

Press release 2022-06-22

Evolution has entered into an agreement to acquire Nolimit City, a leading producer and developer of online slot games

Evolution AB (publ)'s wholly owned subsidiary, Evolution Malta Holding Limited, ("Evolution") has entered into an agreement to acquire the entire issued share capital of Nolimit City Holding Ltd ("Nolimit City") for an upfront consideration of EUR 200 million (the "Transaction"). With earn-outs of up to EUR 140 million the total consideration can amount to up to EUR 340 million, payable in cash.

Transaction highlights and strategic rationale

Nolimit City is a truly innovative, world-leading producer of online slots games that has created its own niche in the market through games with sometimes provocative themes and a humorous touch. Nolimit City games stand out and offer players a unique, graphically rich playing experience. Nolimit City titles include award-winning games such as Mental, San Quentin and East Coast/West Coast.

The acquisition is in line with Evolution's strategy of being the world's number one provider of online casino games, supplying its customers with the best gaming content. With the Nolimit City brand, Evolution extends its portfolio of world leading slot brands that already includes NetEnt, Red Tiger and Big Time Gaming.

"With the addition of Nolimit City to the Evolution family we extend our portfolio of truly innovative and cutting edge games from the top brands and game makers in the industry. We have followed Jonas, Emil and their team for a few years and been impressed as they have established a completely new style of slot games. I am proud that yet another of the very best minds in our industry has chosen to join the Evolution network." – Jens von Bahr, chairman, Evolution

"I cannot think of a better match between two companies than between Nolimit City and Evolution, we are fully aligned in terms of people, product, technology and how to get the job done. The slot vertical is under massive change, and we can't wait to take on the challenge of global expansion together with Evolution, helping out with navigating towards the best slot product offering in the market." – Jonas Tegman, Co-Founder, Nolimit City

Nolimit City revenue is expected to amount to EUR 30 million with an EBITDA of EUR 23 million for the calendar year 2022. The Transaction will contribute positively to 2022 EPS for the Evolution Group.

Consideration and financing

The total up-front consideration payable by Evolution in the Transaction is EUR 200 million on a cash and debt free basis. The consideration is financed from cash at hand. In addition, Evolution may pay earn-out payments in cash, based on Nolimit City's EBITDA for the years 2022, 2023 and 2024, respectively. The earn-out payments will amount to a maximum of EUR 140 million, and become payable in 2023, 2024 and 2025, respectively.

Conditions and time plan for the acquisition

Completion of the Transaction is conditional upon receipt of regulatory approvals and is expected during Q3 2022.



Advisors

Evolution has engaged Gernandt & Danielsson, Wiggin, Deloitte and EY in connection with the Transaction. Nolimit City has engaged Advokatfirman Delphi as legal advisor in connection with the Transaction.

Presentation for investors, analysts and the media

CEO Martin Carlesund will present the acquisition on Wednesday, 22 June 2022 at 11:30 p.m. CET via a telephone conference. The presentation will be in English and can also be followed online. Dial-in number for participation by telephone:

SE: +46 8 566 427 06 UK: +44 333 3009 272 US: +1 646 7224 904

Follow the presentation at: <https://tv.streamfabriken.com/pressconference-june-2022>

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This press release contains inside information that Evolution AB (publ) is required to make public pursuant to EU's Market Abuse Regulation. The information was submitted for publication at 09:30 CEST on 22 June 2022.

Evolution AB (publ) ("Evolution") develops, produces, markets and licenses fully-integrated B2B Live Casino solutions to gaming operators. Since its inception in 2006, Evolution has developed into a leading B2B provider with 600+ operators among its customers. The group currently employs 13,000+ people in studios across Europe and in North America. The parent company is based in Sweden and listed on Nasdaq Stockholm with the ticker EVO. Visit www.evolution.com for more information.

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