

The Swedish Tax Agency's general advice (*Sw. allmänna råd*)

The Swedish Tax Agency's general advice on dividend value and acquisition cost of shares with respect to Kinnevik AB's distribution in 2018 of shares in Modern Times Group MTG AB.

The Swedish Tax Agency decides upon the following general advice on dividend value and acquisition cost of shares with respect to Kinnevik AB's distribution of shares in Modern Times Group MTG AB.¹

Dividend income shall be reported in the capital income category according to Ch. 42 Sec. 1 of the Swedish Income Tax Act (*Sw. inkomstskattelagen*) (1999:1229).

General advice:

A dividend of SEK 313 has been received for each twenty one share held in Kinnevik AB.
Each share in MTG AB should be deemed acquired for SEK 313.

This general advice is applicable as of fiscal year 2018.

¹ For further information please see the Swedish Tax Agency's notice SKV M 2018:14

The Swedish Tax Agency's notice (*Sw. meddelande*)

The Swedish Tax Agency's notice on dividend value and acquisition cost of shares with respect to Kinnevik AB's distribution of shares in Modern Times Group MTG AB in 2018.

The MTG Distribution

Kinnevik AB, reg. no 556047-9742 (Kinnevik) has stated as follows.

On 16 July 2018, an extraordinary general meeting in Kinnevik decided to distribute class B shares in Modern Times Group MTG AB, reg. no 556309-9158 (MTG) to Kinnevik's shareholders.

For each twenty one share held in Kinnevik one share in MTG was received. Record date to receive shares in MTG was 10 August 2018.

The shares were available on the shareholders securities accounts (*Sw. värdepapperskonton*) 14 August 2018.

Shareholders who on the record date did not hold an amount of Kinnevik shares that entitled the holder to a whole number of MTG shares received an equivalent right to 1:21 share in an MTG share for each Kinnevik share. Such rights were added together and sold on behalf of the shareholders, whereupon the funds received were paid out to the shareholders in question.

An additional 402,419 shares were sold on behalf of the shareholders whereupon the funds received were allocated amongst the shareholders based on number of shares held in Kinnevik at the record date. The amount of shares in Kinnevik that entitled the holder to this distribution was 275,130,169.

Tax rules

The benefit of receiving shares free of charge is taxed as dividend income for the shareholder. Kinnevik has stated that the distribution of MTG should be regarded as such a taxable transfer. The dividend value equals the market value of the shares received when the shareholder receives access to the shares. The shares received shall be considered as acquired at a price equal to that value.

The calculation

The shareholders in Kinnevik received access to the shares in MTG on 14 August 2018. The lowest price for MTG shares at that date was SEK 313.

For each 21 shares in Kinnevik, the shareholders should be deemed to have received a dividend of SEK 313. An amount equal to SEK 0.45 per share ($402,419 * 313 / 275,130,169$) should further be added to the dividend.

Each MTG share should be deemed acquired for SEK 313.

The Swedish Tax Agency has published general advice on dividend value and acquisition cost, see SKV A 2018:21