

*Please note that this is a translation for information purposes only – in the event of a conflict between the English and Swedish text, the Swedish version shall prevail.*

## **NOTICE TO ATTEND THE ANNUAL GENERAL MEETING OF NETENT AB (PUBL)**

The shareholders of NetEnt AB (publ), reg. no. 556532-6443 (the Company) are hereby invited to participate in the Annual General Meeting (the General Meeting) to be held on Wednesday April 29, 2020, at 3:00 p.m. CET, Vasagatan 16, Stockholm. Registration will begin at 2:30 p.m. CET.

NetEnt cares about the health of its shareholders and employees and therefore consider it important to limit any spread of infection due to the coronavirus. With regards to the uncertainty of the situation and with the purpose to reduce the number of participants, NetEnt encourages its shareholders not to attend the General Meeting in person but instead participate by proxy. A power of attorney form for agents to represent shareholders and to exercise their voting rights is available on the Company's website, [www.netent.com/agm](http://www.netent.com/agm).

As a precautionary measure, NetEnt has also decided to hold the General Meeting in the simplest possible form. No food will be served before the meeting, speeches will be limited and participation by members of the Board and management of NetEnt will be limited.

NetEnt is closely monitoring developments on the coronavirus and will update the above precautionary measures prior to the General Meeting, when necessary. NetEnt encourage all those who intend to participate at the General Meeting to stay updated via NetEnt's website on potential further measures.

### **Right to participate, etc.**

Shareholders who wish to participate in the General Meeting must:

- be recorded in the share register kept by Euroclear Sweden AB on Thursday April 23, 2020; and
- give notice of intent to participate to the Company not later than on Thursday April 23, 2020.

Notice to participate in the General Meeting must be provided in writing to the Company at NetEnt AB (publ), AGM, Vasagatan 16, SE-111 20 Stockholm, Sweden. Notice may also be provided on the Company's website [www.netent.com/agm](http://www.netent.com/agm) or by email to [agm@netent.com](mailto:agm@netent.com).

When giving notice, please state name, personal identification number or corporate registration number, address, telephone number, ownership of shares and, if applicable, the number of attending counsels (no more than two).

Shareholders represented by proxy shall issue a written, by the shareholder signed and dated, power of attorney for the representative. If the power is issued by a legal person, a certified copy of a valid certificate of registration (dated no earlier than one year prior to the General Meeting) or, if no such certificate exists, a corresponding document of authority for the legal person shall be attached. A power of attorney form is available on the Company's website, [www.netent.com/agm](http://www.netent.com/agm). The power of attorney in the original and the certificate of registration or the equivalent document of authority should be submitted to the Company well in advance of the General Meeting.

In addition to giving notice to participate in the General Meeting, shareholders with nominee registered shares held via a bank or other nominee must request the nominee to temporarily enter the shareholder in their own name into the share register kept by Euroclear Sweden AB as per Thursday April 23, 2020, in order to be entitled to participate in the General Meeting. The shareholder should inform the nominee to that effect well in advance of that date.

### **Proposed agenda**

1. Opening of the General Meeting
2. Election of Chairman of the General Meeting
3. Establishment and approval of the voting list
4. Approval of the agenda
5. Election of two persons to certify the minutes together with the Chairman of the General Meeting
6. Resolution as to whether the meeting has been duly convened
7. Presentation of the annual report and auditors' report along with the consolidated financial statement and group audit report
8. Presentation by the CEO
9. Resolution on the adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet
10. Resolution on the dispositions of the Company's results pursuant to the adopted balance sheet
11. Resolution on discharge from liability of the members of the Board and the CEO
12. Determination of the number of the members of the Board and the number of auditors
13. Determination of remuneration for the members of the Board and the auditor

14. Election of members of the Board and election of the Chairman of the Board
15. Election of auditor
16. Resolution on instruction for the Nomination Committee
17. Resolution on guidelines for remuneration to senior executives
18. Resolution on share split and automatic redemption procedures including
  - a) resolution on carrying out share split,
  - b) resolution on the reduction of share capital by automatic redemption of shares, and
  - c) resolution on an increase of share capital by means of bonus issue
19. Resolution regarding incentive program comprising of issuance of warrants to employees
20. Resolution on authorization for the Board to
  - a) resolve on acquisition of own shares, and
  - b) transfer of own shares
21. Resolution on authorization for the Board to resolve on new share issues
22. Resolution on a directed share issue to the sellers of Red Tiger Gaming Limited with payment against set-off
23. Resolution regarding incentive program comprising of issuance of warrants to members of the Board
24. Closing of the General Meeting

## **Resolutions proposed**

### **Item 2 – Election of Chairman of the General Meeting**

The Nomination Committee for the General Meeting 2020, composed of Joel Lindeman, Chairman of the Committee (elected by Novobis and the Lundström family), John Wattin (elected by the Hamberg family), Michael Knutsson (elected by the Knutsson family) and Fredrik Erbing (Chairman of the Board), proposes that Fredrik Erbing be elected as Chairman of the Meeting.

## **Item 10 – Resolution on the disposition of the Company’s results pursuant to the adopted balance sheet**

The Board proposes that no dividends shall be resolved for the financial year 2019. The Board has proposed a redemption procedure in accordance with the contents of agenda item 18.

## **Items 12-15 – Election of members of the Board, etc.**

The Nomination Committee proposes:

- that the Board consists of eight members and no deputy members;
- that one registered accounting company shall be elected as auditor with no deputy auditor;
- that the remuneration for the members of the Board amounts to SEK 1,250,000 (previously SEK 725,000) for the Chairman of the Board and SEK 320,000 (previously SEK 310,000) for each of the members of the Board elected by the General Meeting who are not employees of the Company;
- that, in addition thereto, remuneration to the Chairman of the Audit Committee shall be SEK 115,000 (previously SEK 110,000) and to each of the other members of the Audit Committee SEK 40,000 (previously SEK 35,000) and to each of the members of the Remuneration Committee SEK 25,000 (previously SEK 20,000);
- that in certain cases, members of the Board shall be entitled to remuneration for services rendered within their respective area of expertise that is not board work. The remuneration for such services shall be on market terms and approved by the Board;
- that the remuneration for the auditor be paid in accordance with the approved invoice;
- re-election of Fredrik Erbing, Peter Hamberg, Pontus Lindwall, Maria Redin, Lisa Gunnarsson, Christoffer Lundström and Jonathan Pettemerides as members of the Board, and election of Mathias Hedlund as new member of the Board for the period up to the end of the next General Meeting;
- Mathias Hedlund is proposed to be appointed Chairman of the Board. If Mathias Hedlund’s assignment should end ahead of time, the Board will elect a new chairman internally; and
- election of the registered accounting company Öhrlings PricewaterhouseCoopers AB, with Niklas Renström being chief auditor, as auditors for the period up to the end of the next General Meeting.

The Nomination Committee’s motivated statement regarding its proposition on the Board and information regarding the proposed members of the Board can be found on the Company’s website.

## **Item 16 – Resolution on instruction for the Nomination Committee**

The Nomination Committee proposes that the General Meeting resolves on the following instruction for the Nomination Committee for the period until a new instruction has been decided:

The Nomination Committee proposes that the General Meeting gives mandate to the Chairman of the Board, prior to each Meeting, to contact the three largest shareholders in terms of voting rights, each of which will appoint a representative to comprise, together with the Chairman of the Board, the Nomination Committee for the upcoming General Meeting. When determining who are the largest shareholders in terms of voting rights, Euroclear Sweden AB's registered and ownership grouped list of shareholders as of the last banking day in August each year shall be used. If, due to ownership changes occurring after that date, but no later than 31 December, it is deemed appropriate, the Nomination Committee is entitled to offer one additional shareholder a position on the Nomination Committee. The Nomination Committee shall appoint a Chairman from the largest shareholder in terms of voting rights. If one or more members of the Nomination Committee leaves the committee before its work is completed, a substitute shall be appointed, if this is deemed necessary, by the same shareholder who appointed the member who has resigned, or, if this shareholder is no longer one of the three largest shareholders in terms of voting rights, by the new shareholder belonging to this group. Changes in the composition of the Nomination Committee shall be announced immediately.

The composition of the Nomination Committee shall be announced not later than six months prior to each General Meeting. The Nomination Committee shall appoint a Chairman at the inaugural meeting. No remuneration shall be paid to members of the Nomination Committee. The Nomination Committee shall have the right to obtain resources from the Company such as for example secretarial assistance or use of executive search consultants, if deemed necessary, at the expense of the Company. The term of the Nomination Committee shall be until the composition of the next upcoming Nomination Committee has been announced.

The Nomination Committee proposes that the General Meeting assigns the Nomination Committee the task, prior to each meeting, of submitting proposals on the following matters:

- proposal for Chairman of the Meeting;
- proposal for number of Board members;
- proposal for members of the Board and Chairman of the Board;
- proposal for Board remuneration to the Chairman and each of the other Board Members and remuneration for each of the members elected by the Meeting who serve on the Board's committees;
- proposal for auditor (when applicable) and auditors' remuneration; and
- where appropriate, proposal for changes of these instruction for the Nomination Committee.

In connection with its main task, the Nomination Committee shall undertake all other obligations which may follow from the Swedish Corporate Governance Code (including any related instructions).

## **Item 17 – Resolution on guidelines for remuneration to senior executives**

The Board proposes that the General Meeting resolves on the following guidelines for salary and other remuneration to the Board of Directors, the CEO, and if applicable, the vice CEO, and senior executives. Senior executives are the corporate management team of NetEnt AB. These guidelines are applicable to contracts entered into after the approval by the General Meeting and any changes made in existing contracts after this time. The guidelines are not applicable to Board remuneration approved by the General Meeting or such private placements or rights issues covered by Chapter 16 of the Companies Act.

### **1. The guidelines' promotion of the Company's business strategy, long-term interests and sustainability**

Below is a summary of the Company's business strategy. NetEnt is a digital entertainment company. The Company's business model is to develop games and system solutions that enable operators of online casinos to achieve success by offering their customers the ultimate gaming experience. By doing so, NetEnt shall generate sustainable profit growth and dividends for its shareholders.

For more information about the Company's business strategy, please see the Annual Report and the Sustainability Report for 2019 available on the Company's website, [www.netent.com/rappporter](http://www.netent.com/rappporter).

It is fundamental to the Company and its shareholders that the principles of remuneration and other terms of employment for senior executives shall, both from a short- and long-term perspective, be on market terms and create good prerequisites for retaining and motivating qualified employees and attracting new employees when needed. In order to achieve this, the Company shall have fair and internally balanced terms, which are also competitive.

### **2. Remuneration and remuneration elements**

The remuneration shall be on market terms and may consist of a well-balanced combination of fixed cash salary, variable cash remuneration, pension and other benefits. Notwithstanding these guidelines, the General Meeting may resolve on other kinds of remuneration, such as share-related and share price-related remuneration.

Remuneration should be based on performance and consist of a combination of fixed and variable remuneration, where the adjustable remuneration constitutes a relatively large part of the total remuneration.

The remuneration may consist of the following components.

### **a. Fixed salary**

The fixed cash salary should be on market terms, competitive, individual and related to the individual's responsibility, authority, qualification and experience of the relevant position. In case of maximum outcome of the variable remuneration, the fixed cash salary constitutes 44 percent of the total remuneration to the CEO and 45 percent of the total remuneration to the other senior executives.

### **b. Variable remuneration**

#### *Annual variable remuneration*

A variable cash remuneration, measured and paid out on annually, will be paid out to senior executives. The annual variable remuneration shall amount to not more than 65 percent of the fixed salary to the CEO and not more than 60 percent of the fixed salary to the other senior executives and based on results in relation to the established financial and operational targets. The performance criteria consist of earnings and results and individual targets. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined, by an overall evaluation of performance, when the measurement period has ended. Targets for variable remuneration is set annually by the Board regarding the remuneration to the CEO and by the CEO regarding variable remuneration to the other senior executives, in order to ensure that they promote the Company's business strategy, long-term interests and sustainability. With regards to the financial targets, the evaluation shall be based on the latest financial information made public by the Company. The terms for the variable remuneration should include a minimum performance level in relation to the targets, below which no variable remuneration is received.

#### *Long-term variable remuneration*

To encourage long-term commitment, continued employment and, from an international perspective, a competitive remuneration, the annual variable remuneration may be supplemented with a long-term cash incentive plan with delayed payment between 12 and 24 months. Such incentive plan shall be used selectively and be based on targets relating to the current financial year. Payment of a long-term cash incentive plan requires continued employment by a predetermined date. Long-term cash incentive plans shall amount to not more than 60 percent of the fixed annual salary and must otherwise follow the same principles which are applied to the Company's variable remuneration as described above.

The variable remuneration (annual variable remuneration and long-term variable remuneration) shall contribute to the Company's business strategy, long-term interests, sustainability and create shareholder value by ensuring that the Company can attract necessary competence on a competitive market and that the economical interest of the shareholders and senior executives coincide.

In case of maximum outcome, the total variable remuneration constitutes 55 percent of the total remuneration for each senior executive.

The Company does not have any deferral periods or the contractual possibility to reclaim variable remuneration. The Board shall have the possibility to reclaim paid out variable cash remuneration if it is discovered after the payment that it was based on inaccurate information.

### **3. Remuneration to Board members**

To the extent a non-employed Board member elected by the General Meeting performs work for the Company, besides the Board membership, consultant fee and other remuneration may be granted for such work, which must be on market terms and approved by the Board.

### **4. Pensions**

Pension benefits for the CEO and other senior executives must be on market terms and be based on defined contribution-schemes, where the pension premiums to defined contribution-schemes shall amount to not more than 35 percent of the fixed salary.

For the CEO, pension benefits, including health insurance, shall be defined contribution-schemes. Variable cash remuneration shall not qualify for pension benefits. For other senior executives, pension benefits, including health insurance, shall be defined contribution-schemes unless it follows from rules under a defined benefit plan in accordance with Swedish mandatory collective bargaining agreements. Variable cash remuneration shall qualify for pension benefits when it follows from rules under a general pension plan (like the Swedish ITP plan).

For employments governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### **5. Other benefits**

Other benefits, which may include, for example, health and medical insurance, shall amount to a smaller part of the total remuneration and be on market terms. Such benefits may amount to not more than 15 per cent of the fixed annual salary.

For employments governed by rules other than Swedish rules, health, insurance and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### **6. Special remuneration**

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 20 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution



on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee.

## **7. Share-related incentive plans**

The Board has this year and previous years proposed that the General Meeting resolve on a share-related incentive plan which consist of issuance of warrants on market terms. The Board believes that such incentive plan will offer the best opportunity for long-term work commitment and will promote increased privity with the Company's shareholders.

To increase loyalty to the Company, the warrant incentive plan has been combined with a cash remuneration which is payable in connection with the subscription period provided that the employee is still employed by the Company at the time of share subscription. Such remuneration has also, in certain cases, been paid to executives that has left their employment, for example in case of termination due to lack of work. The net cash remuneration may amount to not more than 70 percent of the premium paid for the warrants.

With regards to share-related incentive plans the vesting period, or the period between entering into the warrant agreement until share subscription, has been at least three years.

## **8. Termination of employment**

The notice period for the CEO may be not more than twelve months. The notice period for other senior executives may be not more than 6 months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for 18 months.

## **9. Salary and employment conditions for employees**

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Compensation Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

## **10. The decision-making process to determine, review and implement the guidelines**

The Board has established a Compensation Committee. The Compensation Committee's tasks include preparing the Board's decision to propose guidelines for senior executive remuneration. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Compensation Committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the Company.

The members of the Compensation Committee are independent of the Company and its senior executives. The CEO and other members of the senior executives do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. In all decision-making it is ensured that conflict of interests are offset and that any possible conflict of interests are handled in accordance with the Company's framework, consisting of Code of Conduct, policies and guidelines.

### **11. Derogation from the guidelines**

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Compensation Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

### **12. Description of material changes of the guidelines**

The guidelines have been reviewed and updated due to the implementation of the Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

### **13. Miscellaneous**

The total remuneration and other benefits which has been paid out to senior executives during the year are described in the Annual Report.

## **Item 18 – Share split and automatic redemption procedures**

The Board proposes that the General Meeting resolves on an automatic procedure for redemption in accordance with the contents of items 18a – 18c below. It is proposed that all resolutions are conditional upon each other and made jointly as one resolution. A resolution in accordance with the proposal is valid only if supported by shareholders holding at least two-thirds of both the votes cast and the shares represented at the General Meeting.

### **Item 18a – Resolution on implementation of share split**

The Board proposes that the General Meeting resolves to carry out a division of the Company's shares, a so-called share split, whereby one existing share in the Company, of both series A and series B, is divided into two shares. One of these shares will be a so-called redemption share. The Board proposes that the Board will be authorized to determine the record day for the share split, which, at the time of this summons is planned to be May 7, 2020.

### **Item 18b – Resolution on the reduction of the share capital by automatic redemption of shares**

The Board proposes that the General Meeting resolves that the share capital should be decreased by SEK 602,728.4586 by redemption of 33,660,000 series A shares and 206,470,860 series B shares for repayment to shareholders. The shares to be redeemed are constituted of the shares that are called redemption shares after the share split has been carried out in accordance with the above. Payment for each redemption share will be SEK 1.00, of which SEK 0,99498 exceed the quotient value prior to the share split above. Any redeemed redemption shares of series A or series B that are held by the Company will be redeemed without repayment and such amount will be allocated as unrestricted equity to be used by the Meeting. The total redemption settlement amounts to maximum SEK 240,130,860. The Board proposes that trading in series B redemption shares should occur during the period from and including May 11, 2020 up to and including May 25, 2020. The Board proposes that the Board is authorized to determine the record day for the redemption of redemption shares, which at the time of this summons is planned to be May 27, 2020. Payment is scheduled to be made through Euroclear Sweden AB on June 1, 2020.

### **Item 18c – Resolution on an increase of share capital by means of a bonus issue**

In order to enable a timely redemption procedure without the requirement of approval from the Swedish Companies Registration Office or a general court, the Board proposes that the General Meeting resolves to restore the Company's share capital to its original level by increasing the Company's share capital by 602,728.4586 through a bonus issue by transfer from the Company's unrestricted equity to the Company's share capital. No new shares will be issued in connection with the increase in the share capital.

### **Item 19 – Resolution regarding an incentive program comprising of issuance of warrants to employees**

The Board finds it appropriate and in the interest of all shareholders that senior executives and key employees in the group are offered a long-term ownership interest. The Board therefore proposes that the General Meeting resolves on a long-term incentive program for senior executives and key employees including the issuance of warrants, substantially in accordance with the below. This also constitutes cause for deviation from the preferential rights of shareholders upon issuance.

The General Meeting is informed that the Board considers encouraging participation in the incentive program by paying out a cash remuneration to be paid not later than September 1, 2023. The remuneration will be paid only with the provision that the participant is still employed by the group and that certain other provisions are fulfilled. The cash remuneration can however in specific cases also be paid to senior executives that has left their employment, for example in case of termination due to lack of work. The net cash remuneration may amount to maximum 70 per cent of the premium paid for the warrants.

A prerequisite for participation in the incentive program by the senior executives and key employees is that they each prior to subscription, enter into an agreement with the Company governing the ownership of the warrants. The agreement contains, inter alia, conditions stating that anyone who wishes to sell their warrants or terminate the employment with the Company prior to exercising the warrant is obliged to offer the Company to buy back the warrants at market price. If the shareholders of the Company declare their intention to accept an offer from a third party to sell half or more of the total number of shares in the Company, the participants of the incentive program are obliged to sell their warrants at the same terms and conditions as the shareholders. The holders of warrants are also obliged to participate through sale or substitution of their warrants in any restructuring that may be deemed necessary before a sale of the Company, assuming they retain the equivalent rights upon such a sale or substitution as prior to the transaction.

The proposal under this item is based on the number of shares after the proposed share split and automatic redemption procedures. No recalculation according to the warrant provisions shall be made for the proposed share split and automatic redemption procedures according to item 18 above.

#### *Issue of warrants to employees*

The Board proposes that the General Meeting decides that the Company, with deviation from the preferential right of shareholders, issues a maximum of 1,550,000 warrants with the associated right of subscription of 1,550,000 shares of series B in the Company on substantially the following conditions.

The right to subscribe to the warrants will, with deviation from the preferential right of shareholders, accrue, to certain employed individuals in the group in accordance with the principles set out below. Subscription of the warrants will occur on May 26, 2020 at the earliest and not later than on June 2, 2020 and payment will occur at the latest on June 12, 2020. The Board shall have the right to prolong the subscription and payment period.

The subscription price for a warrant will be determined after the closing of Nasdaq Stockholm May 25, 2020 and shall equal the market value of the warrant pursuant to an external independent valuation using an established valuation method (Black & Scholes). The calculation of the subscription price shall be made by Ernst & Young AB.

The right to subscribe to and being allocated warrants shall be as follows:

- Category 1 (CEO, COO): maximum 100,000 warrants each.
- Category 2 (senior management – 8 persons): 50,000 is the maximum number of warrants that can be offered to a single individual.
- Category 3 (other senior executives – 40 persons): 25,000 is the maximum number of warrants that can be offered to a single individual.
- Category 4 (other key employees - 15 persons): 12,500 is the maximum number of warrants that can be offered to a single individual.

The total number of warrants that may be offered to employees in the category 1-4 above shall however amount to a maximum of 1,550,000 warrants. Full allocation to all

individuals in category 1-4 of the maximum number of warrants per individual can thus not take place.

An offer of subscription to warrants for employees outside of Sweden requires that there are no legal or tax impediments, and that the Board believes that such offer can occur with reasonable administrative and/or financial resources.

The holder of a warrant has the right, during the time from and including August 1, 2023, up to and including September 20, 2023, for one (1) warrant, to subscribe to one (1) new share of series B in the Company at a subscription price corresponding to 130 per cent of the B share's volume-weighted average price on Nasdaq Stockholm during the period from and including May 11, 2020, up to and including May 25, 2020, however at the lowest at a subscription price corresponding to the quota value of the B share.

In case of full subscription and full exercise of the proposed warrants, the Company's share capital may increase by SEK 7,781 by the issuance of a maximum of 1,550,000 shares, each with a quota value of SEK 0,00502, subject to any increases that may follow from recalculation in accordance with the conditions of the warrants as a result of share issuances, etc. These new shares constitute, if fully exercised, approximately 0,6 per cent of the total number of shares and approximately 0,3 per cent of the total number of votes in the Company. With regard to outstanding warrants in accordance with previous warrant programs, the total dilution is approximately 1,3 percent of the total number of shares and approximately 0,6 percent of the total votes in the Company, provided full subscription and full exercise of all warrants.

The Board, or anyone appointed by the Board, shall be authorized to make such minor adjustments of the resolution that might be necessary in connection with registration with the Swedish Companies Registration Office, Euroclear Sweden AB or due to formal requirements.

A resolution in accordance with the proposal is valid only if supported by shareholders holding at least nine tenths of both the votes cast and the shares represented at the AGM.

## **Item 20 – Resolutions on authorization for the Board to resolve on acquisition of own shares and transfer of own shares**

### **Item 20a – Authorisations for the Board to resolve on acquisition of own shares**

The Board proposes that the General Meeting authorises the Board to resolve on acquisition of the Company's own shares of series B, where the following conditions shall apply:

- Acquisition of shares shall take place on Nasdaq Stockholm in accordance with the rules regarding acquisition of own shares in the Nasdaq Stockholm's Rule book for Issuers.
- The acquisition of own shares may be made at one or several occasions up until the next General Meeting.

- The Company's holding may not exceed 10 per cent of all the shares in the Company at any time.
- Acquisition of shares on Nasdaq Stockholm may be made at a price per share within the recorded interval, i.e. the interval between the highest buying price and the lowest selling price.
- Payment shall be made in cash.

#### **Item 20b – Authorisation for the Board to resolve on acquisition of own shares**

The Board proposes that the General Meeting authorises the Board to resolve on transfer of the Company's own shares of series B, where the following conditions shall apply:

- The transfer of own shares may be made at one or several occasions up until the next General Meeting.
- The shares may be transferred with deviation from the shareholders' preferential rights.
- Transfer of shares may be made on Nasdaq Stockholm at a price per share within the recorded interval, i.e. the interval between the highest buying price and the lowest selling price.
- Transfer of shares may also be made outside Nasdaq Stockholm. Such transfer may be made at a minimum price per share corresponding to an amount in close connection with the price of the Company's shares on Nasdaq Stockholm at the time of the decision on the transfer.
- Payment for the transferred share may be made in cash, by contributions in kind or by set-off of Company debt.
- The number of shares which may be transferred is limited by the Company's holding at the time of the Board's decision on the transfer.

The purpose of the authorization to acquire and sell own shares is to continuously adapt the Company's capital structure and thereby contribute to an increase in value for shareholders and also to enable the assurance of costs and delivery and to reduce dilution in connection with future long-term incentive programs. This also constitutes cause for deviation from the preferential rights of the shareholders.

A resolution in accordance with the proposal is valid only if supported by shareholders holding at least two-thirds of both the votes cast and the shares represented at the General Meeting.

#### **Item 21 – Resolution on authorization for the Board to resolve on new share issues**

The Board proposes that the General Meeting resolves to authorize the Board, within the limits of the articles of association, until the next General Meeting, on one or more occasions, resolve to issue new Class B shares in the Company. The total number of Class B shares in such share issues shall correspond to not more than 10 per cent of the Company's registered share capital at the time of the General Meeting. The purpose of the share issues shall be to acquire of finance acquisitions of all or parts of companies or businesses, through share issue with or without deviation from the shareholders

preferential rights, or through payment in kind or by set-off of claims or on other terms. The share issues shall be made to a subscription price on market terms, subject to a market discount where applicable.

The Board, or anyone appointed by the Board, shall be authorized to make such minor adjustments of the resolution that might be necessary in connection with registration with the Swedish Companies Registration Office, Euroclear Sweden AB or due to formal requirements.

A resolution in accordance with the proposal is valid only if supported by shareholders holding at least two-thirds of both the votes cast and the shares represented at the General Meeting.

## **Item 22 – Resolution on a directed share issue to the sellers of Red Tiger Gaming Limited with payment against set-off**

The Board of the Company proposes that the General Meeting resolves to carry out a directed share issue of 6,327,175 Class B shares, entailing an increase of the share capital with SEK 31,762.4185. The directed share issue will result in a dilution of approximately 2.6 per cent of the share capital and approximately 1.2 per cent of the votes in the Company. The resolution shall otherwise be governed by the following terms and conditions:

- The right to subscribe for the new shares, with deviation from the shareholders' pre-emptive rights, shall vest in NGV Intergalactic Software Limited, with the right to subscribe to not more than 2,973,772 Class B shares, Moredred Tiger Limited, with the right to subscribe to not more than 2,847,229 Class B shares, Garth Philip Kimber, with the right to subscribe to not more than 316,359 Class B shares and Gavin Hamilton, with the right to subscribe to not more than 189,815 Class B shares. The subscribers are collectively referred to as the Sellers.
- The reason for the deviation from the shareholders' pre-emptive rights is to fulfil the addendum to the share purchase agreement which has been entered into with the Sellers.
- The subscription price amount to SEK 21.34 per Class B share, corresponding to the volume weighted average price per Class B share in the Company on Nasdaq Stockholm during the period from (and including) 24 February 2020 to (and including) 20 March 2020, corresponding to a total subscription price of approximately SEK 135 million.
- The newly issued shares shall be subscribed for on a subscription list no later than on 5 May 2020. The Board shall have the right to prolong the subscription period.
- Payment for the subscribed shares shall be made by way of set-off, whereby the set-off of the subscription price can be made to a maximum amount corresponding to the subscribers' claims, respectively, on the Company. Over-subscription is not possible. The set-off is completed through subscription of shares.
- The new shares shall be entitled to dividend as from the first record day for dividend after the newly issued shares have been registered with the Swedish

Companies Registration Office and the shares have been registered in the share register kept by Euroclear Sweden AB.

In September 2019, the Company acquired, through its wholly owned subsidiary Net Ent Malta Holding Limited (the Buyer), all shares in Red Tiger Gaming Limited from the Sellers. Pursuant to the share purchase agreement, the Sellers are entitled to an earn-out consideration. The Buyer and the Sellers have, as previously communicated, entered into an addendum to the share purchase agreement in which 50 per cent of the agreed earn-out consideration shall be paid in shares in the Company. The Company has thus assumed the liability of the Buyer in relation to 50 per cent of the agreed earn-out consideration and undertaken to pay such part of the earn-out consideration to the Sellers in lieu of the Buyer (and hence released the Buyer from paying 50 per cent of the earn-out consideration to the Sellers).

The Board, or anyone appointed by the Board, shall be authorized to make such minor adjustments of the resolution that might be necessary in connection with registration with the Swedish Companies Registration Office, Euroclear Sweden AB or due to formal requirements.

A resolution in accordance with the proposal is valid only if supported by shareholders holding at least nine tenths of both the votes cast and the shares represented at the AGM.

### **Item 23 – Resolution regarding an incentive program comprising of issuance of warrants to members of the Board**

The Lundström family (through Novobis), representing 13.8 percent of the votes in the Company, finds it appropriate and in the interest of all shareholders that members of the Board are offered a long-term ownership interest. Having a long-term share related incentive plan is an important part of a competitive remuneration package that will make the Company attract, retain and motivate qualified members of the Board and will drive behaviors that will support the Company's long and short term business success and create shareholder value. The Lundström family therefore proposes that the General Meeting resolves on a long-term incentive program for members of the Board, including the issuance of warrants, substantially in accordance with the below. This also constitutes cause for deviation from the preferential rights of shareholders upon issuance.

A prerequisite for participation in the incentive program by the members of the Board is that they each prior to subscription, enter into an agreement with the Company governing the ownership of the warrants. The agreement contains, inter alia, conditions stating that anyone who wishes to sell their warrants prior to exercising the warrant is obliged to offer the Company to buy back the warrants at market price. If the shareholders of the Company declare their intention to accept an offer from a third party to sell half or more of the total number of shares in the Company, the participants of the incentive program are obliged to sell their warrants at the same terms and conditions as the shareholders. The holders of warrants are also obliged to participate through sale or substitution of their warrants in any restructuring that may be deemed necessary before a sale of the Company, assuming they retain the equivalent rights upon such a sale or substitution as prior to the transaction.



The proposal under this item is based on the number of shares after the proposed share split and automatic redemption procedures. No re-calculation according to the warrant provisions shall be made for the proposed share split and automatic redemption procedures according to item 18 above.

#### *Issue of warrants to members of the Board*

The Lundström family proposes that the General Meeting decides that the Company, with deviation from the preferential right of shareholders, issues a maximum of 450,000 warrants with the associated right of subscription of 450,000 shares of series B in the Company on substantially the following conditions.

The right to subscribe to the warrants will, with deviation from the preferential right of shareholders, accrue, to members of the Board in accordance with the principles set out below. Subscription of the warrants will occur on May 26, 2020 at the earliest and not later than on June 2, 2020 and payment will occur at the latest on June 12, 2020. The Board shall have the right to prolong the subscription and payment period.

The subscription price for a warrant will be determined after the closing of Nasdaq Stockholm May 25, 2020 and shall equal the market value of the warrant pursuant to an external independent valuation using an established valuation method (Black & Scholes). The calculation of the subscription price shall be made by Ernst & Young AB.

The right to subscribe to and being allocated warrants shall be as follows:

- Chairman of the Board: maximum of 100,000 warrants.
- Other members of the Board: maximum of 50,000 warrants each.

The holder of a warrant has the right, during the time from and including August 1, 2023, up to and including September 20, 2023, for one (1) warrant, to subscribe to one (1) new share of series B in the Company at a subscription price corresponding to 130 per cent of the B share's volume-weighted average price on Nasdaq Stockholm during the period from and including May 11, 2020, up to and including May 25, 2020, however at the lowest at a subscription price corresponding to the quota value of the B share.

In case of full subscription and full exercise of the proposed warrants, the Company's share capital may increase by SEK 2,259 by the issuance of a maximum of 450,000 shares, each with a quota value of SEK 0,00502, subject to any increases that may follow from recalculation in accordance with the conditions of the warrants as a result of share issuances, etc. These new shares constitute, if fully exercised, approximately 0,2 per cent of the total number of shares and approximately 0,1 per cent of the total number of votes in the Company. With regard to outstanding warrants in accordance with previous warrant programs, the total dilution is approximately 0,8 percent of the total number of shares and approximately 0,4 percent of the total votes in the Company, provided full subscription and full exercise of all warrants.

The Board, or anyone appointed by the Board, shall be authorized to make such minor adjustments of the resolution that might be necessary in connection with registration with

the Swedish Companies Registration Office, Euroclear Sweden AB or due to formal requirements.

A resolution in accordance with the proposal is valid only if supported by shareholders holding at least nine tenths of both the votes cast and the shares represented at the General Meeting.

### **Information at the General Meeting**

The Board and the CEO shall, if a shareholder so requests and the Board believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the Company's or subsidiaries' financial situation and the Company's relationship to other group companies.

### **Miscellaneous**

Copies of financial statements, the auditor's report and other documents with complete proposals, including a special information brochure concerning the proposed redemption of shares, and other documents in accordance with the Swedish Companies Act will be available at the Company's offices and on the Company's website, [www.netent.com](http://www.netent.com), not later than April 8, 2020. The documents will also be sent to shareholders who so request and state their address.

At the time of issuance of this notice, the total number of shares in the Company amounts to 240,130,860, of which 33,660,000 shares of series A and 206,470,860 shares of series B, corresponding to a total of 543,070,860 votes. As per the same date the Company's own shares amounted to 1 000 000 shares of series B.

### **Processing of personal data**

For information on how your personal data is processed, see the privacy notice available on the Company's website, [www.netent.com/en/netent-privacy-policy-eu/](http://www.netent.com/en/netent-privacy-policy-eu/).

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Stockholm, March 2020

NetEnt AB (publ)

The Board of Directors

**For additional information please contact:**

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*This information is information that NetEnt AB (publ) 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 above, at 9:00 CET on March 24<sup>th</sup>, 2020.*