



Creating Europe's first fully convergent media and communications provider; new MTG to be a focused global digital entertainment provider

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Modern Times Group MTG AB (publ) ("MTG") has entered into a definitive agreement with TDC A/S ("TDC Group") to combine its Nordic Entertainment and MTG Studios businesses (together "MTG Nordics") with TDC Group, in order to create Europe's first fully convergent media and communications provider with an enhanced and integrated consumer offering. TDC Group will issue new shares and pay cash as consideration for MTG Nordics, and the newly issued TDC Group shares will be distributed to MTG shareholders immediately upon completion of the combination. The combination is expected to create substantial synergies, an improved growth and earnings profile, and higher shareholder returns. Following the combination, MTG will focus its resources on the expansion of its global digital entertainment operations.

Highlights

- The combination of TDC Group and the MTG Nordics operations generates a scale regional player with preliminary combined net sales of approximately DKK 30.6 billion (SEK 40.2 billion) and EBITDA of DKK 9.6 billion (SEK 12.6 billion) for the full year 2017
- MTG is to transfer MTG Nordics on a cash and debt free basis to TDC Group by way of a statutory merger under Danish company law between MTG's subsidiary MTG Nordics A/S and TDC Group in exchange for (i) 309 million newly issued shares in TDC Group, equivalent to 28% of TDC Group's total pro forma outstanding shares¹ (the "Consideration shares") and (ii) a cash amount of SEK 3.3 billion. The Consideration shares will be issued to the shareholders of

¹ Outstanding shares in TDC Group as per the date of this press release (excluding any shares held in Treasury) plus the Consideration shares



MTG immediately upon completion of the combination. MTG shareholders will receive approximately 4.6 TDC Group shares for every MTG share held²

- The combination implies a valuation of MTG Nordics of SEK 19.55 billion on a cash and debt free basis and is based on the latest 10 trading days volume weighted average share price of the TDC Group share. The valuation corresponds to 11.1x FY2017 EBITDA. MTG will also receive an additional cash component corresponding to the pro rata share of TDC Group's announced 2017 dividend of DKK 1.05 per share, equivalent to approximately SEK 430 million in additional cash proceeds to MTG
- The combined company will have a new name and brand, and will provide an attractive integrated consumer offering in Denmark and Norway with a pan Nordic footprint – comprising fixed line and mobile telephony, broadband internet access, TV distribution and streaming services
- The combination is expected to yield annual run rate synergies of approximately DKK 600 million (SEK 790 million), of which DKK 400 million (SEK 530 million) are opex and capex related, and which are expected to be gradually realised over 3 years up to the end of 2021
- The combined company will have an improved financial position (compared with TDC Group) with lower combined leverage of approximately 2.6x net debt/EBITDA at year end 2017 and an improved expected de-leveraging profile. Reflecting this, TDC Group has announced its intention to pay out DKK 1.40 or approximately 50% of projected equity free cash flow for 2018, subject to the closing of the combination
- The combination is expected to be completed during the second half of 2018 and is subject to approval by AGMs of the shareholders of MTG and TDC Group, as well as approvals from relevant regulatory authorities. The AGM of MTG is currently expected to be held during Q2 2018 and the AGM of TDC Group is expected to be held during Q1 2018
- The Boards of Directors of both MTG and TDC Group recommend their respective shareholders to vote in favour of the combination and the resolutions necessary to implement the combination at the upcoming AGMs of MTG and TDC Group respectively
- Kinnevik AB, which owns 20.0% of the capital and 47.6% of the votes in MTG,³ has expressed its full support for the combination, and has undertaken to vote in favour of the transaction and the distribution of shares to MTG's shareholders
- The current CEO of TDC Group, Pernille Erenbjerg, will become the CEO of the new combined company, while MTG Executive Vice President Anders Jensen will become Deputy Group CEO. The other management positions will be confirmed on completion of the combination. TDC Group Chairman Pierre Danon will become Chairman of the combined company. MTG is entitled to nominate two new Board members in TDC Group and MTG CEO Jørgen Madsen Lindemann will be proposed to take up one of these seats

² Calculated on the number of shares outstanding in MTG as of the date of this press release (excluding any shares held in Treasury)

³ Ownership figures includes treasury shares



- Following completion of the combination, MTG will continue to be listed on Nasdaq Stockholm and will primarily comprise a portfolio of high growth digital entertainment operations focused on esports, online gaming and digital video content, as well as other media holdings. MTG is well positioned for the planned continued expansion of its digital entertainment operations, which will be financed by the cash received in consideration for MTG Nordics and the ongoing transformation of MTG
- MTG's Board of Directors will propose the payment of an annual ordinary cash dividend of SEK 12.50 (12.00) per share to the AGM. Thereafter, MTG's dividend policy will be evaluated to reflect the business after completion of the combination. MTG's Board of Directors will, following such an evaluation, recommend a new dividend policy

David Chance, MTG Chairman of the Board, commented: "This combination creates a first of its kind attractive new proposition for both consumers and shareholders in the Nordic region. MTG has a long history of being at the forefront of change, and this combination is further evidence of our commitment to shaping the future of entertainment and creating value for our shareholders. Not only are we creating a leading provider of integrated high quality consumer products in Denmark and Norway, with the opportunity to expand and integrate its existing Nordic operations, but we are also creating the first fully convergent media and communications provider in Europe.

Convergence is a reality and the development of ever improving consumer products requires ever closer and deeper partnerships between content creators and network operators, which is why this combination will provide the brightest future for our Nordic businesses. This combination will create substantial value for MTG shareholders through the synergies, development potential and cash flow generation of the combined large scale entity, as well as through the accelerated and focused development of our exciting and fast growing global digital entertainment operations."

Jørgen Madsen Lindemann, MTG President and CEO, continued: "We have enjoyed a long and successful partnership with TDC Group, so we know each other well and understand the value that this combination will create for all stakeholders. Substantial synergies will be unlocked through the combination, and our joint consumer offering will be better, broader and even more available than ever before. The combined company's growth ambitions will be supported by a strong balance sheet and enhanced cash earnings, investment and distribution capabilities.

Together, we will have an enhanced platform for the development of the Nordic Entertainment and MTG Studios businesses, which have performed so strongly over the past year and will be led into this exciting new combination by MTG's Anders Jensen, who has a successful track record in both the media and communications industries. MTG will then focus entirely on building out and adding to our global esports, online gaming and digital video content operations. The regulatory review of the combination is expected to conclude in the second half of the year, so it is business as usual for now with full focus on MTG's ongoing strategic transformation and profitable growth story."



Pernille Erenbjerg, Group CEO and President of TDC Group, commented: “I am very pleased to be announcing the combination of TDC Group and MTG Nordic Entertainment and MTG Studios. The businesses are highly complementary and will allow us to provide our customers with great quality content and much more flexible next generation entertainment solutions. This company will be the first of its kind in Europe.”

Rationale for the combination

The combination of MTG Nordics with TDC Group will create Europe’s first fully convergent media and communications provider. The companies’ combined and highly complementary networks and products will reach all the 10 million households in the Nordic region. The combination brings together TDC Group’s unmatched direct to consumer offerings in mobile, broadband and TV distribution with MTG Nordics’ content production, broadcasting and streaming services. The combined company will also have a prominent Nordic portfolio of third-party content partnerships. In combination, the two companies will have 2.8 million TV subscribers in Sweden, Denmark, Norway and Finland. Consumers will benefit from some of the markets’ most widely recognised and top performing entertainment brands, including Viasat, Viaplay, Viafree, YouSee Tv & Film and Get Play.

The combined company, which will be the most attractive producer and acquirer of entertainment content in the Nordic region, will secure and invest in the availability of local content through a wide range of linear and on demand storytelling entertainment products. The combined entity also expects to expand its footprint across the Nordic region to provide its integrated product offering in more territories. The combined company will use its extensive customer insights and more than 1,000 technology developers to pioneer next generation’s enhanced, flexible and personalised digital entertainment solutions.

The combined company

TDC Group is the largest telecommunications company in Denmark, with headquarters in Copenhagen. The company is Denmark’s preferred provider of communication and entertainment services in the home and on the move, and is the favourite provider of landline voice, TV, broadband and mobile voice. YouSee, Telmore, Fullrate, Plenti and Blockbuster provide its Danish customers with quick and easy access to a wide range of music, film and TV on all platforms, anytime and anywhere. TDC Business offers integrated solutions that enable Danish B2B customers to communicate more efficiently and optimise their internal communications while communicating with their customers and utilising new technology trends to increase productivity and effectiveness. In Norway, TDC Group supplies TV, broadband, landline voice and mobile voice to households and small enterprises via the B2C company Get and the B2B company TDC Norway.

MTG Nordic Entertainment is the leading Nordic entertainment company and is headquartered in Stockholm. It comprises broadcasting, streaming and distribution operations in Sweden, Denmark, Norway and Finland. These include widely available free TV and pay TV channels, a satellite TV platform, radio stations, subscription and advertising funded digital streaming services, and a broadband offering in Sweden.



MTG has a portfolio of local and international sports rights, content agreements with the major Hollywood and independent studios, and carriage agreements with third party channels and platforms, and commissions its own local productions and original formats. MTG Studios creates, produces and distributes scripted and unscripted TV programmes, commercials, features, events and branded digital content. MTG Studios' nice entertainment group is the preferred content production house in the Nordic region and has global distribution capabilities. MTG Nordic Entertainment and MTG Studios together employ 1,800 people.

The combined company, which will be rebranded to reflect its new scale and offering, will become Europe's first fully integrated media and communications provider. The combined company's preliminary combined net sales for the year ended 31 December 2017 were approximately DKK 30.6 billion (SEK 40.2 billion) with an EBITDA of DKK 9.6 billion (SEK 12.6 billion). The current CEO of TDC Group, Pernille Erenbjerg, will become the CEO of the new combined company, while MTG Executive Vice President Anders Jensen will become Deputy Group CEO. The other management positions will be confirmed on completion of the combination. TDC Group Chairman Pierre Danon will become Chairman of the combined company. MTG is entitled to nominate two new Board members in TDC Group and MTG CEO Jørgen Madsen Lindemann will be proposed to take up one of these seats.

Synergies and value creation

The combination is expected to create significant value for shareholders in the combined company through synergies resulting from the integration of the operations of the two companies. Total annual run rate synergies are estimated to be approximately DKK 600 million (SEK 790 million), of which DKK 400 million (SEK 530 million) consist of identified operating costs and capital expenditure synergies.

The revenue synergies are expected to be generated by reduced churn and extended customer lifetime value from an enhanced and more flexible product offering, tailored product offerings catering to new demographics and an improved position in the digital streaming services market. Utilising the combined company's ability to generate user insights across platforms will also support the introduction of innovative new advertising solutions.

Cost synergies are expected to be achieved in a number of clearly identified areas, including the consolidation of TV and digital streaming services, integration of technology platforms, brand consolidation, and customer acquisition and retention costs efficiency gains. Additional cost synergies are expected from organisational streamlining of common functions. Capital expenditure synergies are expected within the product, technology and TV distribution areas.

The combined company will continue to evaluate additional revenue and cost synergies beyond the current plan through leveraging the combined platform, cross-selling through the combined customer base, and further coordination of production, sales and procurement.

The synergies are expected to be gradually realised over 3 years following completion of the combination and are expected to be fully realised as of the end of 2021. Integration costs of approximately DKK 500 million (SEK 660 million) are expected to



have non-recurring EBITDA and cash flow impact from the completion of the combination in the second half of 2018, with the majority of non-recurring costs impacting the first year after the closing of the combination.

The combination is expected to be accretive to TDC Group's earnings per share and equity free cash flow from the first year after completion of the combination (excluding transaction and integration costs) and accretion is expected to improve further as synergies are gradually realised. TDC Group will also have a stronger and more diversified sales and earnings growth profile.

The combined company will have a stronger financial position and increased financial flexibility from lower leverage – with a combined net interest-bearing debt⁴ to EBITDA of 2.6x for the year end 2017, compared with 2.8x for TDC Group on a stand-alone basis.

The strengthened financial position, together with the accretion of equity free cash flow, will enable the combined company to distribute attractive returns to shareholders while continuing to invest in the continued growth of the combined businesses. Reflecting this, TDC Group has announced its intention to pay out DKK 1.40 or approximately 50% of projected Equity Free Cash Flow for 2018, subject to the closing of the combination.

Preliminary combined financial information

The unaudited financial information for the combined company presented below is based on MTG Nordics' unaudited consolidated financial statements and TDC Group's unaudited consolidated financial statements for the year ended 31 December 2017, and is for illustrative purposes only. The preliminary combined financial information has not been prepared in accordance with IFRS, is not financial pro forma information, and has not been audited or otherwise reviewed by the companies' auditors. Differences in accounting policies or definitions of non-IFRS measures, any purchase price allocation and adjustments related to transaction costs have not been taken into account.

Financial overview – combined company

(DKK million)	TDC Group 2017	MTG Nordics ⁽¹⁾ 2017	Combined 2017
Revenue	20,270	10,293	30,563
EBITDA	8,244	1,344	9,588
Capex	4,488	114	4,602
EBITDA-Capex	3,756	1,230	4,986
<i>EBITDA margin</i>	41%	13%	31%
<i>Cash conversion⁽²⁾</i>	46%	92%	52%

Note: (1) MTG Nordics' figures are converted to DKK using a SEK/DKK exchange rate of 0.76. (2) Cash conversion is defined as EBITDA-Capex divided by EBITDA.

⁴ Interest bearing debt includes 50% of TDC Group's hybrid bond



The transactions between MTG and TDC Group have not been eliminated from the combined income statement information.

Transaction terms

Shares and cash consideration

The combination implies a valuation of MTG Nordics of SEK 19.55 billion on a cash and debt free basis. The market value of TDC Group is based on the latest 10 trading days volume weighted average share price of the TDC Group share and 10 trading days exchange rate average. The transaction will be based on the balance sheet of MTG Nordics as of 31 December 2017, with subsequent cash flows retained by TDC Group. In return, MTG will receive an additional cash component corresponding to the pro rata share of TDC Group's announced 2017 dividend of DKK 1.05 per share, equivalent to approximately SEK 430 in additional cash proceeds to MTG.

The combination is conducted by way of a statutory, taxable merger between TDC Group and MTG's fully owned subsidiary, MTG Nordics A/S, with TDC Group as the surviving entity. In connection with the completion of the combination of MTG Nordics and TDC Group, TDC shall issue 309 million new shares, which are to be listed on Nasdaq Copenhagen, as consideration for the class B shares in MTG Nordics A/S and pay SEK 3.3 billion in cash proceeds to MTG as consideration for the class A shares in MTG Nordics A/S. The B-shares in MTG Nordics A/S will be distributed to MTG's shareholders immediately prior to completion of the combination and exchanged for the listed shares in TDC Group (i.e. the Consideration shares) immediately thereafter. The shareholders of MTG shall, as a condition for closing, at the AGM 2018 approve the combination and a dividend in kind of the B-shares in MTG Nordics A/S to MTG's shareholders to allow for the distribution of the shares from TDC Group to the shareholders. Thus, MTG itself will not receive any shares in TDC Group. The MTG shareholders eligible to receive the MTG Nordics A/S class B shares will be determined by reference to a record date set in connection with the date for closing of the combination. Such record date will be set by the MTG Board of Directors. The cash consideration will be retained by MTG. MTG's shareholders will receive approximately 4.6 TDC Group shares for every MTG share held.⁵ MTG's shareholders' ownership in the combined company at completion of the combination will correspond to approximately 28% of the total pro forma outstanding shares in TDC Group⁶ and the TDC Group shareholders' ownership will amount to approximately 72%. The total outstanding shares in TDC Group following completion of the combination would be 1,112 million.

Shareholder approval

The completion of the transaction is subject to approvals by the AGMs of MTG and TDC Group. The AGM of MTG is currently expected to be held during Q2 2018 and the AGM of TDC Group is expected to be held during Q1 2018.

⁵ Calculated on the number of shares outstanding in MTG as of the date of this press release (excluding any shares held in Treasury)

⁶ Outstanding shares in TDC Group as per the date of this press release (excluding any shares held in Treasury) plus the Consideration shares

**Regulatory process**

The proposed combination is subject to approvals from the relevant regulatory authorities. The combination is expected to close during the second half of 2018.

Board recommendation

The Board of Directors of MTG is unanimously of the opinion that the combination is beneficial to MTG and its shareholders, and recommends MTG shareholders to vote in favour of the combination and the resolutions necessary to implement the combination at its upcoming AGM.

The Board of Directors of TDC Group also unanimously supports the combination and recommends its shareholders to approve the combination.

Shareholder support

MTG's largest shareholder Kinnevik AB, holding in aggregate 20.0% of the shares and 47.6% of the votes in MTG,⁷ has undertaken to vote in favour of the transaction and the distribution of shares to MTG's shareholders. In addition, Kinnevik has undertaken not to sell any shares in MTG, subject to customary conditions and disposals of shares and votes for regulatory purposes, until the distribution of TDC Group shares is completed.

Shareholdings between TDC Group and MTG

TDC Group does not hold or control any shares in MTG, or any other financial instruments that give TDC Group a financial exposure equivalent to a shareholding in MTG. TDC Group has not acquired any shares in MTG during the six months prior to the announcement of the proposed combination. TDC Group has agreed not to acquire any shares in MTG until the completion of the proposed combination.

MTG does not hold or control any shares in TDC Group, or any other financial instruments that give MTG a financial exposure equivalent to a shareholding in TDC Group. MTG has not acquired any shares in TDC Group during the six months prior to the announcement of the proposed combination. MTG has agreed not to acquire any shares in TDC Group until the completion of the proposed combination.

Due diligence

When preparing for the combination, the companies have conducted customary limited due diligence reviews of certain business, financial, commercial and legal information relating to MTG Nordics and TDC Group. With the exception of information included in the respective Q4 2017 reports and TDC Group's guidance for 2018 that were released today, neither TDC Group or MTG have, in connection with the due diligence review, received any non public information which could reasonably be expected to affect the price of either the TDC Group or MTG share.

Applicable law and disputes

The proposed combination shall be governed by and construed in accordance with the laws of Denmark. The courts of Denmark shall have exclusive jurisdiction over any dispute arising out of, or in connection with, the proposed combination and the City Court of Copenhagen shall be the court of first instance.

⁷ Ownership figures includes treasury shares



Other aspects

Further information about the combination and the combined company will be made available in an information brochure to be published by MTG in due time before its upcoming AGM. The information brochure will, in addition to a description of the combination, also describe the business of MTG that will remain with MTG after completion of the combination and the organisation of MTG following the combination.

Preliminary timetable

Date	Activities
Q1 2018	• Notice of TDC Group AGM and TDC Group AGM
Q2 2018	• Notice of MTG AGM, distribution of information brochure to MTG shareholders and MTG AGM
H2 2018	• Expected merger control approvals and closing of the combination
H2 2018	• Distribution of new TDC Group shares to MTG shareholders
H2 2018	• Expected first trading day in new TDC Group shares within a few days following the completion of the combination

Introduction of new MTG

Overview

Following completion of the combination, MTG will continue to be listed on Nasdaq Stockholm. MTG will primarily comprise a portfolio of hyper growth digital entertainment operations focused on esports (ESL, DreamHack and ESEA), online gaming (InnoGames and Kongregate) and digital video content (Zoomin.TV and Splay), as well as shareholdings in other media holdings (Nova Broadcasting Group in Bulgaria, BITKRAFT and Engage Digital Partners) and MTG's own venture fund. MTG intends to further develop and expand its portfolio with a flexible buy and build strategy centred around key digital entertainment verticals. MTG will therefore be the only publicly traded pure play esports, online gaming and digital video content company in the Western hemisphere. The executive team has extensive and wide experience years of combined experience in the entertainment industry.

The planned continued expansion of the digital entertainment operations, including potential continued M&A activity, is to be financed by the cash received from TDC Group in consideration for MTG Nordics and by the ongoing transformation of MTG. MTG's Board of Directors will propose the payment of an annual ordinary cash dividend of SEK 12.50 (12.00) per share to the AGM. Thereafter, MTG's dividend policy will be evaluated to reflect the business after completion of the combination. MTG's Board of Directors will, following such an evaluation, recommend a new dividend policy.

Preliminary financial information

The unaudited financial information for the new MTG presented below is based on unaudited consolidated financial statements for MTG less MTG Nordics' unaudited consolidated financial statements for the year ended 31 December 2017 and is for



illustrative purposes only. The financial information is based on a hypothetical situation and should not be viewed as formal pro forma financial information.

Financial overview – new MTG

(SEK million)	2017	Adjustments	Adjusted 2017
Continuing operations			
Net sales	17,537	-13,345 ⁽²⁾	4,192
EBITDA before IAC	1,584	-1,761 ⁽²⁾	-177
Operating income before IAC	1,264	-1,607 ⁽²⁾	-343
Items affecting comparability (IAC) ⁽¹⁾	-340	-6	-347
Operating income	923	-1,613 ⁽²⁾	-690
Net Debt	1,812	-3,684 ⁽³⁾	-1,872
Equity	6,572	135 ⁽⁴⁾	6,707
Net Debt / EBITDA	1.1x		n.m

Note: (1) Items affecting comparability primarily relating to the impairment of Zoomin.TV and revaluation of option and earn-out liabilities. (2) The income statement has been prepared by deducting each line item with items of revenue or expense in MTG Nordics (i.e. Nordic Entertainment, MTG Studios and shared functions included in the combination) as if the combination had taken place on 1 January 2017. The net capital gain from the combination is not included in the income statement. (3) The balance sheet has been adjusted for the capital employed in MTG Nordics by deconsolidating MTG Nordics as of 31 December 2017 in exchange for a total consideration amounting to SEK 19.55 billion. MTG Nordics is transferred on a net debt free basis. The cash consideration, amounting to SEK 3.3 billion including MTG's pro rata share of TDC Group's announced dividend to be paid out in 2018 amounting to approximately SEK 430 million, is shown as a decrease in net debt. (4) The equity of MTG Group is presented after the net effects of the divestment of MTG Nordics.



Net sales and operating income per business segment

(SEK million)	2017	Adjustments	Adjusted 2017
Net sales			
Nordic Entertainment	11,961	-11,961 ⁽¹⁾	-
International Entertainment	1,189	-	1,189
MTG Studios	1,832	-1,832 ⁽¹⁾	-
MTGx	2,964	-	2,964
Central operations	190	-106 ⁽¹⁾	84
Eliminations	-599	554 ⁽¹⁾	-45
Total net sales	17,537	-13,345	4,192
Operating income before IAC			
Nordic Entertainment	1,574	-1,574 ⁽¹⁾	-
International Entertainment	176	-	176
MTG Studios	68	-68 ⁽¹⁾	-
MTGx	-170	-	-170
Central operations & eliminations	-384	35 ⁽¹⁾	-349
Total operating income before IAC	1,264	-1,607	-343
Items affecting comparability (IAC)	-340	-6 ⁽¹⁾	-347
Total operating income	923	-1,614	-690

Note: (1) Net sales and operating income by segment has been prepared by deducting the net sales and operating income of MTG Nordics (i.e. Nordic Entertainment, MTG Studios and a few shared functions included in the combination) as if the combination had taken place on 1 January 2017. In this process, intercompany eliminations have also been adjusted.

Financing

A revolving credit facility of SEK 4 billion, with maturity mid 2019, has been arranged and underwritten by SEB and Nordea. This facility will replace the existing revolving credit facility of SEK 5.5 billion that matures in December 2018. The purpose of this facility is to secure back-up financing for the commercial paper program and to refinance existing debt as well as for general corporate purposes during the period before regulatory approvals and the closing of the transaction. The facility is based on the existing LMA documentation for the 2013 RCF, keeping the same financial covenants and general conditions in all material aspects.

Other information

Please find all available material related to the combination [here](#).

MTG will co-host a joint conference call with TDC Group to present the combination today at 09:00 CET. To participate, please register on this [link](#) (phone number and access code will be received upon registration). To ensure that the conference call starts on time, please register 5-10 minutes before the scheduled start time. The conference call will also be available live in 'listen-only' mode at mtg.com via this [link](#).

TDC Group and MTG will also host a press conference in Copenhagen today at 10.15 CET at Jenagade 22. Registration to participate is not required. The press conference will also be available live at mtg.com via this [link](#).



Advisers

SEB Corporate Finance is acting as financial adviser to MTG, with Bech-Bruun Law Firm P/S and Gernandt & Danielsson Advokatbyrå KB acting as legal advisers. Credit Suisse International is acting as financial adviser to the MTG Board of Directors.

NOTES TO EDITORS

MTG (Modern Times Group MTG AB (publ)) is a leading international digital entertainment group and we are shaping the future of entertainment by connecting consumers with the content that they love in as many ways as possible. Our brands span TV, radio and next generation entertainment experiences in esports, digital video content and online gaming. Born in Sweden, our shares are listed on Nasdaq Stockholm ('MTGA' and 'MTGB').

This information is information that MTG is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 07.30 CET on 1 February 2018.

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This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States unless they are registered or are exempt from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States would be made by means of a prospectus that will contain detailed information about the relevant company and its management, as well as financial statements. Copies of this press release are not being, and should not be, distributed in or sent into the United States.

This press release has been published in Swedish and English. In the event of any discrepancy between the two language versions, the English version shall prevail.

Note about preliminary combined financial information and basis of preparation

The preliminary combined financial information presented in this press release is for illustrative purposes only. The preliminary combined financial information has not been



prepared in accordance with IFRS and is not financial pro forma information, and has not been audited or otherwise reviewed by the companies' auditors. Differences in accounting policies or definitions of non-IFRS measures have not been taken into account. Financial information for MTG and TDC Group have been based on unaudited reported financial information. The preliminary combined financial information is based on hypothetical estimates and should not be viewed as formal pro forma financial information.

Forward-looking statements

Statements in this press release relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and the other consequences of the combination, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "is planned", "will", "maybe will", "shall", "should", "expects", "is intended", "is deemed", "is expected", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of MTG. Any such forward-looking statements speak only as of the date on which they are made and MTG has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except as required by laws and regulations applicable to the combination. Additionally, there can be no certainty that the proposed combination will be completed in the manner and timeframe described in this press release, or at all.