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MTG confirms that the rights issue is oversubscribed

STOCKHOLM, 12 February 2021 – Modern Times Group MTG AB (publ) ("MTG") announced on 17 December 2020 that its board of directors had resolved on a new issue of class B shares with preferential rights for existing shareholders (the "Rights Issue"). The board of directors' resolution on the Rights Issue was approved by the extraordinary general meeting of MTG on 21 January 2021. The subscription period of the Rights Issue ended on 10 February 2021. Yesterday, on 11 February 2021, MTG announced that preliminary estimates indicated that the Rights Issue had been oversubscribed by 101.8 per cent. MTG can now confirm that 27,913,880 class B shares have been subscribed for by exercise of subscription rights and that 406,817 class B shares have been allotted to those who have applied for subscription for shares without subscription rights. Accordingly, the Rights Issue is fully subscribed for.

Summary of the outcome of the Rights Issue

A maximum of 28,320,697 class B shares were offered in the Rights Issue at a subscription price of SEK 90 per share. 27,913,880 class B shares (corresponding to 98.6 per cent of the Rights Issue) were subscribed for by exercise of subscription rights. The remaining 406,817 class B shares have been allotted to those who have applied for subscription for shares without subscription rights. Investors' interest has been high and the Rights Issue was oversubscribed by 101.8 per cent.

The fully subscribed Rights Issue provides MTG with proceeds of SEK 2,549 million before deduction of transaction costs. MTG will use the net proceeds to repay the bridge loan facility of SEK 1,800 million raised in connection with the acquisition of Hutch Games in December 2020 and to repay the vendor note of a preliminary amount of EUR 113.6 million issued in connection with the acquisition of additional shares in InnoGames in December 2020 (together with additional existing cash and cash equivalents).

Allotment and payment for class B shares subscribed for without subscription rights

Allotment of class B shares that have been subscribed for without subscription rights have been made in accordance with the allocation principles resolved upon by the board of directors and described in the prospectus regarding the Rights Issue that was published on 22 January 2021. Notice of allotment of class B shares subscribed for without subscription rights (in the form of a settlement note) will be distributed on 15 February 2021. Only those who have been allotted class B shares will be notified. Payment for class B shares subscribed for without subscription rights shall be made in cash in accordance with instructions on the settlement note not later than on 17 February 2021.

Those who have subscribed for class B shares through a nominee will receive notice of allotment, and shall pay for any allotted class B shares, in accordance with the instructions and procedures of their respective nominees.

Trading in paid subscribed shares (BTA) and the new class B shares

Those who have subscribed for class B shares by exercise of subscription rights will initially receive so-called paid subscribed shares (BTA). Trading in BTA on Nasdaq Stockholm will continue until 19 February 2021. The reclassification of BTA as class B shares is expected to take place on 25 February 2021 and trading in the new class B shares on Nasdaq Stockholm is expected to commence on the same day.

Changes in MTG's share capital and the number of shares and votes

As a result of the Rights Issue, MTG's share capital will increase by SEK 141,603,485 (from SEK 341,372,775 to SEK 482,976,260) and the total number of shares will increase from 68,274,555 shares (of which 545,662 class A shares and 67,728,893 class B shares) to 96,595,252 shares (of which 545,662 class A shares and 96,049,590 class B shares). Each class A share entitles to ten votes and each class B share entitles to one vote at general meetings of MTG. Accordingly, following the Rights Issue, the total number of votes in MTG is 101,506,210.

Advisors

ABG Sundal Collier, DNB Markets, a part of DNB Bank ASA, Sweden branch and Swedbank AB (publ) are joint global coordinators in connection with the Rights Issue. Gernandt & Danielsson Advokatbyrå and Cleary Gottlieb Steen & Hamilton are legal advisors to MTG in connection with the Rights Issue. Linklaters Advokatbyrå AB is legal advisor to the joint global coordinators in connection with the Rights Issue.

The information was submitted for publication, through the agency of the contact persons set out below, at 23.50 CET on 12 February 2021.

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About MTG

MTG (www.mtg.com) is a strategic and operational investment holding company in esports and gaming entertainment. Born in Sweden, the shares are listed on Nasdaq Stockholm ('MTG A' and 'MTG B').

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