

January 15, 2019

## Exchange Notice

### Derivatives – Product Information 03/19

## Anticipated adjustment due to share distribution in MTG

The following information is based on a press release from Modern Times Group AB (MTG) published on January 15, 2019 and may be subject to change.

The board of MTG has proposed that the Extraordinary General Meeting (EGM) scheduled for February 7 2019, resolves on a distribution of shares in newly formed company Nordic Entertainment Group (NENT), whereby one (1) share of MTG will entitle its holder to one (1) share of NENT. The Ex-date is yet to be determined. Provided that the general meeting approves the proposed share distribution and other regulatory conditions are fulfilled, NASDAQ Derivatives Markets will carry out a re-calculation of options, forwards and futures in MTG (MTGB).

### **Alt. 1 Re-calculation of stock options, forwards and futures (applicable if NENT is listed or will be listed in a near future of the Ex-date)**

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Conditions	Distribution of one (1) NENT share for every one (1) share held in MTG.
Ex-date	TBD
Re-calculation method	Basket Method, the new Contract shall consist of MTG shares as well as newly formed company's shares in accordance with the conditions of the share distribution. The Settlement value of the Basket contract will be the combined value of the underlying shares.
New exercise and forward/futures price	The exercise price and forward/future price will not be affected at the time the Contract is re-calculated to a Basket Contract.
New contract size	100 MTG shares and 100 NENT shares
Date of re-calculation	TBD

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Rules and Regulations of NASDAQ 3.5.3.5  
Derivatives Markets

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**Alt. 2 Re-calculation of stock options, forwards and futures (applicable if NENT is not listed in a near future of the Ex-date)**

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<b>Alternative 2.1.</b> Adjustment factor	$A = (\text{VWAP cum}^1 - R^2) / \text{VWAP cum}$
<b>Alternative 2.2.</b> Adjustment factor	$A = \text{VWAP ex}^3 / \text{VWAP cum}$
New exercise and forward/futures price	Old exercise and forward/futures price * A
New contract size	Old contract size / A
Date of re-calculation	TBD

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Rules and Regulations of NASDAQ 3.5.3.5, 3.5.2.1.2, 3.5.1.12  
Derivatives Markets

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$\text{VWAPcum}^1$  = volume weighted average price at the day prior to the ex-day (8 decimals are used)

$R^2$  = Value of the right to participate per contract share based on valuation from at least 5 market participants

$\text{VWAPex}^3$  = volume weighted average price on the ex-day

**Exercise and trading ban**

If NENT is not listed on the Ex-date or in the near future of the Ex-date or if less than five valuations from market participants are received, the options, forwards and futures contracts in MTG will be suspended for trading and exercise from the Ex-date to the re-calculation date.

Further information regarding the re-calculation of the options, forwards and futures contracts will be published as soon as more information is available.

*Members are encouraged to ensure that clients are aware of the above-mentioned adjustment.*

For further information concerning this exchange notice please contact Julius Simulionis or Sandra Zemaityte telephone + 46 8 405 69 70.



NASDAQ Derivatives Markets

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