

Stockholm, July 24, 2017

## The board of directors of LeoVegas proposes a new incentive program and has resolved to cancel previously issued warrants

**The board of directors of LeoVegas AB (publ) (“LeoVegas” or the “Company”), has resolved to propose a new incentive program for senior executives and employees through issuance of 1,000,000 warrants to the subsidiary Gears of Leo AB with subsequent transfer to the participants. This incentive program is proposed to replace the previous program comprising of 1,000,000 warrants which was resolved on by the annual general meeting held on 17 May 2017. The board of directors has also resolved to cancel the warrants issued under the resolution from the annual general meeting. The board of directors will today publish a notice to an extra general meeting to be held on 23 August 2017.**

### **New incentive program and cancellation of warrants**

Upon recommendation of the remuneration committee, the board of directors of the Company has proposed that the extra general meeting resolves to implement a new incentive program through issuance of 1,000,000 warrants to Gears of Leo AB (the “Subsidiary”), with subsequent transfer to senior executives, employees and other key persons within the Company and the group (“Incentive program II 2017/2020”).

The annual general meeting held on 17 May 2017 resolved to issue not more than 1,000,000 warrants to implement an incentive program for the group’s employees (“Incentive program I 2017/2020”). All warrants were subscribed for by the Subsidiary and registered with the Companies Registration Office on 31 May 2017. Incentive program II 2017/2020 aims to replace Incentive program I 2017/2020.

The reason for the board of directors’ new program is that the share price of the Company’s shares have had a strong development. The price has risen from SEK 38 on 12 April 2017, when the notice to the annual general meeting was issued, to SEK 59.25 on 31 May 2017, which was the last day for the participants to notify their participation in Incentive program I 2017/2020, which effected the program’s mechanics in a negative way and as a consequence the aim with the program was completely set out if play, why the board now proposes a new incentive program.

On 23 July 2017, the board of directors has also resolved to cancel all outstanding warrants from Incentive program I 2017/2020, which means that no additional dilution effects will occur on Company’s shares following the Incentive program II 2017/2020.

### **Summary of Incentive program II 2017/2020**

- Issue a maximum of 1,000,000 warrants, which may result in a maximum increase in the Company’s share capital of EUR 12,000.000022.
- The warrants shall be subscribed for by the Subsidiary, with the right and obligation to, at one or several occasions, transfer the warrants to senior executives, other employees and key persons, who are or will become employed by the Company or within the group, at a price that is not less than the fair market value of the warrant according to the Black & Scholes valuation model and otherwise on the same terms as in the issuance.
- The warrants shall be subscribed for by the Subsidiary at a price corresponding to the warrant’s market value at the time for subscription in accordance with the Black & Scholes valuation model.
- Each warrant entitles to subscription of one (1) new share in the Company during the period from 1 June 2020 up to and including 15 June 2020 or the earlier date set forth in the terms for the warrants.
- The subscription price shall be determined to an amount equal to 170 percent of the average of the mean, calculated for each trading day during the period from 9 August 2017 up to and including 22 August 2017, of the highest and lowest price

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paid for a share according to the official price list at Nasdaq First North Premier. In the absence of a quotation of paid price for any of the days in question, the last quoted bid price shall be used in the calculation (SEK 103.25 based on a preliminary calculation).

- Transfer of the warrants shall be made at a price equal to the warrant's fair market value the day before the transfer day, which means no social fees should arise for the group in connection with the transfer of warrants.
- The warrants' fair market value, according to a preliminary valuation based on the market value of the underlying share of SEK 60.75, SEK 3.01 per warrant, assuming an exercise price of SEK 103.25 per share. The Black & Scholes valuation model has been used for the valuation, assuming a risk free interest rate of -0.45 percent and a volatility of 31 percent, taking into account that no dividends and other distributions to shareholders are expected during the period of the program.
- Upon full exercise of the warrants and at a subscription price of SEK 103.25, the Company will receive proceeds amounting to SEK 103,250,000.
- The total number of registered shares and votes at the time of this proposal amount to 99,695,470. The maximum dilution of Incentive program II 2017/2020 is estimated to be a maximum of approximately 0.99 per cent of the total number of shares and votes in the Company (calculated on the number of existing shares the Company without consideration to outstanding warrants), assuming full subscription and exercise of all warrants offered and that the warrants under the previous Incentive Program I 2017/2020 are cancelled. The dilution of Incentive program II 2017/2020 taking into account the full subscription and exercise of all warrants outstanding in the Company is estimated to approximately 2.92 per cent of the total number of shares and votes in the Company, provided that full subscription and exercise of all issued warrants occurs and that the warrants under the previous Incentive Program I 2017/2020 are cancelled.

### **Extra general meeting**

Incentive program II 2017/2020 requires a resolution by the extra general meeting and a complete description of the program will be available in the notice for the extra general meeting. The extra general meeting is planned to be held on 23 August 2017 and will be held at Baker & McKenzie's premises on Vasagatan 7 in Stockholm. The notice will today be published as a press release and is to be published on 26 July 2017 in the Swedish Official Gazette and is available as of today on the Company's website [www.leovegasgroup.com](http://www.leovegasgroup.com). Announcement that notice has been made will be published in Svenska Dagbladet on 26 July 2017.

*The information is such that LeoVegas AB (publ) is required to disclose in accordance with the EU Market Abuse Regulation. The information was submitted, by the agency of the contact persons below, for publication at 08:00 (CET) on 24th of July 2017.*

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### **For further information, please contact:**

Gustaf Hagman, Group CEO and co-founder: +46 70-880 55 22, [gustaf.hagman@leovegas.com](mailto:gustaf.hagman@leovegas.com)

Viktor Fritzen, Group CFO: +46 73-612 26 67, [viktor.fritzen@leovegas.com](mailto:viktor.fritzen@leovegas.com)

Philip Doftvik, Head of Investor Relations: +46 73 512 07 20, [philip.doftvik@leovegas.com](mailto:philip.doftvik@leovegas.com)

### **About the LeoVegas mobile gaming group**

LeoVegas' vision is to create the ultimate mobile gaming experience and be number one in mobile casino. The business is distinguished by award-winning innovation and strong growth. LeoVegas' technical development is conducted in Sweden, while operations are based in Malta. The Swedish parent company LeoVegas AB (publ) invests in companies that offer gaming via mobile devices and desktop computers along with companies that develop related technologies. LeoVegas has attracted major international acclaim and has won numerous awards, including "Nordic Operator of the year", "Mobile Marketing Campaign of the year", and "Innovation in Mobile and Tablet of the Year" at the international EGR Awards. LeoVegas bases its development on "Mobile First" and is at the forefront of using state-of-the-art technology in the mobile gaming market. With a foundation in a great gaming experience, long-term customer relationships and establishment of a strong brand, the company has attracted a steadily growing customer base through innovative, effective and data-driven marketing. Since its start, the mobile gaming company LeoVegas has shown strong quarter-on-quarter growth. LeoVegas' shares are listed on Nasdaq First North Premier. Avanza Bank AB is the company's Certified Adviser. For more about LeoVegas, visit [www.leovegasgroup.com](http://www.leovegasgroup.com) or [www.leovegas.com](http://www.leovegas.com).