

The board of directors' of Evolution Gaming Group AB (publ) proposal regarding the resolution on Remuneration Report

Item 14: Resolution on Remuneration Report

The board of directors of Evolution Gaming Group AB (publ) (the “**Company**” or “**Evolution Gaming**”) proposes no amendments in the guidelines for remuneration to the senior management (the “**Guidelines**”) adopted by the annual general meeting on 17 June 2020.

The board of directors' remuneration report for 2020 (the “Remuneration Report”) provides an outline of how the Guidelines have been implemented in 2020. The Report also provides information on the remuneration of the company's CEO and a summary of the company's outstanding incentive programmes. The Report has been prepared in accordance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) and the remuneration rules issued by the Swedish Corporate Governance Board. There have been no deviations from the procedure for the implementation of the Guidelines and no derogations from the application of the Guidelines in 2020.

The Remuneration Report is attached hereto as Appendix 1.

The board of directors proposes that the annual general meeting approve the Remuneration Report.

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Stockholm in March 2021
Evolution Gaming Group AB (publ)

The board of directors

Appendix 1

Remuneration Report – Evolution Gaming Group AB (publ)

Remuneration report for Evolution Gaming Group AB (publ), corporate ID 556994-5792 (Evolution) according to Chapter 8 Section 53 a of the Swedish Companies Act (2005:551)

1. Introduction

This Remuneration Report gives an overview of how the guidelines for remuneration to senior executives of Evolution, adopted by the Annual General Meeting 2020, have been applied in 2020. The Remuneration Report also contains detailed information about the remuneration to the CEO of Evolution. In addition, the report also contains a compilation of Evolution's outstanding share-based incentive programmes. The Remuneration Report has been prepared in accordance with Chapter 8, Section 53 a of the Swedish Companies Act (2005:551), the Swedish Code of Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

Information according to Chapter 5, Sections 40-44 of the Annual Reports Act (1995:1554) are available in Note 3 on pages 94-95 in Evolution's Annual Report for 2020 (Annual Report 2020).

The Board of Directors has appointed a Remuneration Committee consisting of Joel Citron (Chairman), Ian Livingstone and Jonas Engvall. Joel Citron and Jonas Engvall are independent in relation to Evolution and the Company's management, Ian Livingstone is related to one of Evolution's larger shareholders and is not independent to Evolution, but to the Company's management. Information regarding the Remuneration Committee's work in 2020 can be found in the Corporate Governance Report on page 64 in the Annual Report 2020.

Remuneration to the Board of Directors who are not employed by Evolution is not covered by this report. Remuneration to the Board of Directors is resolved annually by the Annual General Meeting of Evolution and is presented in Note 3 on pages 94-95 in the Annual Report 2020. The Board of Directors receives no remuneration in addition to remuneration resolved by the Annual General Meeting, except for any travel expenses in connection with board meetings.

2. Significant events in 2020

Evolution's development in 2020

The CEO of Evolution summarises the Company's development in his statement on pages 4-5 in the Annual Report 2020.

Overview of the application of the guidelines for remuneration to senior executives in 2020

A successful implementation of Evolution's business strategy and the safeguarding of the Company's and the shareholders long-term interests, including its sustainability, require that the Company can recruit and retain qualified employees. In order to do this, the Company needs to be able to offer market-based remuneration. The Remuneration Guidelines enable senior executives to be offered market-based remuneration.

According to the Remuneration Guidelines, the remuneration to the Company's management must be market-based and may consist of a fixed cash salary, pension benefits and other benefits. In addition, the Annual General Meeting may – and regardless of the Remuneration Guidelines – resolve on, for example, share and share price related remuneration or incentive programmes based on warrants, as well as remuneration to the Board of Directors. The Remuneration Guidelines adopted by the Annual General Meeting 2020 can be found in the Annual Report 2020. The Auditor's Report on whether the Remuneration Guidelines have been followed is available on Evolution's website [evolution.com/investors](https://www.evolution.com/investors).

The Remuneration Committee has evaluated the performance of the CEO in 2020 and prepared the Board of Director's resolution on remuneration for the CEO as well as for other persons in the Company's management. Furthermore, the Remuneration Committee has reviewed the Remuneration Guidelines. The Remuneration Committee has also reviewed the Company's remuneration structures and remuneration levels, including the Company's incentive programme. A long-term ownership interest in the Company is encouraged through the possibility for the Company's management to purchase warrants in the incentive programme that is aimed for employees in Evolution.

In 2020, Evolution did not make any deviations from the decision-making process that, according to the Remuneration Guidelines, must be applied to determine the remuneration. Neither has Evolution deviated from the Remuneration Guidelines for special reasons.

Table 1 – Total remuneration to the CEO

Table 1 below sets out the total remuneration to the CEO of Evolution and the Chairman of the Board who is employed by the Company, EUR thousands.

Name of director (position)	Financial year	1 Fixed remuneration		2 Variable remuneration	3 Extraordinary remuneration	4 Pension benefits	5 Total remuneration	6 Portion of fixed and variable remuneration
		Base salary	Other benefits					
Martin Carlesund (CEO)	2020	1,362	22	-	-	-	1,384	100/0
	2019	753	7	-	-	-	760	100/0
Jens von Bahr (Chairman)	2020	406	-	-	-	-	406	100/0
	2019	402	-	-	-	-	402	100/0

Other benefits comprise company car and health care insurance.

3. Share-based remuneration

Outstanding share and share-related incentive programmes

Evolution currently has three outstanding incentive programmes with subscription 2021, 2023 and 2024, respectively. Senior executives, including the CEO, have had the opportunity to acquire warrants in these programmes, like other employees in Evolution. The incentive programme with subscription 2024 was resolved on the Extra General Meeting in January 2021 and is therefore not included in this report.

Incentive programme 2020/2023: The Extra General Meeting on 16 January 2020 resolved to issue a maximum of 4,000,000 warrants. Each warrant entitles to subscribe for one new share in the Company of SEK 373.90 during the period from and including 31 March 2023 (however not earlier than the day after the publication of the Company's year-end report for the period January-December 2022) up to and including the date that falls 30 calendar days thereafter.

In total 4,000,000 warrants were subscribed, of which 15,000 was bought back end of 2020. If all 3,985,000 warrants are exercised for subscription of 3,985,000 shares, the dilution effect will be approximately 1,9 percent. The recipients were key employees throughout the Group. Employees in Sweden paid the market value for the warrants. Employees outside Sweden have paid market value for one warrant, while receiving one without payment for each warrant that had been paid for. For warrants acquired at market value, the price

(warrant premium) has been determined using Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt.

Incentive programme 2018/2021: The Annual General Meeting on 20 April 2018 resolved to issue a maximum of 3,088,510 warrants. Each warrant entitles to subscribe for one new share in the Company of SEK 141.06 during the period from the day after publication of the Company's interim report for the second quarter 2021 until the date that follows 30 calendar days after the publication of the interim report for the second quarter 2021 (however not later than 30 September 2021).

In total 1,880,030 warrants were subscribed, of which 118,750 was bought back during 2019. If all 1,761,280 warrants are exercised for subscription of 1,761,280 shares, the dilution effect will be approximately 0.8 percent. The recipients of the warrants are key employees throughout the Group. Participants in the incentive programme have been offered to acquire warrants at market value, and for each warrant acquired at market value the participants have received an extra warrant. For warrants acquired at market value, the price (premium) has been determined based on Black & Scholes valuation model and the valuation has been done by EY. The program has been handled differently in different countries, due to local deviations in, among other things, legislation and applicable accounting rules.

Table 2 – Incentive programmes based on warrants, CEO

Name of director (position)	Principal terms and conditions of the incentive programme				Financial year 2020			
					Opening balance	During the year		Closing balance
	1 Programme	2 Premium paid and allotment date	3 Subscription period / subscription dates	4 Subscription price and subscription dates for shares	5 Warrants at beginning of the year	6 Warrants allotted	7 Warrants exercised	8 Warrants at end of the year
Martin Carlesund (CEO)	2020/2023	SEK 17.87 27/02/2020	31/03/2023 until and including 30/04/2023	SEK 373.90 Subscription not yet possible	-	1,000,000*	-	1,000,000*
	2018/2021	SEK 8.81** 01/07/2018	22/07/2021 until and including 21/08/2021	SEK 141.06** Subscription not yet possible	175,000**	-	-	175,000**

*CEO holds additional 1,000,000 warrants with the same terms and conditions as the 2020/2023 programme, allotted by some of the Company's larger shareholders.

**Restated according to the terms and conditions of the programme after split 1:5 decided by the Annual General Meeting 2019.

4. Compliance with the Remuneration Guidelines and application of performance criteria

Evolution's vision is to be the world's leading provider of live casino by making gaming operators successful and offering an unbeatable gaming experience for their end users. Evolution strives to constantly improve its offering and at the same time develop the entire live casino market through product innovation at the forefront. Evolution's market-leading position is mainly based on the competitive advantage that has come from the Company's operational cutting-edge expertise and sophisticated platform that provides scalability and the opportunity to expand without having to replicate software locally. This enables continued development and provides shareholder value.

A successful implementation of the Company's business strategy and the safeguarding of the Company's and shareholders long-term interests, including sustainability, require the Company to be able to recruit and retain qualified employees. In order to do this, the Company needs to be able to offer market-based remuneration. Because the CEO's individual goals are linked to the overall goals of Evolution, these contribute to the

Company's business strategy and the safeguarding of the Company's and shareholders long-term interests.

Evolution does not apply variable remuneration for the CEO. Therefore, there are no variable remuneration that is linked to certain performance criteria.

The total remuneration to the CEO has been in accordance with Evolution's Remuneration Guidelines. In 2020, Evolution did not make any deviations from the decision-making process that, according to the Remuneration Guidelines, must be applied to determine the remuneration. Neither has Evolution deviated from the Remuneration Guidelines for specific reasons.

5. Comparison of the Company's performance and changes in remuneration

Table 3 – Change in remuneration and the Company's performance during the last five reported financial years, EUR thousand

	2016	2017	2018	2019	2020
Remuneration to the CEO	450	513	816	760	1,384
Evolution's operating profit	34,864	66,882	89,484	157,472	299,700
Remuneration per employee*	73	111	82	80	107

*Average remuneration on a full-time equivalent basis for employees in the parent company, excluding senior executives.