



Press release 07/18/2024 22:30 CEST

## Evolution AB (publ) announces Capital Allocation Framework

**The Board of Directors of Evolution AB (publ) has adopted a capital allocation framework that outlines the intended future uses of capital.**

The goal of the Capital Allocation Framework is to clarify the Board's priorities and underline Evolution's commitment to drive shareholder value over the long-term.

### **Capital allocation framework**

We aim to be in a net cash position over time, with an ability to deploy modest short-term leverage for unique shareholder value enhancing opportunities.

We are a highly profitable business as a market leader with a best-in-class product in a growing global industry, supported by strong long-term secular tailwinds. Our first priority will be to invest in growing our existing business organically.

We adopted a dividend policy at the time of our IPO in 2015 to distribute a minimum dividend of 50 percent of net profits annually. This policy remains intact.

M&A can be a way to support our existing business and/or our long-term vision. M&A can include acquiring companies, technologies, IP rights or other assets. All M&A will be done at financial terms that are long-term value enhancing to our shareholders and our operation.

The company continuously evaluates M&A opportunities, but no set annual amount will be allocated to M&A. We will not allocate capital for M&A unless we are presented with strong candidates.

Historically there has been excess cash after investments in the ongoing business, dividends and M&A. The Board has decided to distribute 100% of excess cash, exclusive of any aforementioned M&A activity.

The distribution of this excess capital will generally be done through the repurchase of own shares.

The Board will annually seek authorisation from the annual general meeting to repurchase own shares up to an amount so that the holding of own shares does not exceed 10% of all shares in the company from time to time. The Board will then make decisions on when to use that authorisation during the year in order to maximize the return for our shareholders.

The Board will endeavour to distribute excess cash in the most value enhancing way possible. There are times when repurchases of own shares are more value enhancing and there can be situations where extra dividends are preferred. In those cases the Board may decide to pay a special dividend which will be decided upon at the annual general meeting or at an extraordinary general meeting.

**For further information, please contact:** Jacob Kaplan, CFO, [ir@evolution.com](mailto:ir@evolution.com)

*This information is such that Evolution AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact person set out above on 18 July 2024, at 22:30 CEST.*

Evolution AB (publ) ("Evolution") develops, produces, markets and licenses fully-integrated B2B Online Casino solutions to gaming operators. Since its inception in 2006, Evolution has developed into a leading B2B provider with 800+ operators among its customers. The group currently employs 20,500+ 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](http://www.evolution.com) for more information.

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