



Welcome to NetEnt's

Capital Markets Day

Stockholm May 22, 2018

NETENT
BETTER GAMING™

Therese Hillman

CEO

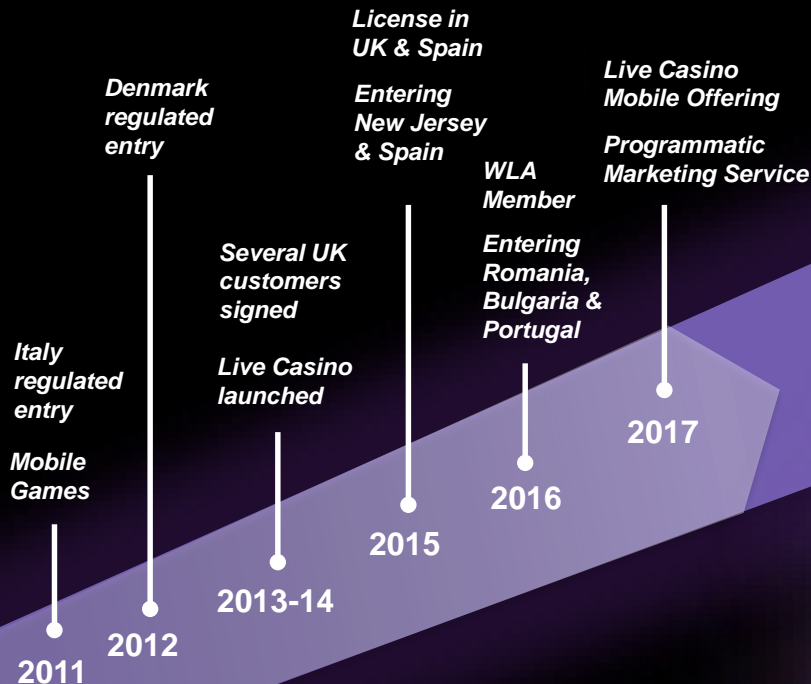


NETENT

Achievements



NetEnt selected achievements



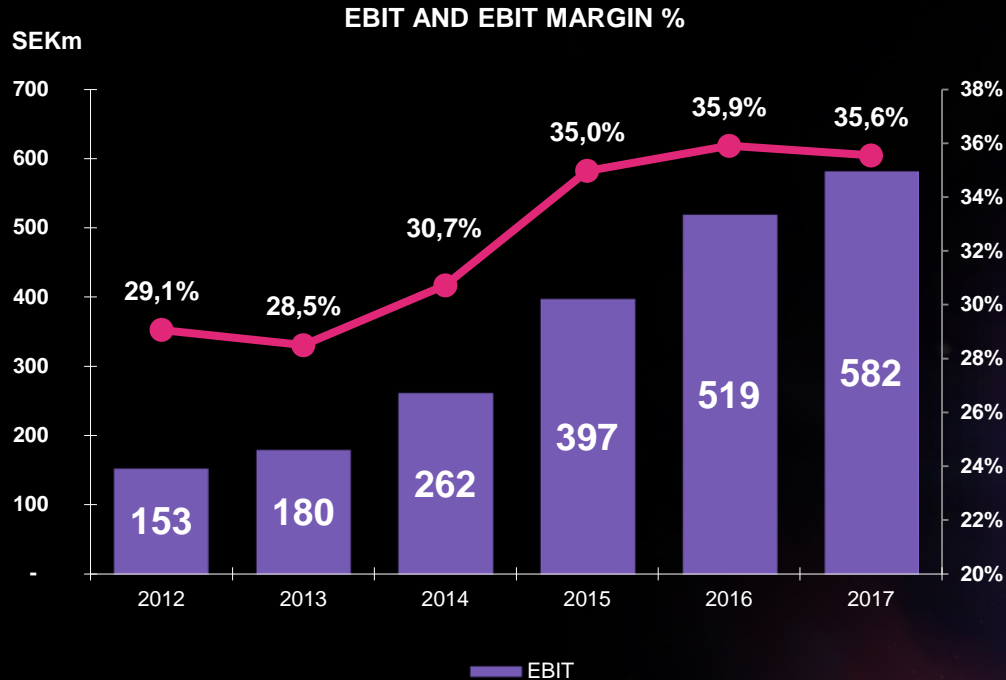
**LONG-TERM
STRATEGY**

VISION

**“Driving the digital
casino market
through better
gaming solutions”**



Many years of solid performance



CAGR 2012-17:

31%

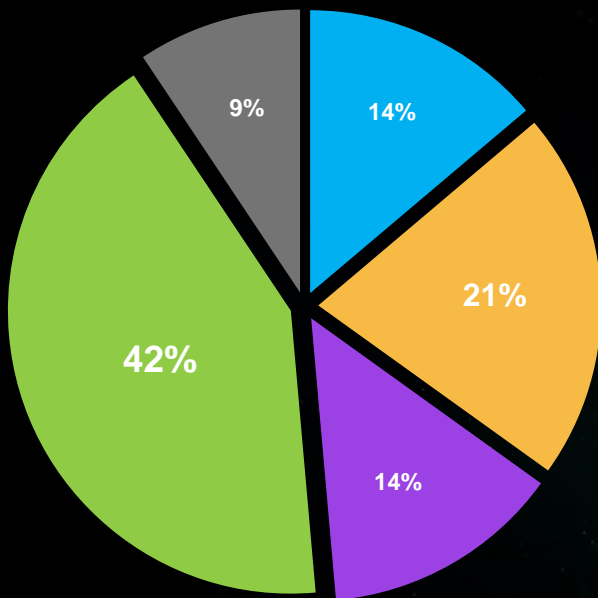


Current State

The background of the slide is a deep space scene. On the right side, the curved horizon of a planet is visible, showing a blue and white atmosphere. A bright, glowing teal and yellow nebula or galaxy core is positioned in the center-right, casting a light across the scene. The rest of the background is black, filled with numerous small white stars and some faint, wispy nebulae.

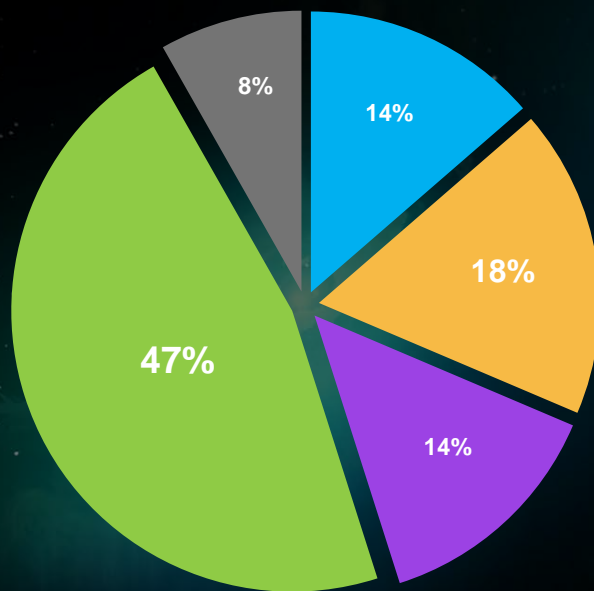
Distribution Network

GAMEWIN, Q1 2017



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

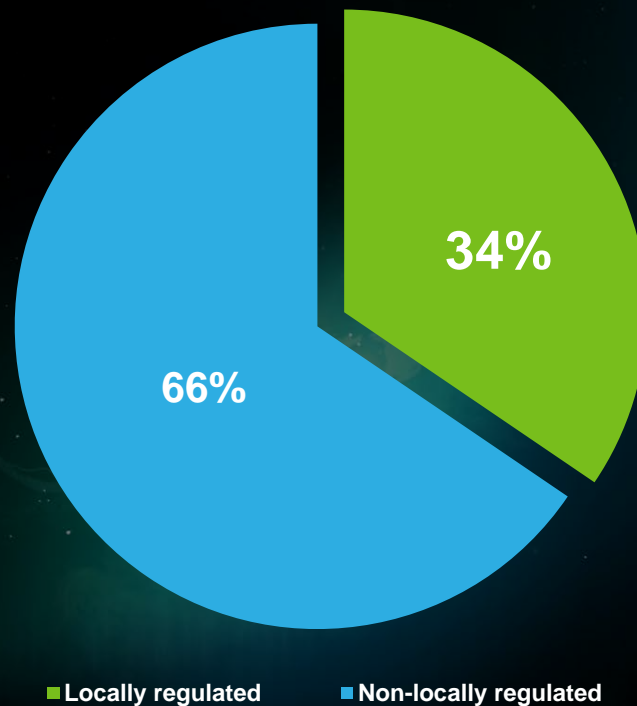
GAMEWIN, Q1 2018



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

Locally Regulated Markets

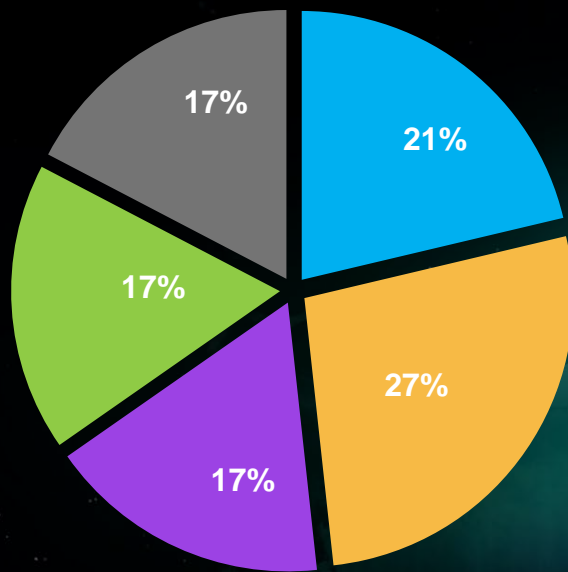
- 34 (31)% of revenue from locally regulated markets
- UK and Italy key markets in Europe
- Swedish regulation expected 1/1/2019
- North America
 - Applying for license in Pennsylvania
 - Target go-live in British Columbia in Q3



DIVERSIFIED CUSTOMER BASE

Around 200 customers

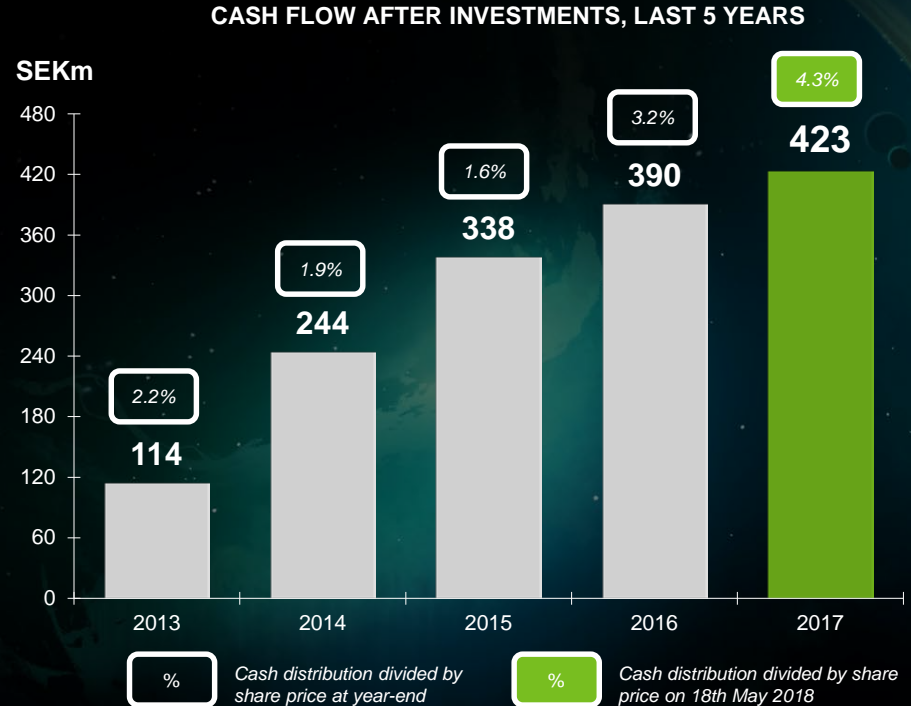
2017 GAMEWIN SPLIT BY CUSTOMERS



■ Customer 1-3 ■ Customer 4-10 ■ Customer 11-20 ■ Customer 21-40 ■ Other customers

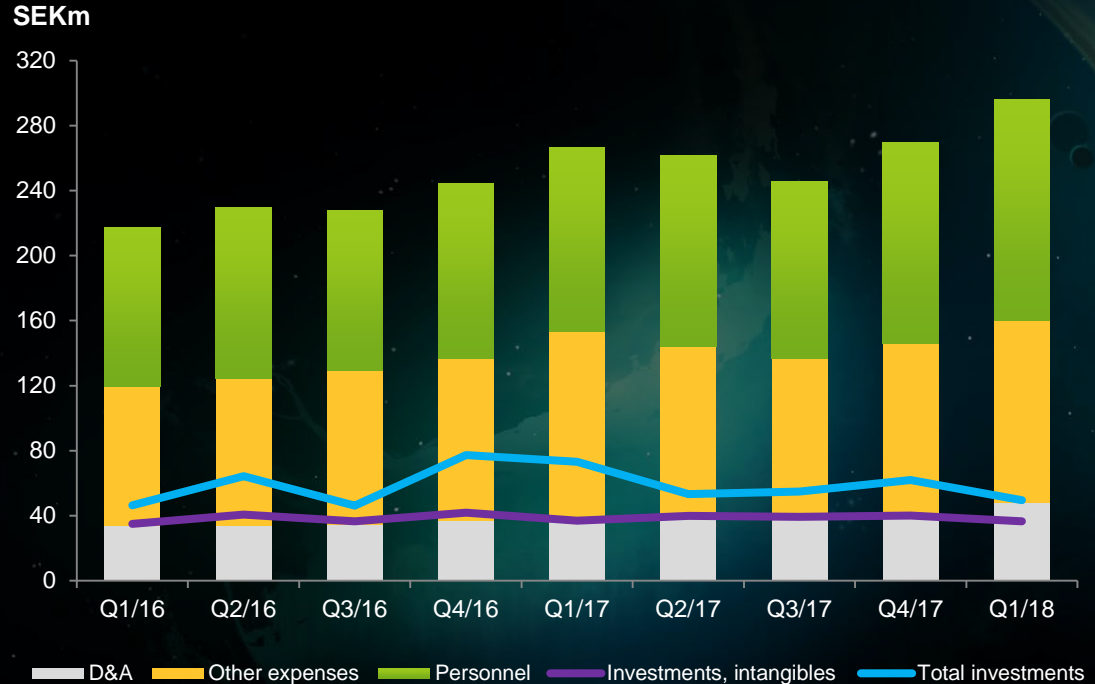
Free Cash flow and Balance sheet

- 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



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

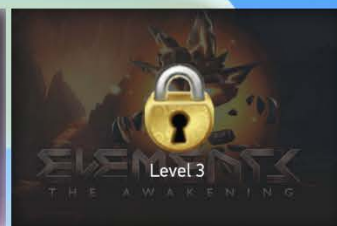
LEVEL: 2



Click to play Warlords



Click to play Starburst



This game is locked



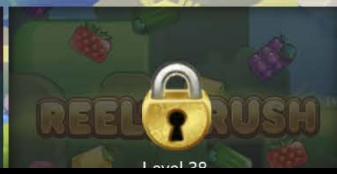
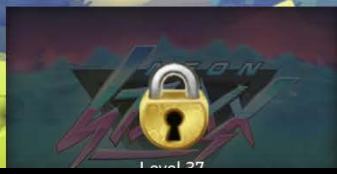
This game is locked



This game is locked



This game is locked



INSTANT GAMES More



GAMES YOUR FRIENDS PLAY More



TRENDING GAMES More



YOUR GAMES More



RECOMMENDED GAMES More

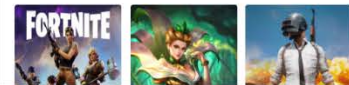


LIVE CHAT 🔇

FEATURED GAME



GAMING VIDEO



The Future

The background of the image is a dark, deep blue space. In the foreground, a perspective grid of thin, glowing blue lines extends from the bottom towards the center. In the middle ground, there is a range of mountains rendered in a low-poly, wireframe style with blue lines. To the right, a bright, ethereal blue light emanates from behind a vertical plane, creating a strong glow and illuminating the surrounding wireframe structures. The overall aesthetic is high-tech and digital.

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

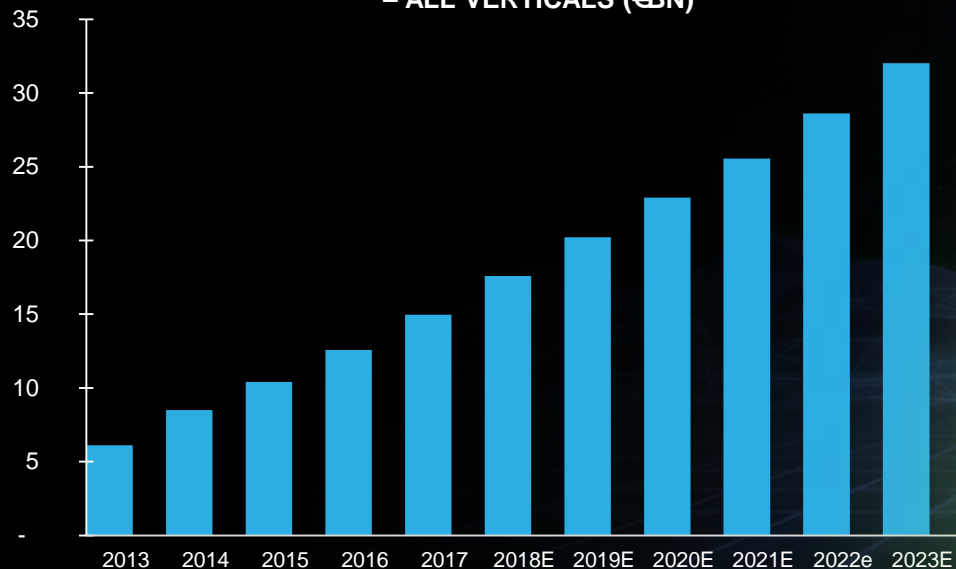


Source: H2 Gambling Capital

MOBILE GAMING

Key for Growth

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



CAGR
2017-2022E:

13.3%

Source: H2 Gambling Capital



SUSTAINABILITY AT NETENT

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 $>$ MARKET GROWTH

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



Customers & Markets

Björn Krantz, Chief Commercial Officer



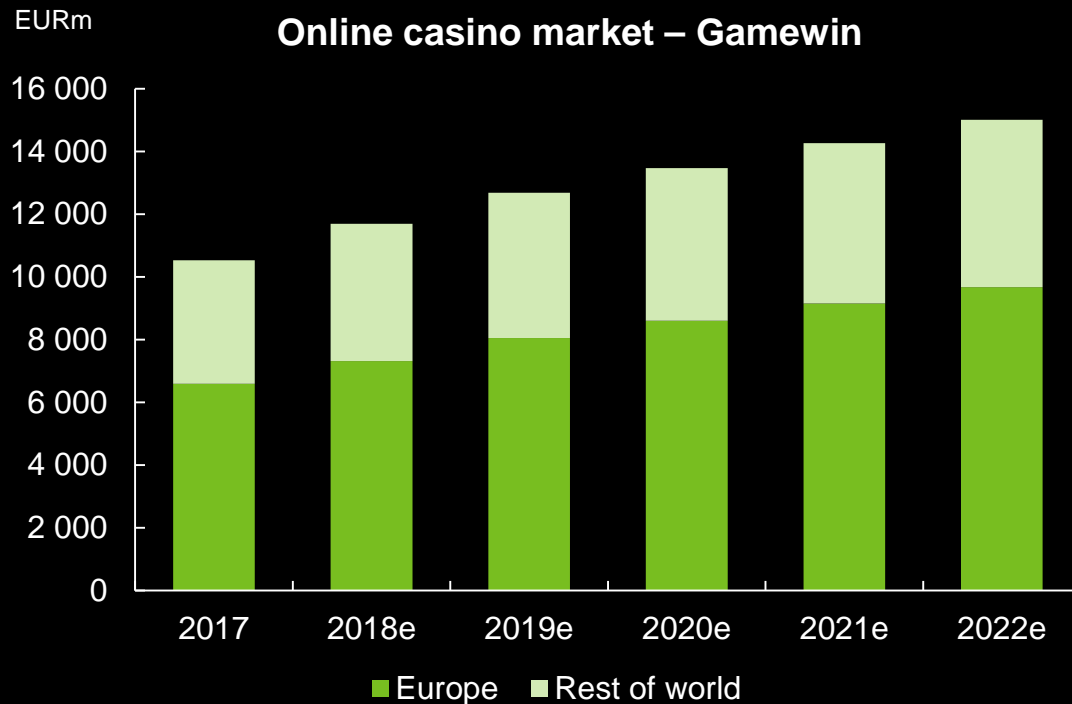
Global Casino Market

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



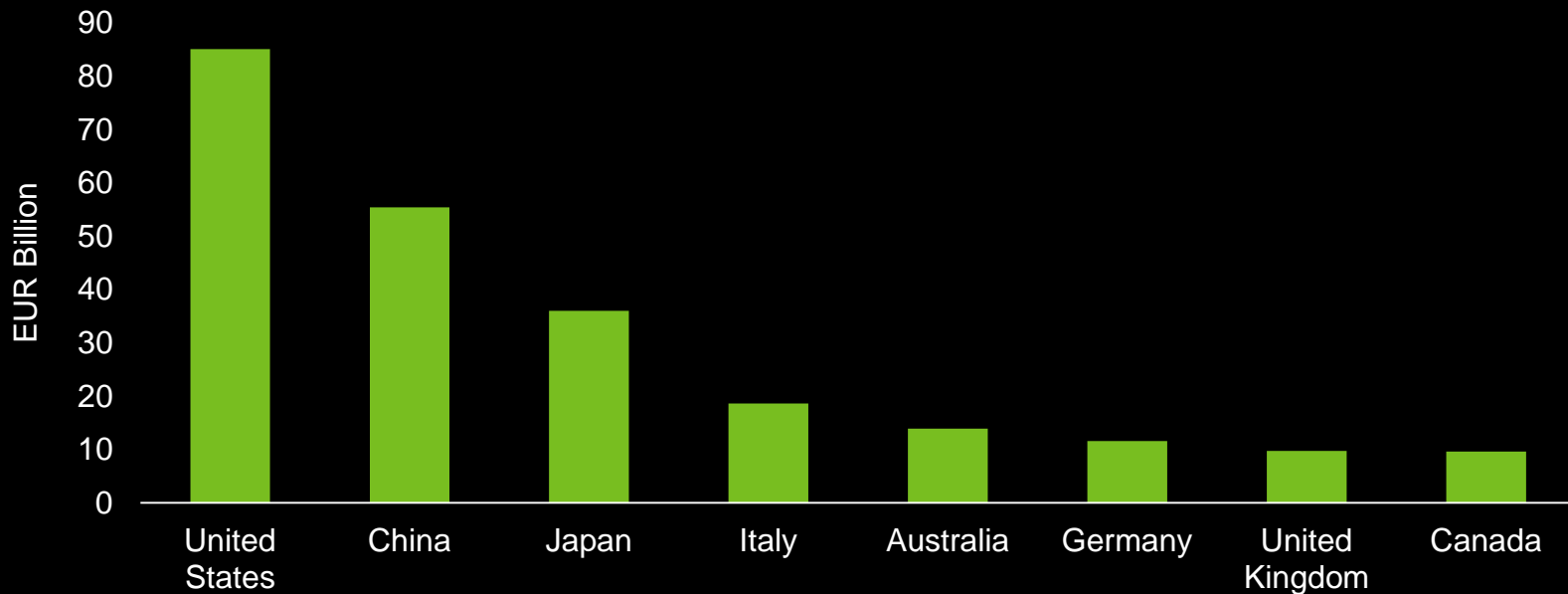
Online

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

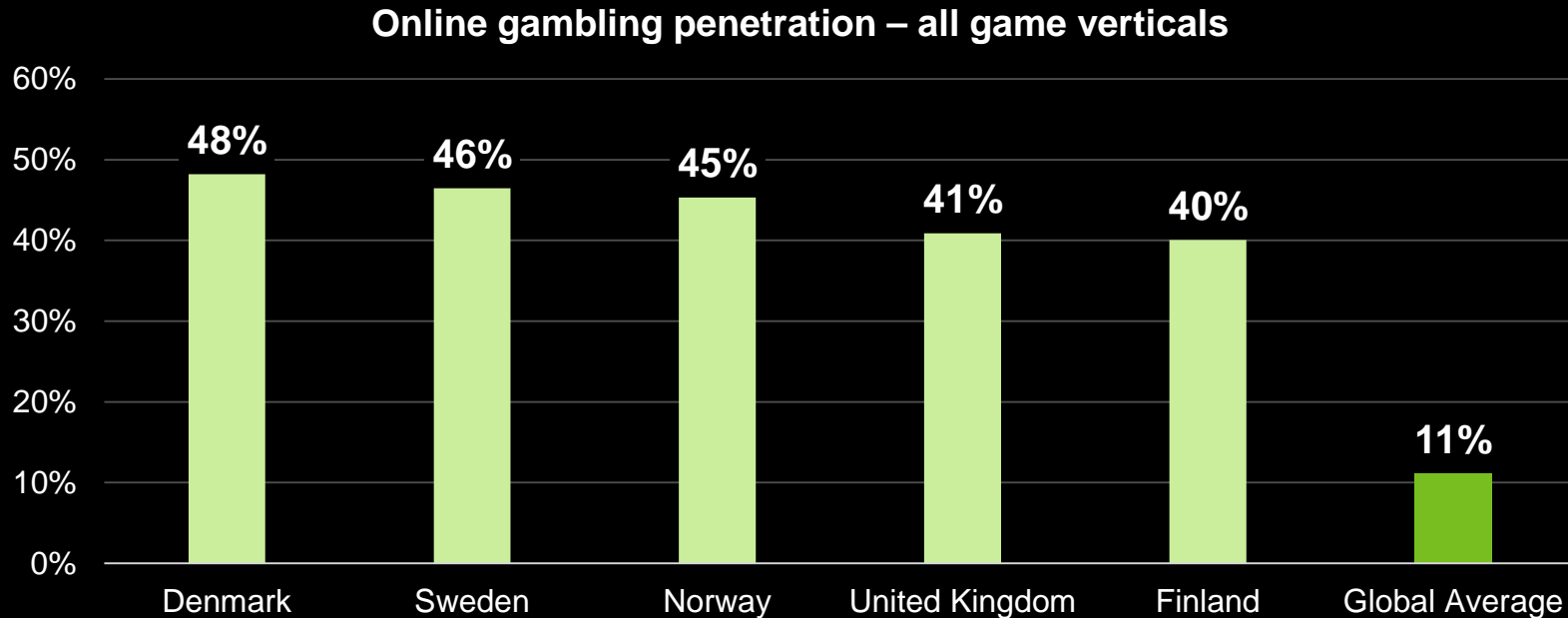


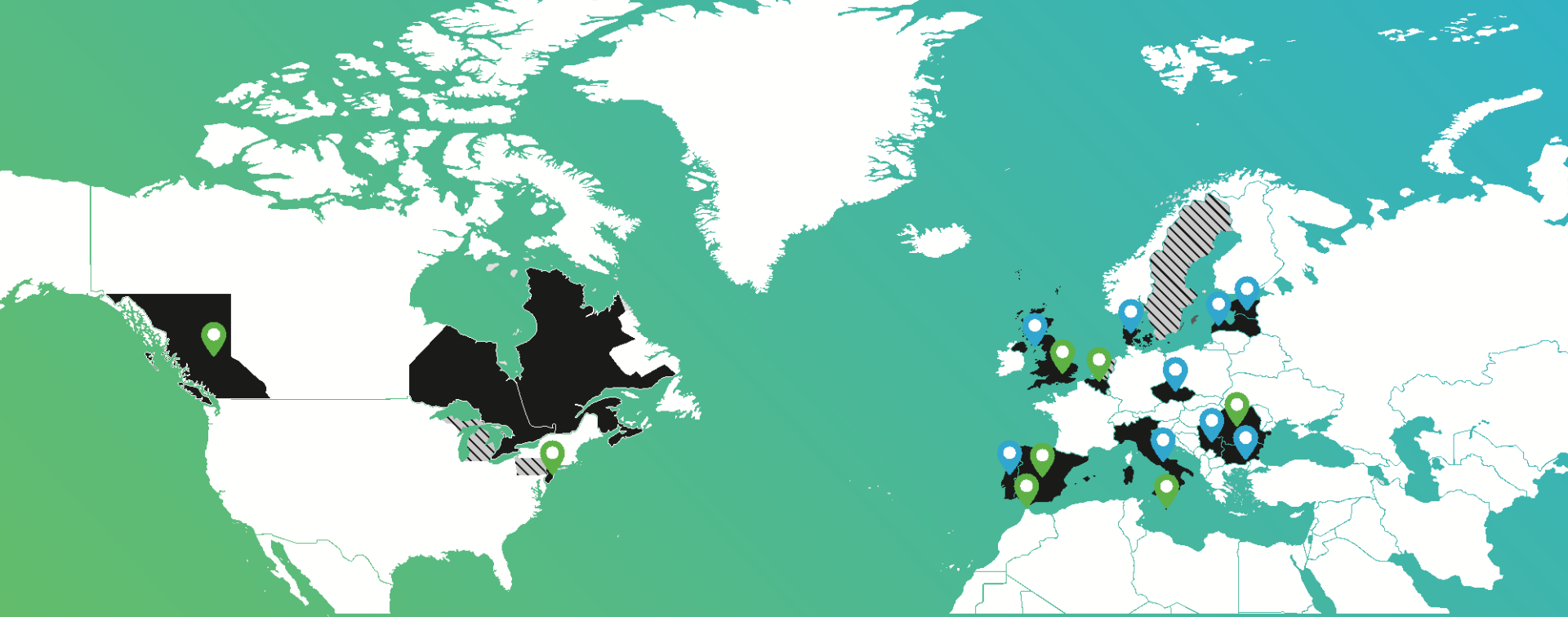
Online shift has just started in largest gambling markets...

Top 8 land-based gambling markets – Gamewin



...but signs of maturity in core market





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



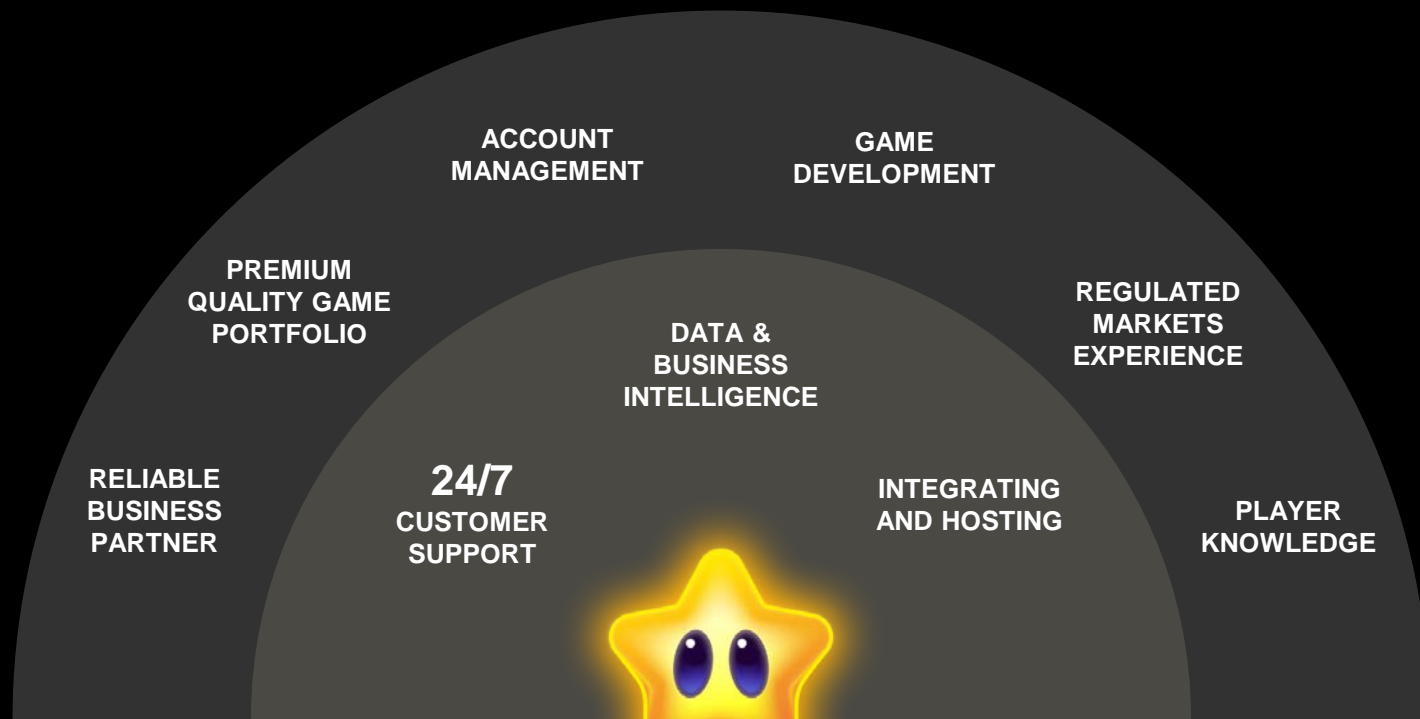
Omnichannel Distribution

- 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

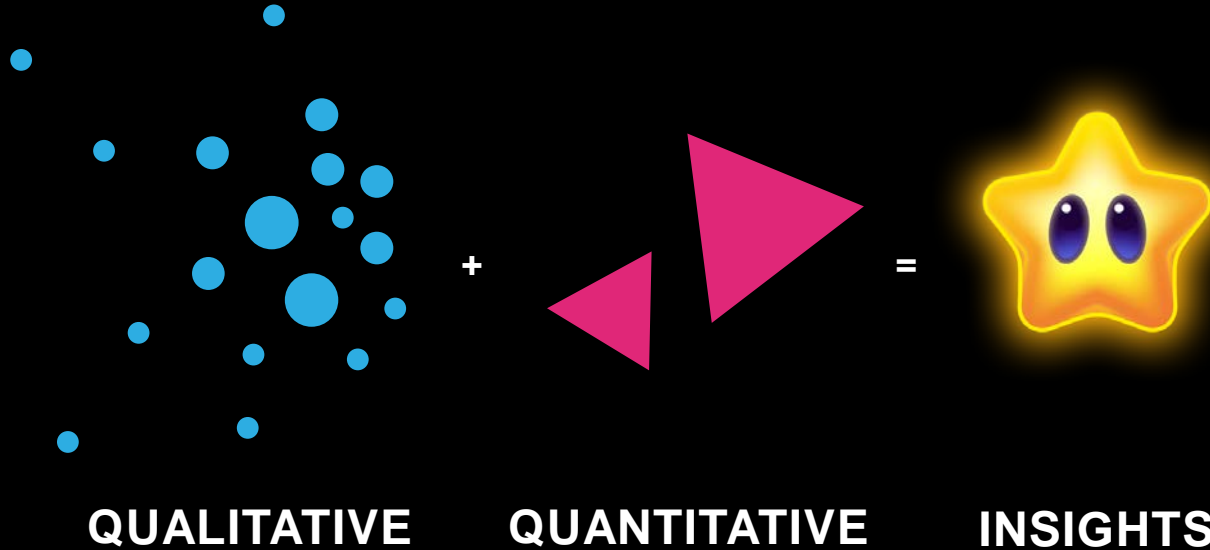


Better Gaming

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 2018

Carl Silverstolpe, Managing Director & Chief of EMO



INTRODUCTION



Launch

2013

2015

Stable platform



Mobile launch (HTML)

2016

2017

Exclusive tables



Dedicated Multi-table studios

2018



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

MORE STABLE
BUSINESS
ENVIRONMENT

17

REGULATED
MARKETS

ENTRY BARRIES

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

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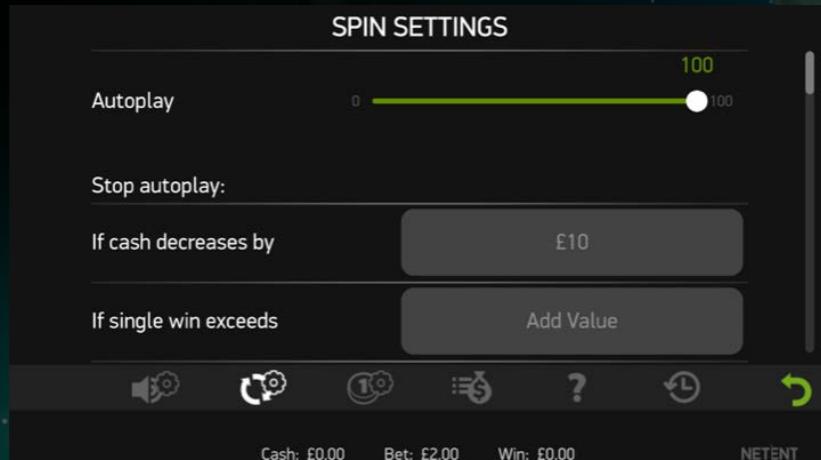
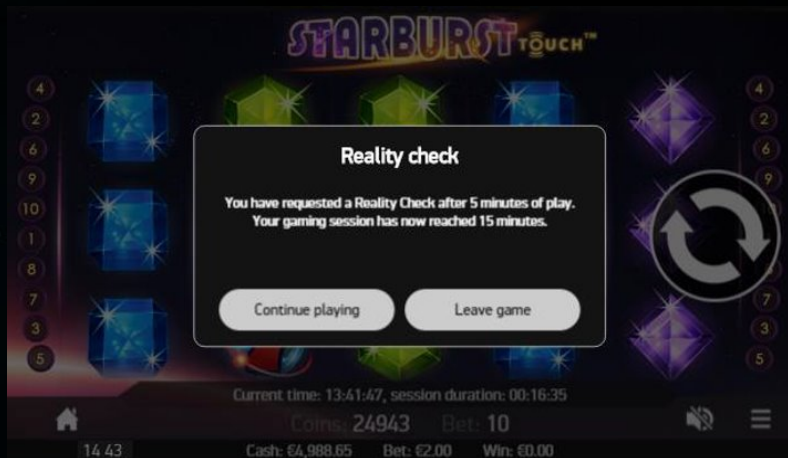
REGULATED
MARKETS

RESPONSIBLE
GAMING CONDITIONS

TESTING FOR MARKET
CERTIFICATION
READINESS

A strong support to our customers

In-game tools for our customers to use



Proactively Leading The Way

- BOS Board Directorship
- Supporting Responsible Gambling organizations