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LeoVegas invests in the leading streaming network CasinoGrounds

The LeoVegas mobile gaming group has, through its wholly owned subsidiary LeoVentures Ltd, signed an agreement to acquire 51% of the shares in GameGrounds United AB (CasinoGrounds), which owns the streaming network casinogrounds.com. The purchase price is SEK 30 million, with a potential, maximum earn-out payment of SEK 15 million. Based on LeoVegas' assessment, the full earn-out payment will be made. CasinoGrounds is the leading live streaming site for casino games via YouTube and Twitch. The acquisition is expected to close on 1 January 2018.

GameGrounds United AB operates the site www.casinogrounds.com, which in a short time has become a casino streaming platform with an active and social casino forum. The company cooperates both with operators and game makers in the industry. CasinoGrounds had revenue of SEK 4.1 million during the third quarter of 2017, with good profitability. The acquisition initially will not have any significant effect on LeoVegas' net profit.

Gustaf Hagman, LeoVegas' Group CEO, comments: *"In CasinoGrounds we see a new behaviour in which persons interested in casino are watching others play casino via YouTube and Twitch. CasinoGrounds has created a new niche through its live streaming and social platform, which are highly appreciated by players. The combination of proprietary content and the moving picture format create exciting opportunities going forward and is in line with LeoVegas' strategy to be an innovative and entrepreneur-driven company. LeoVegas has had successful cooperation with CasinoGrounds since 2016, and we know their team well. Our ambition is now to scale up existing operations to more markets."*

The acquisition of 51% of the shares in CasinoGrounds is being made through LeoVegas' wholly owned subsidiary LeoVentures Ltd. The purchase price is SEK 30 million, with a potential, maximum earn-out payment of SEK 15 million, which is based on revenue performance during the period January-June 2018. Based on LeoVegas' assessment, the full earn-out payment will be made. In addition, the agreement includes an option to purchase an additional 29% of the shares in 2021 or 2022 at 5 times operating profit (EBIT multiple).

The information in this release is such that LeoVegas AB (publ) is required to make public in accordance with the EU Market Abuse Regulation (596/2014). The information was submitted, by the agency of the contact persons below, for publication at 14:00 CET on 6 December 2017.

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About the LeoVegas mobile gaming group

LeoVegas' passion is "Leading the way into the mobile future". 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 or www.leovegas.com.