

**CORPORATE GOVERNANCE REPORT 2020**  
**LEOVEGAS AB (PUBL)**



**LeoVegas**

**MOBILE GAMING GROUP**

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE AT LEOVEGAS

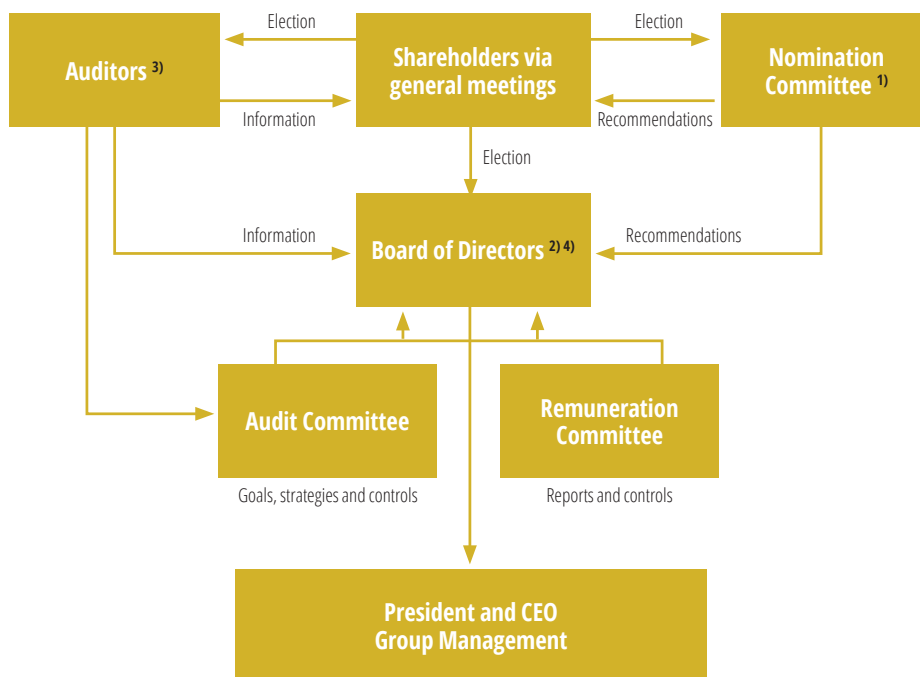
This corporate governance report has been prepared in accordance with Ch. 6 § 6 of the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (“the Code”).

The Board of Directors is responsible for the Corporate Governance Report. The Corporate Governance Report for the financial year has been reviewed by the company’s auditor, as described in the “Auditor’s report on the corporate governance statement”.

LeoVegas is a Swedish, public limited liability company whose shares are listed for trading on Nasdaq Stockholm’s Main Market list. Governance of LeoVegas is grounded in the company’s Articles of Association, the Swedish Companies Act, the Nasdaq Rulebook for Issuers, other applicable Swedish and foreign laws and regulations, and the company’s internal rules and guidelines. These internal rules and guidelines include primarily the Board’s Rules of Procedure, the

CEO’s instructions, the instructions for financial reporting and internal control, and the financial manual.

In addition, LeoVegas has a number of policy documents and manuals, including the Code of Conduct, the Corporate Governance Policy, the Insider Policy, and the Information and Communication Policy, as well as other internal rules and recommendations that include principles and provide guidance in the company’s operations and for its employees. The above-mentioned governance documents are evaluated and adopted yearly by the Board of Directors. LeoVegas’ shares are listed for trading on Nasdaq Stockholm’s Main Market list, which means that the company is required to adhere to the Swedish Corporate Governance Code (“the Code”). The guidelines of the Code are available on the Swedish Corporate Governance Board’s website ([www.bolagsstyrning.se](http://www.bolagsstyrning.se)). The Code is based on the “comply or explain” principle, entailing that companies that apply the Code may depart from individual rules as long as they provide an explanation



**1)** The Nomination Committee proposes resolutions ahead of the AGM regarding issues concerning election of directors and fees, and drafts a proposal for resolution that is presented to the AGM. The AGM resolves on principles for appointment of the Nomination Committee.

**2)** The Board establishes its committees and determines which of its members are to serve on the respective committees.

**3)** The Group’s statutory auditor is elected by the AGM to audit the Group’s annual report and accounting practices as well as the Board’s and CEO’s administration, and the company’s internal control environment.

**4)** The Audit Committee and Remuneration Committee report to the Board of Directors.

### CORPORATE GOVERNANCE

The figure at left describes how corporate governance is organised. LeoVegas is a Swedish limited liability company whose shareholders ultimately decide on the company’s governance by electing the company’s board of directors at the Annual General Meeting. The Board, in turn, has continuing responsibility for ensuring that corporate governance of the company is in compliance with laws and other external and internal rules and regulations.

### INTERNAL GUIDELINES

Mission and goals, Articles of Association, the Board’s Rules of Procedure, the CEO’s instructions, the financial manual, strategies and policies, and processes for internal control and governance.

### EXTERNAL GOVERNANCE INSTRUMENTS

The Companies Act, the Annual Accounts Act, other relevant laws and the Code.

for such departure. According to the Code, a company's board shall determine each year if the company is to have an internal audit function that evaluates whether the company's internal governance and controls have worked in a satisfactory manner, or if the board has gained assurance in some other way that such is the case. LeoVegas today has a dedicated person with chief responsibility for monitoring and evaluation of internal control. In 2021 an internal audit function will be established in LeoVegas with initial focus on ensuring implementation of processes coupled to compliance.

## SHAREHOLDERS

As per 31 December 2020 LeoVegas had 17,284 shareholders. The ten largest shareholders as per 31 December 2020 had ownership corresponding to 31.1% (40.3%) of the votes and share capital. No single shareholder holds, directly or indirectly, more than 10% of the shares or votes in the company.

### TEN LARGEST SHAREHOLDERS AS PER 31/12/2020

Owner	No. shares	Capital and votes, %
Gustaf Hagman	8,400,000	8.3
Avanza Pension	4,580,253	4.5
Torsten Söderberg with family	4,486,861	4.4
TT International	2,439,784	2.4
Lombard Odier Asset Management	2,343,253	2.3
Pontus Hagnö	2,250,000	2.2
Robin Ramm-Ericson	2,250,000	2.2
Filip Engelbert	1,767,480	1.7
Graffe Holding AB	1,636,361	1.6
Sundt AS	1,500,000	1.5

## SHARE CAPITAL AND VOTING RIGHTS

According to the Articles of Association in effect at the end of the financial year, the share capital shall be at least EUR 1,100,000 and no more than EUR 4,400,000. The company's registered share capital as per 31 December 2020 was EUR 1,219,835, divided among 101,652,970 shares. The shares, which are denominated in euros (EUR), had a share quota value of EUR 0.012. Each share carries entitlement to 1 vote. Every person entitled to vote at general meetings of shareholders may vote for the full number of shares owned and represented by him or her without restriction in voting rights.

## GENERAL MEETING – 2019 FINANCIAL YEAR

General meetings of shareholders are the Group's highest decision-making body and the forum for shareholders to exercise their influence. General meetings can make decisions on all matters concerning the Group and that are not expressly within the framework of the exclusive authorisation of any other body. In other words, general meetings have a sovereign role over the Board of Directors and CEO. According to the Swedish Corporate Governance Code, the control body is the statutory auditor, which is appointed by a general meeting of shareholders.

### Notices of general meetings

According to the current Articles of Association, notice of a general meeting shall be made through advertisement in Post- och Inrikes Tidningar ("the Official Swedish Gazette") and by posting on the company's website. An advertisement announcing that notice of the meeting has been issued shall also be published in the Swedish daily newspaper Svenska Dagbladet. A notice of an Annual General Meeting or of an Extraordinary General Meeting at which an amendment of the company's Articles of Association will be dealt with shall be issued not earlier than six weeks and not later than four weeks before the meeting in question. A notice of an Extraordinary General Meeting shall be issued not earlier than six weeks and not later than three weeks prior to the meeting.

### Right to participate in a general meeting

Shareholders who wish to participate in a general meeting must be listed in the shareholder register maintained by Euroclear Sweden on the day that falls five weekdays prior to the meeting, and must notify the company of their intention to attend the meeting by not later than the date indicated on the notice of the meeting. Shareholders may participate in general meetings in person or via proxy, and may also be accompanied by a maximum of two assistants. Shareholders ordinarily have the opportunity to notify their attendance at a general meeting in several different ways, which are indicated in the notice. Shareholders are entitled to vote for all shares that they hold in the company.

### Shareholder initiatives

Every shareholder has the right to have a matter taken up for consideration at a general meeting. A shareholder who wishes to have a matter taken up for consideration at a general meeting must submit a written request about such to the Board of Directors. Such a request must normally be received by the Board not later than seven weeks prior to the general meeting in question.

### Annual General Meeting

The Annual General Meeting (AGM) for the 2019 financial year was held on 8 May 2020. Attorney Carl Svernlöv was elected to serve as AGM chairman.

The AGM resolved the following:

- To adopt the income statement and balance sheet for LeoVegas AB and the consolidated income statement and consolidated balance sheet
- That a dividend of SEK 1.40 per share shall be paid to the shareholders, for a total sum of SEK 142,314,158. The dividend shall be paid out on two occasions in the amount of SEK 0.70 per share
- To discharge the board members and the CEO from liability.
- That, in accordance with the Nomination Committee's recommendation, directors' fees shall be paid to the members of the Board of Directors and members of the Board's committees in the following amounts:

- SEK 300,000 for each non-executive director and SEK 600,000 for the Chairman, provided that he is not an employee of the company
- SEK 50,000 for each member of the Remuneration Committee who is not an employee of the company, and SEK 100,000 for the Remuneration Committee chair, provided that he or she is not an employee of the company
- SEK 50,000 for each member of the Audit Committee who is not an employee of the company, and SEK 100,000 for the Audit Committee chair, provided that he or she is not an employee of the company;
- Payment of the auditor's fees in accordance with an approved invoice
- That Anna Frick and Fredrik Rüden be re-elected as board members, and that Hélène Westholm, Mathias Hallberg, Carl Larsson, Per Norman and Torsten Söderberg be elected as new board members. Per Norman was elected as Chairman of the Board. Robin Ramm-Ericsson, Mårten Forste and Tuva Palm declined re-election
- That PricewaterhouseCoopers AB be re-elected as the company's auditor for the period until the end of the next Annual General Meeting, with Authorised Public Accountant Aleksander Lyckow as auditor-in-charge
- To adopt the principles for appointment of the Nomination Committee in accordance with the Nomination Committee's recommendation
- To adopt the guidelines for remuneration of senior executives in accordance with the Board's recommendation

The Annual General Meeting also resolved in favour of an issue of a maximum of 1,000,000 warrants to implement an incentive programme for the Group's employees. The purpose of the incentive programme is to establish conditions to retain and increase the motivation of senior executives, other employees and other key persons in the company and the Group. As a result of the AGM's resolution in favour of the Board's recommendation to issue a maximum of 1,000,000 warrants with deviation from the shareholders' preferential rights, the total number of shares and votes in the company may be diluted by a maximum of approximately 1%. The warrants carry entitlement to subscribe for new shares in the company. For further information, see Note 6 and Note 21.

## GENERAL MEETING – 2020 FINANCIAL YEAR

LeoVegas' Annual General Meeting for the 2020 financial year will be held on 11 May 2021 in Stockholm. Further information is provided at [www.lovevegsgroup.com](http://www.lovevegsgroup.com) under the tab Corporate Governance. In connection with the year-end report for 2020 the Board proposed raising the dividend to SEK 1.60 per share (1.40), corresponding to an increase of 14%, to be paid out on four occasions.

## NOMINATION COMMITTEE

According to the Code, companies that adhere to the Code shall appoint a nomination committee. LeoVegas' Nomination Committee, which is made up of representatives of the largest shareholders, has been formed in accordance with the guidelines approved by the 2020

AGM. The Nomination Committee is tasked with submitting recommendations for the Chairman of the Board and other board members, directors' fees and other fees for directors' work on the Board, election of the auditor and auditor's fees, and with evaluating the Board's work. In the course of its work the Nomination Committee applied Rule 4.1 of the Code as the Board's diversity policy. Diversity is an important factor in the Nomination Committee's nomination work. The Nomination Committee continuously strives to maintain an even gender balance and diversity regarding the competence, experience and background of the Board's members, which is also reflected in the Board's current composition. The Nominating Committee's recommendations are reported in the AGM notice. LeoVegas' Nomination Committee shall be composed of five members, of whom four shall represent the company's largest shareholders, and the fifth shall be the Chairman of the Board. Regardless of how the Nominating Committee's members are appointed, they shall safeguard the shareholders' interests.

The members of the Nomination Committee are appointed in a procedure whereby the Chairman of the Board – as soon as possible after the end of the third quarter – contacts the four largest shareholders at this point in time. The Chairman of the Board shall never serve as chair of the Nomination Committee. The composition of the Nomination Committee is publicly announced through a press release as soon as the members have been appointed, but not later than six months prior to the AGM.

Based on the above, the Nomination Committee ahead of the 2020 AGM was appointed and consists of the following persons, who together represent approximately 17% of the number of votes and shares in the company as per 30 September 2020:

- Anders Fast (chair), appointed by Gustaf Hagman
- Malcolm Lilliehöök, appointed by Torsten Söderberg
- Pontus Hagnö
- Robin Ramm-Ericson
- Per Norman, Chairman of the Board

## BOARD COMPOSITION AND DIRECTORS' INDEPENDENCE

According to LeoVegas' Articles of Association, the Board shall be composed of three to ten members. In other respects, there are no rules in the Articles of Association regarding the appointment or dismissal of board members. The Board is currently composed of seven AGM-elected directors, all of whom were elected at the AGM on 8 May 2020 for terms until the end of the 2021 AGM. Gustaf Hagman, Group CEO, participates at board meetings to report on development of the operations. Stefan Nelson, CFO, participates at board meetings and reports on the company's financial development. Other LeoVegas executives participate at board meetings in a reporting role on specific matters. According to the

Code, a majority of the directors shall be independent in relation to the Group and its management, which the company meets.

## RESPONSIBILITIES AND WORK OF THE BOARD

The Board's duties are regulated by the Swedish Companies Act, LeoVegas' Articles of Association, other laws and statutes, and the Code. In addition, the Board's work is regulated by the Rules of Procedure adopted by the Board. The Rules of Procedure regulate, among other things, the division of duties and responsibilities between the board members, the Chairman of the Board and the CEO, and lay out routines for financial reporting by the CEO. The Board follows an annually set schedule for its work, which is adopted at the statutory board meeting each year. The Board also adopts instructions for the Board's committees. The Board's duties include adoption of strategies, business plans, budgets and forecasts, interim reports, the year-end book-closing, and policies and guidelines. The Board is also responsible for monitoring the company's financial performance, ensuring the quality of financial reporting and internal control, and evaluating the business against the objectives and guidelines established by the Board. Finally, the Board decides on substantial investments and changes in the Group's organisation and operations. The Chairman of the Board and CEO shall monitor the company's performance, and conduct preparatory work for and lead board meetings. The Chairman of the Board is also responsible for ensuring that the board members evaluate their work every year and that they continuously receive the information required for them to perform their work effectively. The Chairman of the Board represents LeoVegas vis-à-vis its shareholders. During the year, the Board held 18 meetings. The Board's work during the year was focused particularly on the company's strategy, including the integration of previously acquired operations, positioning, financing, culture, and the company's development and expansion. The focus of the technology platform as well as the development and impact of stricter compliance requirements were also discussed.

### Committees

The Board of LeoVegas has established two committees – an audit committee and a remuneration committee.

#### *Audit Committee*

The Audit Committee is tasked with providing a special forum for the work with financial reporting, internal control, risk management and auditing, and advises the Board of Directors in these areas. The members of the Audit Committee are Mathias Hallberg, Carl Larsson, Hélène Westholm and Fredrik Rüden, who is also committee chair. The main duties of the Audit Committee, which works according to a work plan set by the Board of Directors, is to monitor the Group's financial reporting and to oversee the effectiveness of the company's internal controls and risk management. In addition, the Audit Committee is tasked with staying informed about the audit of

the annual report and consolidated accounts, reviewing and overseeing the auditor's impartiality and independence, and in this context paying particular attention to whether the auditor provides other services to LeoVegas than auditing services.

The Audit Committee maintains contact with LeoVegas' auditor in order to establish an ongoing exchange of information and understanding between the Board and the auditor on auditing issues. The Audit Committee held four meetings in 2020.

#### *Remuneration Committee*

The members of the Remuneration Committee are Anna Frick, Torsten Söderberg and Per Norman, who is also committee chair. The Remuneration Committee has an advisory and a drafting function, and works according to a work plan set by the Board of Directors. Its main duties are to conduct preparatory work for the Board's decisions on matters concerning remuneration principles, remuneration and other terms of employment for members of Group Management, monitoring and evaluating application of the guidelines for remuneration of senior executives approved by the AGM as well as applicable remuneration structures and remuneration levels in LeoVegas. The Remuneration Committee held six meetings in 2020.

#### *Evaluation of the Board's work*

The Board's work is evaluated yearly through a systematic, structured process that aims among other things to produce constructive documentation for improvements in the Board's own work. The evaluation is conducted both individually and through discussions at board meetings. The evaluation aims to give the Chairman of the Board information on how the board members perceive the Board's effectiveness and collective competence as well as on whether there are any needs for changes on the Board. The evaluation of the Chairman is conducted by the other board members. The Chairman of the Board informs the Nomination Committee about the results of the evaluations.

#### *Directors' fees*

The 2020 AGM resolved that directors' fees of SEK 300,000 shall be payable each to Anna Frick, Fredrick Rüden, Mathias Hallberg, Carl Larsson, Torsten Söderberg and Hélène Westholm. Per Norman, as Chairman of the Board, is paid a fee of SEK 600,000. These amounts are based on the assumption that the directors' assignments continue for the entire period until the 2021 AGM.

A fee for committee work shall be payable in the amount of SEK 50,000 to each of the members of the Audit and Remuneration Committees who are not employees of the company. The respective committee chairs are paid a fee of SEK 100,000, based on the assumption that their assignments continue for the entire period from the 2020 AGM until the 2021 AGM.

## SUSTAINABILITY PERSPECTIVE

The Board has adopted relevant guidelines for the Group's sustainability for the purpose of its long-term capacity to create value. The company's report for 2020 is presented in the section "Sustainability Report".

## INTERNAL CONTROL AND RISK MANAGEMENT

Internal governance and control are generally defined as a structured process, conducted by an organisation's board, management and other staff, to provide a reasonable assurance that goals are met in the following categories:

- *Effectiveness and productivity of operations*
- *Reliability of financial reporting*
- *Compliance with applicable laws and regulations*

This description has been prepared in accordance with the Annual Accounts Act and covers the most important parts of the company's system for internal control and risk management in connection with the financial reporting.

LeoVegas' control system has been designed to ensure that correct and reliable financial reporting and accounting are conducted in accordance with applicable laws and statutes, accounting standards and other requirements on listed companies. LeoVegas works according to an established framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework covers five main areas: control environment, risk assessment, control activities, monitoring activities, and information & communication. LeoVegas structures this work in accordance with a yearly planning wheel, which is illustrated below, where the first phase (1) consists of risk identification and an update of existing risks; (2) entails defining implemented control activities for risk mitigation; the third phase (3) tests the effectiveness of identified control activities and quality assurance; in the fourth (4) and final phase, follow-up is conducted to ensure that identified deficiencies are handled along with reporting to the Audit Committee and the Board.



### Control environment

The control environment in LeoVegas is the foundation for the other components of internal governance and control. The Board of

Directors has overarching responsibility for internal control over financial reporting. The Board adopts Rules of Procedure yearly for the Board's work. In addition, the Board draws up instructions for the division of duties between the Board of Directors and the CEO.

A good control environment entails that LeoVegas has orderly processes and structure, integrity, ethical values and the right competencies in the company. The company's leadership and the way in which management delegates responsibility and authority, and organises and develops the employees are equally important components. The control environment is maintained through LeoVegas' policies and routines, and with the assistance of the company's organisational structure, with a clear division of responsibilities and authority that is based on shared values.

LeoVegas' control environment is built upon:

- *A strong company culture with values that permeate the company*
- *Documented ethical and moral guidelines*
- *A clear organisation with clearly defined roles and areas of responsibility*
- *Governance documents*
- *Identified and well-defined key processes*

Well-structured internal control creates not only the conditions for reliability in the financial reporting, but also contributes to a sound and sustainable business with higher profitability as a result.

LeoVegas' board of directors has overarching responsibility for maintaining an effective system of internal control. LeoVegas has a dedicated person with chief responsibility for internal control and governance. Area managers have general responsibility for monitoring that effective controls are in place in their respective areas of responsibility. In 2021 an internal audit function will be established within LeoVegas with initial focus on ensuring implementation of processes coupled to compliance.

LeoVegas works continuously with development and improvement of internal control, in part through internal reviews and in part through proactive work with risk management. Continuous further development of internal control is of central importance for a rapidly growing company like LeoVegas. Internal governance instruments for financial reporting consist primarily of the Group's Treasury Policy, the financial manual, and authorisation instructions. In addition to these, the company has established policies covering trading in the company's shares, communication, and IT and information security, among other things.

LeoVegas reviews the company's internal controls in accordance with a recurring time cycle every year and makes changes to them to the extent it is deemed necessary. The main responsibility for ensuring internal control rests with the Parent Company, which is where reporting to the company's board is also conducted. In addition, the Group has a unit with special responsibility for compliance. By compliance is meant in this context industry-specific regulations



issued by the gaming authorities in the respective countries. The company's external auditor, in turn, regularly reviews selected control processes within the framework of the audit process.

#### *Risk assessment*

Every year LeoVegas performs a structured risk assessment to identify risks affecting internal control over financial reporting as well as other areas that entail risk. Material risks that are reviewed include market risks, operational risks and other risks for errors in the financial reporting. Every unit manager within the Group is responsible for clearly defining and evaluating the specific risks that exist in the area he or she is responsible for. Risks are to be clearly defined together with a description of how each risk is controlled and the manager's view of the effectiveness of relevant control activities. A self-assessment is conducted, which is in turn reviewed and verified. Risks are analysed and updated, and where needed an implementation plan is defined and followed up. The Board addresses the outcome of the company's risk assessment and risk management process to ensure that it covers all significant areas and identifies necessary measures where needed.

LeoVegas' greatest business risks are related to the rapidly changing environment in the gaming industry, including shifts in legal systems, among other things. The section "Significant risks and uncertainties" in the Board of Directors' Report specifies some of LeoVegas' business and industry-related risks factors that could affect the company's financial position and earnings.

#### *Control activities*

Control activities are the guidelines and routines that contribute to ensuring that management's directives are carried out. They contribute to ensuring that necessary measures are taken to manage risks that the organisation's objectives will not be achieved.

Control activities are formulated and conducted throughout the organisation – at all levels and in all functions. They are documented at the process level and include both overarching and more detailed controls designed to prevent, discover or correct errors and deviations. They include a number of different types of activities, such as approvals, attestations, reconciliations, reviews of the results of operations, assurance of assets, performance analyses, and budget and forecast follow-ups. In the annual risk assessment work all control activities are evaluated to ensure that they are designed in a suitable manner. When designing control activities, steps are taken to ensure that they are performed in the right way and at the right time. Control activities for the financial reporting cover everything from review and follow-up of earnings to specific account reconciliations. So-called general IT controls are established for the systems that support the processes that affect internal control. The design of IT processes and controls is also affected by rules issued by gaming authorities, such as the Malta Gaming Authority (MGA), the UK Gambling Commission (UKGC), the Swedish Gambling Authority (SGA), and

by external reviews in connection with licensing and certifications. Reviews in the IT area are conducted in part by independent review agencies for certifications according to regulatory requirements and in part by the company's external auditors.

#### *Monitoring activities*

Internal governance and control systems need to be monitored, followed up and evaluated. This is achieved in LeoVegas through continuous monitoring activities and follow-ups. LeoVegas' most important financial information processes are reviewed at least once a year or ahead of and in connection with changes in rules and standards that could affect the company's financial information. Monitoring of control activities is conducted continuously to ensure that risks have been taken into account and addressed in a satisfactory manner. Monitoring includes both formal and informal routines that are conducted within the company. These routines encompass a follow-up of earnings against forecasts, analyses, and key ratios. The Board continuously evaluates the information provided by Group Management.

The company's policies and instructions are evaluated and updated with respect to suitability and functionality, where needed. Follow-up of LeoVegas' work with internal governance and control is documented after reviewing the company's activities and processes for ensuring good internal control and monitoring. Compilations and the status of identified measures are reported to the Audit Committee and the Board of Directors.

#### *Information & communication*

Relevant information must be identified and conveyed so that the company's employees can perform their duties. Information systems generate reports that contain business and financial information and details about compliance that make it possible to conduct and govern the company's business. These concern not only internally generated data, but also information about external events, activities and conditions that are necessary for well-grounded business decisions and external reporting. The employees must understand their own roles in the internal governance and control system, and how individual activities affect others' work. A channel must be in place to communicate important information. There is also a need for effective communication with external parties, such as customers, vendors, authorities and shareholders.

LeoVegas' communication and information channels enable information to be quickly communicated internally to pertinent employees. The company's communication tools and information meetings are the primary channels. Where necessary, information in the financial manual is updated. In addition to the written communication that is conveyed in the financial manual, for example, new developments, risks, outcomes of controls, etc., are communicated and discussed on a regular basis at meetings.

Significant guidelines and manuals for the financial reporting are updated and communicated to pertinent employees in connection with

new employee orientation and, in connection with any changes, to all pertinent employees. Formal and informal information channels to and from Group Management and the Board are in place for important information.

For external communication, the company has an Information and Communication Policy that aims to ensure that the company meets the applicable requirements for providing accurate information to the market. The policy documents adopted by the Board each year include documentation for the company which among other things stipulates guidelines for external communication. In connection with new employee orientation, the employees are informed about the laws and guidelines that the company follows with respect to, for example, the handling of inside information and trading in the company's shares. In addition, prior to every quarterly report reminders are sent to all employees about the trading windows and rules for trading in the company's shares. All employees must follow the rules regarding the company's trading windows. This means that no employee may trade in LeoVegas shares 45 days prior to the publication of a financial report.

#### *Internal audit*

According to the Code, the Board shall decide each year if the company is to have an internal audit function that assesses whether internal governance and controls work in their intended manner, or if the Board in some other way gains assurances that such is the case. This issue is also considered yearly by the Audit Committee, and in 2021 an internal audit function will be established in LeoVegas with initial focus on ensuring implementation of processes coupled to compliance.

### **CEO AND SENIOR EXECUTIVES**

The CEO is responsible for the day-to-day administration of LeoVegas in accordance with applicable laws and regulations, and the instructions and strategies established by the Board of Directors. The CEO ensures that the Board receives the information required for the Board to be able to make well-grounded decisions, and monitors compliance with the goals, policies and strategic plans for LeoVegas that are set by the Board of Directors. The CEO is also responsible for ensuring that the Board is provided with satisfactory information about LeoVegas' development between regular board meetings. The CEO leads the work of the Group's management, which is responsible for the overarching business development. In addition to the CEO, the Group Management included four senior executives as per 31 December 2020: the Chief Financial Officer, the Chief Operating Officer, the Chief Product & Technology Officer and the Chief Marketing Officer.

#### *Remuneration of the CEO and senior executives*

Remuneration of the CEO and other senior executives may consist of a fixed cash salary, possible variable cash remuneration, other customary benefits and pension. The combined yearly cash

remuneration shall be in line with the going rate in the market and competitive in the labour market and geographic area in which the executive is stationed, and shall be commensurate with the individual's qualifications and experience. By other senior executives is meant the four persons who together with the CEO make up the Group Management. The Remuneration Committee has drawn up recommendations for guidelines for remuneration of senior executives to be put to the 2021 AGM for approval. See the Board of Directors' Report (the Board's proposed guidelines for remuneration of senior executives). These guidelines include, among other things, principles for the relationship between fixed salary, pension benefits, and limitations regarding severance pay and fixed salary during notice periods. Individual remuneration of the CEO and the individual remuneration of other senior executives are approved by the Board of Directors after approval by the Remuneration Committee. For paid remuneration in 2020, see Note 6.

### **AUDITOR**

According to the Articles of Association, LeoVegas shall have a maximum of two auditors with or without a maximum of two deputy auditors, or a chartered accounting firm. LeoVegas' Annual General Meeting on 8 May 2020 resolved to elect the chartered accounting firm PricewaterhouseCoopers AB as auditor of the company for a term until the end of the 2021 AGM. Authorised Public Accountant Alexander Lyckow was appointed as auditor-in-charge. Alexander Lyckow is a member of FAR.

### **EXTERNAL AUDIT**

The external audit of the accounts of LeoVegas and all subsidiaries, including the Board of Directors' and Group Management's administration, is performed in accordance with International Standards on Auditing and generally accepted auditing practice in Sweden. The external auditor attends all meetings of the Audit Committee and at least one board meeting each year, at which the auditors report on their observations from the audit and their opinion on internal control. During the financial year, in addition to its audit assignment, PricewaterhouseCoopers performed services related tax consulting.



## BOARD OF DIRECTORS

### Per Norman



#### Assignments and year elected

Born 1964. Chairman of the Board since 2020. Chair of the Remuneration Committee

#### Education

M.Sc., Royal Institute of Technology (KTH) in Stockholm, MBA, Uppsala University

#### Other current assignments

Senior advisor and Chairman of the Board of Red Jade AB, Chairman of GLHF Group AB, Chairman of Stockholm Security Holding AB, director of Green Jade Games Ltd and Sveriges Television Aktiebolag (SVT)

#### Professional experience and previous assignments

Per has previously held many executive positions, including as CEO of Mr Green & Co AB (publ.), CEO of Boxer TV Access AB, Deputy CEO of MTG AB as well as directorships for several companies, including Mr Green AB

#### Special areas of expertise

Gaming industry, e-commerce B2C and organisation

#### Director's fee (yearly)

600,000

#### Fee for committee work

100,000

#### Independent in relation to the company and Group Management

Yes

#### Independent in relation to the major shareholders

Yes

#### Own and related parties' shareholdings as per 31 December 2020

60,600

#### Attendance at board meetings

11 of 11 possible

#### Attendance at Remuneration Committee meetings

6 of 6 possible

### Hélène Westholm



#### Assignments and year elected

Born 1971. Director since 2020. Member of the Audit Committee

#### Education

MBA, Uppsala University

#### Other current assignments

Partner, Korp Kommunikation

#### Professional experience and previous assignments

Hélène has many years of experience in the financial sector, including from Erik Penser's Corporate Finance department. She also has served as Investment Director in the Swedish Government Offices and has held directorships with Svenska Spel, Bilprovingen and Svensk Exportkredit, and had company responsibility for SAS. Aside from her directorship with LeoVegas, Hélène is currently a partner and part-owner of Korp Kommunikation with focus on investor relations

#### Special areas of expertise

Investor relations, communication, gaming industry

#### Director's fee (yearly)

300,000

#### Fee for committee work

50,000

#### Independent in relation to the company and Group Management

Yes

#### Independent in relation to the major shareholders

Yes

#### Own and related parties' shareholdings as per 31 December 2020

0

#### Attendance at board meetings

11 of 11 possible

#### Attendance at Remuneration Committee meetings

4 of 4 possible

### Fredrik Rūden



#### Assignments and year elected

Born 1970. Director since 2019. Chair of Audit Committee

#### Education

M.Sc. Business Administration, Bachelor of Laws, Mälardalen University

#### Other current assignments

In addition to his assignments with LeoVegas, Fredrik Rūden is a director of Acroud and CFO of Cambio Healthcare Systems, one of the Nordic region's leading suppliers of healthcare information systems and business systems for municipalities and regions

#### Professional experience and previous assignments

Fredrik's career has progressed through numerous senior positions with listed companies with an emphasis in finance, including Betsson AB (CFO), Teligent AB (CFO), Hallvard Lerøy AS (CFO) and Investment AB Kinnevik

#### Special areas of expertise

Economics, gaming industry, management, equity market

#### Director's fee (yearly)

300,000

#### Fee for committee work

100,000

#### Independent in relation to the company and Group Management

Yes

#### Independent in relation to the major shareholders

Yes

#### Own and related parties' shareholdings as per 31 December 2020

20,000

#### Attendance at board meetings

18 of 18 possible

#### Attendance at Remuneration Committee meetings

4 of 4 possible

**Torsten Söderberg****Assignments and year elected**

Born 1949. Director since May 2020. Member of Remuneration Committee

**Education**

M. Sc. Econ., DIHR

**Other current assignments**

Director of Feelgood Svenska AB, Tastsinn AB with subsidiaries, 4evergreen AB, Impulse Radar AB, Buir AB, Dox Sweden AB, AB Syoto with subsidiaries, and SARSYS-ASFT AB (publ)

**Professional experience and previous assignments**

Torsten's main occupation is board directorships. He has previous experience as a self-employed business owner in various industries and as Chairman of Cherryföretagen and Stingbet, among other companies

**Special areas of expertise**

Professional board member, gaming industry

**Director's fee (yearly)**

300,000

**Fee for committee work**

50,000

**Independent in relation to the company and Group Management**

Yes

**Independent in relation to the major shareholders**

Yes

**Own and related parties' shareholdings as per 31 December 2020**

4,507,253

**Attendance at board meetings**

11 of 11 possible

**Attendance at Remuneration Committee meetings**

6 of 6 possible

**Anna Frick****Assignments and year elected**

Born 1968. Director since 2015. Member of Remuneration Committee

**Education**

M.Sc. Finance and Marketing, Stockholm School of Economics

**Other current assignments**

Director of Frisq Holding AB (publ), Fortnox AB (publ), Odd Molly International AB (publ), Lohilo Foods AB (publ), Svea Ekonomi AB and Above Agency AB

**Professional experience and previous assignments**

Anna previously served as a director of Nordnet AB, A3 Allmänna IT- och Telekomaktiebolaget and Frisq AB, Vice President of Garbergs Reklambyrå AB and CEO of Oakwood Creative AB

**Special areas of expertise**

Communication, digital transformation and organisation

**Director's fee (yearly)**

300,000

**Fee for committee work**

50,000

**Independent in relation to the company and Group Management**

Yes

**Independent in relation to the major shareholders**

Yes

**Own and related parties' shareholdings as per 31 December 2020**

3,700

**Attendance at board meetings**

18 of 18 possible

**Attendance at Remuneration Committee meetings**

6 of 6 possible

**Carl Larsson****Assignments and year elected**

Born 1974. Director since 2020. Member of Audit Committee

**Education**

B.A. Computer and System Science, Stockholm University, MBA, Stockholm School of Economics

**Other current assignments**

Director of Strukturinvest Fondkommission (FK) AB

**Professional experience and previous assignments**

Carl has extensive experience from the financial sector, where he has worked on large development projects for IT systems for banks. He is also a co-founder of DigitalRoute. Carl has also been self-employed in IT and still is today

**Special areas of expertise**

Technology

**Director's fee (yearly)**

300,000

**Fee for committee work**

50,000

**Independent in relation to the company and Group Management**

Yes

**Independent in relation to the major shareholders**

Yes

**Own and related parties' shareholdings as per 31 December 2020**

6,800

**Attendance at board meetings**

11 of 11 possible

**Attendance at Remuneration Committee meetings**

4 of 4 possible

**Mathias Hallberg****Assignments and year elected**

Born 1971. Director since 2020. Member of Audit Committee

**Education**

M.S. Biology and Chemistry, Lund University, Doctor of Pharmacy, Uppsala University

**Other current assignments**

Professor of Molecular Dependency Research at Uppsala University, Department of Pharmaceutical Biosciences

**Professional experience and previous assignments**

Mathias has a Master of Science in Biology and Chemistry from Lund University. He earned a Ph.D. in Pharmacology in 2005 and became Assistant Professor of Pharmacology at Uppsala University in 2007. Director of Studies at Uppsala University 2005-2021

**Special areas of expertise**

Professor of Molecular Dependency Research

**Director's fee (yearly)**

300,000

**Fee for committee work**

50,000

**Independent in relation to the company and Group Management**

Yes

**Independent in relation to the major shareholders**

Yes

**Own and related parties' shareholdings as per 31 December 2020**

0

**Attendance at board meetings**

11 of 11 possible

**Attendance at Remuneration Committee meetings**

4 of 4 possible

## GROUP MANAGEMENT - 2020

### Gustaf Hagman, Group CEO



#### Background

Born 1974. President 2011-2013. President and CEO since 2015. Co-founder of LeoVegas 2011

#### Education

Economics studies at Stockholm University and Södertörn University

#### Other current assignments

-

#### Professional experience and previous assignments

More than 20 years of experience in entrepreneurship and in the online gaming industry. Former CEO and director of Net Gaming Europe AB

#### Special areas of expertise

Gaming industry, organisation, entrepreneur

#### Own and related parties' shareholdings as per 31 December 2020

8,400,000 shares and 95,000 warrants

### Stefan Nelson, CFO



#### Background

Born 1977. LeoVegas employee since 2018

#### Education

B.Sc. Econ., Stockholm University

#### Other current assignments

Director of Esportal AB

#### Professional experience and previous assignments

Equity analyst at SEB Enskilda, Standard & Poor's and Redeye. Director for SEB Corporate Finance with sector responsibility for gaming, media and retail

#### Special areas of expertise

Economics, M&A, equity market

#### Own and related parties' shareholdings as per 31 December 2020

40,000 shares and 255,000 warrants

### Mårten Forste, COO



#### Background

Born 1971. Began role as COO in 2020. Prior to that, director on LeoVegas' board

#### Education

Master of Laws, Lund University

#### Other current assignments

Director of MD International AB, Padstow AB, Docly. Chairman of the Board of Match.com Nordic AB.

#### Professional experience and previous assignments

Mårten has extensive and broad-based experience from the online and e-commerce sectors. He is a former Country Manager Sweden for the gaming company Expekt and COO of Meetic/March.com Europe

#### Special areas of expertise

Gaming industry, e-commerce B2C and organisational

#### Own and related parties' shareholdings as per 31 December 2020

265,000 shares and 95,000 warrants

### Dersim Sylwan, CMO



#### Background

Born 1981. LeoVegas employee since 2020

#### Education

Studies in business economics and marketing, IHM Business School

#### Other current assignments

-

#### Professional experience and previous assignments

14 years of experience in the gaming industry, including roles as Head of Poker at bwin for the Nordic market, Brand Manager of Oddset at Svenska Spel, and numerous positions in the Kindred Group, including as head of the Maria Casino brand and General Manager for Kindred Sweden

#### Special areas of expertise

Gaming industry, marketing

#### Own and related parties' shareholdings as per 31 December 2020

42,000 shares and 155,000 warrants

### Mattias Wedar, CPTO



#### Background

Born 1973. LeoVegas employee since 2019

#### Education

Bachelor of Social Science in Informatics, Lund University

#### Other current assignments

Director of PE Accounting

#### Professional experience and previous assignments

Mattias has more than 15 years of experience in digital product and technology development for both B2B and B2C in technology-intensive industries. He has a broad base of experience from the gaming industry from his time as CEO of Mr Green Technology in the MRG Group. Prior to this he held executive positions in the search company Eniro and served as a manager for Accenture with focus on the media sector and digital transformations

#### Special areas of expertise

Technology and product development

#### Own and related parties' shareholdings as per 31 December 2020

21,200 shares and 175,000 warrants

## AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the Annual General Meeting of LeoVegas (publ), corporate identity number 556830-4300

### ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the corporate governance statement for the year 2020 and that it has been prepared in accordance with the Swedish Annual Accounts Act.

### THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 – *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International

Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

### OPINIONS

A corporate governance statement has been prepared. Disclosures in accordance with Ch. 6 § 6 second paragraph points 2–6 of the Annual Accounts Act and Ch. 7 § 31 second paragraph of the same Act are consistent with the annual accounts and the consolidated accounts, and are in accordance with the Annual Accounts Act.

Stockholm, 8 April 2021  
PricewaterhouseCoopers AB

Aleksander Lyckow  
*Authorised Public Accountant*