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LEOVEGAS ACQUIRES EXPEKT

LeoVegas AB (publ) (“LeoVegas” or “the Company”) is acquiring Expekt Nordics Ltd and related assets (“Expekt”) from Betclik Group. Expekt is one of the most well-known sports betting brands in Sweden and the Nordic countries. The total purchase price is EUR 5 m for all assets. The acquisition strengthens LeoVegas’ brand portfolio with an established position in sports betting and expand the Company’s strategic growth opportunities in the segment.



“For those of us who grew up with online gambling in Sweden, Expekt is undeniably one of the pioneers in sports betting. I can remember back in the early 2000s when everyone played on Expekt. After a few years on the sidelines, we will now restore Expekt to its former glory as the leading sports betting brand,” comments Gustaf Hagman, Group CEO LeoVegas. “We are working resolutely to offer the ultimate mobile sports betting experience, which will entail a number of new innovations and new thinking with a starting point from what a mobile experience can entail for the big years of sport in 2021 and 2022. This is a milestone for LeoVegas and represents a broadening of our strategy. We look forward to Expekt once again becoming a leading sport brand in Sweden and the Nordic countries.”

ABOUT THE ACQUISITION

LeoVegas is acquiring all of the shares in the Maltese company Expekt Nordics Ltd (“Expekt”). Expekt holds a Swedish gaming licence and conducts operations with Swedish customers under the Expekt brand. At the same time, LeoVegas is entering into an agreement to acquire assets related to Expekt from the company Mangas Gaming Ltd, including all rights to the Expekt brand and access to the existing customer database.

NGR (Net Gaming Revenue) for the acquired business amounted to EUR 6.9 m in 2020, and the business is profitable. During the fourth quarter of 2020 Expekt generated EUR 1.6 m in NGR, of which 91% is attributable to the Swedish market. The purchase price represents a revenue multiple (based on NGR) of 0.7x for 2020.

The deal includes a commercial team of three people who together with LeoVegas’ central functions will drive the brand going forward. LeoVegas is not acquiring any technology, and technical migration to LeoVegas’ proprietary technical platform is initiated. The technical migration and the acquisition as such is expected to be completed in May 2021. Payment will be made in cash and will be financed with existing funds.

ABOUT EXPEKT

Expekt was first launched in 1999 and enjoyed major success in the Swedish and Nordic markets. Within a couple of years, Expekt developed to become one of the major sports betting operators in northern Europe. Betclik Group acquired Expekt in late 2009. During a period Expekt was one of the largest actors in the Swedish market, but its market shares have declined in recent years. At the same time, brand awareness remains very high among the relevant target groups that appreciate sports betting.

SPORT – INCREASED STRATEGIC FOCUS

Prior to the acquisition, the LeoVegas Group has 13 brands, where LeoVegas is the largest. Most of the brands are targeted at offering the ultimate gaming experience in casino. During the fourth quarter of 2020, Sport accounted for 9% of the Group's total revenue. The acquisition of Expekt, combined with LeoVegas' own internal product and customer experience initiatives, provides the conditions to grow the share of sport revenue over time. The Group's strategy for achieving this is to offer sport-interested players compelling and relevant brands in combination with an innovative and personalised experience.

THE SPORT YEARS 2021–2022

The timing for increasing growth ambitions in the sport segment is logical, as the years 2021 and 2022 are filled with major sporting events and championships. The technical migration of Expekt is expected to be completed in May, and thus a complete product will be ready for the French Open, the Champions League Final, the Ice Hockey World Championship, and the NHL Stanley Cup. These events will be followed by the UEFA European Football Championship and Copa América in June, and the Tokyo Summer Olympics in July and August. The year 2022 will feature, in addition to the usual major sport events, the Winter Olympics in Beijing, the UEFA European Women's Championship and the FIFA Men's World Cup in Qatar.

This information is such that LeoVegas AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation 596/2014. This information was submitted for publication through the agency of the contact persons set out below at 08.00 CET on 15 March 2021.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Gustaf Hagman, Group CEO

+46 (0) 8 410 367 66, gustaf.hagman@leovegasgroup.com

Stefan Nelson, Group CFO

+356 993 942 68, stefan.nelson@leovegasgroup.com

Philip Doftvik, Director of Investor Relations and Corporate Finance

+46 73 512 07 20, philip.doftvik@leovegasgroup.com