



Welcome to NetEnt's

Capital Markets Day

Stockholm May 22, 2018

NETENT

BETTER GAMING™

Therese Hillman

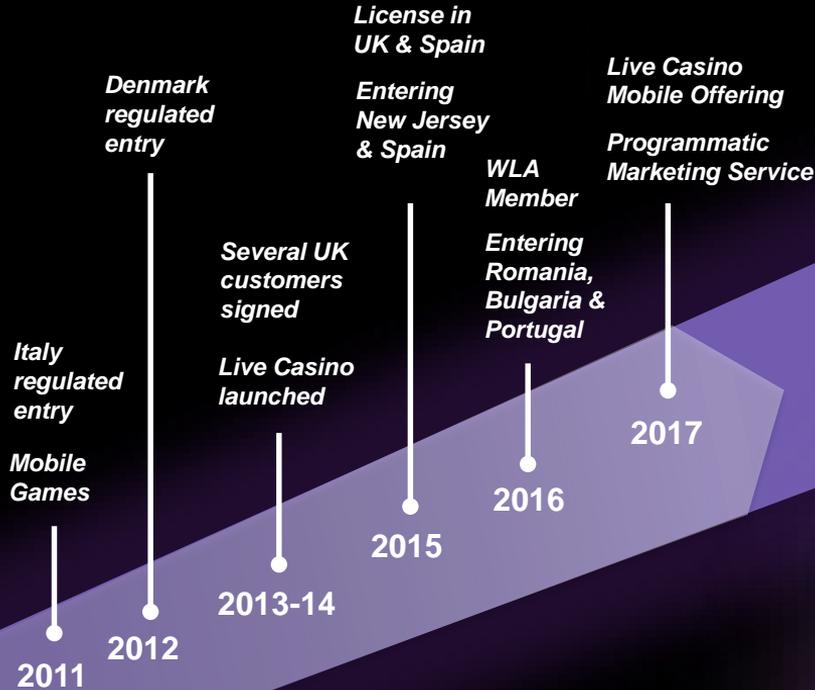
CEO



Achievements



NetEnt selected achievements

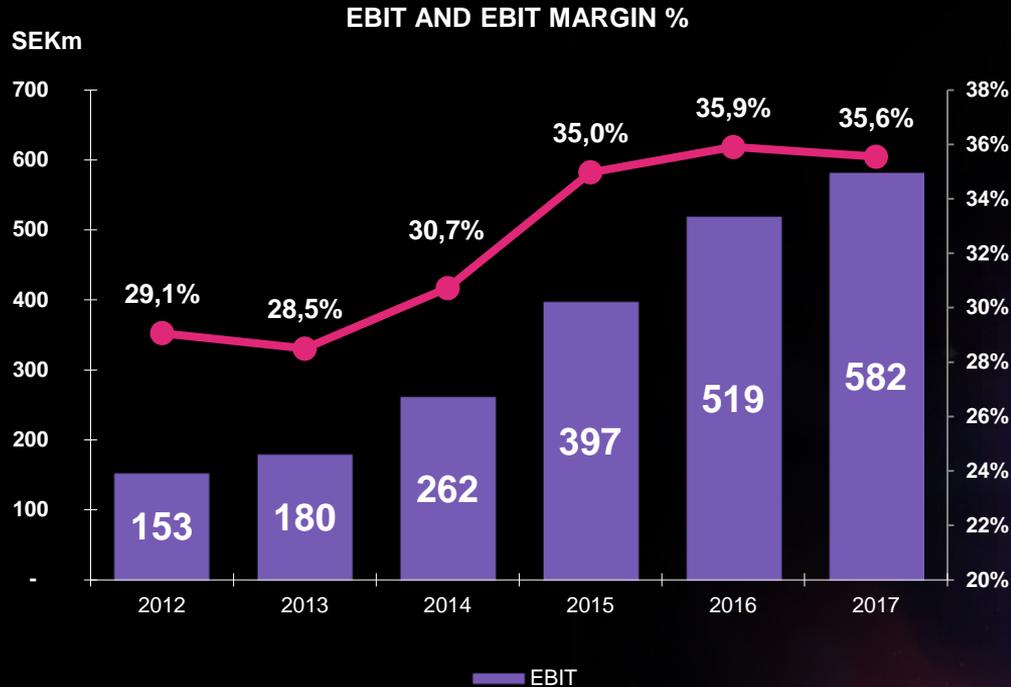


VISION

“Driving the digital casino market through better gaming solutions”



Many years of solid performance



CAGR 2012-17:

31%

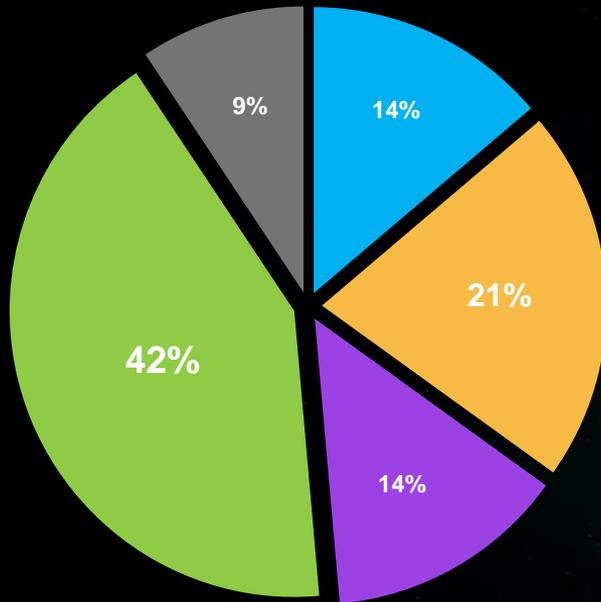


Current State

The background of the slide is a dark, deep blue space filled with numerous small white stars. A prominent feature is a large, glowing teal and green nebula or galaxy structure that curves across the middle of the frame. On the right side, the curved horizon of a planet is visible, showing a thin layer of atmosphere and a small, dark circular object, possibly a moon or another planet, in the distance.

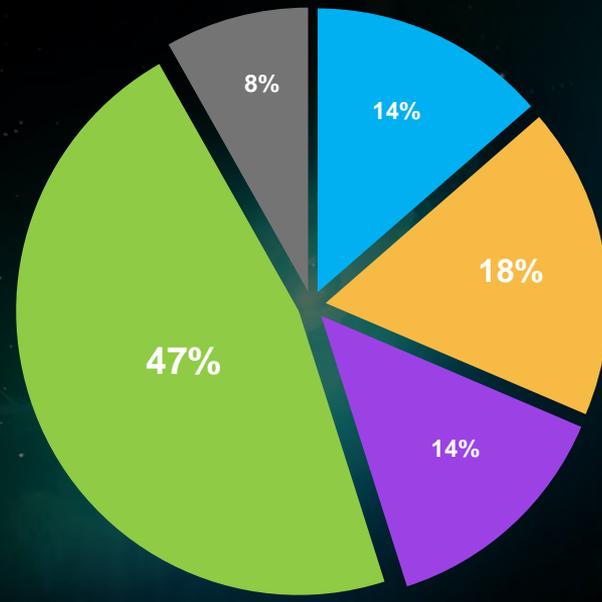
Distribution Network

GAMEWIN, Q1 2017



■ Sweden ■ Other Nordic ■ UK ■ Other European ■ Rest of world

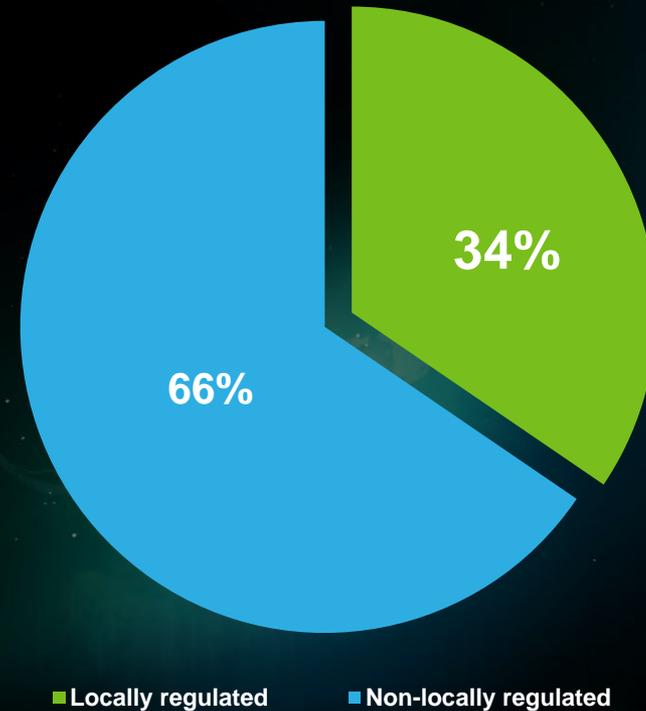
GAMEWIN, Q1 2018



■ Sweden ■ Other Nordic ■ UK ■ Other European ■ Rest of world

Locally Regulated Markets

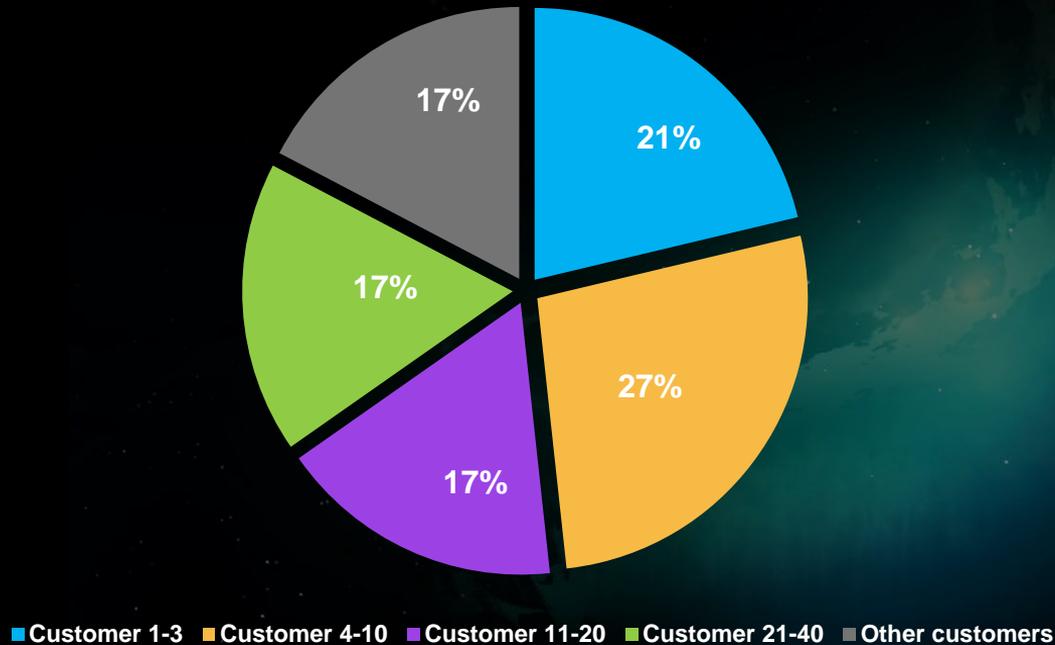
- 34 (31)% of revenue from locally regulated markets
- UK and Italy key markets in Europe
- Swedish regulation expected 1/1/2019
- North America
 - Applying for license in Pennsylvania
 - Target go-live in British Columbia in Q3



DIVERSIFIED CUSTOMER BASE

Around 200 customers

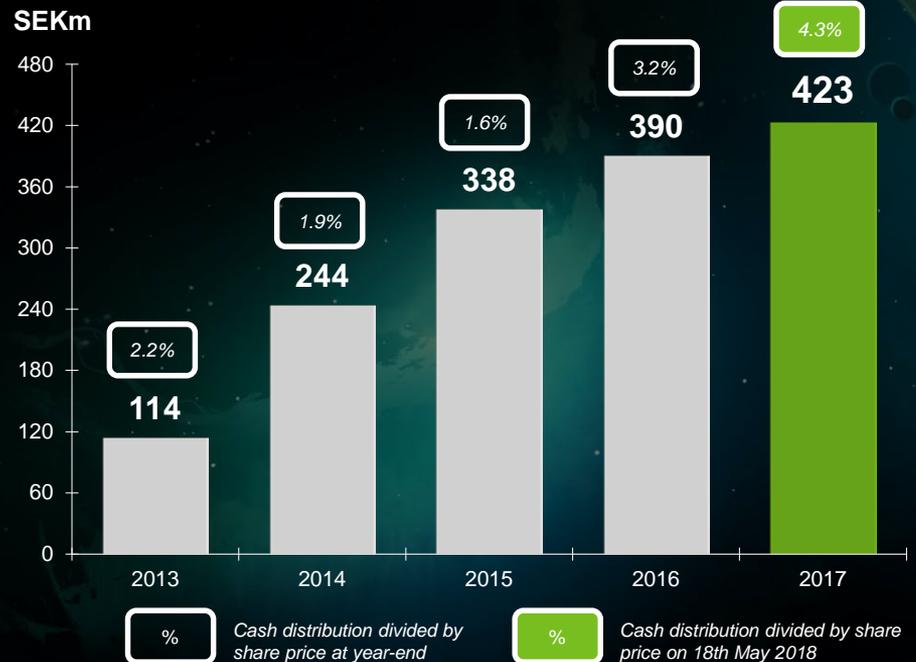
2017 GAMEWIN SPLIT BY CUSTOMERS



Free Cash flow and Balance sheet

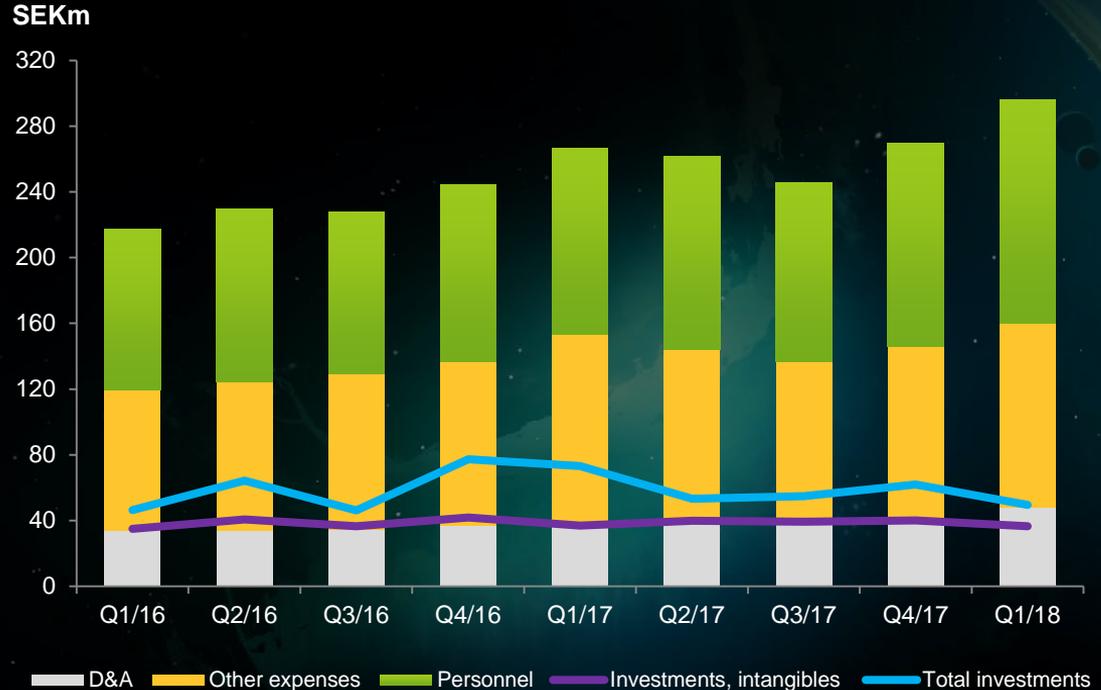
- L12M FCF of 501 SEKm (Q1 2018)
- Net cash position of 561 SEKm at 31/03/2018
- 2017 cash return yield of 4.3 percent at current share price

CASH FLOW AFTER INVESTMENTS, LAST 5 YEARS



Action taken to cut overhead costs

- Actions being taken to cut overhead costs
 - Sub-letting of office floor in Stockholm
 - Reduce number of consultants
 - Savings will enable growth-driving initiatives
- D&A will increase in 2018 vs 2017



Strategy



REVENUE GROWTH

STRATEGIC FOCUS AREAS

OPERATOR
SHARE

TIME TO
MARKET

PREMIUM
QUALITY &
INNOVATION

OPERATIONAL EXCELLENCE

REVENUE GROWTH DRIVERS

REGULATED
MARKETS

NEW
CUSTOMERS

PRODUCT
DEVELOPMENT

LIVE
CASINO

AMERICAS

ASIA

iGAMING
MEDIA BUYING
SERVICES

SOCIAL
CASINO



-DIVINE FORTUNE- -CASINO-

BALANCE
\$0.00

BUY

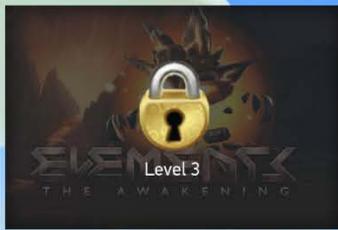
LEVEL: 2



Click to play Warlords



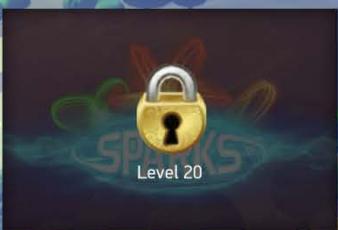
Click to play Starburst



Level 3
This game is locked



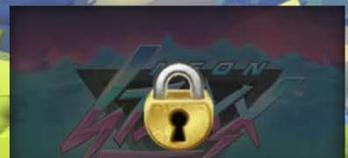
Level 19
This game is locked



Level 20
This game is locked



Level 21
This game is locked



Level 27
This game is locked



Level 28
This game is locked



Level 29
This game is locked

INSTANT GAMES More



GAMES YOUR FRIENDS PLAY More



TRENDING GAMES More



YOUR GAMES More



RECOMMENDED GAMES More

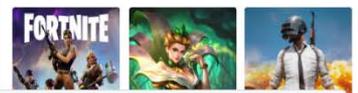


LIVE CHAT

FEATURED GAME



GAMING VIDEO



The Future

The image features a dark blue, futuristic digital landscape. In the foreground, a grid of glowing blue lines recedes into the distance, creating a sense of depth. In the background, a range of low-poly, blue mountains is visible against a dark, starry sky. The overall aesthetic is clean, modern, and high-tech.

Market Overview

**OFFLINE
TO ONLINE**

5% Online
casino

**GLOBAL
MARKET**

€10.5bn
Gamewin

**ONLINE
CASINO**

+7.3% CAGR to
€15bn 2022

MOBILE

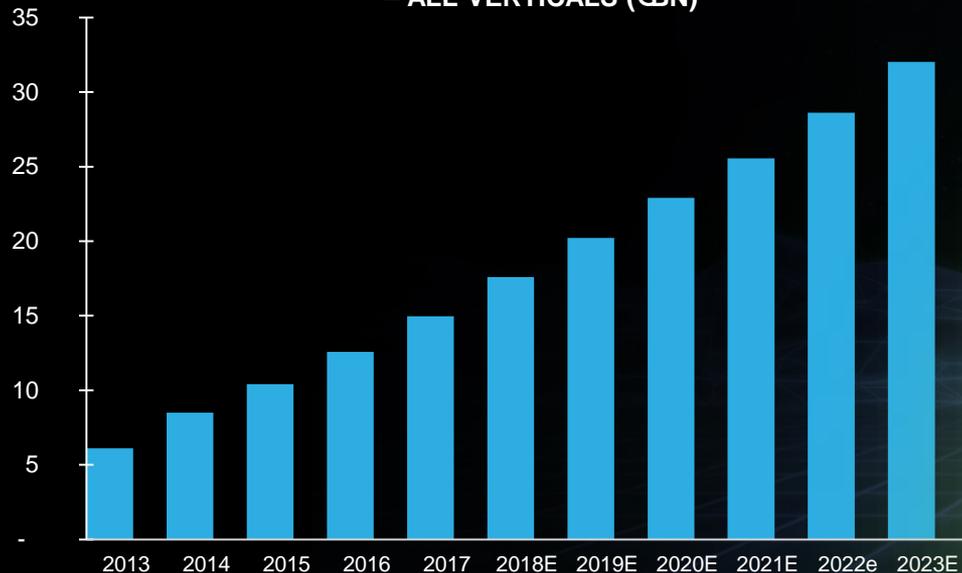
+13.3% CAGR
2017-2022



Source: H2 Gambling Capital

Key for Growth

GLOBAL MOBILE GAMBLING MARKET GAMEWIN
- ALL VERTICALS (€BN)



CAGR
2017-2022E:

13.3%



Source: H2 Gambling Capital

A sustainable business

**Responsible
Gaming**

**Sustainable
Regulation**

**Anti Corruption
& AML**

**Corporate
Citizenship**

Environment

**Diversity and
Equality**

Investment Case Summary

**STRUCTURAL
MARKET
GROWTH**

**STRONG
MARKET
POSITION**
in Europe

**SCALABLE
BUSINESS
MODEL**

**STRONG
CASH FLOW**



FINANCIAL TARGETS

1. REVENUE GROWTH \gt MARKET GROWTH

2. CASH RETURN TO SHAREHOLDERS
 $\geq 60\%$ OF NET PROFIT



Customers & Markets

Björn Krantz, Chief Commercial Officer



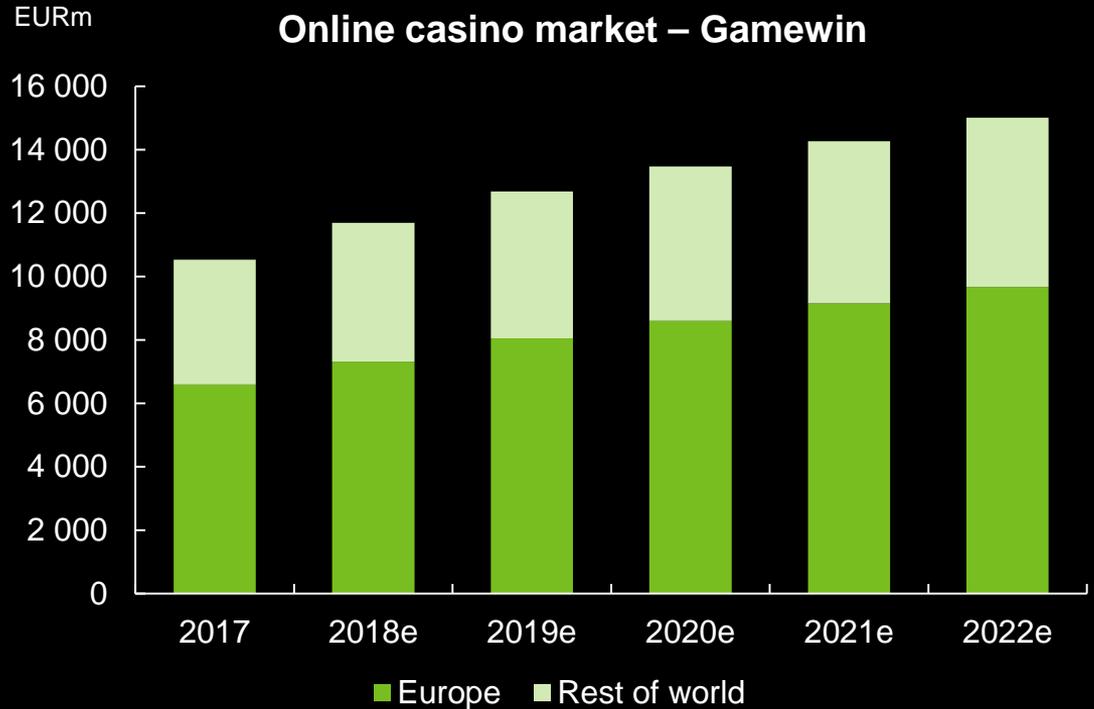
Global Casino Market

- Total casino and gaming machines market of €221 billion game win worldwide
- Shift to online has just started in a global context



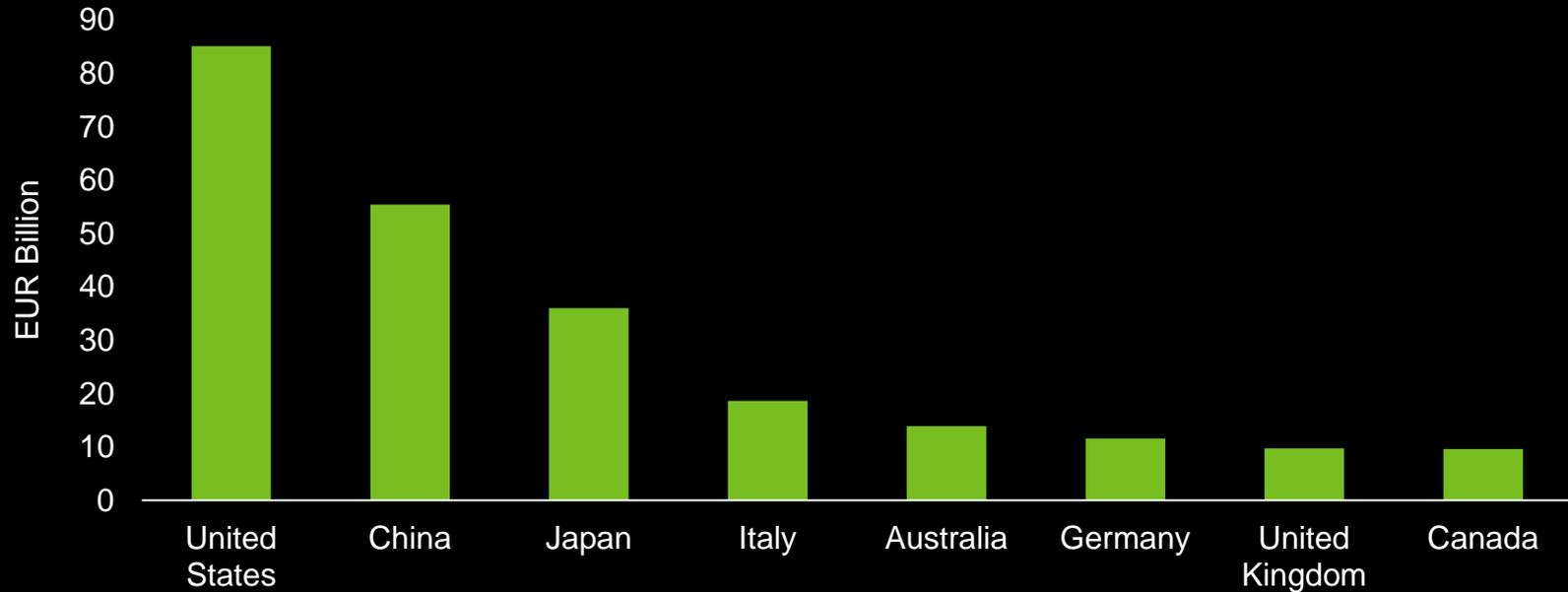
Online

- Online casino market expected to grow by 7.3% CAGR 2017-2022e to EUR 15 billion GW



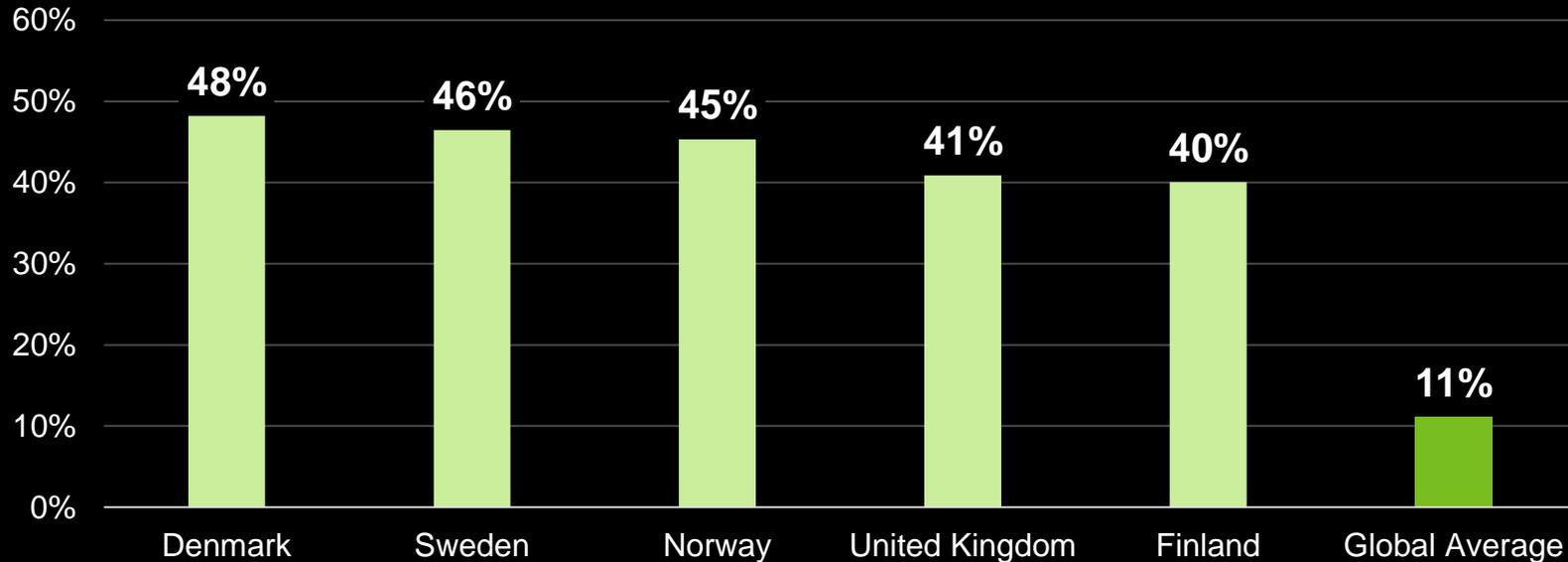
Online shift has just started in largest gambling markets...

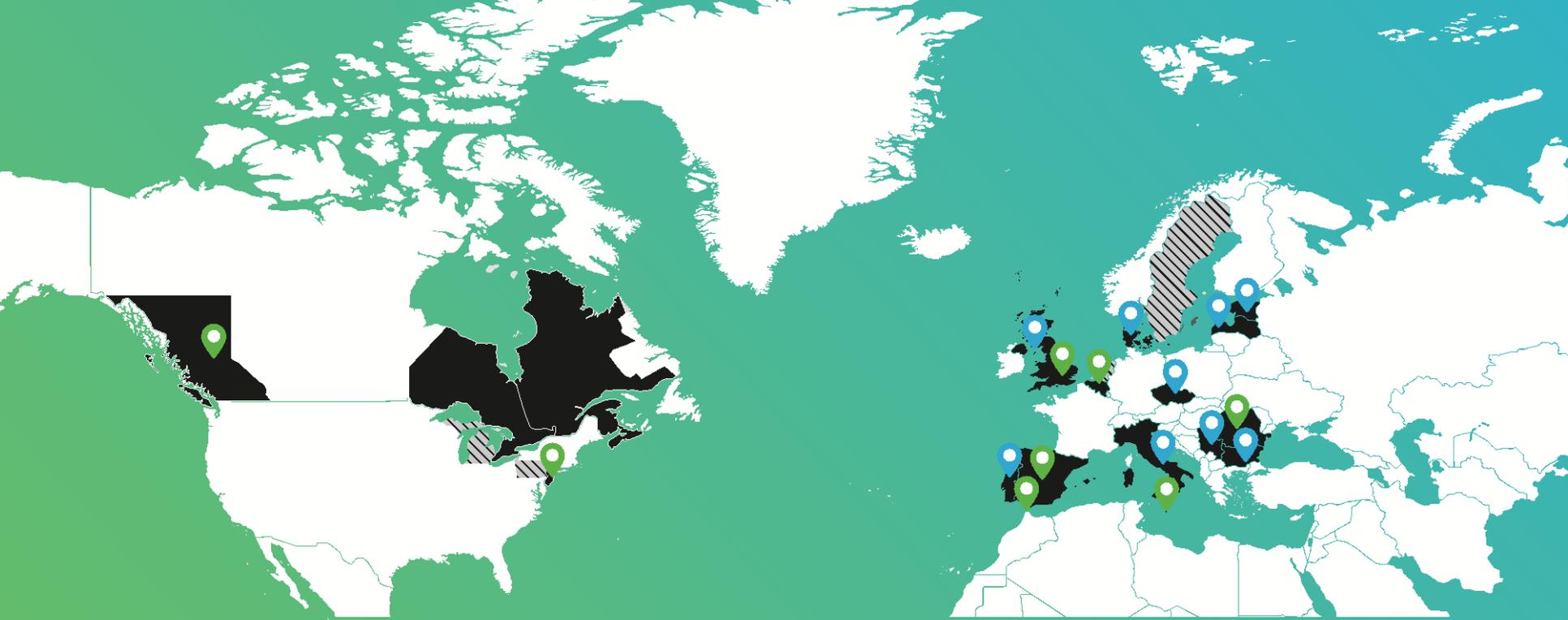
Top 8 land-based gambling markets – Gamewin



...but signs of maturity in core market

Online gambling penetration – all game verticals





Regulated markets



Markets where regulation may take place



NetEnts™ licences

Malta, Gibraltar, Alderney, Belgium, United Kingdom, Spain, New Jersey¹⁾ (USA), Romania, British Columbia (Canada)



Certifications

Denmark, Italy, Estonia, Latvia, Isle of Man, Bulgaria, Portugal, the Czech Republic and Serbia

Focus on Customer Relations Excellence

betsson

LeoVegas.com

mr green

bet365

888

betsafe

Sisal

Casumo

comeon!

GVC Holdings

UNIBET

GiG

PADDYPOWER betfair

William HILL

LADBROKES
CORAL
GROUP

PokerStars

Danske Spil

SNAITECH

BetClic Everest
GROUP

LOTTOMATICA

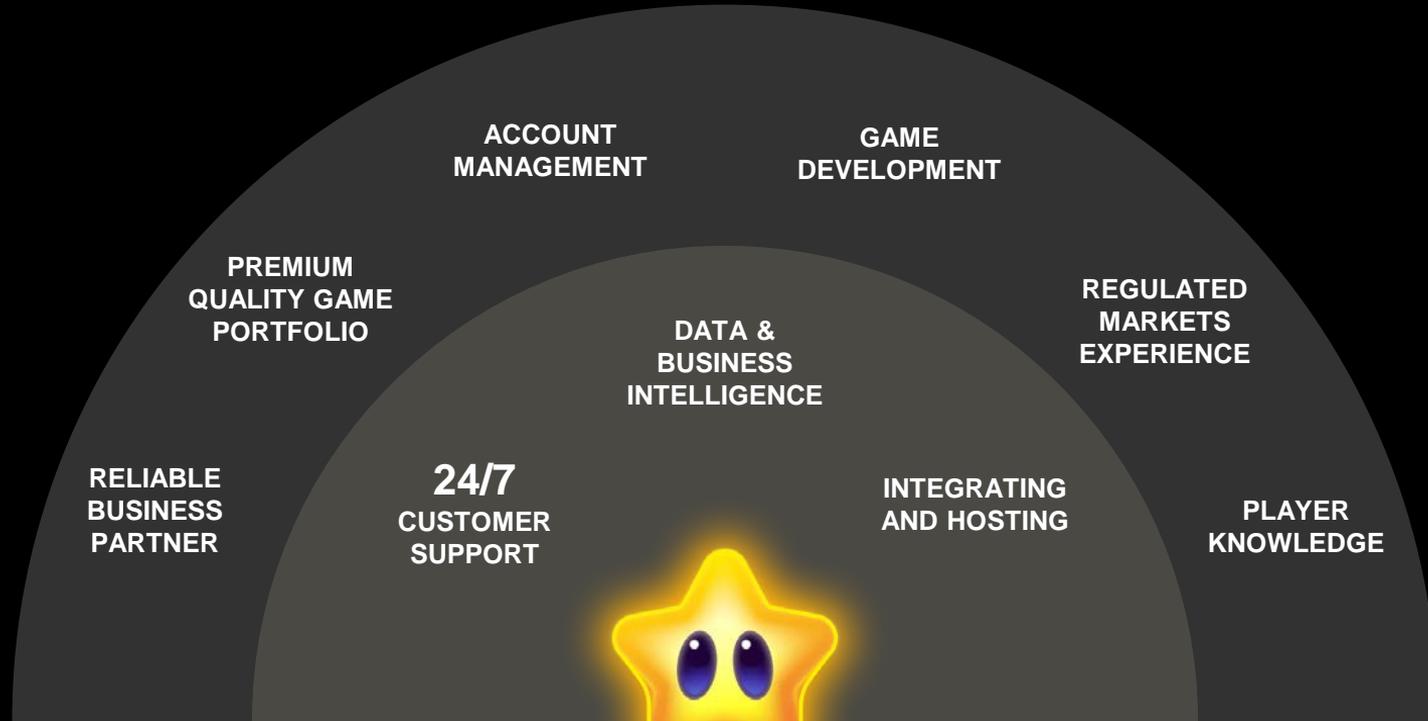
Omnichannel Distribution

- Games for desktop, mobile and landbased
 - Retail games in UK
 - Slot machine games in Italy
- Broad exposure and content familiarization
 - Launching VR and Social Casino



CUSTOMER OFFERING

NetEnt's Core Capabilities

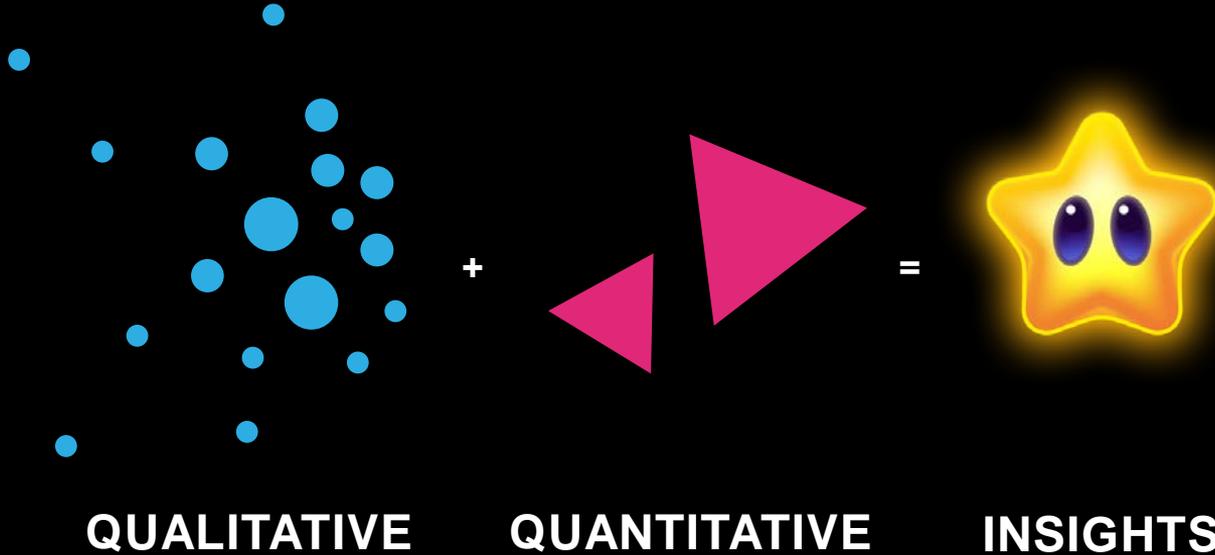


Better Gaming

Henrik Fagerlund – Chief Product Officer



We rely on massive input





NETENT GAME PORTFOLIO = IP ASSET GOLD MINE

200+

GAMES

NetEnt Engage™



Promotions



Gamification



**Business
management**



**Player Gaming
Experience**

NETENT *live*

NetEnt Live 2018

Carl Silverstolpe, Managing Director & Chief of EMO



INTRODUCTION



Launch

2013



Mobile launch (HTML)

2016



Dedicated Multi-table studios

2018

2015
Stable platform

2017
Exclusive tables



What drives our revenues?

- Scalable branding solutions
- Customized solutions with dedicated multi-table areas
- High mobile penetration
- High-value players
- Live rewards



2018 – STRONG COMMITMENT FROM KEY PARTNERS



BETHARD

WINNERS DARE MORE



Highlights of 2018



**Complete HTML
portfolio**



**More exclusive
multi-table studios**



**Live Sports
Roulette**

Regulations & Sustainability

Therese Hillman, CFO and acting CEO &
Jamie Elovsson, CSR Manager



We Welcome Regulations

SUCCESSFUL
REGULATION
=
HIGH
CHANNELIZATION

ENTRY BARRIES



MORE STABLE
BUSINESS
ENVIRONMENT

INDUSTRY BECOMES
NATURAL PART OF
ENTERTAINMENT
INDUSTRY

**Sweden re-regulation
expected January 1st 2019**

Key objectives

- Modernization of gaming legal framework
- Increase control of gambling market stakeholders
- Ensure consumer protection through:
 - Strict player's protection rules
 - National self-exclusion register managed by SGA
 - Moderate advertising
- Reduce number of unlicensed operators

Key challenges

- Channelization
- Mature & fragmented market
- Marketing restrictions
- Short timeframe
- Government broad mandate

SWEDISH RE-REGULATION

Timeline

VOTE



June 7th

APPLICATIONS



August 1st

START



January 1st

OPERATOR
DEADLINE



July 1st

**.se operations on day 1
is our top priority**



**expect -2.5 pp total
revenue effect on day 1**

Regulated Markets Case study



ITALY

- Regulated online casino games beginning of 2011
- Slots were allowed in late 2012
- 20% profit-based tax rate for online gaming
- Market increased

DENMARK

- Regulated online games in January 2012
- 20% GGR tax rate for online gaming, lower than for land-based casinos
- Market increased

Regulated Markets Update



Upcoming markets for NetEnt



Norway – Upcoming go-live with Norsk Tipping



Lithuania – NetEnt go-live expected in 2018



Netherlands – New legislation expected to take effect near-term



Pennsylvania – in the starting block



Colombia – market growing steadily

Potential new markets:



Greece



Switzerland



Sustainability





1. PHARMACIES
2. GROCERY STORES
3. ELECTRICITY
4. HOTELS
5. DIGITAL
6. FOOD & BEVERAGE
7. INSURANCE
8. PENSION
9. SERVICES
10. REAL ESTATE
11. FURNITURE,
DECORATION & LEISURE
12. TRANSPORTATIONS
13. FAST FOOD
14. CLOTHES & BEAUTY
15. TRAVEK
16. TECHNOLOGY
17. FUEL
18. BANKS
19. CARS
20. AIRLINES
21. TELECOMMUNICATIONS
22. GAMBLING
23. FMCG

OUR COMMITMENT



WE SUPPORT



Our Focus Areas



**Responsible
Gaming**



**Sustainable
Regulation**



**Anti Corruption
& AML**



**Corporate
Citizenship**



Environment



**Diversity and
Equality**

Responsible Gaming

It is our responsibility to make sure our customers have the support they need.

RESPONSIBLE GAMING A PART OF OUR CORE BUSINESS

17

REGULATED
MARKETS

RESPONSIBLE
GAMING CONDITIONS

TESTING FOR MARKET
CERTIFICATION
READINESS

A strong support to our customers

In-game tools for our customers to use

STARBURST TOUCH™

Reality check

You have requested a Reality Check after 5 minutes of play.
Your gaming session has now reached 15 minutes.

Continue playing Leave game

Current time: 13:41:47, session duration: 00:16:35

Coin: 24943 Bet: 10

14 43 Cash: €4,988.65 Bet: €2.00 Win: €0.00

SPIN SETTINGS

Autoplay 100

0  100

Stop autoplay:

If cash decreases by

If single win exceeds

Cash: £0.00 Bet: £2.00 Win: £0.00

NETENT

Proactively Leading The Way

- BOS Board Directorship
- Supporting Responsible Gambling organizations