

NET|ENT

Q2 2014

Agenda

- NetEnt in brief & key report highlights
- Financial update
- Product update
- Events after the quarter
- Market update
- Outlook
- Q&A



NetEnt in brief



**Global B2B
Development Company**



Online Casino Software



**Great growth
possibilities**



Innovation & technology



Workforce of 530



**Listed on Nasdaq OMX
Stockholm
Market Cap > €600m**



Q2 2014 – Key report highlights

- Record revenues, up 37.8% vs 2013
- Operating profit increased 46.6% vs 2013
- Ten new customers signed, of which one Tier 1

RATIONAL GROUP

- Retail agreement signed with

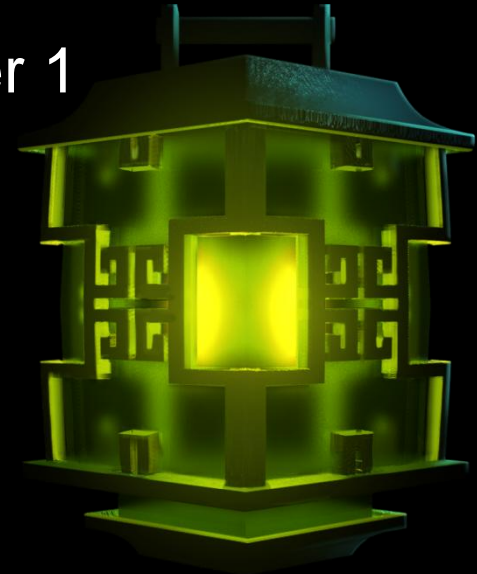
William HILL

- 13 customers launched, of which two Tier 1:

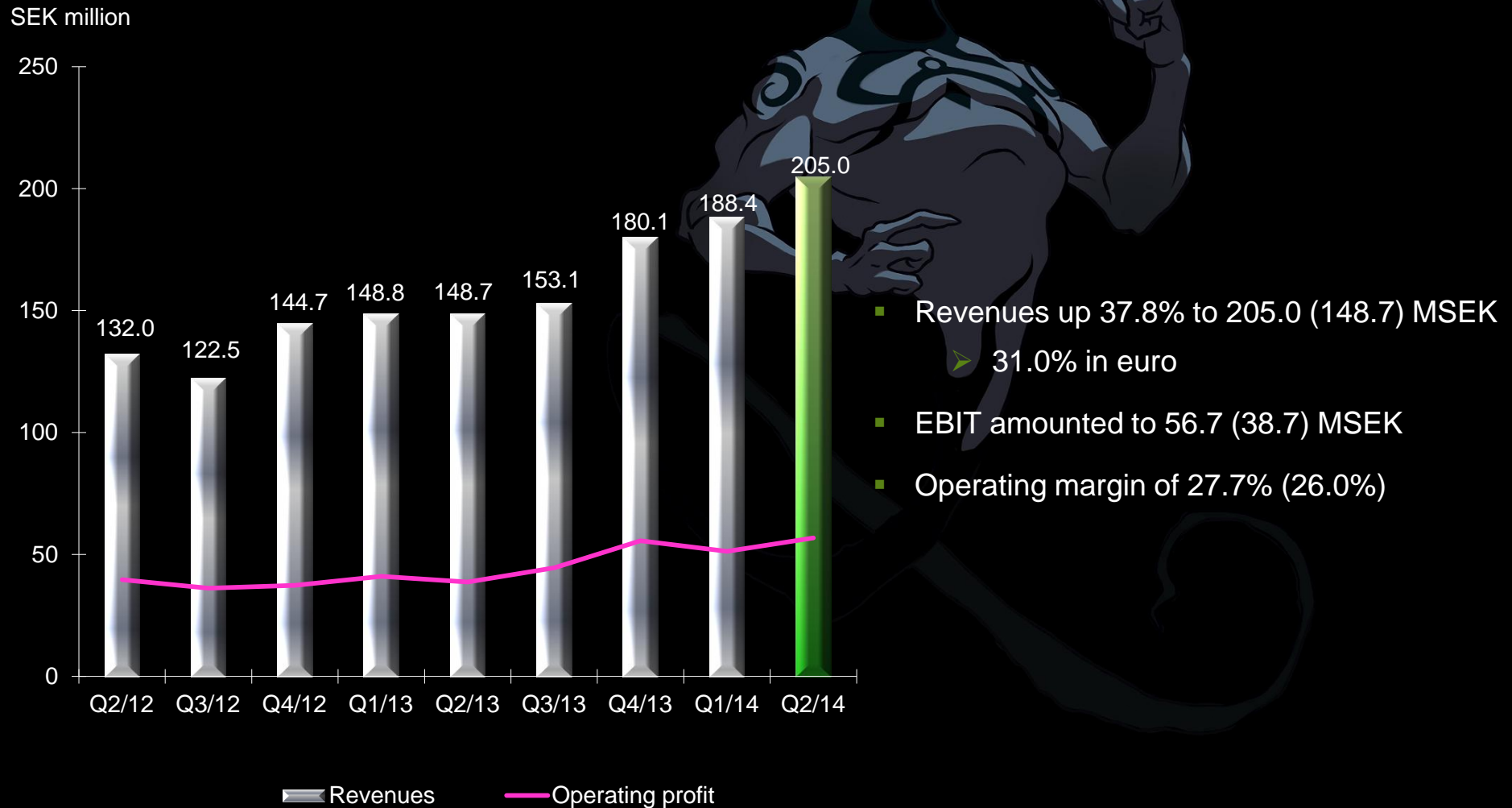
bet365

sky

- Game transactions up 31% to 5.1 billion in Q2
- Mobile games now represented 13% of gamewin in Q2
- Announcement of intensified efforts to enter North America

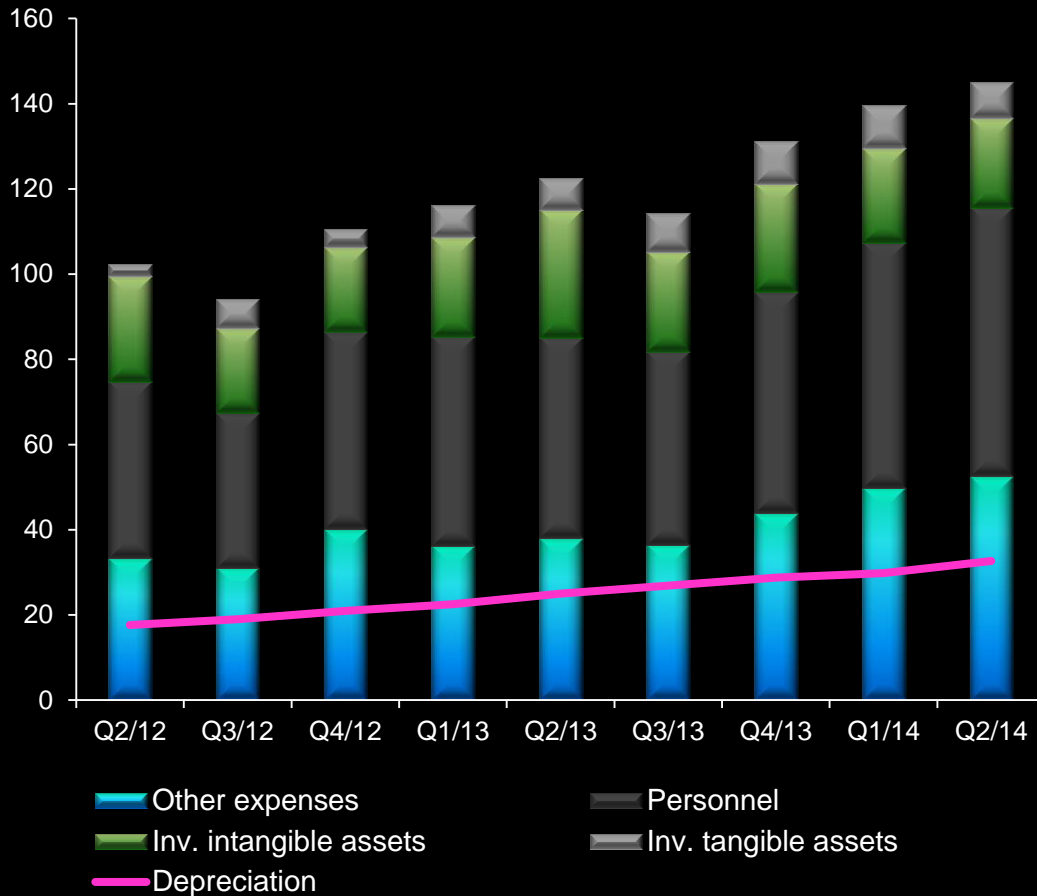


Revenues & operating profit by quarter



Costs and investments by quarter

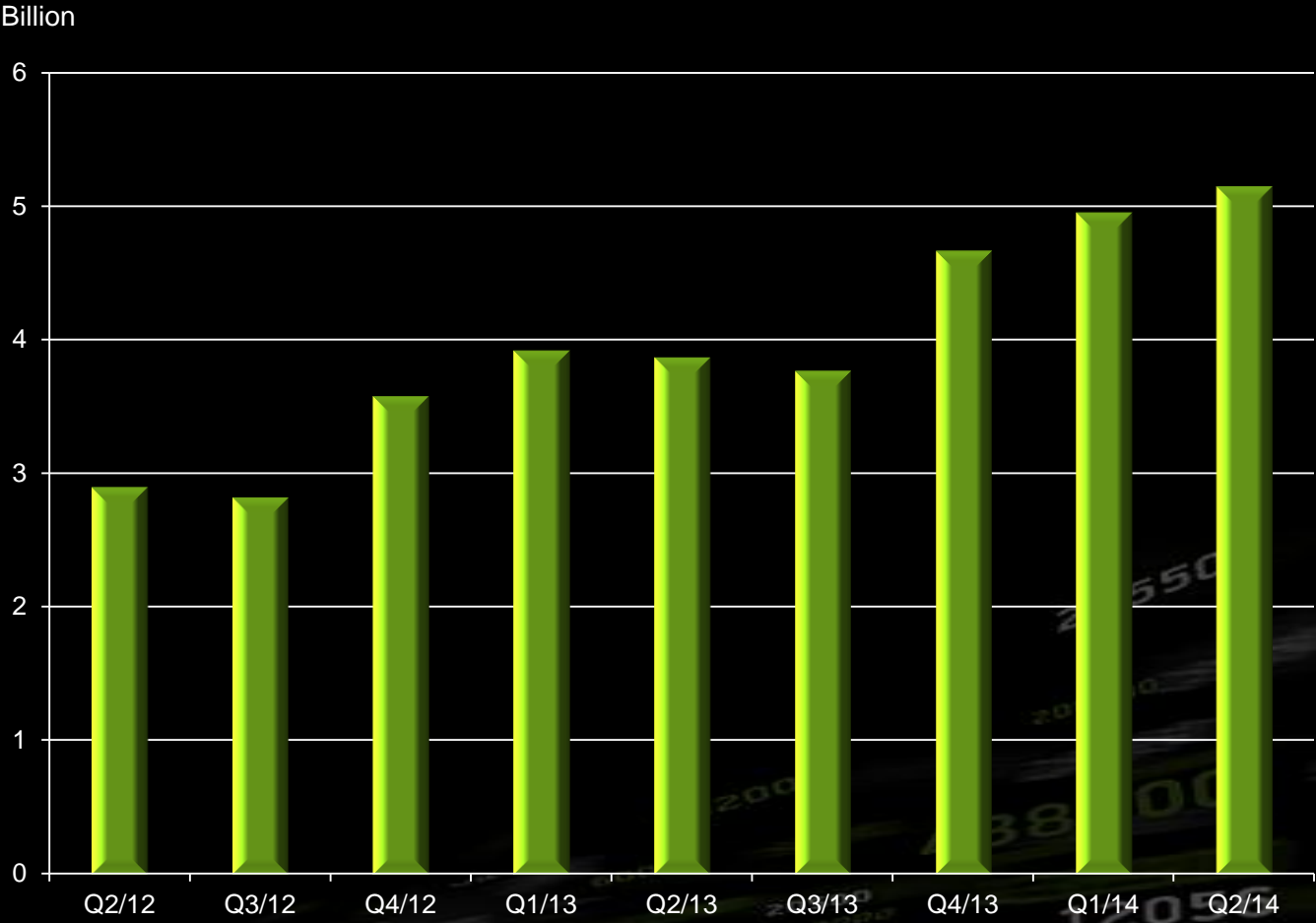
SEK million



Q2/14 vs Q1/14

- Intangible assets decreased
 - Increased vacation
 - Various platform maintenance
- Personnel cost & other expenses increased
 - Additional staff and consultants
 - Lower capitalization of development projects
- Depreciation and amortization
 - New game launches on Mobile and Desktop
 - New platform functionality

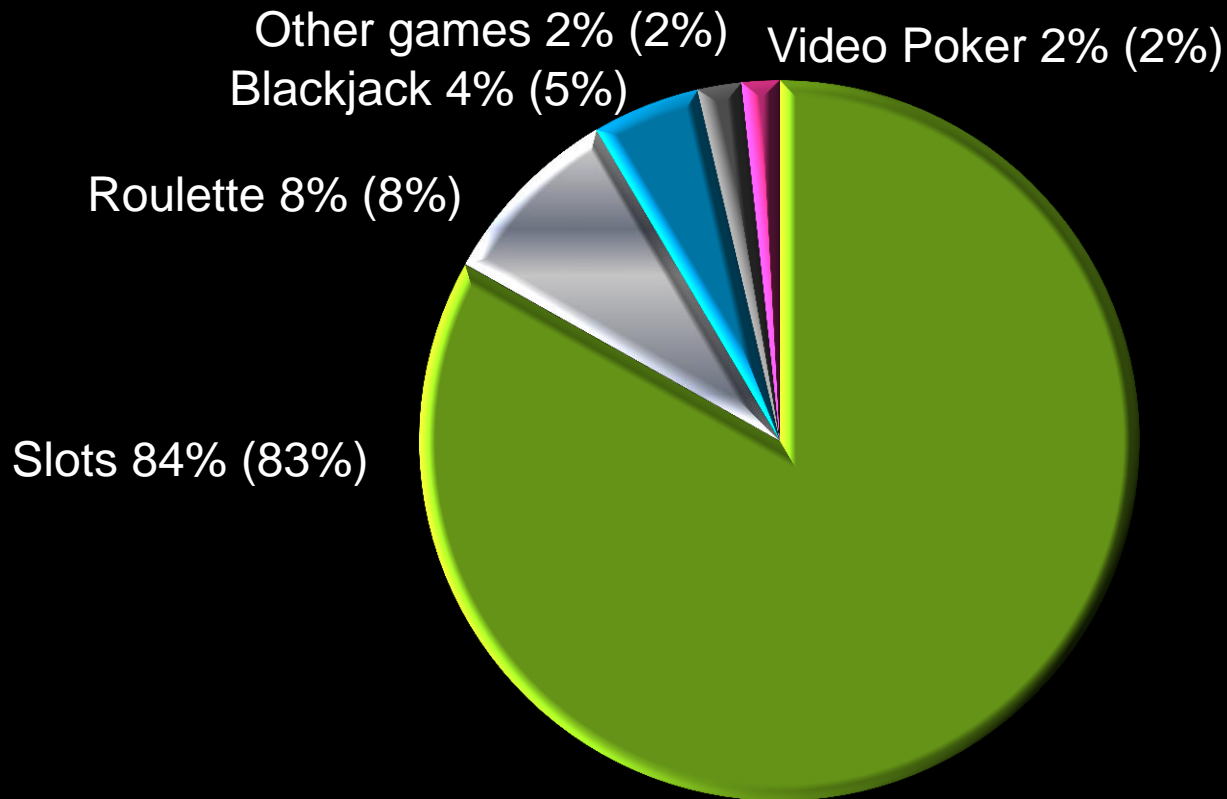
Game transactions by quarter



Q2 2014

- 5.1 billion transactions
- 31% up vs Q2 2013
- 2% up vs Q1 2014

Gamewin split Q2 2014



Selection of game releases Q2 2014



Lights



Wish Master

The logo for bwin.party digital entertainment is displayed on a white rectangular background with a blue border. The text 'bwin.party' is in a large, bold, dark blue font. To its right, the words 'digital' and 'entertainment' are stacked vertically in a smaller, dark blue font.

bwin.party digital
entertainment

New agreement signed!




New Jersey, Delaware, Nevada and the Virgin Islands have regulated online gaming. Only New Jersey and Delaware have allowed online casino this far



Canada is regulated on a state by state basis
Only state owned lotteries (WLA) are allowed to offer online casino

- NetEnt to intensify the preparations for an entry in the U.S. and Canada
- Initial focus will be to obtain a license in New Jersey
- Planned launch in the U.S. is H2 2015
- Björn Krantz, to lead North America expansion as MD North America
- Enrico Bradamante, current Head of Account Management to replace Björn Krantz as MD NetEnt Malta Ltd

Future Outlook

- 14 new customers yet to launch including: 
- North America entry to intensify in H2 and in 2015
- Setup fees were higher than usual in Q2 in combination with positive currency development
- Q3 usually the weakest due to summer seasonality
- If the Swedish Krona does not strengthen versus the Euro compared to current levels there is a possibility that the operating margin for full year 2014 will improve compared to 2013
- Strong position going forward
 - Good underlying growth with existing customers
 - Licensing process in UK going well
 - Spain regulation under investigation
 - Evaluating opportunities in Asia

Q&A

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