

Documentation

The Nomination Committee's motivated statement explaining its proposals regarding the Board and information on the proposed members of the Board will be made available today at the company's website www.mtg.com.

The 2019 Annual Report, the reasoned statement of the Board pursuant to Ch 19 Sec 22 of the Swedish Companies Act, the Auditor's report in accordance with Ch 8 Sec 54 of the Swedish Companies Act, the Boards' report of the results of the evaluation of remuneration to the senior executives (Report according to the Swedish Corporate Governance Code 9.1) and the proposed Articles of Association will no later than 27 April 2020 be available at the company's website www.mtg.com under the headings "2020 Annual General Meeting" (which can be found under the section "Investors" under the heading "General Meetings") and at the company's premises at Skeppsbron 18 in Stockholm and will be sent to those shareholders who so request and state their postal address or email address.

The documentation can be ordered by telephone at +46 (0) 771-246 400 or in writing at the address Computershare AB "AGM, MTG", P.O. Box 5267, SE-102 46 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.

Information at the Annual General Meeting

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.

Stockholm, April 2020

MODERN TIMES GROUP MTG AB (PUBL)

THE BOARD
