



NetEnt interim report Q3 2020



Therese Hillman, Group CEO



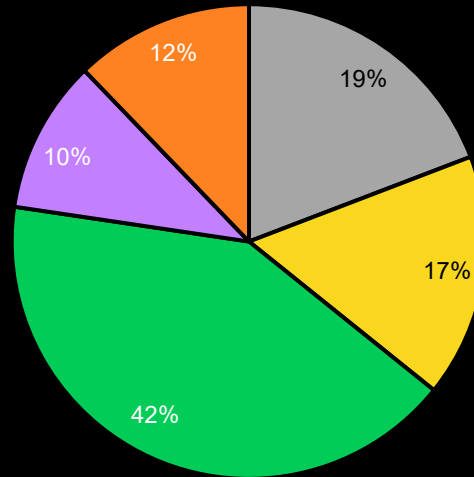
Report highlights

- Proforma group organic revenue growth in euro of 9 percent Y/Y in Q3
- Increased investments in strategic growth areas USA, Red Tiger and Live Casino
- Continued to realize cost and revenue synergies from Red Tiger integration
- Record underlying EBITDA margin of 60 (50)% in Q3
- 16 (19) new slot games released, 5 (8) from NetEnt and 11 (11) from Red Tiger
- Gonzo's Quest Megaways™ best performing game release ever
- Continued important progress with US expansion



GGR split by Region, Q/Q

- UK 19% (21%)*
- Nordics 17% (16%)*
- Other Europe 42% (41%)*
- USA 10% (10%)*
- Rest of world 12% (12%)*

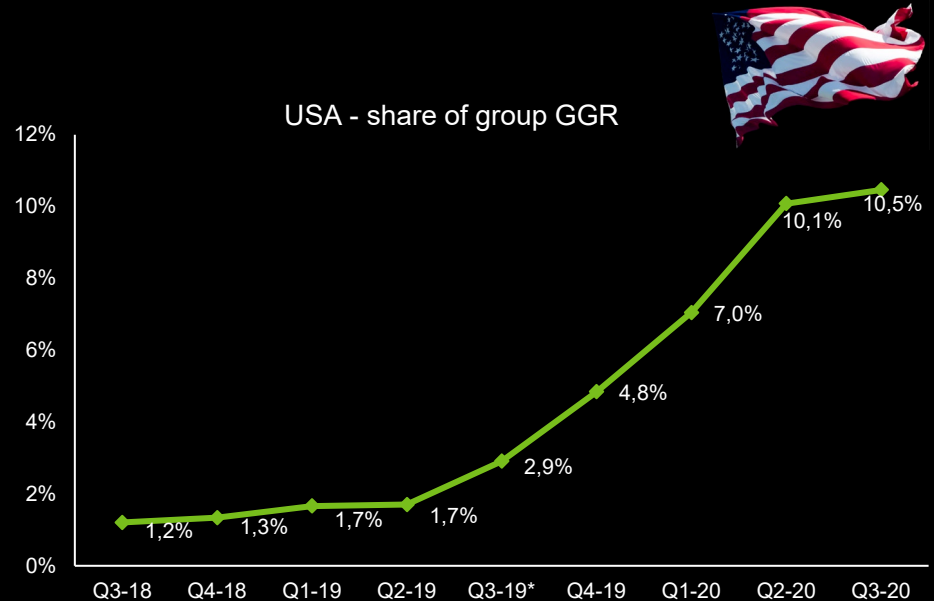


■ United Kingdom ■ Nordic region ■ Other Europe ■ United States ■ Rest of world

**Figures for Q2 2020 in parenthesis.*

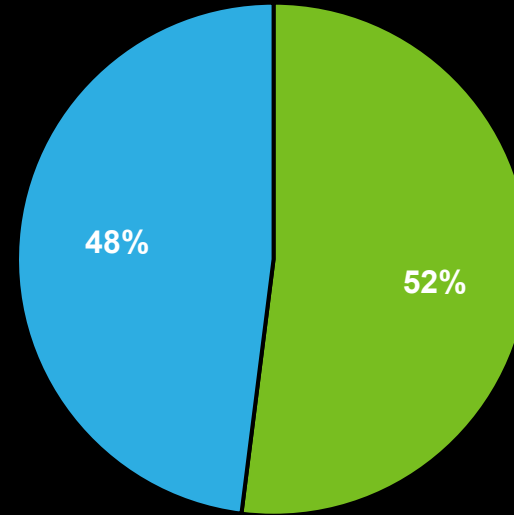
Continued growth in the US

- GGR +313% Y/Y
- Share of revenues is less due to taxes
- Signed new customer deals with DraftKings (PA, WV), Tipico (NJ), William Hill (WV), Wind Creek (PA), BetMGM/GVC (WV) and The Cordish Companies (PA)
- Entered West Virginia in October as first third-party supplier
- Expect early entry when market opens in Michigan
- Launching Red Tiger in Pennsylvania under NetEnt's license. Go-live expected in November



Locally Regulated Markets, Q/Q

- 52 (53)% of GGR from locally regulated markets
- Further scope for Red Tiger to grow in regulated markets where it has limited presence, e.g. USA, Italy and Spain

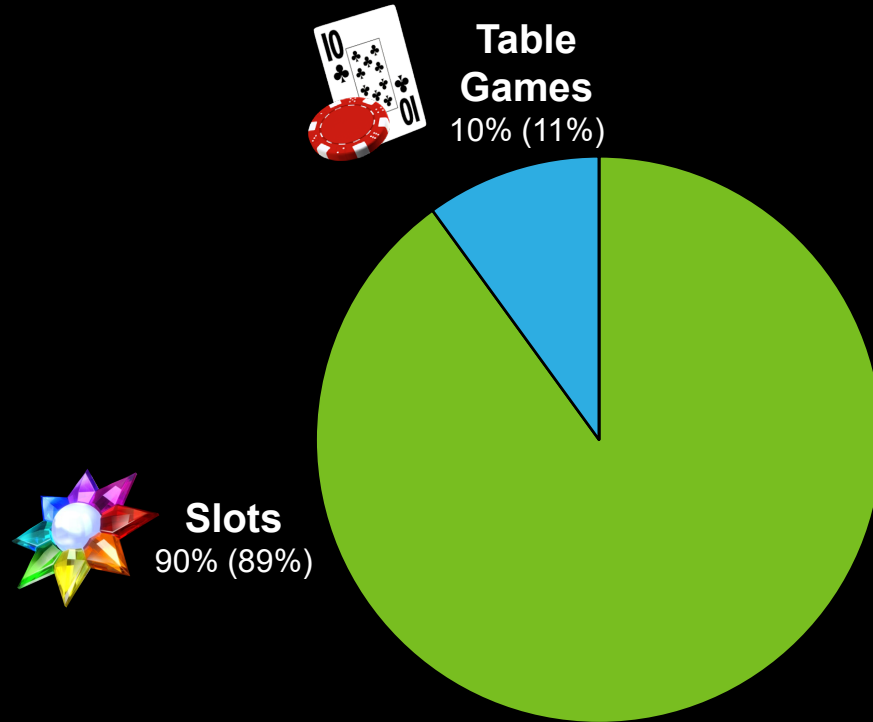


■ Locally regulated ■ Non-locally regulated

**Figures for Q2 2020 in parenthesis.*

Q3 2020

GGR By Game Type, Q/Q



**Figures for Q2 2020 in parenthesis.*

Q3 2020 – NEW GAMES

NETENT
BETTER GAMING™



NETENT *live*



5 FAMILIES

CIRQUE
DE LA
FORTUNE

WILD
O'CLOCK

Lucky
Fridays

BOMBUSTER

CRYSTAL
MIRROR



CASH
VOLT



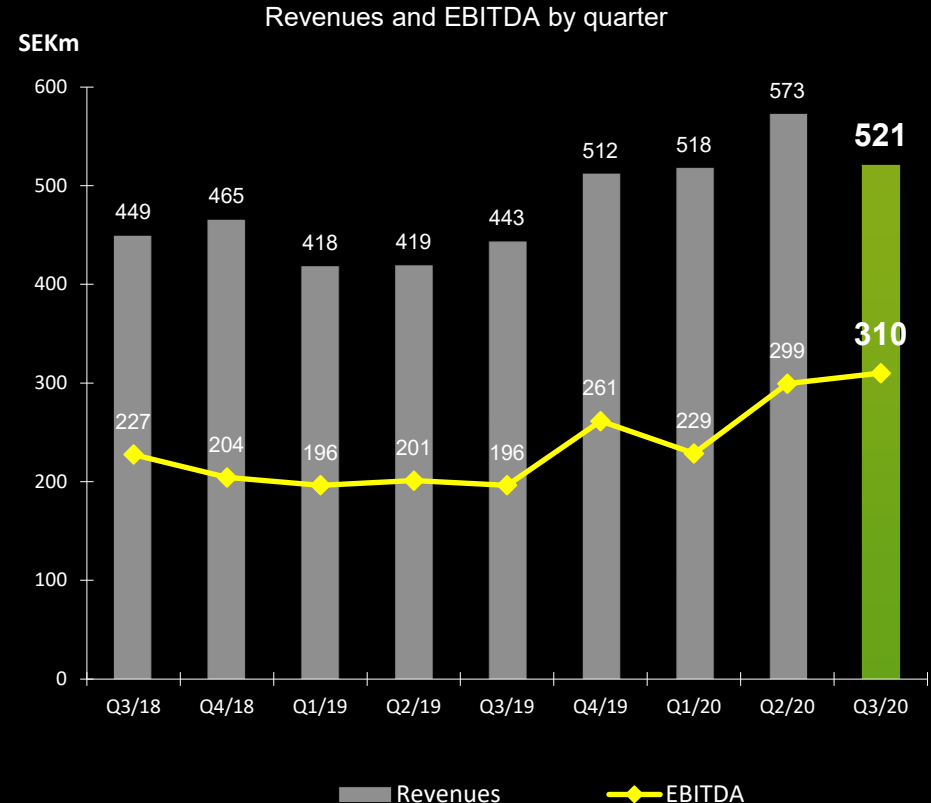
GONZO'S
QUEST™
MEGAWAYS™



BY QUARTER

Revenues and earnings

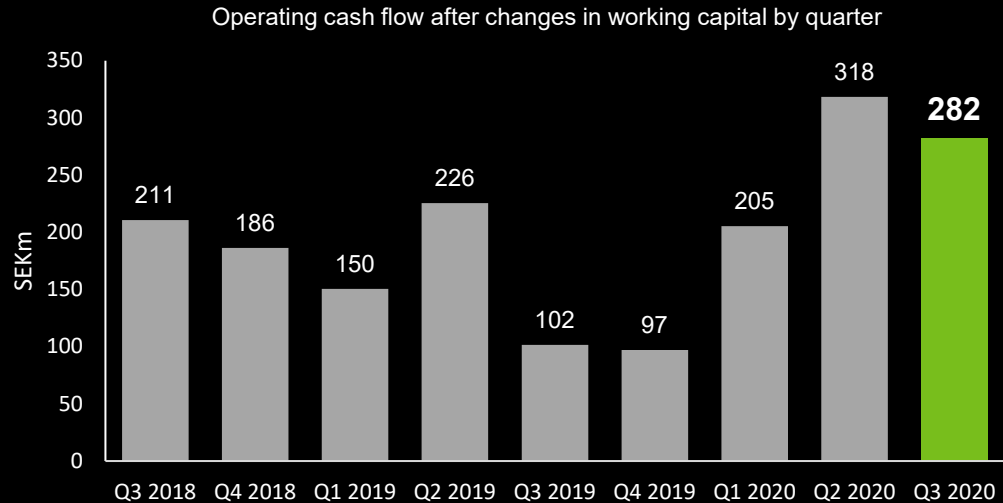
- Revenues of 521 (443) SEKm in Q3
- Revenues +9.0% Y/Y organic proforma in euro
- Transaction costs of 3 SEKm (non-recurring item)
- Adjusted EBITDA of 313 (221) SEKm, margin of 60% (50%)
- Reported EBITDA of 310 (196) SEKm, margin of 59% (44%)



BY QUARTER

Operating Cash Flow

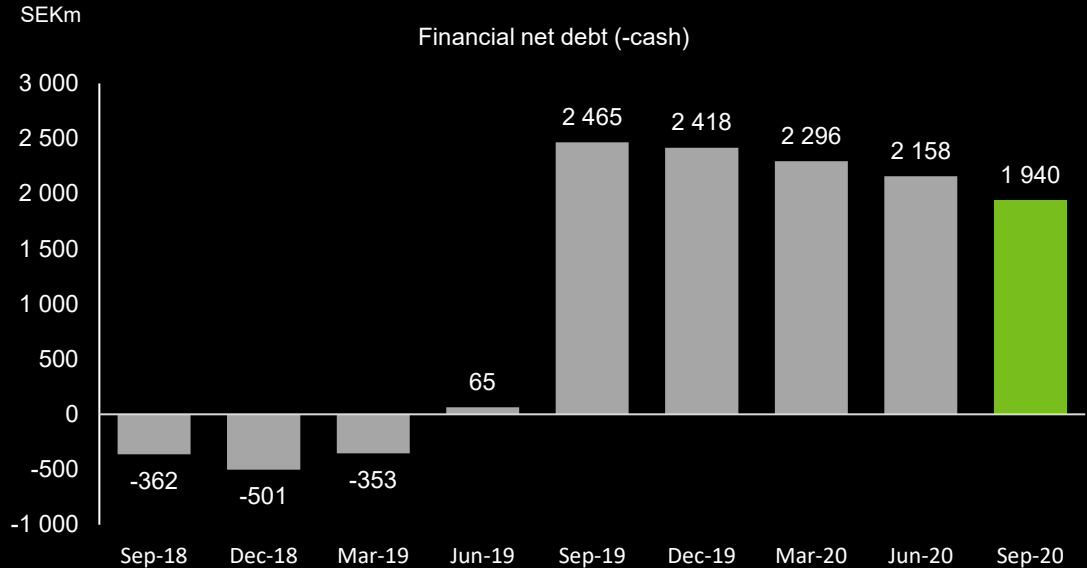
- Operating cash flow after changes in working capital:
 - 282 (102) SEKm in Q3
- Operating cash flow after investments:
 - 237 (48*) SEKm in Q3



**Excluding investments in subsidiaries.*

Net financial debt

- Net debt of 1,940 SEKm at 2020-09-30
 - Cash & cash equivalents: 337 SEKm
 - Bank loans: 1,993 SEKm
 - NPV of earn-out liability: 121 SEKm
 - IFRS 16 capitalized lease liabilities: 162 SEKm
- Net debt / Adj EBITDA (L12M): 1.7x



**Calculations in the interim report and presentation do not always correspond exactly to the stated totals due to rounding*

Q4 2020 outlook

- Activities expected to have positive effect on earnings in Q4 and onwards, include:
 - Entered West Virginia in October as the first third-party supplier
 - Expect to enter early as the market opens in Michigan
 - Launching Red Tiger's games in Pennsylvania under NetEnt's license. Go-live is expected in November
 - Red Tiger's games are now available through NetEnt's platform at Veikkaus, further expanding Red Tiger's reach into regulated markets and Tier 1 customers
 - Launch in December of Baccarat and Roulette Max, an innovative high-volatility game version for Live Dealer
 - Further expansion of our Live studio in Malta



Focus looking ahead

- Actions taken during 2020 have created a strong platform for future growth
- Proven success with collaboration game development
- Increased game development capacity at lower cost
- Realizing further synergies on costs and revenues
- US expansion
- Further Red Tiger rollout – new markets and new customers
- Growth in emerging markets (Asia, LatAm)
- Continue to see great potential for Live Casino growth



The background is a stage set with a dark floor and walls. The walls are covered in a black and white checkered pattern. The stage is lit with green and gold lights. There are many vertical lines of light, some of which are fiber optic cables with small white cubes at the end. The text "Q&A" is centered in the middle of the image.

Q&A