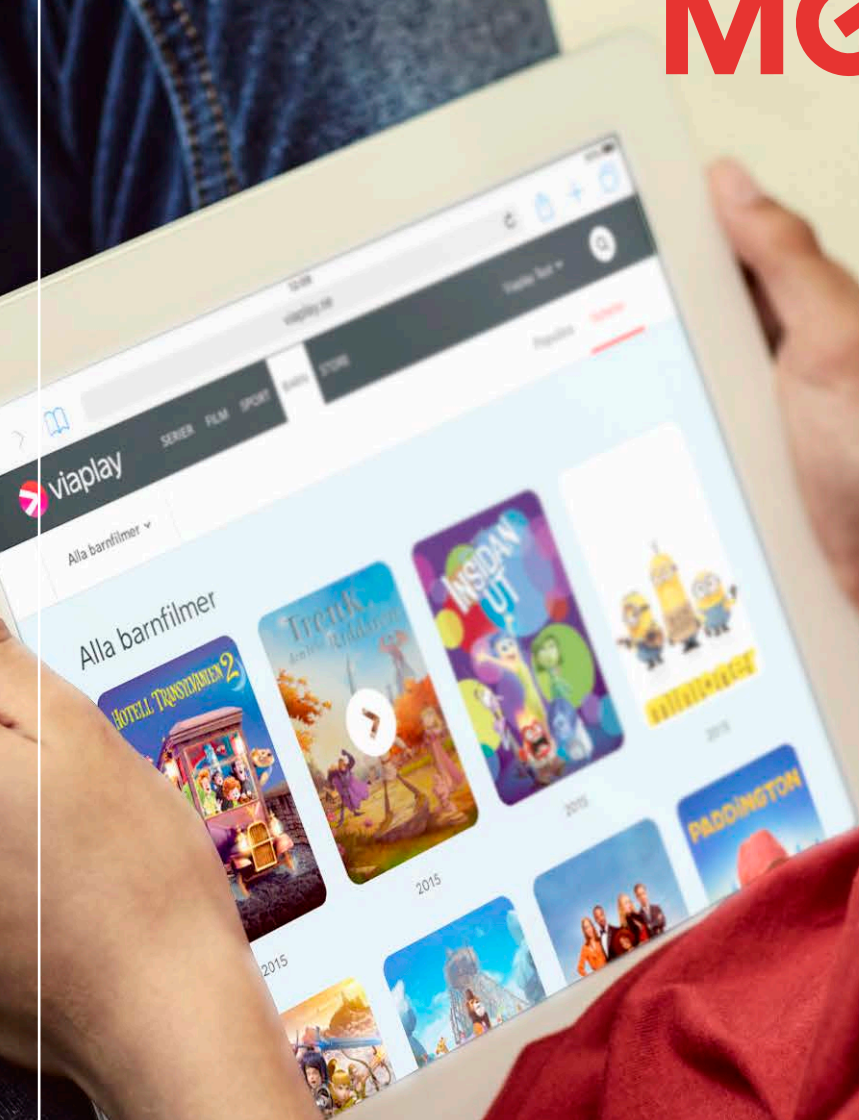


Information brochure to the shareholders of Modern Times Group MTG AB prior to resolution on the distribution of the shares of Nordic Entertainment Group AB at the Extraordinary General Meeting on 7 February 2019



This information brochure is to be used for information purposes only and as a basis for resolution by MTG's shareholders when resolving on the Board of Directors' proposed distribution of the shares in the wholly owned subsidiary NENT Group to the shareholders of MTG. This information brochure does not contain or constitute an invitation or an offer to acquire, sell, subscribe for or otherwise trade in shares or other securities in MTG. This information brochure has not been approved by any regulatory authority and is not a prospectus.

Provided that the Extraordinary General Meeting of MTG on 7 February 2019 resolves to approve the distribution in accordance with the Board of Directors' proposal, no further actions are required by you as a shareholder in MTG in order to receive shares in NENT Group except for being registered as shareholder (directly or nominee registered) on the record date for the distribution of shares. A prospectus will be published prior to the listing of NENT Group's shares on Nasdaq Stockholm, provided that the Extraordinary General Meeting resolves on a distribution in accordance with the Board of Directors' proposal.

IMPORTANT INFORMATION

The Board of Directors of MTG has proposed that MTG's shareholders at the Extraordinary General Meeting on 7 February 2019 resolve to distribute all of the shares of NENT Group to the shareholders of MTG. This information brochure contains a summary of information ahead of the Extraordinary General Meeting and is intended solely to be used for information purposes and to provide a basis for the shareholders of MTG for their resolution. This information brochure is not a prospectus.

A prospectus will be registered with the Swedish Financial Supervisory Authority (the "SFS") and published prior to the admission to trading of NENT Group's shares on Nasdaq Stockholm, provided that the Extraordinary General Meeting resolves on a distribution in accordance with the Board of Directors' proposal. The prospectus will, among other things, include a detailed description of NENT Group and the risk factors deemed to be relevant for NENT Group. The information in this information brochure is intended to be accurate, although not complete, only on the day of the publication. It has not been expressed by either MTG or NENT Group, nor implied, that the information in this information brochure has been, or will be, accurate at any other time.

The shares in NENT Group have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the security legislation of any other state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States except under an available exemption from, or by a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States. No public offer will be made in the United States. The shares in NENT Group have neither been approved nor rejected by the United States Securities and Exchange Commission, any state securities authority or other authority in the United States.

This information brochure is available both in Swedish and English on MTG's website at www.mtg.com. In the event of any discrepancy between the English and the Swedish language versions, the English version shall prevail.

This information brochure is governed by Swedish law. Any disputes arising in connection with this information brochure or any subsequent legal matters are to be settled exclusively by the courts of Sweden, with the District Court of Stockholm as first instance.

This information brochure contains certain industry and market information compiled from information obtained from third parties. Neither MTG nor NENT Group assumes any responsibility for the accuracy of any industry or market information that is included in this information brochure. Such information from third parties has been accurately reproduced and, as far as MTG and NENT Group are aware and can ascertain by comparisons with other information published by a relevant third party, no information has been omitted in a way that could render the reproduced information inaccurate or misleading.

A number of risk factors may affect each of MTG and NENT Group and their respective operations. There are risks involving circumstances pertaining to MTG and NENT Group, respectively, and risks that have no specific connection with MTG or NENT Group, but which impact the industry and the market in which MTG and NENT Group operate. Accordingly, it is important to carefully analyse the material risk factors associated with MTG's and NENT Group's respective future development.

The figures in this information brochure have been rounded off as appropriate. As a result, certain tables appear to not sum up correctly.

Forward-looking statements

This information brochure contains forward-looking statements that reflect MTG's and NENT Group's current view on future events and financial, operational and other development. Forward-looking statements can be identified by not exclusively relating to historical or present facts and events or by containing words such as "may", "shall", "expect", "believes", "estimates", "plans", "prepares", "predicts", "intends", "forecast", "attempts", "could", or negations of such terms, or similar expressions or comparable terminology. Any forward-looking statements are made as per the date of the information brochure. MTG and NENT Group expressly disclaim any obligation or undertaking to update these forward-looking statements to reflect any change in information or events or similar circumstances. Although MTG and NENT Group consider the expectations expressed in such forward-looking statements to be reasonable, there is no guarantee as regards the outcome or correctness of the statements. Accordingly, prospective investors should not place undue reliance on these and other forward-looking statements.

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Definitions

“Euroclear”	refers to Euroclear Sweden AB.
“MTG”	refers to, depending on the context, Modern Times Group MTG AB (publ), reg. no. 556309-9158, or the group in which Modern Times Group MTG AB (publ) is the parent company, or any of its subsidiaries.
“NENT Group”	refers to, depending on the context, Nordic Entertainment Group AB (publ), reg. no. 559124-6847, or the group in which Nordic Entertainment Group AB (publ) is the parent company, or any of its subsidiaries.
“SEK”	refers to the Swedish krona and “SEKm” refers to millions of Swedish krona.

Important dates

1 February 2019	Record date for attendance and final date to provide notification of attendance at MTG's Extraordinary General Meeting.
7 February 2019	Extraordinary General Meeting of MTG's shareholders.
During March 2019	Publication of prospectus regarding the listing of the shares in NENT Group. Expected distribution of, and first day of trading in, NENT Group Class A and Class B shares.

Notification to MTG's Extraordinary General Meeting

Information regarding the right to attend MTG's Extraordinary General Meeting, and how to provide notification of attendance, can be found in the notice convening the Extraordinary General Meeting. The notice and other documents published ahead of the Extraordinary General Meeting are available on MTG's website at www.mtg.com.

Background and reasons

The Board of Directors of MTG has made a proposal to the Extraordinary General Meeting of MTG on 7 February 2019, to resolve on a distribution of all of the shares in the wholly-owned subsidiary NENT Group to the shareholders of MTG. The intention is to list the shares in NENT Group at Nasdaq Stockholm.

The Board and management believe that an increased long-term shareholder value will be created by splitting the group into two separate and publicly listed companies. MTG's heritage dates back to 1987 when Scandinavia's first commercial TV channel was founded, and it has since expanded both in the Nordic region and internationally. The entertainment portfolio of brands today span broadcast and streamed TV & radio services and content production, as well as next generation entertainment experiences in esports, online gaming and digital video. A split from MTG and distribution of shares in NENT Group is intended to create two publicly listed companies whose leading brands can shape the future of their respective industries. A split will provide both businesses with enhanced focus and agility to capitalise on changes in consumer trends, capture growth opportunities, and generate sustainable value for all stakeholders of both companies. It will provide two clear investment cases and equity stories with distinct financial profiles and capital allocation models. The timing is right as both companies have performed well operationally and financially, have strong leadership teams and inspired workforces. The split is expected to accelerate both companies' development in line with their strategic objectives.

Stockholm, 14 January 2019

Modern Times Group MTG AB (publ)

The Board of Directors

Details regarding proposed resolution at the MTG Extraordinary General Meeting

Resolution on distribution

Provided that the Extraordinary General Meeting of MTG on 7 February 2019 resolves, in accordance with the Board of Directors' proposal, to distribute all shares in the wholly owned subsidiary NENT Group to the shareholders of MTG, shareholders of MTG who on the record date for the distribution are registered as shareholders are entitled to receive one share in NENT Group for each share of the same class held in MTG. Aside from being registered as a shareholder on the record date for distribution (directly registered or nominee registered), no further actions are required in order to receive shares in NENT Group. The distribution of the shares in NENT Group is expected to be carried out pursuant to the requirements of the Swedish "Lex ASEA" rules regarding taxation (please see section "Tax considerations" for further information).

Distribution ratio

All shares in NENT Group will be distributed to the shareholders of MTG. Each share of Class A in MTG entitles to receive one share of Class A in NENT Group and each share of Class B in MTG entitles to receive one share of Class B in NENT Group. At a General Meeting of NENT Group, each share of Class A entitles to ten votes and each share of Class B entitles to one vote.

Record Date

The Board of Directors proposes that the Extraordinary General Meeting of MTG resolves to authorise the Board of Directors to determine the record date at Euroclear for the distribution of the shares in NENT Group. The Board of Directors of MTG intends to execute the distribution of the shares in NENT Group in March 2019. The record date is expected to fall close to the listing of the shares in NENT Group on Nasdaq Stockholm.

Receipt of NENT Group shares

Those registered as shareholders in the share register of MTG kept by Euroclear on the record date for the distribution will receive shares in NENT Group without taking any further actions. The shares of NENT Group will be available on the securities account (Sw. *värdepapperskonto*) of each shareholder entitled to receive the distribution (or the securities account belonging to the party who is otherwise entitled to receive the distribution) no later than two banking days after the record date. Thereafter, Euroclear will send a statement containing information on the number of shares registered on the securities account of the recipient.

Nominee-registered holdings

Shareholders whose shares in MTG are registered in the name of a nominee (i.e. a bank or another nominee) will not receive an account statement from Euroclear. Notification will instead be made in accordance with the procedures of the respective nominee.

Listing of shares in NENT Group

The Board of Directors of NENT Group intends to apply for listing of NENT Group's Class A and Class B shares on Nasdaq Stockholm. The first day of trading in NENT Group's shares is expected to occur in March 2019. Information regarding the ISIN code and ticker symbol (Sw. *kortnamn*) for NENT Group's shares will be available in the prospectus that will be published before the listing of NENT Group's shares.

Right to dividends

The shares in NENT Group entitle holders to dividends for the first time on the record date for dividends occurring immediately after the distribution of the shares of NENT Group has been completed. Any dividend will be paid following a resolution by a General Meeting of NENT Group's shareholders. The payment of any dividend will be administered by Euroclear or, should the shares be nominee-registered, in accordance with the procedures of the respective nominee. Entitlement to receive a dividend is limited to shareholders registered in the share register maintained by Euroclear on the record date for the dividend. For further information regarding taxation of dividends, please see the "Tax considerations" section on page 40 for further information.

Transaction costs

MTG estimates that the total costs related to the split of MTG and the distribution and listing of NENT Group will amount to approximately SEK 195 million, of which SEK 90 million has already been incurred up until the end of Q3 2018.



Brief description of NENT Group

Operations in brief

NENT Group is the leading entertainment provider in the Nordic region. NENT Group provides broadcast TV and video streaming services in Sweden, Denmark, Norway and Finland, satellite pay-TV platforms, TV channels and video streaming services in each country; commercial free-TV channels in all countries except Finland; commercial radio networks and streamed radio in Sweden and Norway; and a bundled TV and broadband offering in Sweden.

NENT Group also creates, produces and distributes television shows, commercials, feature films and branded content, and manages social media talents. The majority of the production business lies within the Studios business area, where the group produces content for broadcasters, streamers, distributors and advertisers. Furthermore, NENT Group acquires and distributes content rights to broadcasters, streamers and distributors. The majority of NENT Group's activities in this area are in the Nordic region but it also operates production companies in other European countries and sells content to customers worldwide.

NENT Group's revenues are generated from a mix of consumer subscription fees from services such as TV and streaming; third party distributor carriage fees; advertising sales; and content production and distribution fees.

NENT Group has two reporting segments: Broadcasting & Streaming and Studios. Broadcasting & Streaming primarily provides TV and radio services that are distributed on a scheduled and on-demand basis, both on NENT Group's own and third party networks, and funded by advertising and subscription revenues. Key brands include Viasat, TV3, TV6, Rix FM, P4 Norway, Viaplay and Viafree. The Studios segment creates, produces and distributes scripted, non-scripted and digital content for in-house and third party distribution platforms. NENT Studios works across multiple genres, including documentary, reality, game shows, lifestyle and drama, with award-winning titles such as 'Midnight Sun', 'Nobel', 'Thicker than water', 'The Stream' and 'The Hundred Year-Old Man Who Climbed Out of the Window and Disappeared'. Key brands of companies within NENT Studios include Brain Academy, Nice Drama, Strix, Monster, Moskito, Paprika, DRG and Splay One.

Vision, mission and financial targets

Vision

To be the leading Nordic streaming service provider and content producer with a global appeal.

Mission

To offer NENT Group's customers the best and broadest storytelling entertainment experiences that are relevant, engaging, simple to use, broadly available, and great value for money.

Financial targets

NENT Group does not provide formal financial performance targets or guidance. NENT Group's objective is to deliver sustainable profitable growth in the form of organic sales growth and growth in total operating income before items affecting comparability. Group central operations in 2019 will include costs related to becoming a separate and listed company, so 2019 is the starting reference year with regard to operating income growth and the operating income growth will be from 2020 onwards. The combined operating business segments (excluding items affecting comparability and central operations) are expected to continue to grow profitably in 2019.

NENT Group intends to maintain its balance sheet leverage ratio of no more than 2x net debt to the trailing twelve months adjusted EBITDA, or 2.5x net debt when adjusted for leases. NENT Group's leverage may exceed these levels temporarily from time to time, in order to finance acquisitions or due to short term effects such as the scheduling of content payments.

NENT Group's dividend policy is to distribute an annual cash dividend of between 30% and 50% of adjusted net income. The intended proposed NENT Group annual cash dividend for 2018 will be announced in connection with MTG's Q4 2018 results and will be subject to the approval of the distribution and listing of NENT Group by the MTG EGM to be held on 7 February 2019, and then the approval of the NENT Group AGM to be held on 22 May 2019. NENT Group's results for the financial year 2018 did not include the full run rate costs of being a separate and listed company, so the dividend to be declared may be at the low end of the range, as the 2018 adjusted net income will be positively impacted by the lower costs.

Strengths and competitive advantages

The pioneering and leading streaming provider in the Nordics

TV consumption is gradually migrating from traditional distribution platforms to streaming, and from linear scheduled to on-demand viewing, both of which are positive as NENT Group has higher online than offline audience and market shares. NENT Group's total subscriber base is growing quickly and NENT Group's services can address all 12.3 million Nordic households.

Extensive content offering with unique and long-term combination of acquired and original TV series, Movies and Live Sports

- A comprehensive sports offering, combining coverage of local and international competitions
- A broad and deep portfolio of acquired TV series and movies from Hollywood and local studios, including premieres of new releases and library programming
- A leading portfolio of original local content, including 21 original productions and more productions in development
- NENT Group also owns a leading Nordic content creation and production group and a leading international content distribution house

Unrivalled monetisation capability with unique and efficiently integrated structure

- NENT Group has the broadest online and offline product portfolio in the region, which is made available on as many services, platforms and screens as possible. This enhances monetisation capabilities relative to peers, which enables reinvestment to ensure the further development of NENT Group's content and market leadership position
- NENT Group is able to acquire a broad range of TV series, movies and sports content because of its ability to monetise this content in multiple windows. This monetisation is possible because NENT Group is present in almost all media release windows and on virtually all distribution platforms
- NENT Group has a highly efficient operating structure and constantly seeks to optimise its costs
- NENT Group develops both content formats and technology solutions in-house, which provide competitive advantage in terms of cost, quality and speed to market

Attractive and growing shareholder returns through profitable growth and healthy margins

Net revenues grew organically by 3.8% for the first nine months of 2018 compared to the corresponding period of 2017. The operating income excluding items affecting comparability and central costs grew by 5.7% for the same period, with a margin of 10.8% for the first nine months of 2018. Cash flow from operations grew by 12.3% for the first nine months of 2018, compared to 2017. This allows for a combination of investments to maintain NENT Group's online and content leadership positions as well as an attractive dividend to shareholders.

A winning team & unique culture

Highly experienced and committed management team – the executive management team of 16 individuals has an extensive track record in the entertainment and related industries and an average of approximately eight years with the MTG group. NENT Group has a values based entrepreneurial culture that focuses on the attraction, motivation, development and retention of an inspired workforce that is used to challenging the status quo through disruptive innovation and operational outperformance.

Strategic priorities

NENT Group's strategy is focused on the following areas:

- **Scale streaming operations:** In the highly competitive Nordic markets, NENT Group has leadership positions in both the advertising and subscription funded streaming segments. NENT Group intends to further develop these positions by continuing to extend the company's sports rights, adding more local content, and continuing to launch new innovations based on NENT Group's broad based consumer insight.
- **Invest in TV and Radio:** NENT Group's key competitive advantage is its ability to monetise content across multiple windows and platforms as part of the company's long-term strategic alliances with content owners and distributors. Since the majority of NENT Group's revenues and profits are coming from the Nordic broadcasting business, NENT Group is focused on ensuring that its commercial free-TV and pay-TV channels, and radio networks have the most attractive programming, marketing and technology platforms as possible, as well as ensuring that it has the best workforce.
- **Drive operational excellence:** NENT Group's success is due to the ability to execute quickly and accurately on a clear and compelling strategy. The entertainment industry is constantly changing so the ability to adapt is paramount. NENT Group is committed to running highly efficient businesses with focused local operational teams and effective central functions.
- **Expand product offering:** NENT Group has a successful history of new product launches such as Viaplay, Viasat, Viareal, broadband from Viasat and I LIKE RADIO. NENT Group has ambitions to expand its product portfolio further in each market through organic investments, strategic alliances and acquisitions.
- **Grow Studios and increase integration:** NENT Studios is the leading content producer in the Nordic region and has established relationships with the principal broadcasters, streamers and social networks. The studios are benefitting from both the increasing popularity of high quality scripted drama productions, and the rising demand from advertisers for branded entertainment. NENT Group expects to increase the amount of content that it buys from NENT Studios, and also for such productions to be co-financed with peers, and then sold to international markets, thereby increasing NENT Group's return on investment.
- **Further strengthen team and operational set-up:** NENT Group is committed to developing and hiring the best people in the business, and ensuring that the organisation is structured, led and incentivised to deliver sustainable success. NENT Group constantly analyses and optimises its set-up to ensure that talents are trained and promoted, and that new ideas are tried and tested.

Market overview

The markets in which NENT Group operates

The Nordic TV broadcasting and video streaming market

Broadcasters and streaming service providers such as NENT Group, primarily derive their revenues from subscription fees and the sale of advertising space on their channels and platforms. The market is changing significantly in terms of how content is viewed, with consumers increasingly streaming content on-the-go and on-demand as opposed to scheduled viewing in the home. The future growth is therefore expected to be driven by digital and on-demand video entertainment products.

The traditional TV broadcasting market in the Nordic region comprises a few large players and has relatively high barriers to entry. The market participants are predominantly either public service players with low to no profit intentions or commercial players with local country footprints. The commercial broadcasters offer a range of linear and online content packages, from basic offerings of the most popular advertising-funded channels to premium offerings, which also includes pay-TV channels and high quality thematic channels (such as movies, series, documentaries, sports and news). The packages are often complemented with value added services such as high definition content or online and on-demand services. The packages are distributed on a variety of owned and third party platforms including terrestrial, cable, telecommunication (copper and fibre) and satellite. The markets are fully digitalised.

Content is also offered on-demand on streaming platforms by local, regional and international players. The streaming market is highly competitive, with high levels of innovation, rising mobile consumption, a wide range of content, and a variety of personalised features and functionalities. This market has developed rapidly in the Nordics due to the high fixed line and mobile internet penetration levels and fast download speeds. The population is also well used to watching English language and subtitled international content. The market participants comprise broadcasters that have complemented their offerings with streaming services, and “pure play” international streaming providers. These streaming services typically provide consumers with unlimited access to advertising-free premium digital content (series, movies and sports) for a subscription fee, or advertising funded free to access digital content (TV, TV shows, clips and user generated content).

The channels and services require national or local licenses in the country that they operate in, or from another European Union country, and are subject to the prevailing regulations.

The Swedish and Norwegian radio markets

The radio broadcasting markets in Sweden and Norway comprise a few large players and have relatively high barriers to entry, due to the requirement for local licenses that are granted for several years, and limited by spectrum availability. The market participants are either public service players with low to no profit intentions or commercial players with local country footprints. The Swedish market is expected to benefit from rising listening numbers, higher share of the total advertising market, and rising advertiser demand and pricing, as new national-coverage licenses have been awarded in August 2018. After years of sustained growth, the Norwegian radio market started declining in 2016 and is expected to continue on a slightly downward trajectory, in part driven by the country's transition to digital radio in 2017.

The Nordic video content production and distribution market

The Nordic market for content production and distribution comprises a limited number of large scale production groups and a larger number of small scale independent production companies. These market players produce and distribute long and short form, scripted and non-scripted, shows for public service and commercial TV broadcasters and video streaming customers in the Nordic region and the international markets. The companies acquire and develop programming in various stages from concept development through to full scale production, and a format can either be developed in-house or produced on behalf of third parties. The market has undergone a significant consolidation in recent years. Conversely, the number of potential customers has increased with the arrival of international streaming service providers and proliferation of digital networks in the Nordic region, as well as the entry of new content buyers and platforms including telecommunications companies, social networks, brand advertisers and sponsors.



Summary of financial information for NENT Group

The following tables display a summary of financial information for NENT Group for the financial years 2016 and 2017, and the year to date September 2018. After the separation from MTG, NENT Group will become an independent company. NENT Group has been operating as a separate organisation since 1 July 2018 and the central costs will increase following the spin-off and listing. This will include costs related to meeting stock market information disclosure and the formal legal requirements of being listed on the stock exchange. These include listing and registration fees, communication activities, the publication of interim and annual financial reports, and the holding of General Meetings of shareholders. In addition to the existing finance and accounting organisation, a separate treasury function has been established at NENT Group to independently handle cash management. Group Legal, Internal controls, and Human Resources are further examples of new functions and processes that are required by the separation.

The majority of the functions and processes in NENT Group have gradually been established during 2018, and then finalised in 2019. Historical figures related to these ongoing cost items are therefore not fully representative. 2020 will be the first year in which the full

effects of the costs will be incurred and reported. In addition, the effective tax rate for NENT Group has historically appeared low due to the effect of group contribution, but this will not be representative for the situation as a standalone company. 2018 and 2019 results are affected by non-recurring items such as costs related to the separation from MTG and listing of NENT Group. Furthermore, NENT Group, as part of MTG, has not had any external financing. NENT Group has secured financing from a bank consortium prior to the listing. For more information about NENT's financing agreements, please refer to the "Financing" section on page 14. This means that historical financial figures related to interest-bearing liabilities, taxes and financial net items are not representative of the effects of such financing agreements.

The full combined financial statements will be published in a prospectus prior to the listing of the shares in NENT Group on Nasdaq Stockholm. These will be prepared in accordance with International Financial Reporting Standards ("IFRS"), the Swedish Financial Reporting Board's recommendation RFR 1, "Supplementary Accounting Rules for Groups", and the Swedish Annual Accounts Act.

Condensed combined income statement

(SEKm)	First nine months of 2018	First nine months of 2017	Full year 2017	Full year 2016
Net sales	10,609	9,964	13,688	12,897
Cost of goods and services	-7,170	-6,732	-9,032	-8,686
Gross income	3,439	3,232	4,656	4,211
Selling and administrative expenses	-2,421	-2,157	-3,107	-2,842
Other operating revenues and expenses	16	-72	-55	-6
Items affecting comparability	-45	0	75	-65
Operating income	989	1,003	1,570	1,298
Net interest	-32	-51	-66	-93
Other financial items	27	-26	-30	-35
Income before tax	983	926	1,474	1,170
Tax	-168	-214	-180	-240
Net income for the period	815	711	1,294	931
Net income for the period, attributable to:				
Equity holders of the parent	815	708	1,287	928
Non-controlling interest	0	3	7	2
Earnings per share¹⁾				
Basic earnings per share (SEK)	12.21	10.62	19.29	13.93
Diluted earnings per share (SEK)	12.10	10.55	19.17	13.89

1) Refers to MTG's number of shares.

Condensed combined balance sheet

(SEKm)	30 Sep 2018 ¹⁾	31 Dec 2017	31 Dec 2016
NON-CURRENT ASSETS			
Intangible assets	3,462	3,036	3,029
Machinery, equipment and installations	150	120	140
Shares and participations	22	24	22
Other non-current assets	161	137	143
Total non-current assets	3,795	3,317	3,334
Current assets			
Total inventories	2,387	2,042	1,567
Accounts receivables	1,187	1,017	1,055
Other current assets	3,875	3,939	3,862
Receivables related to MTG	685	0	0
Cash, cash equivalents and short-term investments	147	89	33
Total current assets	8,281	7,086	6,517
Total assets	12,076	10,403	9,851
Equity and liabilities			
Total equity	5,472	2,573	1,970
Long-term borrowings	0	0	0
Other non-current liabilities	601	609	755
Total non-current liabilities	601	609	755
Current liabilities			
Short-term borrowings	0	0	0
Other current liabilities	6,003	6,111	6,233
Liabilities related to MTG	0	1,110	892
Total current liabilities	6,003	7,221	7,126
Total liabilities	6,604	7,830	7,881
Total shareholders' equity and liabilities	12,076	10,403	9,851

1) Note that the equity and borrowings as at 30 September 2018 are impacted by internal restructuring in preparation for the separation from MTG and that the NENT Group capital structure at listing will be aligned with its leverage ambition.

Condensed combined statement of cash flows

(SEKm)	First nine months of 2018	First nine months of 2017	Full year 2017	Full year 2016
Net income for the year	815	711	1,294	931
Depreciations and write-downs	149	114	164	141
Other adjustments for non-cash items	-19	16	-42	-119
Cash flow from operations	945	841	1,417	953
Changes in working capital	-559	-617	-695	-369
Net cash flow to/from operations	386	224	722	584
Net investments in operations	-19	-19	-62	-2
Capital expenditures in tangible and intangible assets	-500	-151	-154	-180
Other investing activities	-22	56	16	23
Cash flow used in/from investing activities	-541	-113	-200	-159
Cash flow from/used in financing activities	213	-93	-466	-476
Total net change in cash and cash equivalents	58	18	56	-51
Cash and cash equivalents at the beginning of the period	89	33	33	84
Cash and cash equivalents at end of the period	147	51	89	33

Business segments

Net sales by segment

(SEKm)	First nine months of 2018	First nine months of 2017	Full year 2017	Full year 2016
Broadcasting & Streaming	9,397	8,733	11,961	11,139
Studios	1,308	1,425	1,986	1,897
Central operations	63	123	162	181
Eliminations	-158	-317	-420	-320
Total net sales	10,609	9,964	13,688	12,897

Operating income by segment

(SEKm)	First nine months of 2018	First nine months of 2017	Full year 2017	Full year 2016
Broadcasting & Streaming	1,130	1,064	1,574	1,370
Studios	19	23	44	56
Operative segments	1,149	1,087	1,617	1,427
Central operations	-115	-84	-123	-64
Total operating income before IAC	1,034	1,003	1,495	1,363
Items affecting comparability	-45	0	75	-65
Total operating income	989	1,003	1,570	1,298

Operating margin by segment

(%)	First nine months of 2018	First nine months of 2017	Full year 2017	Full year 2016
Broadcasting & Streaming	12.0	12.2	13.2	12.3
Studios	1.5	1.6	2.2	3.0
Total operating margin before IAC	9.7	10.1	10.9	10.6
Total operating margin	9.3	10.1	11.5	10.1

Selected key performance indicators

Some of the key performance measures presented below are so-called non-IFRS financial measures, i.e. financial measures that are not defined under IFRS. NENT Group believes that these non-IFRS financial measures provide a better understanding of the trends of the financial performance and that such measures which are not calculated in accordance with IFRS are useful information for investors combined with other measures that are calculated in accordance with IFRS.

A non-IFRS financial measure is defined as one that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. These non-IFRS financial measures are unaudited and should not be considered in isolation or as an alternative to performance measures derived in accordance with IFRS. In addition, such measures, as defined by NENT Group, may not be comparable to other similarly titled measures used by other companies. For a description of the calculation non-IFRS financial measures, please see the section "Financial definitions".

Group and segment performance data

(SEKm)	First nine months of 2018	First nine months of 2017	Full year 2017	Full year 2016
Group				
Net sales	10,609	9,964	13,688	12,897
Organic sales growth (%)	3.8	6.4	5.4	4.8
Operating income before IAC	1,034	1,003	1,495	1,363
Operating margin before IAC (%)	9.7	10.1	10.9	10.6
Operating income	989	1,003	1,570	1,298
Operating margin (%)	9.3	10.1	11.5	10.1
Capital employed (period-end)	4,640	3,479	3,594	2,829
ROCE (%)	38.0	48.4	47.5	60.7
Earnings Per Share (SEK)	12.21	10.62	19.29	13.93
Business segments				
Broadcasting & Streaming				
Organic sales growth (%)	5.1	7.4	6.6	6.2
Operating margin (%)	12.0	12.2	13.2	12.3
Studios				
Organic sales growth (%)	-11.6	6.0	4.2	3.4
Operating margin (%)	1.5	1.6	2.2	3.0

Alternative performance measures

The purpose of Alternative Performance Measures (APMs) is to facilitate the analysis of business performance and industry trends that cannot be directly derived from financial statements. NENT Group is using the following APMs:

- Change in net sales from Organic growth, Acquisitions/divestments and Changes in FX rates
- Operating income & margin before IAC
- Net debt and Net debt/EBITDA
- Capital employed and Return on Capital Employed (ROCE)

Sales growth

Since NENT Group generates the majority of its sales in currencies other than in the reporting currency (i.e. SEK, Swedish Krona) and currency rates have proven to be rather volatile, and due to the fact that the group has historically made several acquisitions and divestments, the sales trends and performance are analysed as changes in organic sales growth. This presents the increase or

decrease in the overall SEK net sales on a comparable basis, allowing separate discussions of the impact of acquisitions/divestments and exchange rates. The following tables present changes in organic sales growth as reconciled to the change in the total reported net sales.

(SEKm, %)	First nine months of 2018	%	First nine months of 2017	%	Full year 2017	%	Full year 2016	%
Broadcasting & Streaming								
Organic growth	446	5.1	591	7.4	733	6.6	654	6.2
Acquisitions/divestments	0	0.0	0	0.0	0	0.0	0	0.0
Changes in FX rates	218	2.5	115	1.4	90	0.8	-2	0.0
Change in reported net sales	664	7.6	707	8.8	822	7.4	651	6.2
Studios								
Organic growth	-166	-11.6	80	6.0	80	4.2	62	3.4
Acquisitions/divestments	3	0.2	3	0.3	6	0.3	69	3.8
Changes in FX rates	46	3.2	13	1.0	3	0.2	-42	-2.3
Change in reported net sales	-117	-8.2	97	7.3	89	4.7	89	4.9
Total								
Organic growth	382	3.8	593	6.4	694	5.4	594	4.8
Acquisitions/divestments	3	0.0	3	0.0	6	0.0	69	0.6
Changes in FX rates	260	2.6	127	1.4	92	0.7	-45	-0.4
Change in reported net sales	645	6.5	724	7.8	792	6.1	618	5.0

Operating income before and after IAC

Operating income before items affecting comparability refers to operating income after the reversal of material items and events related to changes in the group's structure or lines of business, which are relevant for understanding the group's development on

a like-for-like basis. This measure is used by management to follow and analyse the underlying profits and to offer more comparable figures between periods.

(SEKm)	First nine months of 2018	First nine months of 2017	Full year 2017	Full year 2016
Operating income	989	1,003	1,570	1,298
Items affecting comparability	45	0	-75	65
Operating income before items affecting comparability	1,034	1,003	1,495	1,363

Items affecting comparability

(SEKm)	First nine months of 2018	First nine months of 2017	Full year 2017	Full year 2016
Restructuring NENT Group	-53	0	0	-59
Net gain on sale of subsidiaries and associates	0	0	0	-5
Revaluation of liabilities related to options to acquire shares	14	0	75	0
Impairment of goodwill related to closed company	-6	0	0	0
Total	-45	0	75	-65

Items affecting comparability classified by function

(SEKm)	First nine months of 2018	First nine months of 2017	Full year 2017	Full year 2016
Cost of goods and services	0	0	0	0
Administration expenses	-53	0	0	-59
Other operating income	14	0	75	0
Other operating expenses	-6	0	0	0
Total	-45	0	75	-59

Net debt

Net debt refers to the net of interest-bearing liabilities less total cash and interest-bearing assets. Net debt is used by management to track the debt evolution of the group and to analyse the leverage and refinancing need of the group. The net debt to

EBITDA ratio provides a KPI for net debt in relation to cash profits generated by the business, i.e. an indication of a business' ability to pay off all its debts. This measure is commonly used by financial institutions to rate credit worthiness.

(SEKm)	30 Sept 2018	30 Sept 2017	31 Dec 2017	31 Dec 2016
Short-term loans	0	0	0	0
Current part of long term loans	0	0	0	0
Liabilities and cash pool related to MTG	0	1,018	1,110	892
Short-term borrowings	0	1,018	1,110	892
Total long-term borrowings	0	0	0	0
Total borrowings	0	1,018	1,110	892
Receivables related to MTG	685	0	0	0
Cash and cash equivalents	147	51	89	33
Net cash/debt	-832	967	1,021	860

Total net debt/EBITDA ratio 12 months trailing

(SEKm)	30 Sept 2018	30 Sept 2017	31 Dec 2017	31 Dec 2016
Operating income before IAC	1,525	1,467	1,495	1,363
Depreciation and amortisation	189	154	160	152
EBITDA	1,714	1,622	1,655	1,514
Net cash/debt	-832	967	1,021	860
Total net debt/EBITDA ratio	n.m.	0.6	0.6	0.6

Return on capital employed

Return on capital employed is a performance measure whereby operating income before items affecting comparability is put in relation to the capital employed within the operations. Operating income before items affecting comparability is the main profit level that operations are responsible for and comprise

results before interest and tax. Capital employed is the sum of current and non-current assets less current and non-current liabilities, provisions and liabilities at fair value. All items are non-interest-bearing. Capital employed thus equals the sum of equity and net debt.

(SEKm)	30 Sept 2018	30 Sept 2017	31 Dec 2017	31 Dec 2016
Total inventory	2,387	2,130	2,042	1,567
Accounts receivables	1,187	1,086	1,017	1,055
Other prepaid expenses and current receivables	3,875	3,341	3,939	3,862
Advances from customers	-561	-453	-512	-444
Accounts payables	-1,012	-934	-1,495	-1,841
Accrued expenses and other current liabilities	-4,263	-4,191	-3,934	-3,827
Total working capital	1,613	979	1,057	372
Intangibles assets	3,462	3,054	3,036	3,029
Machinery, equipment and installations	150	125	120	140
Other assets	183	182	161	166
Provisions	-426	-404	-438	-410
Other non current liabilities	-342	-457	-342	-467
Other Items included in capital employed	3,027	2,500	2,537	2,457
Capital Employed	4,640	3,479	3,594	2,829
Average Capital Employed (5 quarters)	4,015	3,031	3,143	2,245
Operating income before IAC	1,525	1,467	1,495	1,363
ROCE, %	38.0	48.4	47.5	60.7
Capital Employed	4,640	3,479	3,594	2,829
Financed by:				
Net debt	-832	967	1,021	860
Total equity	5,472	2,512	2,573	1,970
Total	4,640	3,479	3,594	2,829

Financing

NENT Group is currently financed primarily through intra-group financing from MTG. In connection with the listing of NENT Group's shares, the intra-group financing in NENT Group from MTG will be refinanced with bank loans and existing cash. NENT Group has obtained financing commitment from a bank consortium for a SEK 4.0 billion Revolving Credit Facility to be

utilised for general corporate purposes. NENT Group also intends to arrange both a medium term note and a commercial paper programme, which are intended to be used for capital markets funding as soon as possible before or after the listing of the NENT Group shares. There will be no loans or derivatives outstanding between NENT Group and MTG after the listing date.



Brief description of MTG, excluding NENT Group

Operations in brief

Following completion of the split, MTG will primarily comprise a portfolio of high growth digital entertainment operations focused on two verticals – Esports and Online Gaming – as well as shareholdings in a number of other entertainment companies, and MTG's own esports and gaming focused venture fund. MTG intends to further develop and expand its portfolio with a flexible buy and build strategy centred on strategic digital entertainment verticals. MTG will be a strategic operational and investment holding company that combines investment expertise with “hands-on” operational engagement, and intends to take majority ownership in the established companies in which the company invests, with founders maintaining a minority interest and being incentivised to further develop the investment. MTG also intends to take minority stakes in a range of complementary start-ups.

MTG, excluding NENT Group, generated revenues of SEK 4.0 billion in 2017 and SEK 3.8 billion for the first nine months of 2018. MTG is headquartered in Stockholm with operations in over 87 countries around the world, and with offices in key centres including Stockholm, Cologne, Hamburg and San Francisco. MTG's Class A and Class B shares are listed on Nasdaq Stockholm.

Esports

Esports, or competitive online gaming, has become a mainstream sport with a huge global fan base. Esports is becoming the entertainment format of choice for millennials around the world. MTG's Esports businesses create content and organise events, including branded international and national leagues and tournaments, as well as grassroots amateur leagues and festivals. MTG's key assets in the Esports space are ESL and DreamHack, which are already global brands and the preferred choices for viewers, players, partners and gaming publishers.

Cologne based ESL Gaming operates online leagues and tournaments, which are among the biggest in the world, and feature top international teams and star players competing in the most popular games, including Valve's CS:GO and DOTA2. The online and offline events are made available on global digital distribution platforms including Facebook, Twitch and YouTube, and attract a wide range of sponsors and advertisers.

Stockholm based DreamHack is one of the world's leading esports companies and runs both local and global pro gaming leagues, tournaments, championships, and large scale LAN festivals.

Online Gaming

The growing availability of high-speed and mobile internet access has transformed the gaming ecosystem. The industry is now shifting from primarily selling physical games into a live service model, often with free-to-play elements. The free-to-play segment combines low upfront investments with compelling structural growth drivers. MTG's key investments into the online gaming space comprise InnoGames and Kongregate.

Hamburg based InnoGames is a large scale global online games developer and publisher with a proven track record of creating popular strategy and simulation games. It operates a 100% free-to-play model with revenues primarily derived from in-game purchasing. The company had more than 200 million registered users as at 31 December 2018 and a portfolio of popular cross-platform titles, available through both browsers and mobile devices, that keep gamers engaged through constant and innovative live game development. InnoGames runs a portfolio of seven successful games including titles such as 'Forge of Empires' and 'Elvenar'.

Kongregate is a San Francisco based leading cross-platform games publisher and web gaming destination. Kongregate's publishing focuses on free-to-play titles across mobile, online platforms and game consoles. Working closely with mobile game developers, Kongregate provides analytics, marketing, launch support, and game features such as cross promotion, guilds and chat. Kongregate's mobile games have been downloaded tens of millions of times and have hundreds of millions of gameplays. Kongregate's web platform features over 100,000 free games played by tens of millions of gamers per month. The company has been expanding its role as a first party games developer by acquiring smaller independent studios such as Synapse and Chinzilla.

Other Holdings

MTG's other holdings comprise a portfolio of broader entertainment assets. MTG owns 100% of Zoomin.TV and 22% of Engage Digital Partners, through which it creates a wide range of digital first content for its own online operations and third party publishers. Zoomin.TV's global network of freelance video journalists produces digital video content that generates approximately 3.2 billion views every month. Engage Digital Partners collaborates with sports rights holders and brands to create, distribute and monetise original sports content.

MTG also owns 39% of World Boxing Super Series, which is a first of its kind annual professional boxing tournament that unites the boxing federations by organising annual elimination tournaments in multiple weight classes, with multiple world champions fighting for the right to win the Muhammad Ali trophy.

MTG also owns 95% of Nova Broadcasting Group in Bulgaria, which is the leading and largest media entertainment business in Bulgaria, comprising TV channels, publishing and online businesses. MTG intends to sell Nova Broadcasting Group and invest the proceeds in the development of its broader business.

Finally, MTG manages its own USD 30 million venture capital fund that has so far made early stage investments in 11 gaming, esports and virtual reality companies since launch in November 2017, and intends to make minority investments in 5 to 10 innovative companies each year. MTG is invested in BITKRAFT, which is the first early stage investor solely dedicated to nurturing esports. The fund and investments are not included in the business segments but accounted for as investments in MTG's balance sheet.

Vision and mission

MTG's overarching vision and mission is to be the go-to home for gaming entertainment for the digital native generation. MTG aims to grow its position as a global digital entertainer with a key focus on esports and gaming. Further, MTG aims to drive high levels of growth and operational excellence in its portfolio, in order to establish market leading positions in high growth and value market segments and, over time, to generate significant profits and healthy margins within its portfolio of companies. MTG is set to scale its position in esports through expanding its footprint into new geographies and regions, and establishing partnerships throughout the value chain. MTG also wants to drive scale in gaming through additional investments, and to explore complementary verticals through models where the companies are the IP holders.

Strategy

MTG's strategy is to be a strategic operational holding company, which invests in defined verticals with global storytelling capabilities, and supports its portfolio companies operationally using a "Buy and Build" approach.

Within MTG's vertical based portfolio and additional holdings, MTG has a clear strategy and plan for each of its business segments.

Within **Esports**, MTG aims to:

- Maintain its global leadership position through ESL and DreamHack and continue to shape the emerging esports industry
- Make esports mainstream by driving awareness levels, ensuring broad distribution and attracting advertisers and sponsors
- Be the go-to partner for publishers and teams by providing a calendar of high quality events and leagues that attract the best teams and secure the largest audiences
- Expand operations to benefit from high margin revenues (e.g. media rights and sponsorship) and enter into new geographies
- Launch relevant products and keep the multi-game genre focus and open ecosystem approach
- Focus on strategy execution, operational excellence and profitability improvements, in order to enable additional organic growth
- Explore strategic partnerships to accelerate further growth and consolidate the market

Within **Online Gaming**, MTG aims to:

- Develop in-house studio intellectual property, competitive gaming franchises and innovative gameplay genres
- Assemble the world's best independent developers and entrepreneurs and offer them best-in-class development opportunities
- Manage full life cycle of established games and generate new mobile-first titles, in order to maximise value and create pipeline of potential new mega hits
- Leverage #1 market segment position for browser-based gaming to identify new games and developers
- Be the #1 mid-market consolidator
- Make 5–10 early stage strategic venture capital investments per year
- Build a well-balanced portfolio of high growth and profitable companies

In **Other Holdings**, MTG aims to:

Optimise its portfolio to support growth in both existing and new verticals. MTG is pivoting Zoomin into a Gen Z focused digital publishing brand and sales house; growing World Boxing Super Series by introducing new media rights partners and increasing the number of fights; and further developing Nova Broadcasting Group in anticipation of its sale.

Financial targets

MTG does not provide formal financial performance targets or guidance. MTG's objective is to continue to grow its revenues through both organic sales growth and complementary acquisitions. MTG expects its profitability to gradually increase as organic sales growth exceeds its investments, due to fixed costs stabilising and the contribution of high incremental margin sales lines.

MTG will have a net cash position immediately following the distribution of NENT Group and has the funding in place to continue to pursue its standalone strategy with the ability to draw down on its borrowing facilities from time to time.

MTG will invest its profits and cash flows in the further development of its portfolio of holdings, and does not therefore expect to pay dividends or buy back shares in the foreseeable future. In addition, in order to finance potential acquisition opportunities as they arise in line with its strategy, the MTG Board of Directors is proposing that the Extraordinary General Meeting of MTG shareholders to be held on 7 February 2019 authorises the Board to be able to resolve on potential new share issues (please see section "New Issue Authorisation" for further information).



Strengths and competitive advantages

MTG has a unique business model as a strategic operational holding company, combining the characteristics of a “hands-on” operator and a pure *investment company*, offering value adding operational support and vertical expertise where needed to grow portfolio companies, drive operational excellence and create sustainable value.

As an **operator**, MTG has built competitive advantages that have been secured over a long period of time:

- Preferred asset owner with EU heritage, Nordic values and entrepreneurial culture
- Team of experts with established and far reaching esports and gaming networks
- Provider of flexible deal structures for entrepreneurs
- #1 market positions that can be leveraged and provide unique testing ground
- Global audience reach of millions of people around the world through existing products and services
- Unique storytelling DNA
- Track record of building successful companies and developing market leading IP from scratch

As an **investment company**, MTG can consolidate and drive vertical growth through M&A, and further fill and filter the deal pipeline through its venture capital investing:

- A consistent M&A investment approach across all opportunities
- Ability to generate synergies through broader portfolio
- Co-investments with leading vertical investors
- Global acquisition pipeline that is enhanced by securing early access to future M&A targets
- Target segments with high growth IP, technology or service companies in existing verticals or tent-pole investments into new verticals
- Execution of highly strategic and complementary acquisitions
- Ambition to make 5–10 venture capital investments per year

Market overview

MTG has invested in fast growing and sizeable digital entertainment market segments.

The global esports market was worth USD 655 million in 2017 and is expected to grow at a CAGR of 26% until 2021, when it is expected to be worth USD 1,651 million.¹⁾ The primary drivers of the growth are the growing value of the media rights to show coverage of the physical and online tournaments, and the increasing volume and value of sponsorship deals from local and international brands. Esports is attracting global audiences of tens of millions of online viewers for major events, and had 335 million enthusiasts and occasional viewers in 2017, which is expected to grow to 557 million in 2021 and is higher than a number of well-established global sports. The market participants include games developers and publishers; players and teams; league operators and content producers; distributors including digital social media and video networks; sponsors and advertisers.

The global gaming market reached about USD 122 billion in revenues in 2017 and is expected to grow at a CAGR of 10% until 2021 when it is expected to be worth USD 180 billion¹⁾. The market growth is being driven by mobile games in particular, which are expected to grow at a CAGR of 17% over the same period from USD 56 billion to USD 104 billion.¹⁾ New games such as PUBG and Fortnite have rapidly risen to prominence, and usage levels in the large scale Chinese market in particular are accelerating which, among other things, results in new investors fuelling the market growth. The market participants range from the major PC and console game publishers to a number of mid-tier free-to-play online game providers, and then a large number and wide range of smaller scale games developers and publishers.

The Bulgarian TV advertising market was worth SEK 1,528 million in 2017, which represented 64% of the total advertising market.²⁾ The two primary market participants are BTV and Nova Television, both of which are commercial operators.

1) NewZoo 2018 Global Esports Market Report.

2) ZenithOptimedia 2018.



Summary of financial information for MTG, excluding NENT Group

The tables below present an overview of selected financial information for the financial year 2017 and the year to date 30 September 2018 for MTG, NENT Group and MTG excluding NENT Group, which represents the remaining MTG operations after the distribution of NENT Group. MTG excluding NENT Group comprises the difference between MTG's and NENT Group's

financial information adjusted for internal transactions and balances. The information in the tables below does not constitute financial statements in accordance with IFRS, and is thus not necessarily comparable with similar calculations in other companies and also has certain limitations as an analytical tool.

Condensed income statement

(SEKm)	First nine months of 2018			Full year 2017		
	MTG	NENT ^{1),2)}	MTG excl NENT ^{1),2)}	MTG	NENT ^{1),2)}	MTG excl NENT ^{1),2)}
Net sales ³⁾	14,367	10,609	3,823	17,537	13,688	4,039
Cost of goods and services	-8,999	-7,170	-1,903	-10,971	-9,032	-2,134
Gross income	5,368	3,439	1,920	6,566	4,656	1,905
Selling and administrative expenses	-4,401	-2,421	-1,983	-5,345	-3,107	-2,243
Other operating revenues and expenses	37	16	24	42	-55	92
Items affecting comparability	-18	-45	27	-340	75	-415
Operating income	986	989	-12	923	1,570	-661
Net interest	-5	-32	28	-24	-66	42
Other financial items	-32	27	-59	-40	-30	-10
Income before tax	949	983	-43	859	1,474	-630
Tax	-256	-168	-90	-247	-180	-67
Net income for the period	693	815	-133	612	1,294	-697

1) MTG discontinued operations are treated in NENT Group as continuing operations due to their non-materiality in NENT Group. The figures are therefore adjusted to reconcile to new MTG group.

2) The net sales and costs of goods sold include intercompany transactions between NENT Group and MTG.

3) Sales in NENT Group include internal sales of SEK 137m for the full year 2017 and SEK 37m for the first nine months 2018, which are eliminated in MTG group.

Condensed balance sheet

(SEKm)	30 September 2018			31 December 2017		
	MTG	NENT ¹⁾	MTG excl NENT ¹⁾	MTG	NENT ¹⁾	MTG excl NENT ¹⁾
Non-current assets						
Total intangible assets	8,995	3,462	5,533	8,884	3,036	5,848
Tangible non-current assets	785	333	452	780	281	498
Total non-current assets	9,780	3,795	5,985	9,664	3,317	6,346
Current assets						
Current assets	8,483	7,449 ²⁾	1,110	8,211	6,997 ²⁾	1,777
Receivables related to MTG	0	685	0	0	0	1,110
Cash, cash equivalents and short-term investments	733	147	586	1,394	89	1,305
Assets held for sale	840	0	840	16	0	16
Total current assets	10,057	8,281	2,536	9,622	7,086	4,209
Total assets	19,837	12,076	8,521	19,285	10,403	10,554
Total equity	6,843	5,472	1,371	6,572	2,573	3,999
Non-current liabilities						
Long-term borrowings	500	0	500	500	0	500
Other non-current liabilities	1,637	601	1,036	2,148	609	1,538
Total non-current liabilities	2,137	601	1,536	2,648	609	2,038
Current liabilities						
Short-term loans	3,349	0	3,349	2,625	0	2,625
Other current liabilities	7,153	6,003 ²⁾	1,225	7,423	6,111 ²⁾	1,875
Liabilities related to MTG	0	0	685	0	1,110	0
Liabilities related to assets held for sale	355	0	355	18	0	18
Total current liabilities	10,857	6,003	5,614	10,066	7,221	4,518
Total shareholders' equity and liabilities	19,837	12,076	8,521	19,285	10,403	10,554

1) Including intercompany transactions between NENT Group and MTG.

2) Including intercompany transactions between NENT Group and MTG of SEK 564m for the full year 2017 and SEK 76m for the first nine months 2018, which are eliminated in MTG group.

Condensed cash flow statement

(SEKm)	First nine months of 2018			Full year 2017		
	MTG	NENT ¹⁾	MTG excl NENT ¹⁾	MTG	NENT ¹⁾	MTG excl NENT ¹⁾
Net income for the year	693	815	-133	612	1,294	-697
Depreciations and write-downs	417	149	268	1,011	164	847
Other adjustments for non-cash items	-81	-19	-51	-312	-42	-255
Cash flow from operations	1,029	945	83	1,311	1,417	-106
Changes in working capital	-661	-559	-102	-724	-695	-29
Net cash flow to/from operations	368	386	-18	586	722	-135
Net investments in operations	62	-19	81	763	-62	825
Capital expenditures	-668	-500	-169	-330	-154	-176
Other investing activities	-25	-22	-3	32	16	16
Cash flow used in/from investing activities	-631	-541	-91	465	-200	665
Cash flow from/used in financing activities	-208	213	-421	-349	-466	117
Net change in cash, discontinued operations	3	0	3	42	0	42
Total net change in cash and cash equivalents	-469	58	-527	745	56	689
Cash and cash equivalents at the beginning of the period	1,394	89	1,305	666	33	633
Translation differences in cash and cash equivalents	42	0	42	2	0	2
Cash and cash equivalents in assets held for sale	-234	0	-234	-19	0	-19
Cash and cash equivalents at end of the period	733	147	586	1,394	89	1,305

1) Including intercompany transactions between NENT Group and MTG.

Financial overview – new MTG

(SEKm)			
Full year 2017	MTG	NENT^(1),2)	MTG excl. NENT^(1),2)
Net sales	17,537	13,688	4,039
EBITDA before IAC	1,584	1,655	–86
Operating income before IAC	1,264	1,495	–246
First nine months of 2018	MTG	NENT^(1),2)	MTG excl. NENT^(1),2)
Net sales	14,367	10,609	3,823
EBITDA before IAC	1,323	1,177	137
Operating income before IAC	1,004	1,034	–39

1) The net sales and costs of goods sold include intercompany transactions between NENT Group and MTG.

2) Discontinued operations MTG is in NENT Group treated as continued operations due to non-materiality in that group. The figures are therefore adjusted to reconcile to the new MTG.

Segmental information and financial KPIs

MTG excluding NENT

Net sales by segment

(SEKm)	First nine months of 2018	Full year 2017
E-sports	1,071	1,373
Online gaming	1,740	1,234
Other businesses	1,031	1,451
Eliminations	–20	–19
Total operations	3,823	4,039

Results

(SEKm)	First nine months of 2018	Full year 2017
EBITDA before IAC	137	–86
Depreciation	–49	–68
Amortisation	–127	–92
Operating income before IAC	–39	–246
Items affecting comparability	27	–415
Operating income	–12	–661

Growth

(%)	First nine months of 2018	Full year 2017
Reported growth	58.1	71.7
Organic growth	16.5	21.9
Acquisitions/divestments	33.9	54.8
Changes in FX rates	7.7	2.3

Margins

(%)	First nine months of 2018	Full year 2017
EBITDA before IAC	3.6	–2.1
Operating income before IAC	–1.0	–6.1
Total operating margin	–0.3	–16.4

Financing

It is intended that MTG excluding NENT Group will be financed with equity and have a net cash position after the listing of NENT Group. MTG has also secured a 3 year SEK 1.0 billion multi-currency revolving credit facility from Nordea, to be drawn down and utilised for general corporate purposes as and when required. The facility is based on the cash flows generated from MTG's 95%

ownership in Nova Broadcasting Group in Bulgaria and, upon disposal of the asset in part or whole, must be immediately repaid and cancelled in full. MTG intends to sell Nova Broadcasting Group and invest the proceeds in the development of its broader business. There will be no loans nor derivatives outstanding between NENT Group and MTG after the listing date.

New Issue Authorisation

The Board of Directors proposes that the Extraordinary General Meeting of MTG shareholders authorises the Board of Directors to, on one or more occasions up until the 2019 Annual General Meeting, resolve upon the issue of Class B shares representing no more than 20.0 per cent in aggregate of the total number of MTG Class B shares at the time of the Extraordinary General Meeting. Any new issue of shares may be effected through a new issue with preferential rights to all shareholders and/or as a directed issue to one or more strategic investors with the right to deviate from the shareholders' preferential rights against payment in cash, in kind or through set-off. Class B shares will not be issued under this authorisation prior to the distribution and listing of the shares in NENT Group and will hence not carry the right to receive any NENT Group shares.

The purpose of the authorisation, and the reason for the potential deviation from the shareholders' preferential rights, is to enable the company to raise capital on an accelerated basis, in order to pursue potential acquisition opportunities as they arise and in line with its strategy. MTG will focus on both organic and inorganic

investment opportunities, and management believes the current market environment will continue to present several attractive acquisition opportunities in its two verticals and online gaming in particular, on which it will need to be able to execute quickly. The Board of Directors believes that the ability to act quickly on opportunities that may otherwise not be actionable will be a key competitive advantage. In addition, it may allow MTG to raise capital from potential strategic partners, which could also bring operational advantages and synergies including accelerated access to new markets.

The company remains well capitalised to execute on its stand-alone plan, and no decision has been made to pursue a capital raise or regarding the form, size or timing of such a potential capital raise.

In order for the resolution to be valid, it must be supported by shareholders holding no less than two-thirds of both the votes cast and of the shares represented at the Extraordinary General Meeting.

Board of Directors and senior executives

According to the articles of association of NENT Group, the Board of Directors is to comprise no less than three and no more than nine members appointed by the General Meeting. The Board of Directors of NENT Group currently comprises six members.

Information on the members of the Board of Directors of NENT Group



David Chance
Chairman of the Board of Directors

Born: 1957

Education: BA Psychology, BSc Industrial Relations and MBA graduate from the University of North Carolina.

Other current assignments/positions: Chairman of the Board of Modern Times Group MTG AB and Top Up TV. Board member of PCCW Ltd. (Hong Kong) and Chairman of its NOW TV media group.

Previous assignments/positions (past five years): N/A

Holding: 3,565 MTG Class B shares.



Anders Borg
Director

Born: 1968

Education: Political Science, Economic history and Philosophy from Uppsala University, Economics and Post-graduate in Economics from Stockholm's University.

Other current assignments/positions: CEO of Economic and Financial Management Anders Borg AB and Board member of Stena International. Senior advisor to IPsoft, Amundi, Kinnevik, MTG and Nordic Capital.

Previous assignments/positions (past five years): Swedish Minister of Finance. Board member of Kinnevik AB and Milvik AB. Senior advisor to Citi Group, ABN AMRO, SEB, the World Economic Forum, Tele2 and Millicom.

Holding: 688 MTG Class B shares.



Henrik Clausen
Director

Born: 1963

Education: Master's graduate in Electrical Engineering from the Technical University of Denmark, MBA from INSEAD and graduate in International Trade from Copenhagen Business School.

Other current assignments/positions: President and CEO of Bang & Olufsen A/S.

Previous assignments/positions (past five years): Executive Vice President of Strategy & Digital for Telenor Group, and CEO of Malaysia listed company Digi.

Holding: 0.



Kristina Schauman
Director

Born: 1965

Education: MSc in Business Administration from Stockholm School of Economics.

Other current assignments/positions: Board member of Billerud-Korsnäs AB (publ), ÄF AB, Orexo AB, REEDA Capital Management AB, Coor Service Management Holding AB, Calea AB, Ellos Group Holding AB and BEWiSynbra Group AB. CEO of Calea AB.

Previous assignments/positions (past five years): Chairman of the board of Barony Aktiebolag. Board member of Livförsäkringsaktiebolaget Skandia (publ), Apoteket AB and Rädda Barnen Service AB. Deputy Board member of Northbay AB.

Holding: 1,503 MTG Class B shares.



Natalie Tydeman
Director

Born: 1971

Education: BA Mathematics from Oxford University and MBA from Harvard Business School.

Other current assignments/positions: Board member of Modern Times Group MTG AB. Managing Partner of VT Partners LLP. Trustee of Nesta.

Previous assignments/positions (past five years): Senior Partner at GMT Communications Partners LLP. Trustee of the Central British Fund. Director of Seagull AS.

Holding: 0.



Simon Duffy
Director

Born: 1949

Education: Master's graduate of the University of Oxford and MBA from Harvard Business School.

Other current assignments/positions: Chairman of the board of YouView TV Ltd. Board member of Oger Telecom Limited, Wizz Air Holdings Plc, Telit Communications Plc and Modern Times Group MTG AB.

Previous assignments/positions (past five years): Chairman of the board of Bwin.party digital entertainment plc and Mblox Inc. Board member of Millicom International Cellular and Avito AB.

Holding: 1,750 MTG Class B shares.

Information on the senior executives of NENT Group



Anders Jensen
*President & CEO of NENT Group
since 2018
(in MTG since 2014)*

Born: 1969

Education: Studies in international and corporate finance, Stockholm University and London Business School.

Other current assignments/positions: Several positions in NENT Group companies.

Previous assignments/positions (past five years): Board member of Millicom International Cellular S.A, EVP and Head of Nordic FTV and radio in MTG as well as several positions in NENT Group companies.

Holding: 9,391 MTG Class B shares.



Gabriel Catrina
*EVP; CFO of NENT Group
and Head of Strategy and
M&A since 2018
(in MTG since 2013)*

Born: 1974

Education: MBA from the Stockholm School of Economics and M.Sc in Business Administration from UCC in Argentina.

Other current assignments/positions: Several positions in NENT Group companies.

Previous assignments/positions (past five years): Chief Strategy Officer in MTG and Board member positions in MTG and NENT Group companies.

Holding: 3,109 MTG Class B shares.



Kim Poder
*EVP; Group Chief Commercial
Officer (CCO) and CEO of NENT
Group Denmark since 2018
(in MTG since 1999)*

Born: 1968

Education: Master of Science in Ec. and Business Administration, Copenhagen Business School.

Other current assignments/positions: N/A.

Previous assignments/positions (past five years): Board member of Prima TV.

Holding: 6,757 MTG Class B shares.



Matthew Hooper
*EVP; Group Head of Corporate
Affairs and CEO of NENT Group UK
since 2018 (in MTG since 2011)*

Born: 1970

Education: Master's graduate of the University of Oxford.

Other current assignments/positions: N/A.

Previous assignments/positions (past five years): EVP, Group Head of Corporate Communications in MTG. Board member of Shared Value Limited.

Holding: 13,900 MTG Class B shares.



Jakob Mejlhede Andersen
*EVP; Group Head of Content
since 2018
(in MTG since 2002)*

Born: 1973

Education: Degree in Journalism from the Danish School of Media and Journalism.

Other current assignments/positions: N/A.

Previous assignments/positions (past five years): Board member and other positions in several NENT Group companies.

Holding: 12,236 MTG Class B shares.



Filippa Wallestam
*EVP; CEO of NENT Group Sweden
since 2018 (in MTG since 2014)*

Born: 1983

Education: MSc in Economics and Business Administration and major in Finance at Stockholm School of Economics.

Other current assignments/positions: Several positions in NENT Group companies. Board member in HCL Butiker AB.

Previous assignments/positions (past five years): N/A.

Holding: 1,531 MTG Class B shares.



Jonas Gustafsson
*CEO of NENT Group Sweden
(Acting) since 2018
(in MTG since 2015)*

Born: 1982

Education: MBA in Industrial Engineering and Management at Royal Institute of Technology (KTH).

Other current assignments/positions: Board member of Babyshop Sthlm Holding AB.

Previous assignments/positions (past five years): Manager at Bain & Company Nordics.

Holding: 0.



Vegard Klubbenes Drogseth
*SVP; CEO of NENT Group Norway
since 2018 (in MTG since 2004)*

Born: 1977

Education: Bachelor in IT Management at B1 Bergen.

Other current assignments/positions: N/A.

Previous assignments/positions (past five years): N/A.

Holding: 1,366 MTG Class B shares.



Mathias Norrback

SVP; CEO of NENT Group Finland since 2018 (in MTG since 2016)

Born: 1978

Education: Master's degree in Law from University of Helsinki.

Other current assignments/positions: N/A.

Previous assignments/positions (past five years): Business Arena Director in Anvia Abp, CEO of Watson Nordic Oy, Board member in AB Sappa and Nobla Group Ab.

Holding: 468 MTG Class B shares.



Morten Mogensen

CEO of NENT Studios since 2018 (in MTG since 2005)

Born: 1966

Education: Degree in Marketing and Business from Århus Business School.

Other current assignments/positions: Several positions in NENT Group companies.

Previous assignments/positions (past five years): N/A.

Holding: 2,328 MTG Class B shares.



Alexander Bastin

SVP; Head of Viaplay and Viafree since 2017 (in MTG since 2013)

Born: 1989

Education: BSc in Business and Economics from Uppsala University.

Other current assignments/positions: N/A.

Previous assignments/positions (past five years): N/A.

Holding: 316 MTG Class B shares.



Susan Gustafsson

SVP; Group General Counsel since 2018 (in MTG since 2015)

Born: 1973

Education: Master of Laws (LLM) from Lund University and Maastricht University. INSEAD Leading Innovation Programme.

Other current assignments/positions: Group General Counsel in MTG. Several Board positions in NENT Group companies.

Previous assignments/positions (past five years): Several Board positions in MTG and NENT Group companies.

Holding: 1,856 MTG Class B shares.



Kaj af Kleen

*SVP; Group Chief Technology and Product Officer since 2018
(in MTG since 2007)*

Born: 1982

Education: Master's degree in Industrial Engineering from Luleå University of Technology and MBA from the University of Oxford.

Other current assignments/positions: Board member in Soundation AB.

Previous assignments/positions (past five years): Board member in Coinpunch AB.

Holding: 1,007 MTG Class B shares.



Kim Mikkelsen

*SVP; Group Head of Sport since 2018
(in MTG since 2016)*

Born: 1972

Education: Journalist, Danish School of Journalism, Århus.

Other current assignments/positions: CEO of TV3 Sport1 A/S and TV3 Sport A/S.

Previous assignments/positions (past five years): N/A.

Holding: 1,338 MTG Class B shares.



Jennie Jacobs

*SVP; Group and NENT Group UK Head of Human Resources since 2018
(in MTG since 2015)*

Born: 1962

Education: Graduate of British Petroleum Management Trainee Program.

Other current assignments/positions: Board member in Ashbridge Associates Ltd.

Previous assignments/positions (past five years): N/A.

Holding: 0.



Sahar Kupersmidt

*SVP; Head of Nordic DTH TV since 2018
(in MTG since 2007)*

Born: 1977

Education: Studies in business and accounting at Mittuniversitetet and Linnéuniversitetet.

Other current assignments/positions: Advisor at the Reach for Change foundation.

Previous assignments/positions (past five years): SVP and Head of Viasat Sweden.

Holding: 578 MTG Class B shares.

Information on the members of the Board of Directors of MTG

The Board of Directors of MTG currently comprises six members.



David Chance

Please see presentation on page 26.



Simon Duffy

Please see presentation on page 27.



Natalie Tydeman

Please see presentation on page 27.



Donata Hopfen
Non-Executive Director
Elected 2016

Born: 1976

Donata Hopfen has been the CEO of Verimi since October 2017. Previously Donata was the Publishing Director and Head of the Management Board of BILD Group, Europe's largest newspaper and Germany's largest digital news portal, since May 2014. Before that Donata was the Managing Director of BILD's digital and mobile activities. Donata joined Axel Springer in 2003 and has held various positions including responsibility for business development and product management at BILD.T-Online, and head of business development in Axel Springer's electronic media department. Donata is also a member of the Board of Transfermarkt GmbH, member of the Digital Expert Board of Deutsche Postbank AG and a member of the Foundation Board of SWAB. Donata holds diplomas in European business administration from the Universities of Madrid and Reutlingen.

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

Direct or related person ownership: 0.



John Lagerling
Non-Executive Director
Elected 2016

Born: 1976

John Lagerling was appointed as Executive Director, Chief Executive Officer US and Global Chief Business Officer of Mercari, a leading community-powered marketplace, in June 2017. John held the position as Vice President of Business Development, Mobile and Product Partnerships at Facebook, where he headed the global business development, mobile partnerships and other new partner dependent initiatives, between 2014 – 2017. Prior to joining Facebook, John spent seven years at Google holding various leadership positions, including Director of Android Global Partnerships. John holds an MSc in Marketing and International Business from the Stockholm School of Economics.

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

Direct or related person ownership: 0.



Gerhard Florin
Non-Executive Director
Elected 2018

Born: 1959

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

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

Direct or related person ownership: 0.

Information on the senior executives of MTG



Jørgen Madsen Lindemann
President & Chief Executive Officer

Born: 1966

Jørgen was appointed as President and CEO of MTG in September 2012, prior to which he served as Executive Vice President of the group's Nordic Broadcasting (free-TV, pay-TV and radio) operations from October 2011. He was also responsible for the group's Czech operations between 2008 and 2011, and the Hungarian operations between 2010 and 2011, and served as CEO of MTG Denmark from 2002, prior to which he was responsible for MTG's New Media department between 2000 and 2002. Jørgen has worked in the group since 1994 when he joined as Head of Interactive Services.

He became Head of Sponsorship for TV3 in 1997, then Head of Viasat Sport in Denmark and, subsequently, Head of Viasat Sport for the group in 1998. He is also a member of the Boards of Zalando, ESL Gaming (previously Turtle Entertainment), The International Emmy Association in New York, and non-profit organisation Reach For Change.

Direct or related person ownership: 71,321 Class B shares in MTG.



Maria Redin
Chief Financial Officer

Born: 1978

Maria was appointed as Chief Financial Officer of MTG in December 2015. She previously served as Acting Chief Financial Officer from June to November 2015. She has also held a number of senior positions at MTG, including Head of Group Finance and Group Controller. Her roles in the group have included the positions of CFO, and later CEO, of MTG's former gaming entertainment company Bet24, as well as a number of financial positions, and she started her career at MTG as a management trainee in 2004. Maria has been a Member of the Board of Directors at NetEnt since 2012. She holds a Master's degree in International Business from the University of Gothenburg.

Direct or related person ownership: 4,486 Class B shares in MTG.



Peter Nørrelund
EVP; Head of Product Development and Incubation, and Co-CEO of DreamHack

Born: 1971

Peter was appointed EVP, Head of Product Development and Incubation, and Co-CEO of DreamHack in May 2018. He previously served as EVP and CEO of MTG Sport from March 2016 and as COO of ESL Gaming (previously Turtle Entertainment) from February 2017. Peter joined MTG in 2003 and headed up the Danish sports operations from 2004. He has been responsible for all sports rights acquisitions across the group since 2006 and was appointed MTG Head of Sport in 2013. Peter has a degree in journalism from the Danish School of Media & Journalism, and prior to joining MTG he worked as a reporter, commentator, host and Editor in Chief at Danish public service broadcaster DR.

Direct or related person ownership: 8,093 Class B shares in MTG.



Arnd Benninghoff
MTGx, Games & Esports

Born: 1969

Arnd joined MTG in November 2014 and leads MTGx's strategic investments in esports (ESL Gaming (previously Turtle Entertainment) and DreamHack) and online gaming (InnoGames and Kongregate). Prior to joining MTG, Arnd worked as Chief Digital Officer for Digital & Adjacent at ProSiebenSat.1 Media AG, and as Managing Director of SevenVentures, the group's venture arm. Arnd has also been CEO of Holtzbrinck eLAB, the incubator of the Holtzbrinck Publishing Group, founded and built fifteen companies, and held various management roles at Tomorrow Focus AG. He started his career as a journalist, working for Deutsche Presse Agentur and TV networks.

Direct or related person ownership: 3,321 Class B shares in MTG.



Johan Levinsson
MTG Group General Counsel

Born: 1978

Johan was appointed MTG Group General Counsel in May 2018. He joined MTG in February 2017 as Head of Legal – M&A and Corporate Legal Affairs of the MTG Group, prior to which he worked for 11 years in private practice at law firms Roschier, Ashurst (including a 7 months secondment to Ashurst's London office) and Hamilton. He holds a Master of Laws (LL.M) from Uppsala University.

Direct or related person ownership: 111 Class B shares in MTG.





Share information and ownership structure

Share information

On the record date for the distribution, the number of Class A shares and Class B shares, respectively, in NENT Group will be the same as the number of Class A shares and Class B shares, respectively, in MTG (excluding the number of C-shares held by MTG). Class A shares and Class B shares, respectively, in NENT Group will have the same rights as shares of the same class in MTG. In conjunction with the distribution, NENT Group's shares will be listed on Nasdaq Stockholm.

Voting rights

At a General Meeting, each Class A share in NENT Group carries ten votes and each Class B share in NENT Group carries one vote.

Preferential rights to new shares

If NENT Group decides to issue new Class A and Class B shares, against other payment than payment in kind, each holder of Class A shares and Class B shares shall have a preferential right to subscribe for new shares of the same class in relation to the number of shares held by the shareholder prior to the new issue.

Rights to dividends and surplus in the event of liquidation

All shares in NENT Group carry equal rights to dividends and to NENT Group's assets and any surpluses in the event of liquidation. Resolutions of any dividends are to be made by the General Meeting. All shareholders who are registered in the share register maintained by Euroclear on the record date determined by the General Meeting are entitled to receive cash dividends.

Dividends are normally paid to shareholders through Euroclear as a cash amount per share, but may also comprise forms other than dividends (distribution in kind).

Central securities depository

NENT Group's shares are registered in a central securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) (Sw. *lag om värdepapperscentraler och kontoföring av finansiella instrument*). This register is kept by Euroclear. No share certificates have been issued for NENT Group's shares. Information regarding the ISIN code for NENT Group's shares will be contained in the prospectus to be published prior to the listing of NENT Group's shares.

Incentive programmes

There are no share-based incentive programmes in NENT Group. However, the Board of Directors intends to prepare and propose a share-based incentive programme directed to certain senior executives and other key employees of NENT Group to be resolved upon by the 2019 Annual General Meeting.

Convertibles, warrants and other share-based instrument

There are no outstanding warrants, convertibles or other share-based financial instruments issued by NENT Group.

Ownership structure

As per the date hereof, NENT Group is a wholly owned subsidiary of MTG. The table below shows NENT Group's ownership structure based on the assumption that the shares of NENT Group had been distributed with 31 December 2018 as the record date.¹⁾

Shareholder	Number of Class A shares	Number of Class B shares	% of votes	% of shares
Nordea Funds		6,794,435	9.5	10.1
Capital Group		5,770,190	8.0	8.6
Swedbank Robur Funds		5,756,185	8.0	8.6
Marathon Asset Management Ltd		3,291,562	4.6	4.9
TimesSquare Capital Management		2,469,567	3.4	3.7
Life Insurance Skandia	161,504	2,237,325	5.4	3.6
Lannebo Funds		2,392,657	3.3	3.6
Öhman Funds		2,071,024	2.9	3.1
Handelsbanken Funds		1,985,000	2.8	3.0
Vanguard		1,687,593	2.3	2.5
Länsförsäkringar Funds		1,057,658	1.5	1.6
Skandia Funds		1,057,413	1.5	1.6
Norges Bank		984,003	1.4	1.5
BlackRock		787,220	1.1	1.2
Enter Funds		625,455	0.9	0.9
Total 15 largest shareholders	161,504	38,967,287	56.4	58.4
Other shareholders	384,158	27,474,175	43.6	41.6
Total	545,662	66,441,462	100	100

1) As per the same date, MTG held 660,000 MTG Class C shares. Such shares will not entitle to any shares in NENT Group in the distribution.

Risk factors associated with the distribution of the shares in NENT Group

Below is a brief outline of certain risk factors related to the distribution of the shares in NENT Group. Additional risks related to the operations of MTG and NENT Group are described in the 2017 Annual Report of MTG that was published on 28 March 2018. A more detailed description of the risks relating to NENT Group will be included in the prospectus to be published before the distribution of the NENT Group shares to MTG's shareholders, provided that the Extraordinary General Meeting in MTG resolves on the distribution in accordance with the Board of Directors' proposal.

The distribution of the NENT Group shares may fail to realise anticipated benefits

The intended purpose of the distribution and subsequent listing of the shares in NENT Group is to create significant value for shareholders. However, there is a risk that the anticipated benefits of the distribution will not be achieved if the assumptions underlying the decision to carry out the distribution turn out to be incorrect. New MTG and/or NENT Group, as standalone groups, may not be able to procure external financing or other financial services on conditions as favourable as obtainable by MTG and NENT Group, as currently constituted, or at all. Moreover, if MTG or NENT Group, as a standalone group, suffers from decreased revenues or additional costs, this could have a material adverse effect on the business, financial condition, share price, and results of operations of MTG or NENT Group, respectively, and could consequently lead to anticipated benefits with the distribution not being realised.

The proposed distribution may affect the price of the shares in both MTG and NENT Group

It is impossible to predict the market price of the shares of new MTG and NENT Group after the distribution has taken place. The distribution may have an effect on the individual groups' financial position and risk profile as well as other conditions for conducting their respective businesses. In addition, since NENT Group's business is a major business of the current MTG, there is a risk that the MTG's current shareholders will sell their shares in MTG as a result of the distribution, which may negatively affect the price of MTG shares. Also, there is a risk that the MTG's current shareholders will sell the shares they receive in NENT Group as a result of the distribution, which may negatively affect the price of NENT Group's shares. There is a risk that the market will not react favourably to the distribution and there is a risk that investors may perceive NENT Group and the new MTG, respectively, less favourably than the companies as currently constituted.

Risks associated with smaller, streamlined operations

The asset pool of new MTG will be smaller than the asset pool in the current MTG group which includes NENT Group. Accordingly, risks that currently exists in MTG and which will continue to exist after the distribution will be of greater proportional significance to such business than for MTG as currently constituted. This may concern, for example, the capability to manage unforeseen claims and expenses of material significance. Further, the more streamlined operations to be conducted in the new MTG will not have the same possibilities to balance the effects of certain operational risks as MTG currently has. Such major unforeseen claims and expenses as well as material changes in the market, therefore, may have a significant negative impact on new MTG's earnings, cash flow and financial position.

NENT Group's brand is not well-known in the market

MTG is a well-known brand in most of the markets where NENT Group conducts its operations. An important factor for NENT Group in maintaining a strong market position is for NENT Group and its brand to become well-known and associated with positive values by customers and current as well as future employees of NENT Group. Operating as a separate company, NENT Group could have difficulties in obtaining brand recognition and market position equivalent to that enjoyed by NENT Group as part of the MTG group, whose brand has been established internationally for a long time. A weakening of NENT Group's market position could lead to lower demand for its products and services, as well as higher sales and marketing costs. Additionally, a weakened market position and brand recognition could lead to difficulties in recruiting and retaining employees. These factors could have a material adverse effect on NENT Group's business, financial condition and results of operations.

Indemnities under the master separation agreement may result in unforeseen costs for MTG and/or NENT Group

The master separation agreement to be entered into between MTG and NENT Group stipulates that NENT Group, as a main rule, will indemnify MTG for liabilities relating to NENT Group's operations and that MTG, as a main rule, will indemnify NENT Group for liabilities relating to MTG's remaining operations. If there were to occur unforeseen liabilities pertaining to NENT Group's or MTG's operations that would trigger indemnification liability under the master separation agreement, this could have a material adverse effect on NENT Group's or MTG's business, financial condition and results of operations.

Tax considerations

The following is a general description of certain tax considerations relating to the proposed distribution of shares in NENT Group to the shareholders of MTG. It does not purport to be a complete analysis of all tax considerations relating to the proposed distribution, neither in Sweden, the United States or elsewhere. The tax treatment of each individual shareholder depends on the shareholder's particular circumstances and the tax laws in the country where the shareholder is resident. Each shareholder should therefore consult its own tax adviser with regard to the specific tax consequences that may arise in the individual case. This summary is based upon the laws as in effect on the date of this information brochure and is subject to any change in law that may take effect after such date.

Certain tax issues in Sweden

The following is a summary of certain Swedish tax consequences that may arise from the proposed distribution of shares in NENT Group to shareholders of MTG. The summary is based on current legislation, is intended to only provide general information and is only applicable to individuals and limited liability companies that are resident in Sweden for tax purposes, unless otherwise stated. The summary is not exhaustive and does not cover, for example, (i) shares held by partnerships or held as current assets in business operations, (ii) the specific rules on tax-exempt capital gains (including non-deductibility for capital losses) and dividends in the corporate sector, which may become applicable when shareholders hold shares that are considered to be held for business purposes (Sw. *näringsbetingade andelar*) or (iii) shares that are held through special investment vehicles such as so-called investment savings account (Sw. *investeringssparkonto*) or endowment insurances. Special tax rules also apply to certain categories of tax payers, such as investment companies and insurance companies, and to situations that are considered abusive. Accordingly, the tax treatment of each individual shareholder depends on the individual's particular circumstances. Each shareholder should therefore confirm the tax implications of the transaction based on their own specific set of circumstances, including the potential applicability and effect of foreign tax rules and tax treaties.

Taxation of the distribution of the shares of NENT Group

Swedish shareholders are generally subject to income tax upon dividend distributions in kind (e.g. in the form of shares), based on the market value of the distributed shares. The income tax is levied at a rate of 21.4% for corporate shareholders, and 30% for individual shareholders respectively.

Foreign shareholders are instead subject to a 30% withholding tax charge, based on the market value of the distributed shares. Such withholding taxes may be reduced or eliminated by virtue of an applicable double taxation treaty.

However, if the criteria for a so called Lex ASEA distribution are met (as defined under Swedish tax law), the distribution of shares should instead be fully exempt from Swedish income tax as well as withholding tax. It is the conclusion of MTG's management and its external advisors that the shares in NENT Group should qualify as a Lex ASEA distribution. MTG has requested an advance clearance from the Tax Agency on whether the contemplated transaction fulfils the criteria for a Lex ASEA distribution. The Tax Agency has, through such advance clearance, confirmed that the Lex ASEA-provision is applicable on the case at hand.

In case of a Lex ASEA distribution, the historic acquisition price (i.e. the amount which may be deducted for capital gain purposes) of the MTG shares will be split between these shares, and the shares received in NENT Group respectively. The allocation of the historic acquisition price will be determined as a percentage, by reference to the change in value of the shares in MTG that arises due to the distribution of the shares in NENT Group. MTG will request general guidelines from the Swedish Tax Agency regarding the aforementioned split of the historic acquisition price. Information regarding such guidelines will be published as soon as possible, on the respective websites of MTG and the Swedish Tax Agency.

NENT Group shares

Individuals

Dividends: As the NENT Group shares will be listed following the Lex ASEA distribution, future dividends from the NENT Group received by individuals will be treated as capital/investment income (Sw. *kapitalinkomst*) subject to a flat tax rate of 30%. A preliminary tax of 30% is generally withheld on dividends to individual tax residents in Sweden.

Capital gains: When listed shares are sold or otherwise disposed of, a taxable capital gain or a deductible capital loss may arise. Capital gains are taxed as capital/investment income at the rate of 30%. The capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the “average cost method”. As the A- and B-shares in NENT are not of the same class and type, they will be subject to separate calculations. The acquisition cost, and thus the tax basis, for the shares received in NENT Group through the distribution from MTG is calculated based on the general guidelines received from the Swedish Tax Agency. Alternatively, upon the sale of listed shares, the tax basis may be determined as 20% of the sales proceeds, after deducting sales costs, under the “notional rule”.

Capital losses on listed shares in limited liability companies are fully deductible against taxable capital gains on listed and non-listed shares and other listed equity-related securities. Capital losses that cannot be set off in this way can be deducted with up to 70% against other capital/investment income. If there is a net loss in the capital/investment income basket (Sw. *inkomstslaget kapital*), a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction is allowed with 30% on the amount of such net loss that does not exceed SEK 100,000 and with 21% on the net loss exceeding SEK 100,000. Losses cannot be carried forward.

Limited liability companies

For Swedish limited liability companies (Sw. *aktiebolag*), all income, including taxable capital gains and dividends, is taxed as business income at a rate of 21.4% (20.6% from 1 January 2021). Capital gains and capital losses are calculated in the same manner as described above for individuals. Deductible capital losses on shares may only be deducted against taxable capital gains on such securities. Under certain circumstances, such capital losses may also be deducted against capital gains in another company in the same group, provided that the requirements for exchanging group contributions (Sw. *koncernbidragsrätt*) between the companies are met. A capital loss that cannot be utilised during a given income year may be carried forward and be offset against taxable capital gains on shares and other equity-related securities during future income years, without limitation in time.

Foreign shareholders

Dividends from listed shares will normally be subject to Swedish withholding tax. The withholding tax rate is 30% but it is often reduced for shareholders who are tax resident in countries with which Sweden has entered into a tax treaty. In Sweden, the appointed Securities Register Center (e.g. Euroclear Sweden) or, for nominee registered shares, the nominee normally carries out the withholding.

In the event that 30% withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or if too much withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

Capital gains: Shareholders with limited tax liability in Sweden and whose shareholding is not attributable to a permanent establishment in Sweden, are generally not subject to capital gains taxation in Sweden upon the disposal of shares. Shareholders may, however, be subject to taxation in their country of residence. Under a specific tax rule, individuals with limited tax liability in Sweden may, however, be subject to tax in Sweden on the sale of shares if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The application of this rule may be limited by tax treaties between Sweden and other countries.

Certain United States federal income tax considerations

The following is a summary of certain U.S. federal income tax consequences that may arise for a U.S. Holder (as defined below) from the proposed distribution of NENT Group shares to holders of MTG shares (for the purpose of this summary, the “**Distribution**”) and of acquiring, owning and disposing of NENT Group’s shares received in the Distribution. This summary applies only to U.S. Holders that hold MTG shares, and will hold NENT Group shares, as capital assets for U.S. federal income tax purposes and have as their functional currency the U.S. dollar, and does not address the tax treatment of U.S. Holders that are subject to special tax rules, such as financial institutions, insurance companies, regulated investment companies, tax-exempt organizations, dealers in securities or currencies, traders in securities electing to mark-to-market, real estate investment trusts, individual retirement accounts and other tax-deferred accounts, investors that hold their shares in NENT or will hold shares, in connection with a trade or business conducted outside of the U.S., persons who receive NENT Group shares from the exercise of employee share options or otherwise as compensation or persons that hedge their exposure in the MTG shares or NENT Group shares or hold the MTG or NENT Group shares as a position in a “straddle” for tax purposes or as part of a “synthetic security” or a “hedging” or “conversion” transaction or other integrated investment comprised of such MTG or NENT Group shares and one or more other investments, holders that own or are treated as owning 10% or more of MTG’s or NENT Group’s shares (including holders that owned 10% or more within the last 5 years), nonresident aliens present in the U.S. for more than 182 days in a taxable year, U.S. expatriates, or entities taxed as partnerships or the partners

therein. The discussion does not address the applicability and effect of the alternative minimum tax or the Medicare tax on net investment income to a U.S. Holder and does not address any U.S. federal non-income (such as the estate or gift tax), state, local non-U.S. or other tax laws.

For purposes of this summary, a **“U.S. Holder”** is a beneficial owner of MTG shares, or of NENT Group shares received in the Distribution, that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise is subject to U.S. federal income taxation on a net income basis in respect of the MTG or NENT Group shares, as applicable.

This summary is based on the tax laws of the U.S., including the Internal Revenue Code of 1986, as amended, (the **“Code”**), its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, as well as the Convention between the Government of the U.S. and the Government of Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income dated 1 September 1996 (as amended by any subsequent protocols, including the protocol of September 2005) (the **“Treaty”**), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THIS SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY. U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF NENT GROUP'S SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAWS.

Distribution of NENT Group's shares

The U.S. federal income tax consequences of the proposed Distribution of NENT Group's shares to a U.S. Holder will depend on whether the Distribution is treated as tax-free for U.S. federal income tax purposes.

At the time of the Distribution, MTG expects to have received an opinion from its special U.S. tax advisors, a Big Four Accounting Firm (**“Tax Advisors”**), that on the basis of certain facts, representations, and assumptions on which Tax Advisor relied, the Distribution should qualify as a tax-free distribution to U.S. Holders pursuant to section 355(a) of the Code.

The opinion of Tax Advisors is not binding on the U.S. Internal Revenue Service (**“IRS”**), and the IRS or the courts may disagree with the opinion. Additionally, if any of the facts, representations or assumptions referred to above are inaccurate, incomplete or untrue in any material respect, the opinion may not correctly describe the U.S. federal income tax treatment of the Distribution. Moreover, future events that may or may not be within MTG's or NENT Group's control, such as the acquisition by one or more persons of significant interests in NENT Group from the shareholders that will receive NENT Group shares in the Distribution, or of significant interests in MTG from MTG shareholders after the Distribution, could in some cases potentially cause the Distribution to not qualify for tax-free treatment to NENT Group's U.S. Holders for U.S. federal income tax purposes. The absence of a

significant time period prior to any such acquisition following the Distribution could increase the risk that the Distribution would not qualify for tax-free treatment.

The remainder of this summary assumes that for U.S. federal income tax purposes, the Distribution will qualify as a tax-free distribution described in Section 355(a), except where otherwise stated.

Accordingly, U.S. Holders should not recognize any income, gain or loss for U.S. federal income tax purposes as a result of the Distribution.

A U.S. Holder's basis in each MTG share held prior to the Distribution should be allocated between that MTG share and the NENT Group share received in the Distribution with respect to that MTG share in proportion to the fair market values of the NENT Group and MTG shares. In addition, a U.S. Holder's holding period in the NENT Group shares should include its holding period in the MTG shares with respect to which the NENT Group shares were received.

U.S. Treasury regulations require certain U.S. Holders who are “significant distributees” with respect to the Distribution to attach to their U.S. federal income tax returns a statement setting forth information with respect to the Distribution. A U.S. Holder should consult its own tax advisor to determine whether it is a significant distributee required to provide the foregoing statement.

In the event that the Distribution does not qualify as a tax-free distribution for U.S. federal income tax purposes, such distribution is treated as ordinary dividend income to the extent of MTG's current or accumulated earnings and profits as determined for U.S. federal income tax purposes.

As a non-U.S. corporation, MTG does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax principles. Thus, if the Distribution is a taxable distribution, U.S. Holders generally should expect to be treated as receiving ordinary dividend income as a result of the Distribution in an amount equal to the USD value of the NENT Group shares they receive, and their tax basis in the NENT Group shares would be equal to the value of those shares on the date of the Distribution.

Distributions with respect to NENT Group shares

The gross amount of any distributions made in respect of NENT Group shares generally will be includible in a U.S. Holder's taxable income as ordinary dividend income on the date the U.S. Holder receives the distribution, to the extent of NENT Group's earnings and profits for U.S. federal income tax purposes and will not be eligible for the dividends-received deduction allowed to U.S. corporations. Neither MTG nor NENT Group expect NENT Group to maintain calculations of its earnings and profits in accordance with U.S. federal income tax principles. U.S. Holders therefore should expect that all distributions by NENT Group generally will be treated as dividends for U.S. federal income tax purposes.

Dividends paid in a currency other than U.S. dollars generally will be includible in a U.S. Holder's income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date the U.S. Holder receives the dividends.

Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by an individual U.S. Holder with respect to the NENT Group shares will be subject to taxation at a preferential rate if the dividends are “qualified dividends”. Dividends paid on the NENT Group shares will be treated as qualified dividends if:

- the NENT Group shares are readily tradable on an established securities market in the United States or NENT Group is eligible for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury determines is satisfactory for purposes of this provision and that includes an exchange of information program; and
- NENT Group was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a passive foreign investment company (a “PFIC”).

The U.S. Treasury has determined that the **Treaty** meets the requirements for reduced rates of taxation, and MTG and NENT Group’s position is that NENT Group will be eligible for the benefits of the Treaty. MTG and NENT Group also expect that NENT Group will not be a PFIC for U.S. federal income tax purposes with respect to the 2019 taxable year. Accordingly, it is expected by MTG that dividends paid on the NENT Group shares will be treated as “qualified dividends”.

Subject to complex limitations and other rules, a U.S. Holder may be able to claim a foreign tax credit against its U.S. federal income tax liability for any Swedish taxes required to be withheld from a dividend paid in respect of NENT Group shares. Alternatively, the U.S. Holder may be able to deduct those Swedish taxes from its U.S. federal taxable income, provided that the U.S. Holder elects to deduct rather than credit all foreign income taxes for the relevant taxable year. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. Holder’s particular circumstances. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Financial definitions

Non-IFRS measures	Description
Sales growth	Increase in sales compared to the previous period in percent.
Operating income before IAC	Operating income after the reversal of material items and events related to changes in the group's structure or line of business.
Items affecting comparability (IAC)	Items affecting comparability refers to material items and events related to changes in the group's structure or lines of business, which are relevant for understanding the group's development on a like-for-like basis.
Net debt	Net debt is the sum of short- and long-term interest-bearing liabilities less total cash and interest-bearing assets.
Total net debt/EBITDA ratio	Net debt in relation to EBITDA for the last 12 months.
Return on capital employed (ROCE)	Return on capital employed is calculated as operating income before items affecting comparability as a percentage of average capital employed.

Frequently asked questions

Why are the NENT Group shares being distributed?

The Board and management believe that an increased long-term shareholder value will be created by splitting the group into two separate and publicly listed companies. A split from MTG and distribution of shares in NENT Group is intended to create two publicly listed companies whose leading brands can shape the future of their respective industries. A split will provide both businesses with enhanced focus and agility to capitalise on changes in consumer trends, capture growth opportunities and generate sustainable value for all stakeholders in both companies. It will provide two clear investment cases and equity stories with distinct financial profiles and capital allocation models. The timing is right as both companies have performed operationally and financially, have strong leadership teams and inspired workforces. The split is expected to accelerate both companies' development in line with their strategic objectives.

What are the conditions for the distribution?

All shares in NENT Group will be distributed to the shareholders of MTG. Each share of Class A in MTG entitles to receive one share of Class A in NENT Group and each share of Class B in MTG entitles to receive one share of Class B in NENT Group.

Do I need to take any measures in order to receive the shares?

No, registered shareholders of MTG on the record date for distribution will automatically receive shares in NENT Group.

When is the record date for distribution?

The Board of Directors proposes that the Extraordinary General Meeting authorises the Board of Directors to determine the record date at Euroclear for the distribution. The record date is therefore yet to be determined as per the publishing date for this information brochure. The Board of Directors of MTG intends to execute the distribution of shares in NENT Group in March 2019. The record date is expected to fall close to the listing of the shares in NENT Group.

When will the prospectus be published and where can I find it?

A prospectus, which will contain information about NENT Group and the risks associated with an investment in NENT Group's shares, is planned to be published in March 2019. The prospectus will be available for downloading at MTG's, NENT Group's and the SFSA's webpages and can also be obtained in paper format from MTG's and NENT Group's offices.

Does the distribution carry any tax consequences for me as a shareholder?

For shareholders who are physically resident in Sweden or limited liability companies registered in Sweden, the distribution is not expected to lead to any immediate taxation due to the application of the Lex ASEA rules. Persons who receive a cash payment from NENT Group in the future or decide to divest their shares in NENT Group will be taxed in Sweden in accordance with the tax rules that apply to such transactions.

By applying the Lex ASEA rules, withholding tax is not expected to be charged in Sweden for foreign shareholders when the shares in NENT Group are distributed, but may be charged on future cash payments. The distribution of the shares in NENT Group, future cash payments and divestments of shares in NENT Group will be taxed in accordance with the shareholder's country of domicile. Any double taxation that arises may be eliminated by applying the relevant tax treaty between Sweden and the country in question.



Modern Times Group MTG AB

Skeppsbron 18, Box 2094

SE-111 30 Stockholm

+46 8 562 000 50