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Press release Stockholm, 9 March 2015

## **Initial public offering of Evolution Gaming Group on Nasdaq First North Premier**

**The Board of Directors and the owners of Evolution Gaming Group AB (publ) (“Evolution Gaming” or the “Company”) have decided to diversify the Company’s ownership base through the sale of existing shares in an initial public offering and listing of its shares on Nasdaq First North Premier (the “Offering”). The first day of trading is expected to be 20 March 2015.**

Evolution Gaming develops, produces, markets and licenses fully integrated B2B live casino solutions to gambling operators. The Company was established in 2006 and was one of the first providers of B2B live casino solutions in Europe. The Company has since developed into a market leader in the European market. In 2014, Evolution Gaming reported total revenues of EUR 48.5 million and an EBITDA of EUR 17.0 million, corresponding to an EBITDA margin of 35 percent.

### **The Offering in brief**

- The Offering is made to the general public in Sweden as well as to institutional investors in Sweden and internationally.
- The Offering comprises 13,824,267 existing shares, corresponding to 38.4 percent of the total number of shares outstanding, all of which are being sold by the selling shareholders, which primarily consist of members of the Company’s senior management and Board of Directors (collectively, the “Selling Shareholders”).
- In the event of sufficient demand, certain of the Selling Shareholders may increase the number of shares sold in the Offering by up to 1,798,516 additional existing shares, corresponding to 5.0 percent of the total number of shares.
- Certain of the Selling Shareholders have committed to sell up to 2,343,415 additional existing shares corresponding to up to 15 percent of the total number of shares in the Offering, in order to cover potential over-allotments (the “Over-allotment option”).
- If the right to increase the Offering is fully exercised, the Offering will comprise up to 15,622,783 shares, corresponding to up to 43.4 percent of the total number of shares in the Company. If the right to increase the Offering and the Over-allotment option is fully exercised, the Offering will comprise up to 17,966,198 shares, corresponding to up to 49.9 percent of the total number of shares in the Company.
- The final offering price (the “Offering price”) will be determined through a book-building procedure and, consequently, will be based on investor demand and general market conditions. The Offering price will be established within the range of SEK 70 – 80 per share, corresponding to an equity value of all issued shares of approximately SEK 2,518 – 2,878 million. The Offering price per share is expected to be announced on or about 20 March 2015.
- The Company will not receive any proceeds from the sale of shares in the Offering.
- The leading institutional investor Swedbank Robur Funds has committed, subject to certain conditions, to subscribe for shares in the Offering corresponding to 9.5 percent of the Company’s total number of shares outstanding following the Offering. Furthermore, individual investors Staffan Persson, Peter Lindell, Erik Selin and Niclas Eriksson (together with Swedbank Robur Funds the “Cornerstone Investors”) have committed to subscribed for shares for an amount of

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215 MSEK in total, corresponding to approximately 8.0 percent of the Company's total number of shares outstanding following the Offering (assuming that the price of the Offering is determined to the midpoint of the price range).

- A prospectus including full terms and instructions was published today, 9 March 2015, on the Company's website ([www.evolutiongaming.com](http://www.evolutiongaming.com)).
- *Since we founded Evolution Gaming in 2006, the Company has developed into a market leader in the European live casino market. We take pride in offering live casino solutions which are highly attractive to online casino operators and we are well positioned to take advantage of the expected future growth of the market, says Jens von Bahr, founder and CEO of Evolution Gaming.*
- *Evolution Gaming is a market leader with a history of strong growth and high profitability. The Company has an innovative and attractive offering to operators, skilled employees and a strong management team that has a significant opportunity to continue its successful journey. The Board of Directors believes that the timing for a listing is right and looks forward to continue developing the Company in a public environment, says Joel Citron, Chairman of Evolution Gaming's Board of Directors.*

**For more information, please visit [www.evolutiongaming.com](http://www.evolutiongaming.com) or contact:**

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### **About Evolution Gaming**

Evolution Gaming develops, produces, markets and licenses fully integrated B2B live casino solutions to operators. The Company was established in 2006 and was one of the first providers of B2B live casino solutions in Europe. The Company has since developed into a market leader in the European market. The Company provides an interactive live casino table game experience, which is hosted by professional and experienced dealers, and is broadcast via a live video stream to end users via the online casino and gaming platforms of operators. The Company has offices in the United Kingdom, Sweden, Malta and Latvia, and operates its own production studios in Latvia and Malta, as well as two on-premise studios inside two customers' land-based casinos in Italy and Spain. As of 31 December 2014, the Company operated over 120 tables. The Company's customers include several tier 1 operators in Europe, as well as land-based casinos that are expanding their online operations. Evolution Gaming is a pure B2B solutions provider to operators and therefore has no direct business relationship with end users.

In 2014, Evolution Gaming had total revenues of EUR 48.5 million and EBITDA of EUR 17.0 million, corresponding to an EBITDA margin of 35 percent. As of 31 December 2014, the Company had approximately 940 full-time employees, with approximately 720 employed in Latvia, 210 employed in Malta and 10 employed in the United Kingdom. Approximately 75 percent of the Company's full-time employees are dealers.

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### **The Offering<sup>1</sup>**

- The Offering is made to the general public in Sweden as well as to institutional investors in Sweden and internationally.
- The Offering comprises of 13,824,267 existing shares, corresponding to 38.4 percent of the total number of shares outstanding, all of which are being sold by the Selling Shareholders.
- In the event of sufficient demand, certain of the Selling Shareholders may increase the number of shares sold in the Offering by up to 1,798,516 additional existing shares, corresponding to approximately 5.0 percent of the total number of shares.
- To cover potential over-allotment in connection with the Offering, certain of the Selling Shareholders have undertaken, at the request of Carnegie Investment Bank AB (publ) (“Carnegie”) and Skandinaviska Enskilda Banken AB (publ) (“SEB”) (together the “Managers”), to sell up to 2,343,415 additional existing shares, corresponding up to 15 percent of the number of shares comprised by the Offering (the “Over-allotment option”), representing approximately 6.5 percent of the total number of shares in the Company.
- Assuming that the Offering is increased in full, the Offering will comprise up to 15,622,783 shares, corresponding to up to 43.4 percent of the total number of shares in the Company. If the Offering is increased in full and the Over-allotment option is fully exercised, the Offering will comprise up to 17,966,198 shares, corresponding to up to 49.9 percent of the total number of shares in the Company.
- The Offering price is expected to be established by the Selling Shareholders in consultation with the Managers, within a range of SEK 70 – 80 per share, based on the order book prepared in the book building procedure for institutional investors. The Offering price per share is expected to be announced on or about 20 March 2015.
- The total value of the Offering based on the price range amounts to approximately SEK 1,258 – 1,437 million assuming that the Offering is increased in full and that the Over-allotment option is exercised in full.
- Based on the price range in the Offering, the market value of all shares issued by Evolution Gaming is approximately SEK 2,518 – 2,878 million.
- The application period for the Offering to the general public in Sweden is expected to take place between 10 March – 18 March 2015.
- The book building period for institutional investors is expected to take place between 10 March – 19 March 2015.
- The first day of trading on Nasdaq First North Premier is expected to be 20 March 2015 and the shares will trade under the ticker “EVO”.
- The expected settlement date of the Offering is 24 March 2015.
- Carnegie is acting as Global Coordinator and Joint Bookrunner in connection with the Offering. SEB is acting as Joint Bookrunner. Gernandt & Danielsson Advokatbyrå KB and Latham & Watkins (London) LLP are legal advisors to the Company. Advokatfirman Hammarstiöck & Co is acting as legal advisors to the Managers. Avanza Bank AB is Certified Adviser to the Company.

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<sup>1</sup> Please refer to the Prospectus for further details regarding the Offering.

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### **Background and reasons**

Evolution Gaming was established in 2006 and was one of the first providers of B2B live casino solutions in Europe. The Company has since developed into a market leader in the European market. The Company develops, produces, markets and licenses fully integrated B2B live casino solutions to gambling operators. Evolution Gaming operates its own production studios in Latvia and Malta, as well as two on-premise studios inside two customers' land-based casinos in Italy and Spain.

Live casino gained a foothold in the European market in 2006, at a time when random number generated ("RNG") online casino games had been established for several years. Prior to 2006, the internet bandwidth and hardware capabilities in Europe were not sufficient to successfully implement live casino, which is dependent on high-quality video production and online streaming capacity, and technology providers were unable to produce a live casino solution that would garner interest from tier 1 operators in Europe. Evolution Gaming has since played a large role in developing and refining the live casino concept and making live casino an increasingly important component of the operators' product offerings. According to H2 Gambling Capital, the live casino market has grown from EUR 87 million in 2008 to EUR 771 million in 2014, corresponding to a CAGR of 43.8 percent. During the same period, live casino's share of the total online casino market has grown from 5.9 percent to 24.0 percent.

Since 2006, Evolution Gaming has been at the forefront of developing the live casino concept and is positioned as the market leader in providing B2B live casino solutions to operators, with strong reputation of innovation as well as focus and compliance, fraud- and risk management. The Company has been named the "Live Casino Supplier of the Year" at the EGR B2B Awards for five out of five years, and the Company's Immersive Roulette game recently won the "Game of the Year" award at the 10th annual EGR Operator Awards, an award voted upon by a group of industry participants and operators. The Company has in recent years undergone significant operational development and has implemented several key strategic initiatives with an aim to improve the Company's operational efficiency, increase the scalability of the Company's systems and support future growth. Although investing in its operating platform, the Company has had a solid financial performance and increased revenue from EUR 31.3 million in 2012 to EUR 48.5 million in 2014, corresponding to a CAGR of 24.6 percent, while maintaining an average EBITDA margin of 33.2 percent throughout the period. In 2014, revenue grew by 25.2 percent and EBITDA grew by 49.8 percent as compared to revenue and EBITDA figures for 2013.

The Board of Directors believes that a listing of the Company's shares on Nasdaq First North Premier is an important next step in the Company's continued development. The Board of Directors believes that broadening and diversifying the shareholder base of the Company, and enabling employees and other shareholders to realise joint ownership of the Company, enhances the prospect of increased awareness of the Company and strengthens the Evolution Gaming brand. The Board of Directors and the management team believe this is important to be able to attract new customers and employees, and to retain skilled personnel with the Company. The listing of the Company's shares will also represent a seal of quality for the Company, which could have a positive impact on the Company's relationships with its customers and other stakeholders. Furthermore, it is the objective of the Board of Directors of Evolution Gaming to apply for a listing on Nasdaq Stockholm main market within 12 months after the completion of the Offering, subject to market conditions. The Company will not receive proceeds from the sale of shares in the Offering.

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**Prospectus and application forms**

Prospectus and application forms will be made available on Evolution Gaming's website ([www.evolutiongaming.com](http://www.evolutiongaming.com)) and Carnegie's website ([www.carnegie.se](http://www.carnegie.se)). Prospectus will be made available at SEB's website ([www.sebgroup.com/prospectuses](http://www.sebgroup.com/prospectuses)). An application can also be made through Avanza ([www.avanza.se](http://www.avanza.se)).

**Indicative timetable**

10 March – 18 March 2015	Application period for the general public in Sweden
10 March – 19 March 2015	Book building process for institutional investors
20 March 2015	Announcement of the final Offering price
20 March 2015	First day of trading on Nasdaq First North Premier
24 March 2015	Settlement

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### **Important information**

Copies of this announcement are not being made and may not be distributed or sent to the United States, Canada, Japan or Australia, or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company does not intend to register any part of the offering in the United States or to conduct a public offering of securities in the United States.

Any offering of securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of the Directive 2003/71/EC, as amended (together with any applicable implementing measures in any member State, the "Prospectus Directive"). Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State, other than Sweden, that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

In the United Kingdom, this announcement is only being distributed to, and is only directed at, persons that are "qualified investors" (as defined in section 86(7) of the Financial Services and Markets Act 2000) and who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities and other persons to whom this announcement may be lawfully communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This announcement must not be acted on or relied by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so.

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "will," "may," "continue," "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The information, opinions and forward-looking statements contained in this release speak only as at its date, and are subject to change without notice.