



MTG to split into two companies: MTG and Nordic Entertainment Group

Press Release

- [Nent Group Publishes listing prospectus \(8 March 2019\)](#)
- [MTG's Extraordinary General Meeting 2019 \(7 February 2019\)](#)
- [Withdrawal of EGM proposal for MTG Capital Raise authorisation \(31 January 2019\)](#)
- [Notice to attend Extraordinary General Meeting \(15 January 2019\)](#)
- [MTG publishes Information Brochure regarding proposed distribution of NENT Group with new financial targets and dividend policy and proposes authorisation to resolve on potential share issue \(15 January 2019\)](#)
- [NENT Group listing planned for Q1 2019 & new Board Directors appointed \(11 September 2018\)](#)
- [Ongoing MTG Split process to follow completion of Kinnevik share distribution \(19 June 2018\)](#)
- [MTG Split in two and distribute shares in Nordic Entertainment Group to shareholders \(23 March 2018\)](#)

Prospectus

Nordic Entertainment Group AB (NENT Group) has published a prospectus regarding the admission to trading of its class A and class B shares on Nasdaq Stockholm. The MTG Board of Directors has set the record date for the distribution of the NENT Group shares as 26 March 2019, with the first day of trading in the shares expected to be 28 March 2019. The shares will trade under the symbols NENT A and NENT B, with the ISIN codes SE0012324226 and SE0012116390, respectively. MTG Shareholders who are registered as shareholders on the record date for the distribution are entitled to receive one NENT Group class A or class B for each share of the same class held in MTG.

[Nordic Entertainment Group AB Prospectus](#)

Information Brochure

The MTG Board of Directors is proposing to an Extraordinary General Meeting of MTG shareholders, to be held on 7 February 2019 in Stockholm, that it resolves to distribute all of the shares in NENT Group to MTG's shareholders. Information regarding the proposed distribution of shares in NENT Group has today been published and is available in the form of an information brochure.

The Boards of Directors of MTG and NENT Group, respectively, have today decided on new financial targets and dividend policies, which are included in the information brochure.

The MTG Board of Directors is proposing that the EGM authorises the Board of Directors to be able to resolve on the potential issue of Class B shares corresponding in aggregate to up to 20.0% of the total number of outstanding MTG Class B shares, in order to fund potential acquisition opportunities in line with its strategy. Such Class B shares will not be issued prior to the distribution and listing of the shares in NENT Group and will hence not carry the right to receive any share in NENT Group.

[Information Brochure](#)

Presentation

The splitting of MTG will create two separate companies with clear investment profiles that are well positioned to capitalise on consumer trends, capture growth opportunities, and generate sustainable value for owners, customers and employees. See the investor presentation for further details on the rationale of the split and descriptions of both businesses.

[Investor Presentation](#)

Conference call

MTG hosted a conference call to present the proposed split and distribution of shares on Friday 23 March at 09:00 CET.

The conference call webcast is available [here](#).

[Download investor presentation for conference call](#)

FAQ

What has been announced?

MTG's Board has decided to initiate a process to split MTG into two companies by distributing all of the shares in Nordic Entertainment Group to MTG's shareholders and listing these shares on Nasdaq Stockholm.

The Board intends to propose the distribution and listing of the shares at an Extraordinary General Meeting of its shareholders.

The split will create two separate companies with clear investment profiles that are well positioned to capitalise on consumer trends, capture growth opportunities, and generate sustainable value for owners, customers and employees.

Why do this now?

This is a natural next step in MTG's strategic transformation. Now is the right time to initiate a split of MTG into two separate and listed companies, in order to maximise the focus and potential of each group for the benefit of owners, customers and employees. The split follows the same structure as the proposed TDC combination, and with all the work we have done on strategy and how to separate the businesses, this makes full sense.

What will the two companies comprise after the split?

Modern Times Group MTG AB will comprise MTG's current esports (ESL, DreamHack and ESEA), online gaming (InnoGames and Kongregate) and digital video content (Zoomin.TV, Engage Digital Partners) operations, as well as other minority holdings (Comosa AG and BITKRAFT). MTG will be well funded and will focus on developing and expanding its portfolio of hyper growth global digital companies through a flexible buy and build strategy, which will be centred around key digital entertainment verticals.

Nordic Entertainment Group will comprise MTG's current Nordic Entertainment and Studios business segments, as well as Splay. Nordic Entertainment Group will develop and invest in its position as a fully integrated broadcasting, digital communication and content production company.

Why is this transaction good for MTG's Shareholders?

The split will create two separate companies with clear financial profiles and equity stories, facilitating fair valuation of both businesses and providing shareholders with two distinct investment opportunities. The separation also provides both businesses with clearer focus, enables separate incentivisation models to attract and retain key talent, simplifies decision-making processes and improves their agility to capitalise on growth opportunities in order to create greater value for shareholders.

What approvals are required to split MTG and distribute the shares in Nordic Entertainment Group?

The split is subject to the approval of the general meeting of shareholders after which MTG intends to apply for the listing of Nordic Entertainment Group at Nasdaq Stockholm, which in turn requires approval and registration of a listing prospectus by the Swedish Financial Supervisory Authority.

Kinnevik intends to distribute its entire shareholding in MTG to its shareholders in Q3 2018, what implications does this have on the split process?

MTG will await the completion of the distribution before continuing with its work towards the previously announced distribution of Nordic Entertainment Group (NENT Group). MTG remains committed to the split and distribution of all of the shares in Nordic Entertainment Group (comprising MTG Nordic Entertainment, MTG Studios and Splay Networks) to MTG's shareholders, and the listing of these shares on Nasdaq Stockholm. The process is subject to, inter alia, the approval of an Extraordinary General Meeting of MTG's shareholders and will not now be completed during 2018.

Contacts

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Distribution of shares in NENT

Allocation of acquisition cost for shares in connection with MTG AB's distribution of the shares in Nordic Entertainment Group AB

The Swedish Tax Agency has decided that of the acquisition cost for shares of series A in MTG AB, 38 percent should be attributed to these shares and 62 percent to the received shares of series A in Nordic Entertainment Group AB. Of the acquisition cost for shares of series B in MTG AB, 35 percent should be attributed to these shares and 65 percent to the received shares of series B in Nordic Entertainment Group AB.

For further information please see (in Swedish):

[The Swedish Tax Agency's general guidelines regarding allocation of acquisition cost, SKV A 2019:9](#)

[The Swedish Tax Agency's Information on the allocation of acquisition cost, SKV M 2019:12](#)

Form 8937 disclosure

Modern times group AB MTG has – as a reporting issuer – published Form 8937 due to the distribution of Nordic Entertainment shares to its shareholders on 28 March 2019. Please find form 8937 below.

[Form 8937 - Report of Organization actions Affecting Basis of Securities](#)