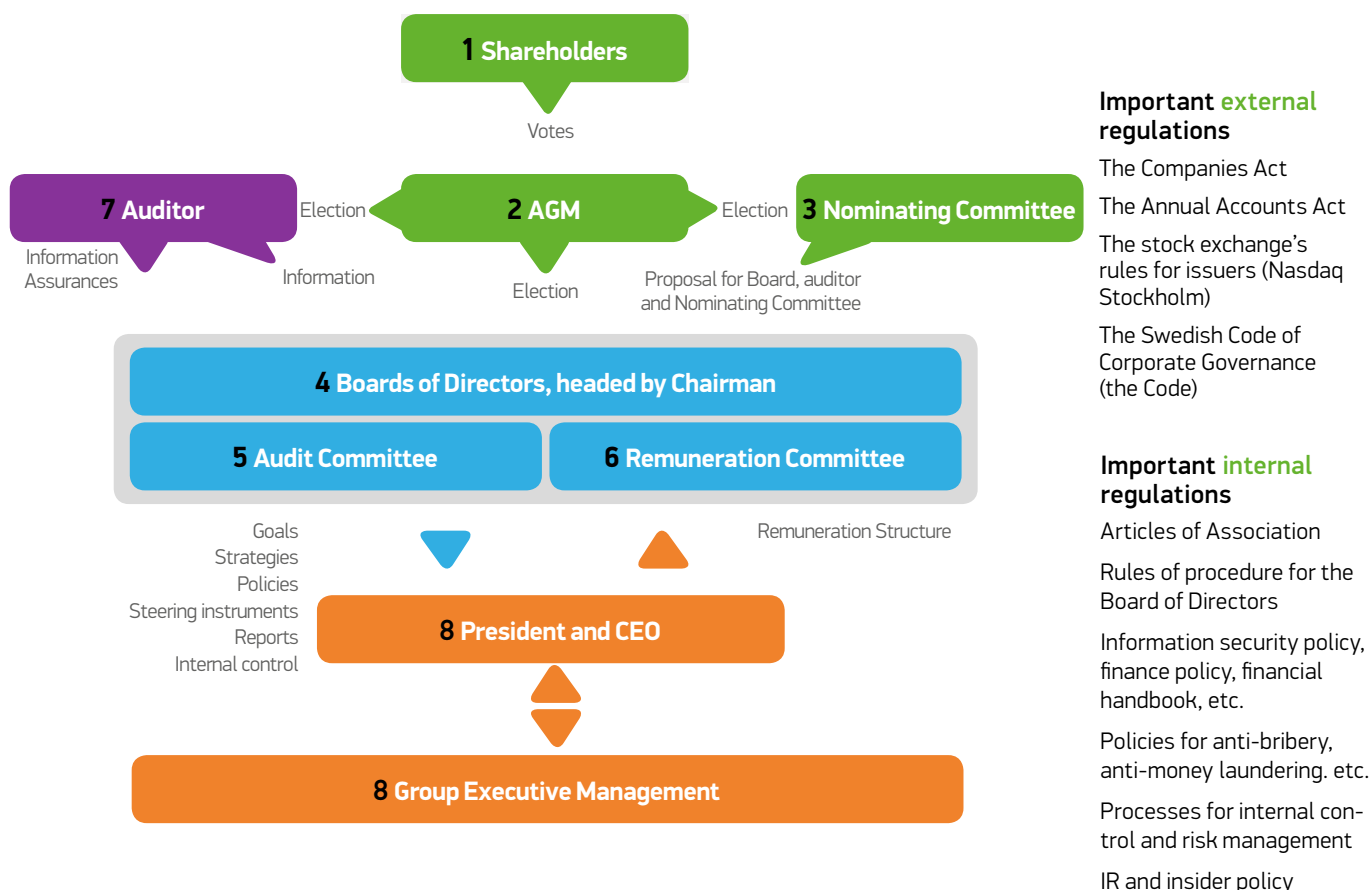


Corporate governance report

NetEnt AB (publ) is a Swedish public limited liability company listed on Nasdaq Stockholm. The Company applies the stock exchange’s rules for issuers and the Swedish Code of Corporate Governance (the Code), and hereby submits the 2016 corporate governance report. The report has been prepared in accordance with the Swedish Companies Act, the Annual Accounts Act, the Code and other applicable Swedish and foreign laws and regulations. NetEnt has no deviations to report. The report is part of the administration report and has been audited by the Company’s auditor. The audit is reported in the auditor’s report on page 102.

CORPORATE GOVERNANCE MODEL FOR THE NETENT GROUP



Basis for corporate governance

NetEnt applies strict standards and efficient processes so that its entire operations create long-term value for shareholders and other stakeholders. This requires maintaining an efficient organizational structure, internal control and risk management systems, and transparent internal and external reporting. There have been no material changes in corporate governance from the preceding year.



1 Shares and shareholders

The total number of shares is 240,130,860, divided between 33,660,000 A shares and 206,470,860 B shares, equal to a total of 543,070,860 votes. One A share grants entitlement to ten votes and one B share grants entitlement to one vote when voting at a general shareholder meeting. The two classes of shares grant equal rights to participate in the company's assets and profits. At a general shareholder meeting, shareholders may vote for the full number of shares represented. Holders of A shares are entitled to convert one or more A shares to B shares by written request to the Board of Directors, within the limits of the maximum number of B shares that may be issued according to the Articles of Association. At December 31, 2016, the number of shareholders was 11,617. The largest shareholders at the end of 2016 were Per Hamberg with 6.3 percent of the share capital and 19.7 percent of the votes and Rolf Lundström with 6.5 percent of the share capital and 14.3 percent of the votes. The ten largest shareholders represented 39.2 percent of the share capital and 73.2 percent of the votes in the company.

2 Annual General Meeting

The Annual General Meeting (AGM) is NetEnt's highest governing body through which the shareholders exercise their influence in the company. The AGM of the company is held within six months from the end of the financial year. The date, time and location are announced no later than in connection with the third quarter earnings report. Information about how a shareholder can have a matter addressed at the meeting, and by which date such a request must be received by the company in order to ensure it is

taken up at the AGM, is announced on NetEnt's website no later than when the third quarter earnings report has been published. Notice of the AGM is announced at least four weeks prior to the meeting, and will subsequently be available on the Company's website.

To be entitled to vote at the AGM, shareholders must be recorded in the share register on the fifth business day before the meeting, including Saturdays that are not Swedish public holidays, and must notify the company of their participation no later than the date stated in the notice of the meeting. Shareholders who cannot attend in person may participate through a proxy representative.

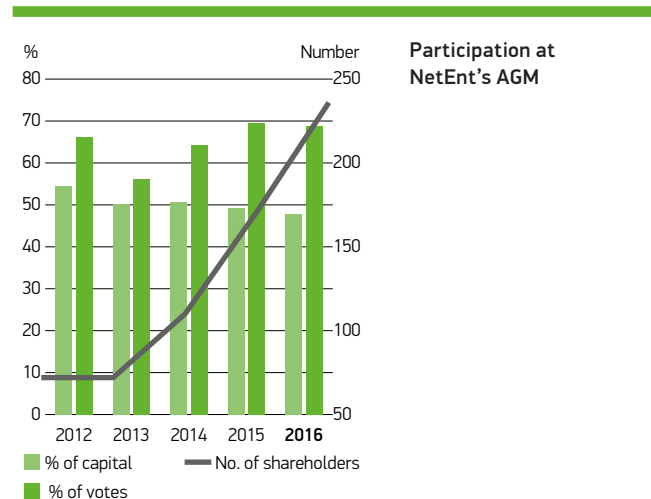
Decisions at the meeting are normally made by a simple majority of votes. However, certain types of resolutions require approval by a higher proportion of the votes and shares represented at the meeting, according to the Swedish Companies Act. Extraordinary General Meetings may be held as needed.

2016 Annual General Meeting

The 2016 AGM was held on April 21 at Berns in Stockholm. The meeting was attended by shareholders representing 68.8 percent of all votes and 47.7 percent of all shares. All members of the Board of Directors, the Company's auditor, the CEO and a number of other senior executives attended the AGM. One of the Nominating Committee's three members was present. The AGM passed resolutions on customary matters and on a cash distribution to shareholders of SEK 8.00 per share in the form of an automatic redemption procedure, as well as a 6-for-1 share split in connection with this. Furthermore, the AGM resolved on a new incentive scheme with stock options for all employees in the company – see page 92 and Note 11 for more details about the stock option program.

The AGM decides on:

- Adoption of the annual financial statements and consolidated financial statements
- Appropriation of profit and dividend
- Discharge from liability for the Board of Directors and CEO
- Election of Board members and, where appropriate, auditors
- Remuneration for the Board and auditors
- Guidelines for remuneration to senior executives
- Any other issues (important or formal)



For more information about the 2016 AGM, visit NetEnt's website (www.netent.com/en/annual-general-meeting-2016), where all documents for the AGM are available, including the minutes of the meeting and the Articles of Association.

2017 Annual General Meeting

The 2017 AGM will be held on April 21, at 3:00 p.m., at Berns in Stockholm. Notice of the meeting will be provided on the Company's website (www.netent.com/agm) well ahead of the meeting, together with all required documents for the AGM.

3 Nominating Committee

The AGM decides on the procedures for appointment of the Nominating Committee. The AGM in April 2016 decided that the Chairman of the Board, Vigo Carlund, shall convene a Nominating Committee consisting of one representative from each of the three largest shareholders at August 31, 2016, who, together with the Chairman of the Board, shall be members of the Nominating Committee ahead of the AGM 2017. The composition of the Nominating Committee is based on the excerpt from Euroclear of registered shareholders, and other reliable ownership information as of the last business day in August. The new Nominating Committee was presented in a press release in September 2016 and consists of John Wattin, chairman (appointed by the Hamberg family), Christoffer Lundström (appointed by Provobis Property & Leisure AB), Fredrik Carlsson (appointed by the Knutsson family) and Vigo Carlund (Chairman of the Board of Directors).

The Nominating Committee has prepared proposals to the 2017 AGM for resolutions regarding the chair of the meeting, the Chairman of the Board and other members of the Board of Direc-

tors, auditors where appropriate, remuneration for the Board of Directors and the auditors, as well as principles for appointing the Nominating Committee. The Nominating Committee's mandate period runs until the new Nominating Committee has been appointed, in accordance with the decision on appointment of the Nominating Committee passed by the 2017 AGM. The composition of the Nominating Committee meets the Code's requirements for independent members. Following the 2016 AGM and until the end of the year, the Nominating Committee met twice.

NOMINATING COMMITTEE AHEAD OF THE 2017 AGM

In its work, the Nominating Committee is responsible for making accurate assessments with regards to the composition of the Board, and has among other things reviewed the evaluation of the Board and its performance and the Board Chairman's report on the company's operations, goals and strategies. The Nominating Committee has furthermore analyzed the skills and experience found among the members of the Board of Directors, as well as the gender balance, and has compared these to the identified needs. The Nominating Committee's assessment is that the members of the Board have wide-ranging skills and extensive experience from business activities, technology, the gaming industry and the financial markets. The Board of Directors currently consists of two women and six men.

The Nominating Committee's proposal, its justified opinion on the proposed Board of Directors, and supplementary information regarding the nominated members of the Board of Directors are announced in connection with the notice of the AGM, and will be presented at the 2017 AGM together with a report on the Nominating Committee's work.

Members of the Nominating Committee

John Wattin (appointed by the Hamberg family)
 Christoffer Lundström (appointed by the Lundström family)
 Fredrik Carlsson (appointed by the Knutsson family)
 Vigo Carlund, Chairman of the Board

The duties of the Nominating Committee include submitting proposals to the next AGM regarding:

- Chair of the meeting
- Members of the Board of Directors
- Chairman of the Board of Directors
- Board fees
- Remuneration for committee work
- Amendments to the instructions for the Nominating Committee, if needed
- Auditor and audit fees when decisions are to be made on this at the following AGM

At the AGM in 2016, the following members were elected

Attendance at meetings in 2016	Board	Audit Committee	Remuneration Committee
Vigo Carlund, Chairman	13 of 13	–	1 of 1
Pontus Lindwall	13 of 13	–	1 of 1
Fredrik Erbing	13 of 13	5 of 5	1 of 1
Maria Redin	13 of 13	5 of 5	1 of 1
Mikael Gottschlich	13 of 13	–	1 of 1
Peter Hamberg	13 of 13	–	1 of 1
Michael Knutsson	13 of 13	–	1 of 1
Jenny Rosberg	13 of 13	5 of 5	1 of 1



4 Board of Directors

Duties of the Board

The Board of Directors has overarching responsibility for NetEnt's organization and administration by establishing business goals and strategies, evaluating the executive management and securing systems for monitoring and control of established goals. It is also incumbent upon the Board of Directors to ensure that there is sufficient control over the company's compliance with laws and other regulations applicable to the company's business, and that essential ethical guidelines are established for the company's conduct. The Board of Directors shall furthermore ensure that the company's communication is accurate, relevant, reliable and transparent. Between AGMs, the Board of Directors is the company's highest governing body.

Composition of the Board

The Board of Directors is elected by the shareholders at the AGM with a mandate period extending from the AGM until the end of the following AGM. NetEnt's Articles of Association do not contain specific provisions on the appointment and dismissal of Board members. According to the Articles of Association, the Board of Directors shall consist of three to nine directors with no deputies. The AGM decides the exact number of directors. The members of the Board of Directors shall devote necessary time and attention to NetEnt, and shall acquire the knowledge needed to safeguard the interests of the company and its shareholders.

Independence

The Board of Directors is considered to meet the independence requirements. Peter Hamberg is not independent in relation

to major shareholders because he is a close relative of one of the company's largest shareholders. Michael Knutsson is not independent in relation to the major shareholders because he is a large shareholder in the company. Pontus Lindwall is not independent in relation to the company as he is Chairman of Betsson AB, a customer of NetEnt.

Rules of procedure and Board meetings

The work of the Board of Directors is regulated by the rules of procedure, in addition to laws and recommendations. The rules of procedure are adopted by the Board of Directors and reviewed annually. The rules of procedure are divided into different sections to clarify and regulate the Board of Directors' work and duties. The sections consist of the Board of Directors' rules of procedure and instructions for the CEO and Audit Committee. The Remuneration Committee consists of the entire Board of Directors.

The rules of procedure cover the Board's general obligations, the distribution of duties within the Board, how Board meetings shall be recorded and the provision of information to the Board of Directors before and between Board meetings. Before each Board meeting, members receive written documentation about the matters to be discussed at the Board meeting. Further, each month, a monthly report is distributed on operational and financial performance.

Board Chairman

The Chairman of the Board of Directors is appointed by the AGM. The task of the Chairman is to organize and oversee the work of the Board of Directors so that it is conducted efficiently, and that the Board of Directors honors its obligations. Vigo Carlund was appointed Chairman of the Board of Directors by the 2016 AGM.

Board remuneration as decided by the AGM 2014–2016, SEK thousands

	2016	2015	2014
Board Chairman	630	610	600
Chair of the Audit Committee	370	330	320
Members of the Audit Committee	295	255	250
Members of the Board of Directors	275	255	250

The Board addresses and decides on group-wide matters such as:

- Principal goals
- Strategic focus
- Material matters pertaining to financing, investments, acquisitions and divestments
- Monitoring and control of operations, provision of information and organizational matters, including evaluation of the Group's executive management
- Appointment of and, if needed, dismissal of the CEO of the company
- Approval of financial reports and appropriation of profits
- Overall responsibility for efficient internal control and risk management systems
- Key policies (see page 62)

The duties of the Chairman include ensuring that:

- new Board members undergo the necessary introductory training
- the Board regularly updates and deepens its knowledge of the company, industry, and its performance
- the Board of Directors discharges its duties
- the Board of Directors receives adequate information and underlying materials for decision-making
- Board decisions are efficiently executed
- the Board conducts an evaluation of its own performance and that the Nominating Committee is informed of the evaluation
- together with the CEO, the agenda of Board meetings is adopted
- contact with the owners occurs regularly and the opinions of the latter are communicated to the Board of Directors. In addition, the Chairman shall serve as support for the CEO

Board work in 2016

The Board's rules of procedure describe which items shall be on the agenda of each Board meeting, the annual cycle of items over the financial year, and the agenda for statutory Board meetings. In 2016 the Board held 13 meetings, including the statutory meeting, three for adoption of interim reports and one for adoption of the year-end report. Two meetings were held per capsulam.

All meetings held during the year followed an agenda, which together with the documentation for each item on the agenda was provided to the Board members ahead of the Board meetings. Present at Board meetings are also the CEO and the CFO, who records the minutes. The CEO reports on operational performance at each ordinary Board meeting, and the CFO reports on financial performance. In addition, various senior executives, and auditors if needed, deliver presentations on various specific topics.

The key points at the Board meetings in 2016 were matters related to strategy, taxes, business risk management processes, approval of the business plan, budgets, forecasts, key policies such as anti-bribery and anti-money-laundering, the annual report, year-end report and interim reports. Other matters handled by the Board were an incentive scheme for employees, financial targets and the finance policy.

Assuring the quality of the financial reporting

The rules of procedure annually resolved by the Board contain detailed instructions regarding which financial reports and financial information shall be submitted to the Board. Besides the year-end report, interim reports and annual report, the Board reviews and evaluates comprehensive financial information, relating both

to the Group as a whole and the various Group entities.

The Board also reviews, primarily through the Board's Audit Committee, the most material accounting policies applied in the Group for financial reporting, as well as material amendments to reporting policies. Minutes are recorded at all Audit Committee meetings and the minutes are available to all Board members and to the auditors.

At the Board meeting in February 2016, Auditor in Charge Erik Olin from Deloitte, presented his conclusions from the 2015 audit. At the meeting, the members of the Board had the opportunity to ask the auditor questions without the presence of the company's management.

Evaluation of Board performance

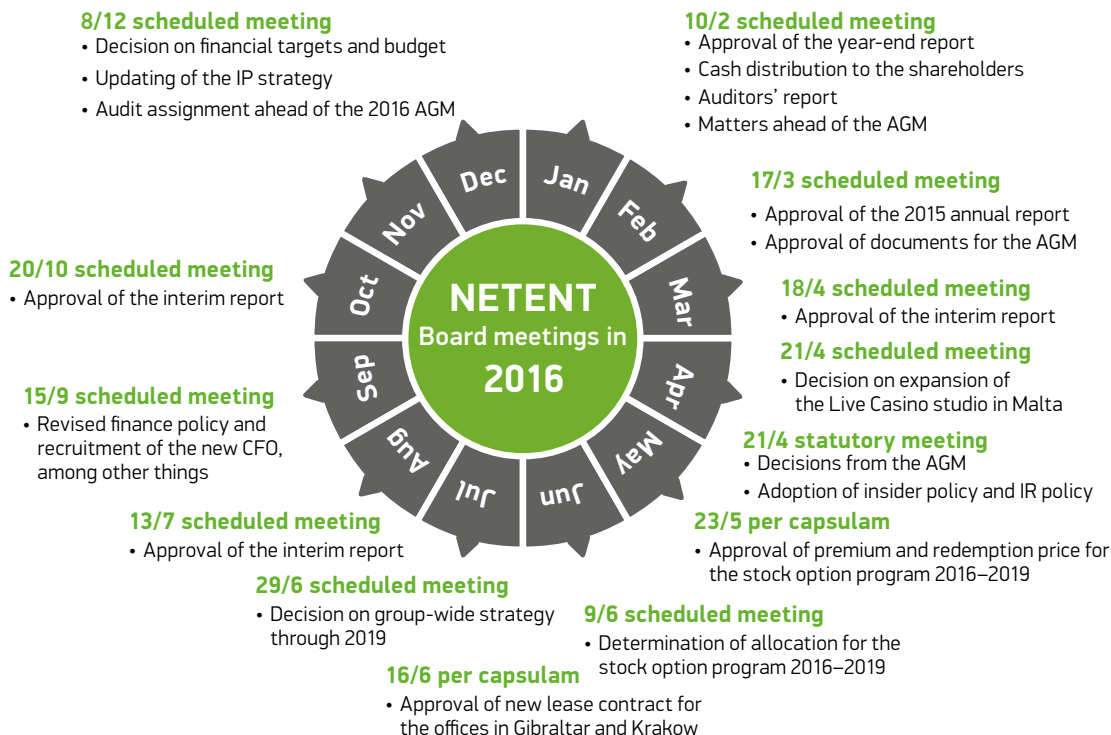
Every year, the Chairman of the Board evaluates the work of the Board through a systematic and structured process with the purpose of developing the Board's work and efficiency. The Board evaluation includes rating the competence and dedication exhibited by each Board member. The Board of Directors continuously evaluates the performance of the CEO and the Board addresses this matter without the presence of any member of the company's management.

Board remuneration

Remuneration for the Board of Directors is proposed by the Nominating Committee, resolved by the AGM, and is paid to Board members who are not employed by the company. Financial information regarding remuneration for the Board of Directors by financial year is shown in the table on page 65.

Board meetings in 2016

Recurring items at scheduled Board meetings have been the status report from the CEO, feedback from the Committees, the risk report, financial report and other current projects and matters, including addressing forecasts, policies and taxes.





BOARD COMMITTEES

5 Audit Committee

The Audit Committee is responsible for monitoring and quality assurance of the company's financial reporting. With regards to financial reporting, the Audit Committee monitors the efficiency of the Company's internal controls and risk management. The Committee stays informed about the audit of interim reports, the annual financial statements and the consolidated financial statements, reviews and monitors the auditor's impartiality and independence and evaluates the services that the auditor provides to the company, particularly if the auditor provides the company with services other than auditing. The Committee is also responsible for the Board's ongoing communication with the Company's auditors, establishing guidelines for services that may be procured by the auditors in addition to the audit, evaluation of the audit process, advising the Nominating Committee when preparing auditor proposals, and fees for the audit assignments.

Furthermore, the Committee has established an annual plan for its work and an updated risk analysis for the business with a special focus on financial reporting and the link to internal controls. The Committee has also approved the auditor's audit plan, read and evaluated the auditor's review, evaluated the internal controls and the process improvements carried out by the company in that regard. During the year, an internal audit was performed by EY based on an earlier risk analysis. The internal audit was conducted by controlling all existing internal processes with the aim of assuring the quality of the financial reporting. In

addition, the Committee has dealt with the finance policy, the financial handbook and other policies and accounting matters, including sustainability reporting.

The Audit Committee met five times during the year and the auditor took part in all meetings.

6 Remuneration Committee

The Remuneration Committee is responsible for matters regarding remuneration and benefits for senior executives, including the CEO, and matters of principle for all senior executives. The Board of Directors establishes guidelines for senior executive remuneration that are presented to and approved by the AGM. The guidelines for remuneration to senior executives are monitored and evaluated annually, including variable remuneration programs for the company's management that are ongoing or ended during the year. The current remuneration policy is attached to the AGM minutes, which are available on the website.

The Remuneration Committee consists of all eight Board members. The Board Chairman is the chair of the Committee. All members were independent in relation to the company except for Pontus Lindwall Lindwall, as he is Chairman of Betsson AB, which is a customer of NetEnt. However, Pontus Lindwall did not participate in any decisions in which he could be considered biased.

The Remuneration Committee met once in 2016.

Members of the Audit Committee

Fredrik Erbing (Chair)
Maria Redin
Jenny Rosberg

The duties of the Audit Committee include:

- Reviewing the financial reports
- Monitoring the efficiency of internal control, including risk management, with respect to financial reporting
- Staying informed about the external audit
- Reviewing and, as appropriate, granting prior approval when external auditors are appointed for assignments other than audit services
- Evaluating the objectivity and independence of external auditors
- Follow-up on previous matters

Auditor

The AGM on April 21, 2016, elected Deloitte AB as the company's independent auditor for the period until the 2017 AGM.

Erik Olin
Auditor in Charge.
Born: 1973.

Auditor for the company since 2015.
Authorized Public Accountant and member of FAR SRS.

Other audit assignments: Rezidor Hotel Group, CLX Communications, IAR Systems, TeliaSonera Sverige and Microsoft Sverige

The duties of the Remuneration Committee include:

- Preparing and evaluating guidelines for remuneration to the Group Management
- Preparing and evaluating goals and policies for variable remuneration
- Preparing terms and conditions for pensions, termination of employment, severance pay and other benefits for the company's management
- Preparing and evaluating NetEnt's long-term incentive scheme

7 Auditor

Auditors are elected by the AGM and they review the company's accounts and administration on behalf of the AGM. According to the Articles of Association, NetEnt AB (publ) shall have one or two auditors. Deloitte AB was elected auditor at the AGM in April 2016 for the period until the 2017 AGM and Erik Olin was appointed as Auditor in Charge. The auditor has presented his conclusions of the synoptic review of the interim report for January – September 2016, the audit for the full year 2016 and internal control to both the Audit Committee and the Board of Directors. The auditor also met with the Board of Directors and the Audit Committee without the presence of anyone from the company's management. In addition to the audit, the auditor has had a limited number of other assignments for the company. These have included audit-related services concerning accounting and reporting, as well as assistance in preparing the company's tax returns. Remuneration for the auditor is set out in Note 24 on page 98.

8 CEO and Group Management

NetEnt's Group Management has solid experience and works to create a platform for profitable growth, in line with NetEnt's strategy. Aside from the CEO, the Group Management includes seven more people, four of whom are women.

A dynamic Group management team with in-depth knowledge about industry conditions is crucial for achieving profitable growth.

The CEO is appointed by and receives instructions from the Board of Directors. In turn, the CEO appoints the other Group Management members and is responsible for ongoing administration of the Group's operations in accordance with the guidelines and instructions of the Board. Group Management meetings are held bi-weekly to review results, update forecasts and plans, and to discuss strategic matters.

Instructions for the CEO

The Board of Directors has prepared and adopted instructions regarding the CEO's duties and responsibilities, as well as obligations towards the Board of Directors. The CEO is responsible for managing and developing the company and running the ongoing administration of the company's affairs within the framework set out in the Swedish Companies Act, the company's strategic plan, the instructions for the CEO, and the guidelines and instructions provided by the Board. Internally, the CEO shall monitor to ensure that the company's organization is professional and effective, ensure that the internal controls are appropriate and efficient, implement the company's strategy and goals and discuss and suggest qualitative and quantitative goals for the company's various business units.

On behalf of the Board of Directors, the CEO shall, continuously and before each ordinary Board meeting, prepare, compile, and present data requested by the Board of Directors for assessing the company's financial situation, such as reports, key figures and comments, proposals for the business plan, budgets, forecasts, year-end reports, interim reports and annual reports.

Important matters addressed by the CEO and Group Management in 2016 included:

- Growth strategy and new geographical markets
- Leadership development
- Risk management
- Sustainability
- Relocation of the offices in Stockholm, Gibraltar and Malta



Remuneration to senior executives

To achieve attractive long-term shareholder value growth, NetEnt seeks to offer its employees competitive remuneration and an attractive workplace that enable hiring and retaining the right expertise. For senior executives, the Board of Directors has prepared guidelines for remuneration, as outlined below. Detailed information about remuneration to employees and senior executives is provided in Note 6 on page 91.

GUIDELINES ADOPTED BY THE 2016 AGM

Basic principles

These guidelines shall be applied for the CEO of NetEnt and other senior executives in the company. The Board of Directors shall be able to deviate from these guidelines in individual cases where there is special reason to do so. Management's total remuneration consists of fixed and variable salary, share-based incentive schemes and pension benefits. The remuneration should be performance-based, and the variable component should therefore make up a significant share of the total remuneration.

Fixed and variable salary

The fixed salary shall be market-based, competitive, individual, and proportionate to the individual's responsibility, role, skills and experience in relevant positions. The annual variable salary shall be measured and paid on an annual basis. The annual variable salary shall be capped at 65 percent of the fixed salary for the CEO and at 60 percent of the fixed salary for other members of the Group Management. It shall be based on actual outcomes in relation to financial and operational targets. The target for variable salary is set annually by the Board for the CEO. The CEO in turn determines the variable salary for the other members of the Group Management, to ensure that they are in line with the company's business strategy and objectives. The conditions for variable salary shall include a minimum performance level in relation to the targets, for which no variable salary will be received.

The Board has the right to revoke variable remuneration that is paid out based on information that later proves to be clearly incorrect.

Long-term incentive scheme

Senior executives are offered the opportunity to participate in ongoing share-based incentive schemes in the form of stock options or stock saving programs that are issued on market

terms, to motivate long-term commitment and promote a greater alignment of interests with the company's shareholders. Share-based incentive schemes, which are issued on market terms, can be combined with cash bonuses that are payable in conjunction with the redemption periods of stock option programs. Such remuneration can be given to employees who are still employed at the time of redemption, and shall not exceed 70 percent of the premium paid for the stock option net after tax.

Pension benefits and termination of employment

Pension benefits of the CEO and other members of the company's management shall be competitive and based on defined contribution pension plans, in which the premium shall be capped at 35 percent of the pensionable salary. Other benefits, such as company cars, health insurance, etc., shall constitute a minor part of total remuneration and shall be in line with market conditions.

The CEO can have a maximum notice period of twelve months. Other members of company's management can have a maximum notice period of six months. In addition to salary during the notice period, termination benefits may be paid. However, the total of salary and termination benefits during the notice period shall not exceed the equivalent of 18 months' salary.

GUIDELINES DETERMINED BY THE BOARD OF DIRECTORS AND PROPOSED TO THE 2017 AGM

For the 2017 AGM, the Board of Directors has proposed to adopt the same guidelines for remuneration to senior executives as in the preceding year.



Peter Hamberg

Jenny Rosberg

Michael Knutsson

Vigo Carlund

Vigo Carlund

Chairman. Born in 1946. Elected in 2008, Chairman since 2011. Other board assignments: iZettle AB and Los Naranjos S.L. Previous positions include CEO of Investment AB Kinnevik, Korsnäs AB and Transcom WorldWide AB, and chairman of Tele 2 AB.

Shareholding: 3,650,000 B shares.

Independent in relation to the company, the executive management and major shareholders of the company.

Peter Hamberg

Board member. Born in 1973. Elected in 2009, Peter Hamberg is President and CEO of Hamberg Förvaltnings AB and a board member of C-RAD AB and Solporten Fastighets AB. Peter holds a bachelor's degree in international business administration from San Francisco State University, USA.

Shareholding: 1,218,000 A shares and 690,400 B shares.

Independent in relation to the company and the executive management. Peter Hamberg is closely related to one of the company's major shareholders.

Jenny Rosberg

Board member. Born in 1966. Elected in 2015. Jenny Rosberg is CEO and board member of ROPA Management AB. She is also a board member of Nordax Group and Nordax Bank. Jenny holds an MBA from the Stockholm School of Economics.

Shareholding: 15,600 B shares.

Independent in relation to the company, the executive management and major shareholders in the company.

Michael Knutsson

Board member. Born in 1961. Elected in 2012, Michael Knutsson is CEO of Knutsson Holdings AB and a board member of Pata-Pata AB.

Shareholding: 6,000,000 A shares, 10,000,000 B shares.

Independent in relation to the company and the executive management, not independent in relation to major shareholders in the company.

The stated shareholdings at December 31, 2016, include holdings through family and companies.



Mikael Gottschlich

Fredrik Erbing

Pontus Lindwall

Maria Redin

Mikael Gottschlich

Board member. Born in 1961. Elected in 2008. Mikael Gottschlich is Chairman of CKT Capital including subsidiaries, and a board member of Interoc AB including subsidiaries and O'learys Trademark AB including subsidiaries. Mikael has also been CEO of MG Instrument AB, Arkivator AB and LGP Telecom.

Shareholding: 3,854,490 B shares.

Independent in relation to the company, the executive management and major shareholders in the company.

Fredrik Erbing

Board member. Born in 1967. Elected in 2008, Fredrik Erbing is Vice President at Acando AB. Fredrik holds an MSc. in Engineering from the Royal Institute of Technology in Stockholm.

Shareholding: 120,000 B shares.

Shareholding in endowment insurance: 120,000 B shares.

Independent in relation to the company, the executive management and major shareholders in the company.

Pontus Lindwall

Board member. Born in 1965. Elected in 2011, Pontus Lindwall is Board Chairman of Betsson AB (publ) and Mostphotos AB, and a board member of Solporten Fastighets AB. Pontus holds an MSc. in Engineering from the Royal Institute of Technology in Stockholm.

Shareholding: 5,045,000 B shares.

Shareholding in endowment insurance: 2,109,000 A shares and 720,420 B shares.

Independent in relation to the company and the executive management. Pontus is Board Chairman of Betsson AB, which is a customer of NetEnt.

Maria Redin

Board member. Born in 1978. Elected in 2012. Maria Redin is CFO of MTG. Maria holds a BSc. in Business Administration from the University of Gothenburg.

Shareholding: 11,880 B shares.

Independent in relation to the company, the executive management and major shareholders in the company.



Enrico Bradamante

Ludvig Kolmodin

Karin Palmquist

Simon Hammon

Enrico Bradamante

MD of NetEnt Malta Ltd and Head of European Market Operations. Born in 1969, employed since 2012. Enrico has worked in the IT industry for over 19 years and comes most recently from Kodak, where he held several executive positions, such as Head of Document Imaging and VP Commercial Business in Europe, the Middle East and Africa. Enrico holds an MBA from INSEAD and an MSc. in Engineering from the University of Trieste.

Shareholding: 0

Stock options: 36,400

Ludvig Kolmodin

Chief information Officer. Born in 1972, employed since 2009. Ludvig has more than 15 years of international experience in system development, IT operations and project management, primarily in the telecom industry as Head of IT Operations for the mobile operator 3, as well as within the banking sector. Ludvig holds an MSc. in systems analysis and design from Mid Sweden University in Sundsvall.

Shareholding: 0

Stock options: 42,080

Karin Palmquist

HR Director. Born in 1960, employed since 2015. Karin has many years of experience from development, change and leadership work. She joined NetEnt from PwC, where she was Human Capital Leader of Learning & Development. Karin has previously held senior positions at Gula Tidningen and Dale Carnegie and run her own consulting business with customers in Europe, the US and China.

Shareholding: 720 B shares.

Stock options: 60,400

Simon Hammon

Chief Product Officer. Born in 1983, employed since 2011. Simon has in-depth knowledge of the gaming industry from his time as business and product development manager of his own company, and possesses experience in platform and game development, network operations and managing affiliates in bingo and casino. Simon holds an LLB Bachelor of Laws from the University of Durham.

Shareholding: 0

Stock options: 29,450



Therese Hillman

Per Eriksson

Anna Romboli

Åsa Bredin

Per Eriksson

President and CEO. Born in 1961, employed since 2012. Per Eriksson has been active in the IT industry for over 27 years and was most recently President and CEO of Dustin Group. Prior to that, he headed Dell EMC in Europe, the Middle East, and Africa, and was CEO of Dell Nordic. Per holds a BSc. in Business Administration from Stockholm University.

Shareholding: 143,538 B shares.

Stock options: 422,400

Therese Hillman

Chief Financial Officer. Born in 1980, employed since 2017. Therese has worked with e-commerce for 10 years and is former CEO of Gymgrossisten, a leading online retailer of sporting gear and dietary supplements in the Nordic region and a subsidiary of Qliro Group. Before this she worked as COO and later CFO of Gymgrossisten. Therese holds a M.Sc. in Accounting and Finance from the Stockholm School of Economics.

Shareholding: 0

Anna Romboli

Communications Director. Born in 1973, employed since 2014. Anna has over 15 years of experience from business development in branding, communication and PR. Formerly VP Brand & Communications at Veryday, and several years of consulting experience in PR and branding strategy. Anna holds an MBA from the University of Gothenburg, School of Business, Economics and Law.

Shareholding: 0

Stock options: 210,000

Åsa Bredin

Chief Development Officer. Born in 1972, employed since October 2015. Åsa has extensive experience in development and programming and has previously held senior positions at King, Betsson and Oracle. She holds an MSc. in computer sciences from the University of Lund.

Shareholding: 768 B shares.

Stock options: 45,600

The stated shareholdings at December 31, 2016, include holdings through family and companies.

Internal control

NetEnt’s control system has been developed to ensure accurate, reliable financial reporting and accounting in accordance with applicable laws and rules, accounting standards and other requirements for listed companies.

Internal control refers to the process that is influenced by the Board of Directors, the company’s management and other staff, and is designed to provide reasonable assurance that the company’s goals are met in terms of

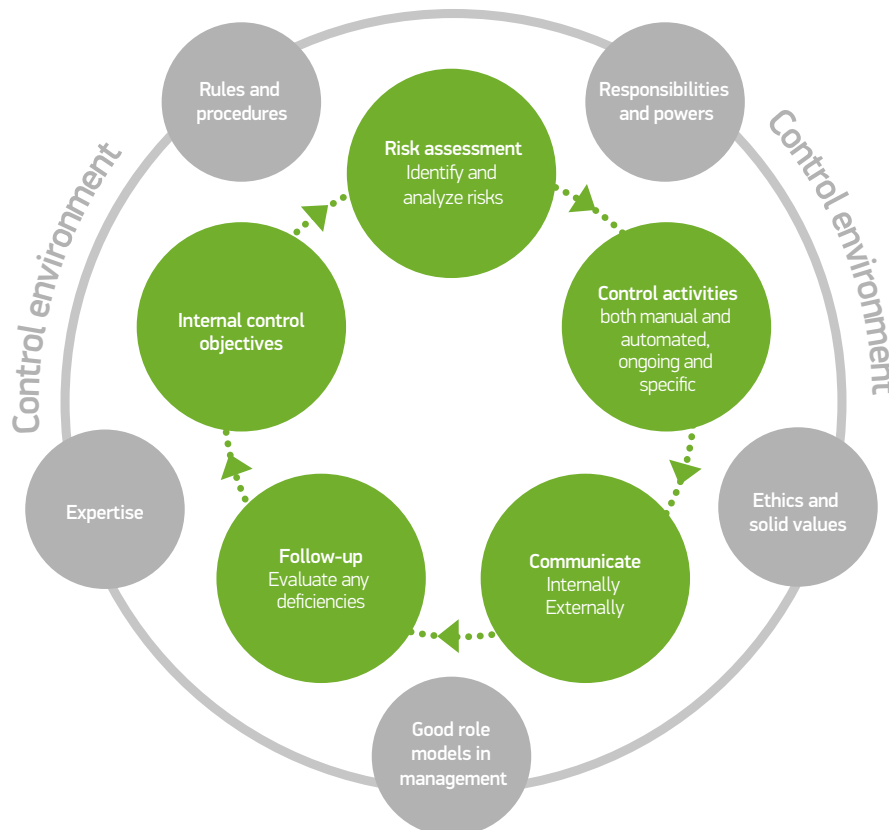
- appropriate and efficient operations,
- reliable financial reporting, and
- compliance with the applicable laws and regulations.

NetEnt applies the established framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework covers five principal areas: control environment, risk assessment, control activities, monitoring/ improvement and communication.

CONTROL ENVIRONMENT

The foundation of NetEnt’s control system is the control environment, which determines the individual and collective work procedures in the Group. It is defined through policies and procedures, manuals and codes, and is upheld with the help of NetEnt’s organizational structure with clearly defined responsibilities and powers based on shared values. Soundly devised internal control not only creates conditions for reliable financial reporting, but also contributes to a healthy and sustainable business, resulting in greater profitability. Work on the design of internal processes and monitoring thereof is becoming increasingly important as the company grows. This is particularly important in terms of the systems that NetEnt develops and operates on behalf of customers.

NetEnt’s Board has overarching responsibility for establishing an efficient internal control system. Responsibility for establishing an efficient control environment has been delegated to the CEO. The CEO delegates powers to those reporting to him,





both directly and through established guidelines and manuals in the company. Corporate values are an important element in this respect, providing guidance for day-to-day work.

The Company's finance function reports to the Audit Committee and to the company's Chief Financial Officer, and works to develop and improve the internal control in financial reporting in the Group, both proactively with a focus on the internal control environment, and by reviewing the effectiveness of internal control.

NetEnt reviews its internal control processes following a recurring cycle each year and makes changes to the extent necessary. The Audit Committee, with the company's auditor, in turn regularly reviews selected control processes. The company has also established a framework and a process for internal audit of the finance function and the financial reporting that is based on a combination of self-assessment and independent review with the support of an external auditing firm.

Compliance

Furthermore, the Group has a function comprising people with specific responsibility for compliance, as well as quality and processes. The function has been set up among other things to ensure ongoing development of the company's processes and routines for industry-specific compliance. The compliance department regularly reports its observations directly to the CEO and meets at least once a year with the Audit Committee without the presence of any members of management.

Internal governance instruments

Internal governance instruments for financial reporting consist primarily of the Group's finance policy, information policy, financial handbook, and authorization instructions that define accounting and reporting guidelines, as well as the Group's definition of processes and minimum requirements for sound internal control over financial reporting. In addition, the company has policies regarding, for example, employee trading in the company's shares, IT and information security, dividends, anti-bribery, and prevention of money laundering, terrorist financing, drugs and gambling.

RISK ASSESSMENT

Each year, NetEnt carries out a structured risk assessment to identify risks that affect the internal control of financial reporting, and to identify where these risks are present. Risks in financial reporting are evaluated and monitored by the Board of Directors through the Audit Committee.

The main risks to the company are attributable to areas such as regulated activity, the invoicing process and revenue recognition, development expenditure and taxes, and the company's substantial cash and cash equivalents. During the risk assessment, special attention is paid to the risk for irregularities and

unfair favoring of other parties at the company's expense, and the risk of loss or misappropriation of assets. Matters are prepared by the Audit Committee before consideration by the Board of Directors. The risk assessment results in control objectives that support achievement of the fundamental financial reporting requirements. The risk assessment is updated annually by the company, and is reported to the Audit Committee.

Furthermore, the company has a risk management process that is designed to continuously identify, prioritize and manage material business risks in general. The risk landscape is in some respects similar to the risk assessment for financial reporting, but includes other risks such as the availability of competent staff and political decisions. The Audit Committee shall continuously monitor this process and report regularly to the Board of Directors. For a complete description of the industry- and business-related risks that affect NetEnt, see the "Risk factors" section on pages 58–61 and Note 26 on pages 98–99.

CONTROL ACTIVITIES

The most material risks identified in terms of financial reporting are managed through control structures in processes. Control activities are designed and documented at the process level, and include both overarching and more specific controls with the purpose of preventing, detecting and correcting errors and discrepancies. When devising control activities, accurate and timely performance thereof is ensured. Control activities span everything from the review and monitoring of performance outcomes to specific account reconciliations.

General IT controls are established for systems that support processes affecting internal control over financial reporting. The design of processes and control activities within IT is also affected by regulations issued by the gaming authorities, such as the Malta Gaming Authority (MGA), the Alderney Gambling Control Commission (AGCC), the Gibraltar Regulatory Authority (GRA) and external reviews related to licenses and certifications. Such reviews are conducted both by independent auditing agencies for certification with regards to requirements from authorities, and by the company's external auditors.

Areas that are covered by control activities include:

- due authorization of business transactions,
- ERP systems that affect financial reporting, including verification management,
- the accounting process, including year-end reports and consolidated financial statements and their compliance with applicable regulations in the form of generally accepted accounting principles, prevailing laws and rules, and requirements for listed companies. The process is also designed to ensure proper information for decision making to the Board of Directors and management,

- significant and unusual or complex business transactions, as well as business transactions or valuations of assets or liabilities that contain significant elements of judgment,
- all new employees are subject to prior background checks.

MONITORING

Monitoring of control activities is conducted continuously to ensure that risks have been satisfactorily observed and addressed. Monitoring covers both formal and informal procedures applied at the company. Such procedures include tracking of results in relation to budget and plans, analyses and key figures. The Board of Directors continuously evaluates the information provided by company's management. The process includes both reconciliation of monthly financial reports against budgets and goals, and reporting at Board meetings. Through the Audit Committee, the Board of Directors reviews and assesses the internal control organization and function. The company's policies and instructions are evaluated and updated annually at a minimum with respect to appropriateness and functionality – or more often as needed.

The company's CFO presents the results of internal control work as a standing agenda item at Audit Committee meetings. The results of the Audit Committee's work in the form of observations, recommendations and proposals for decisions and measures are continuously reported to the Board of Directors.

INFORMATION AND COMMUNICATION

Information and communication about internal governance instruments for financial reporting are available to all employees concerned on the company's intranet. NetEnt has information and communication channels for the purpose of promoting complete and accurate financial reporting. Only a limited number of people in the functions of Finance, IR, and the CEO's office have access

to information that is confidential in nature such as budgets, forecasts, financial outcome reporting, Board material and remuneration. Access to such confidential information is authorized in accordance with the powers bestowed on the company's staff in the organization.

Guidelines and manuals of importance for financial reporting are updated and communicated to those concerned as new employees are introduced, and in the event of potential changes, to all affected staff. There are both formal and informal communication channels to senior executives and the Board of Directors for information from employees. For all employees to feel secure in reporting deviations from the company's rules, there is a confidential and efficient whistle-blowing procedure in place. For external communication, there are guidelines for the company with stringent demands on accurate and relevant information to the market. The Board of Directors annually adopts an information policy for the company, which includes guidelines for contacts with analysts and the media.

When new employees are introduced, the latter are informed of the laws and guidelines followed by the company regarding for example management of insider information and trading in the company's shares. Prior to each quarterly earnings report, a reminder about the rules is sent out to all staff.

INTERNAL AUDIT

The company has an internal audit function in place regarding anti-money laundering procedures. In 2016, an internal audit was performed by EY based on an earlier risk analysis. The internal audit was carried out through control of existing internal processes with the aim of safeguarding the financial reporting and followed the company's framework and process for internal audits.