



NOTICE TO MTG'S 2021 ANNUAL GENERAL MEETING

The shareholders of Modern Times Group MTG AB (publ) are hereby given notice to the Annual General Meeting on Tuesday 18 May 2021. Due to the continuing coronavirus pandemic, the Board has decided that the Annual General Meeting should be conducted only through postal voting in accordance with temporary legislation. It will not be possible for shareholders to attend the Annual General Meeting in person or by way of a proxy holder.

Information on the resolutions adopted by the Annual General Meeting will be disclosed on 18 May 2021, as soon as the outcome of the postal voting has been finally confirmed.

An interview with MTG's Chairman of the Board David Chance and a presentation by the Chief Executive Officer Maria Redin will be available on the company's website www.mtg.com under the heading "MTG's Annual General Meeting 2021" (which can be found under the section "Investors" under the heading "General Meetings") from 12 May 2021.

PARTICIPATION

Shareholders who wish to participate in the Annual General Meeting shall:

- be recorded in the presentation of the share register prepared by Euroclear Sweden concerning the circumstances on Friday 7 May 2021; and
- give notice to participate no later than Monday 17 May 2021 by casting their postal vote as instructed under the heading "Postal voting" below, so that the postal vote is received by MTG no later than that day.

To be entitled to participate in the Annual General Meeting, shareholders whose shares are registered in the names of nominees must, in addition to giving notice to participate by casting their postal vote, re-register such shares in their own name so that the shareholder is recorded in the presentation of the share register as of 7 May 2021. Such re-registration may be temporary ("voting rights registration") and can be requested from the nominee in accordance with the nominee's procedures in such time in advance as the nominee determines. Voting rights registrations effected no later than the second banking day after 7 May 2021 will be considered in the presentation of the share register.

POSTAL VOTING

Shareholders may only exercise their voting rights at the Annual General Meeting through postal voting in advance pursuant to Section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for postal voting. The completed and signed postal voting form can be submitted either by email to info@computershare.se, or by post to Computershare AB, "AGM of MTG", P.O. Box 5267, SE-102 46 Stockholm, Sweden. Shareholders who are natural persons may also cast their postal votes digitally through verification with BankID. The postal voting form and link to digital postal voting will be available on the company's website www.mtg.com under the heading "MTG's Annual General Meeting 2021" (which can be found under the section "Investors" under the heading "General Meetings") no later than 11 May 2021.

Postal voting forms and digital postal votes must be received by MTG no later than 17 May 2021.

If the shareholder postal votes by proxy, a power of attorney shall be enclosed with the postal voting form. A template proxy form will be available on the company's website www.mtg.com under the heading "MTG's Annual General Meeting 2021" (which can be found under the section "Investors" under the

heading “General Meetings”) no later than 11 May 2021. If the shareholder is a legal entity, a copy of a registration certificate or a corresponding document for the legal entity shall be enclosed together with the postal voting form.

The shareholders may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form.

For information on how your personal data is processed, please visit www.computershare.com/se/gm-gdpr and www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf.

SHAREHOLDERS’ RIGHT TO REQUEST INFORMATION

The Board and the CEO shall, if any shareholder so requests and the Board believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company’s or its subsidiaries’ financial situation and the company’s relation to other companies within the group and the consolidated accounts. A request for such information shall be made in writing to Modern Times Group MTG AB (publ), Att. “AGM”, P.O. Box 2094, SE-103 13 Stockholm, Sweden, or by email to martin.unger@mtg.com no later than 10 May 2021. The information will be made available on the company’s website www.mtg.com under the heading “MTG’s Annual General Meeting 2021” (which can be found under the section “Investors” under the heading “General Meetings”) and at the company’s premises at Skeppsbron 18 in Stockholm, Sweden, no later than 12 May 2021. The information will also be sent to the shareholder who requested it and stated their postal address or email address.

PROPOSED AGENDA

1. Election of Chairman of the Annual General Meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to check and verify the minutes.
5. Determination of whether the Annual General Meeting has been duly convened.
6. Presentation of the Annual Report, the Auditor's Report and the consolidated financial statements and the Auditor's Report on the consolidated financial statements.
7. Resolution on the adoption of the Income Statement and the Balance Sheet and of the consolidated Income Statement and the consolidated Balance Sheet.
8. Resolution on the treatment of the company's results as stated in the adopted Balance Sheet.
9. Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer.
10. Presentation and resolution on the approval of the Remuneration Report.
11. Determination of the number of members of the Board.
12. Determination of the remuneration to the members of the Board.
13. Determination of the remuneration to the Auditor.
14. Election of Board members.
15. Election of the Chairman of the Board.
16. Determination of the number of Auditors and election of Auditor.
17. Resolution regarding guidelines for remuneration to the senior executives.
18. Resolution on authorisation for the Board to resolve on new issues of Class B shares.

RESOLUTIONS PROPOSED BY THE NOMINATION COMMITTEE

The Nomination Committee's proposed resolutions to the 2021 Annual General Meeting will be announced through a separate press release.

RESOLUTIONS PROPOSED BY THE BOARD

Preparation and approval of the voting list (item 2)

The voting register proposed to be approved is the voting register prepared by Euroclear Sweden on behalf of MTG, based on the general meeting share register and received postal votes, confirmed by the persons assigned to verify the minutes.

Election of one or two persons to check and verify the minutes (item 4)

The Board proposes that Ulrik Grönwall, representing Swedbank Robur, and Mats Gustafsson, representing Lannebo Fonder, or, to the extent one or both of them are prevented, any person or persons appointed by the Board, are elected to verify the minutes. The assignment to verify the minutes shall also include verifying the voting list and that the postal votes are correctly reflected in the minutes.

Treatment of MTG's result (item 8)

The Board proposes that MTG's retained earnings, the share premium reserve and the result for the year, a total of SEK 5,298,825,907 is to be carried forward.

Resolution regarding guidelines for remuneration to the senior executives (item 17)

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

Subject to the adoption by the 2021 Annual General Meeting, these Remuneration Guidelines shall be applied to employment agreements entered into after the 2021 Annual General Meeting and to changes made to existing agreements thereafter. These guidelines shall be in force until new guidelines are adopted by the General Meeting. The intention is for the guidelines to remain in place for up to four years, the Board will however propose new guidelines if material changes of the guidelines becomes necessary. These guidelines do not apply to any remuneration decided or approved by the General Meeting such as long-term share or share price related incentive plans and ordinary Board remuneration.

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

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

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

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

Remuneration principles

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

Base salary

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

Short Term Incentive (STI)

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

Extraordinary arrangements

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

Long Term Incentive Programme (LTIP)

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

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

Pension

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

Other benefits

Provides competitive level of benefits and supports recruitment and retention. Other benefits may include car allowance, company car and housing. The combined value of these benefits shall normally constitute a limited value in relation to the total remuneration package and shall correspond to market practice. Additional benefits may be received by Senior Executives in certain circumstances such as relocation or international assignment, taking into account the overall purpose of these guidelines.

Termination of employment and severance pay

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

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

Salary and employment conditions for employees

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

Deviations from the Guidelines

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

Information regarding levels and structure for remuneration within MTG, the Board's Remuneration Report and the auditor's opinion with respect to the application of the guidelines during 2020

For information regarding the application of, and deviation from, the guidelines for remuneration to the Senior Executives during 2020, see both the 2020 Remuneration Report, and the auditor's opinion according to Ch 8 Sec 54 of the Swedish Companies Act regarding the application of the guidelines for remuneration which have applied during 2020 that are available on the company's website www.mtg.com under the heading "MTG's Annual General Meeting 2021" (which can be found under the section "Investors" under the heading "General Meetings").

Authorisation for the Board to resolve on new issues of Class B shares (item 18)

The Board proposes that the Annual General Meeting resolves to authorise the Board to, on one or more occasions during the period up until the next Annual General Meeting, resolve upon the issue of new Class B shares with or without deviation from the shareholders' preferential rights. New issue of Class B shares shall be made on market terms and conditions. Payment may be made in cash, in kind or through set-off.

The purpose of the authorisation, as well as the reason for any deviation from the shareholders' preferential rights, is to enable the company to pursue potential acquisition opportunities as they arise and in line with the company's strategy, including to raise capital for such acquisitions, on - as the case may be - an accelerated basis.

New share issues resolved by the Board using the authorisation shall, in aggregate, represent no more than 15% of the total number of shares in the company at the time when the Board exercises this authorisation for the first time. At least one third (1/3) of this authorisation is intended to be used as payment/consideration in connection with acquisitions (in kind or through set-off), and the remainder may be used for new issues to raise capital for acquisitions.

In a new issue to raise capital – with deviation from the shareholders' preferential rights on an accelerated basis – no single new investor may subscribe for Class B shares representing more than 5% of the total number of shares in the company.

MISCELLANEOUS

Shares and votes

There are a total number of 106,384,776 shares in MTG, whereof 545,662 Class A shares, 105,709,114 Class B shares and 130,000 Class C shares. The total number of votes for all MTG shares is 111,295,734. As per the date of this notice, MTG holds 304,880 Class B shares and 130,000 Class C shares in treasury, which cannot be represented at the Annual General Meeting.

Special majority requirements with respect to the proposed resolution under item 18

A resolution in accordance with item 18 is only valid if supported by shareholders holding not less than two thirds (2/3) of the votes cast as well as the shares represented at the Annual General Meeting.

Documentation

The Nomination Committee's motivated statement regarding its proposal for election of the Board and information on the proposed members of the Board will be available on the company's website www.mtg.com under the heading "MTG's Annual General Meeting 2021" (which can be found under the section "Investors" under the heading "General Meetings") in connection with the announcement of the Nomination Committee's proposed resolutions to the Annual General Meeting through a press release.

The 2020 Annual and Corporate Responsibility Report is available on the company's website www.mtg.com under the heading "MTG's Annual General Meeting 2021" (which can be found under the section "Investors" under the heading "General Meetings") and at the company's premises at Skeppsbron 18 in Stockholm. The Auditor's opinion in accordance with Ch 8 Sec 54 of the Swedish Companies Act (2005:551) regarding whether the guidelines for remuneration to Senior Executives adopted by the Annual General Meeting have been complied with and the Board's Remuneration Report in accordance with Ch 8 Sec 53 a of the Swedish Companies Act (2005:551) will be available on the company's website www.mtg.com under the heading "MTG's Annual General Meeting 2021" (which can be found under the section "Investors" under the heading "General Meetings") and at the company's premises at Skeppsbron 18 in Stockholm, Sweden, no later than 27 April 2021. The documents are presented by being available at the company's premises and on the website. Copies of the documents will also be sent to those shareholders who so request and state their postal or email address. The documents can be ordered by email to info@computershare.se, by post to Computershare AB, "AGM of MTG", P.O. Box 5267, SE-102 46 Stockholm, Sweden or by telephone at +46 (0) 771-246 400.

The general meeting share register will be held available at the company's premises at Skeppsbron 18 in Stockholm, Sweden.

Authorisation

The Board, or the person that the Board will appoint, shall be authorised to make the minor adjustments in the Annual General Meeting's resolutions as may be required in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden.

Stockholm, April 2021

MODERN TIMES GROUP MTG AB (PUBL)

THE BOARD
