

PRESS RELEASE

Regulatory news

Stockholm, 24 June 2020

Statement by the board of directors of NetEnt in relation to the public offer from Evolution Gaming

The board of directors unanimously recommends the shareholders of NetEnt to accept the offer from Evolution Gaming.

This statement is made by the board of directors¹ of NetEnt AB (publ) (“**NetEnt**” or the “**Company**”) pursuant to Rule II.19 of the Nasdaq Stockholm Takeover Rules (the “**Takeover Rules**”).

The Offer

On 24 June 2020, Evolution Gaming Group AB (publ) (“**Evolution Gaming**”) announced an offer of 0.1306 Evolution Gaming shares for each share in NetEnt (the “**Offer**”). The Offer values each share in NetEnt to SEK 79.93 and all shares in NetEnt to approximately SEK 19.6 billion based on closing prices on 23 June 2020 and 33,660,000 shares of series A and 212,798,035 shares of series B in NetEnt, less 1,000,000 B-shares owned by the Company.

The offered consideration per share in NetEnt represents a premium of 43 per cent compared to the closing price of the NetEnt share of series B on Nasdaq Stockholm on 23 June 2020 (the last trading day prior to the announcement of the Offer), a premium of 72 per cent compared to the volume weighted average price per NetEnt share of series B on Nasdaq Stockholm during the 30 latest trading days up to and including 23 June 2020 and a premium of 161 per cent compared to the volume weighted average price per NetEnt share of series B on Nasdaq Stockholm during the 90 latest trading days up to and including 23 June 2020.

Evolution Gaming has stated that it will not increase the Offer. Accordingly, the price in the Offer is final under the Takeover Rules.

The acceptance period for the Offer is expected to commence on or around 17 August 2020 and expire on or around 26 October 2020, subject to any extensions. Completion of the Offer is subject to customary conditions, including regulatory clearances being obtained and the Offer being accepted to such extent that Evolution Gaming becomes the owner of shares representing more than 90 per cent of the total number of outstanding shares in NetEnt (on a fully diluted basis). Evolution Gaming has reserved the right to waive one or several of the conditions, including to complete the Offer at a lower level of acceptance.

The process undertaken by the board of directors to evaluate the Offer

In its evaluation of the Offer, the board of directors has taken a number of factors into account which it deems relevant, including, but not limited to, the Company’s present strategic and financial position, prevailing market conditions and operational opportunities and challenges, the Company’s expected future development and opportunities and risks related thereto, and valuation methods normally used in evaluating public offers for listed companies, including the Offer’s valuation of NetEnt relative to comparable listed companies and comparable transactions, premiums in previous public offers on Nasdaq Stockholm, the stock market’s expectations in respect of the Company and the board’s view on the Company’s value based on its expected dividend and cash flow generation. The board of directors has specifically evaluated the Offer in light of the fact that the consideration offered is in Evolution Gaming shares.

The board of directors, as part of its process to evaluate the Offer and in line with its fiduciary duties, has investigated other opportunities in light of the approach by Evolution Gaming, but the combination with Evolution Gaming is in the view of the board the best current option.

In its evaluation of the Offer, the board has also taken into account that NetEnt's largest long-term family shareholders representing 68.22 per cent of the votes and 29.50 per cent of the capital, have signed irrevocable undertakings to accept the Offer, subject to certain conditions, or stated that they intend to sign such irrevocable undertakings.

Upon written request by Evolution Gaming, the board of directors has permitted Evolution Gaming to review limited information for confirmatory purposes in connection with the preparations for the Offer. NetEnt has conducted a reciprocal due diligence review of Evolution Gaming. No inside information has been exchanged in connection with these reviews.

The board of directors has engaged Lazard as financial advisor and Vinge as legal advisor in relation to the Offer.

The recommendation of the board of directors

In the board's opinion, NetEnt has a proven and well-defined strategy going forward. However, the board views a combination of NetEnt and Evolution Gaming as positive and believes it to be strategically sound, and the share consideration allows the Company's shareholders to take part of the combined accelerated growth story and combination benefits.

The combination of NetEnt and Evolution Gaming would create a leading B2B provider in online casino.

The board believes there are a number of strategic benefits to NetEnt from combining its operations with Evolution Gaming, including:

- The combination will provide substantially increased scale and create a leading supplier of online casino products within Live and slots
- As part of Evolution Gaming, NetEnt will be able to leverage Evolution Gaming's strong market position in the Live segment to further strengthen its market position in the slots segment
- The combination will have significant capabilities to leverage its strong position within the US states that have opened up for online casino
- The enlarged entity will provide enhanced client and products diversification to better address a changing market environment
- Combining two world class technology organizations will provide a robust basis for new and innovative products to the benefit of customers and end-users

The Offer represents a significant premium to the prevailing NetEnt share price before announcement of the Offer and the Offer price is also well above the consensus target price of research analysts before announcement of the Offer.

The board of directors unanimously recommends the shareholders of NetEnt to accept the Offer.

Effects on NetEnt and its employees

Under the Takeover Rules, the board of directors is required to present its opinion on the effects the implementation of the Offer may have on NetEnt, especially employment, and its view on Evolution Gaming's strategic plans for NetEnt and the impact these could be expected to have on employment and on the locations where NetEnt conducts its business. In its press release announcing the Offer, Evolution Gaming states:

“Evolution is confident that it will be able to build a strong group together with NetEnt’s senior management and employees. Evolution recognises the value of NetEnt’s senior management and other employees and appreciates that their talent and dedication have been, and will continue to be, integral to NetEnt’s and the combined group’s success. Evolution does not currently foresee that the combination of the companies will have any material impact on Evolution’s or NetEnt’s respective employees, including their terms of employment or the locations where the companies currently operate. Following the completion of the Offer, Evolution intends to carry out a careful review of the combined business in order to evaluate how Evolution can organise and develop the group in the best possible way.”

The board of directors assumes that the above statements made by Evolution Gaming are correct and has no reason to take a different view.

This statement by the board of directors of NetEnt shall be governed by and construed in accordance with substantive Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts.

Stockholm, 24 June 2020

The board of directors of NetEnt AB (publ)

For further information, please contact:

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This 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 08:15 CEST on 24 June 2020.

In case of any discrepancies between the Swedish and English language versions of this statement the Swedish version shall prevail.

¹ Board members Peter Hamberg, Pontus Lindwall and Christoffer Lundström have not due to conflict of interest participated in the board’s evaluation of the Offer nor in resolutions concerning the Offer.

NetEnt AB (publ) is a leading digital entertainment company, providing premium gaming solutions to the world’s most successful online casino operators. Since its inception in 1996, NetEnt has been a true pioneer in driving the market with thrilling games powered by a cutting-edge platform. NetEnt is committed to helping customers stay ahead of the competition, is listed on NASDAQ Stockholm (NET-B) and employs around 1,100 people in Malta, Stockholm, Sofia, Kiev, Krakow, Gothenburg, Gibraltar and New Jersey. www.netent.com