



STATEMENT BY THE BOARD OF DIRECTORS OF LEOVEGAS IN RELATION TO THE PUBLIC OFFER FROM MGM

The Board of Directors of LeoVegas unanimously recommends the shareholders of LeoVegas to accept the public offer from MGM of SEK 61 in cash per share.

This statement is made by the Board of Directors^[1] of LeoVegas AB (publ) (the “Company” or “LeoVegas”) pursuant to Rule II.19 of the Nasdaq Stockholm Takeover Rules (the “Takeover Rules”).

Background

MGM Casino Next Lion, LLC, a wholly owned indirect subsidiary of MGM Resorts International (“MGM”), has today announced a public offer to the shareholders of LeoVegas to transfer all of their shares in LeoVegas to MGM for a consideration of SEK 61 in cash per LeoVegas share (the “Offer”). The total value of the Offer corresponds to approximately SEK 5,957 million^[2]. The price of SEK 61 per share in the Offer will not be increased.

The Offer represents a premium of:

- approximately 44.1 per cent compared to the closing price of SEK 42.32 of LeoVegas shares on Nasdaq Stockholm on 29 April 2022, which was the last trading day prior to the announcement of the Offer;
- approximately 57.6 per cent compared to the volume-weighted average trading price of SEK 38.70 of LeoVegas shares on Nasdaq Stockholm during the last 30 trading days prior to the announcement of the Offer; and
- approximately 76.5 per cent compared to the volume-weighted average trading price of SEK 34.56 of LeoVegas shares on Nasdaq Stockholm during the last 180 trading days prior to the announcement of the Offer.

The acceptance period for the Offer is expected to commence on or around 3 June 2022 and expire on or around 30 August 2022.

Completion of the Offer is conditional upon, *inter alia*, that the Offer is accepted to such an extent that MGM becomes the owner of shares representing more than 90 per cent of the outstanding shares in LeoVegas (on a fully diluted basis), as well as all regulatory, governmental or similar clearances, approvals and decisions necessary to complete the Offer, including approvals and clearances from competition authorities, being obtained, in each case on terms which, in MGM’s opinion, are acceptable. MGM has reserved the right to waive the conditions for completion of the Offer. The Offer is not conditional upon financing. MGM has stated that it will not increase the price of SEK 61 in the Offer. By this statement, MGM cannot, in accordance with the Takeover Rules, increase the price in the Offer.

The Board of Directors of LeoVegas has given consent to MGM to offer a management incentive plan for certain key employees of LeoVegas and notes that MGM has obtained a statement from the Swedish Securities Council (Sw. Aktiemarknadsnämnden) confirming that the proposed incentive plan is compatible with the Takeover Rules (Ruling 2022:16).

Please see MGM's press release that was published today and that is available on <http://investors.mgmresorts.com/investors/leovegas> for further information on the Offer.

The Board of Directors of LeoVegas has, at the written request of MGM, permitted MGM to carry out a due diligence review of LeoVegas in connection with the preparation of the Offer. With the exception of information that was subsequently included in LeoVegas' Q1 report for 2022, MGM has not been provided with any inside information regarding LeoVegas in connection with the due diligence review.

MGM has obtained irrevocable undertakings to accept the Offer from the Company's largest shareholder and Chief Executive Officer, Gustaf Hagman, and certain other shareholders^[3]. Gustaf Hagman has undertaken to tender 8,050,000 shares (8.2 per cent of the outstanding shares in LeoVegas), and other shareholders have undertaken to tender a total of 6,909,281 shares in LeoVegas (7.1 per cent). Accordingly, irrevocable undertakings to accept the Offer from shareholders representing in total 14,959,281 shares (15.3 per cent) have been obtained. The irrevocable undertakings apply irrespective of whether a higher competing offer is made. The irrevocable undertakings will terminate if the Offer is not declared unconditional on or before 31 October 2022. In addition, Torsten Söderberg, who is also a Board member of LeoVegas, has stated that he is very supportive of the Offer. Torsten Söderberg and family owns 4,533,861 shares in LeoVegas (4.6 per cent).

SEB Corporate Finance ("SEB") is acting as financial adviser and Cederquist is acting as legal adviser to LeoVegas in connection with the Offer.

Process conducted by the Board of Directors

In parallel with other interested third parties contemplating public tender offers, MGM contacted LeoVegas in December 2021. The Board of Directors engaged SEB to lead the process of evaluating other parties' interest for the Company. In February 2022, MGM submitted a non-binding offer letter to the Board of Directors of LeoVegas indicating an interest to pursue with a public offer subject to, *inter alia*, a satisfactory due diligence review and the Board of Directors of LeoVegas recommending the shareholders to accept the offer from MGM. The Board of Directors gave MGM permission to conduct a due diligence review. As instructed by the Board of Directors, SEB entertained parallel processes with other interested parties in the interest of creating maximum value for the shareholders in LeoVegas. Following further negotiations with the Board of Directors and SEB, MGM increased its non-binding offer, to a price level other interested parties could not match, in order to receive a recommendation from the Board of Directors.

The Board of Directors' recommendation

In its evaluation of the Offer, the Board of Directors has taken a number of factors into account which the Board of Directors deems relevant. These factors include, but are not limited to, the Company's present strategic and financial position and the Company's expected potential future development and thereto related opportunities and risks.

The Board of Directors notes that the Offer represents a premium of approximately 44.1 per cent compared to the closing price of SEK 42.32 of the Company's share on Nasdaq Stockholm on 29 April 2022, which was the last trading day before the announcement of the Offer, and a premium of approximately 57.6 per cent and 76.5 per cent respectively, compared to the volume-weighted average share price for the Company's share on Nasdaq Stockholm during the last 30 and 180 trading days, respectively, prior to the announcement.

As noted above, LeoVegas has received several indications of interest or non-binding offers concerning a potential tender offer. MGM's offer is, in the assessment of the LeoVegas Board of Directors, the superior offer from the perspective of the shareholders. The LeoVegas Board of Directors has investigated and considered market and industry trends, and certain strategic alternatives available to LeoVegas. Such alternatives included, but were not limited to, remaining an independent listed company with a possible listing in the USA. The LeoVegas Board of Directors has also considered the risks and uncertainties associated with such alternatives.

LeoVegas operates in an industry which is characterised by, *inter alia*, high innovation pace, new regulation and consolidation. In this context, the Board of Directors believes that the industrial logic and strategic fit between LeoVegas and MGM is attractive and should serve both the company and its employees well in the future.

The Board of Directors further notes that LeoVegas' largest shareholder and Chief Executive Officer Gustaf Hagman and certain other shareholders, representing in aggregate 15.3 per cent of the outstanding shares and votes in the Company, have entered into undertakings to accept the Offer, subject to certain conditions, irrespective of whether a higher competing offer is made. In addition, Torsten Söderberg, who is also a Board member of LeoVegas and together with family owns 4.6 per cent of the outstanding shares, has stated that he is very supportive of the Offer.

As part of the Board of Directors' evaluation of the Offer, the Board of Directors has engaged BDO to issue a so-called fairness opinion regarding the Offer, see Appendix 1. According to the fairness opinion, the Offer is fair to LeoVegas' shareholders from a financial point of view (subject to the assumptions and considerations set out in the fairness opinion).

Under the Takeover Rules, the Board of Directors shall, based on the statements made by MGM in the Offer press release issued earlier today, present its opinion regarding the impact that the implementation of the Offer will have on LeoVegas, particularly in terms of employment, and its opinion regarding MGM's strategic plans for LeoVegas and the effects it is anticipated that such plans will have on employment and on the places in which LeoVegas conducts its business. In this respect, the Board of Directors notes that MGM has stated that "*MGM values the skills and talents of LeoVegas' management and employees and intends to continue to safeguard the excellent relationship that LeoVegas has with its employees. Given MGM's current knowledge of LeoVegas and in light of current market conditions, MGM does not intend to materially alter the operations of LeoVegas following the implementation of the Offer, subject, of course, to MGM's continued regulatory review. There are currently no decisions on any material changes to LeoVegas' or MGM's employees and management or to the existing organization and operations, including the terms of employment and locations of the business*". The Board of Directors assumes that this description is correct and has no reason to take a different view in this respect.

Based on the above, the Board of Directors unanimously recommends the shareholders in LeoVegas to accept the Offer.

This statement shall in all respects be governed by and construed in accordance with Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts.

The information in the press release is information that LeoVegas is obliged to make public pursuant to the EU Market Abuse Regulation and the Takeover Rules. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CEST on 2 May 2022.

[1] The Board member Torsten Söderberg and the Company's largest shareholder and Chief Executive Officer Gustaf Hagman have not participated in the Board's evaluation of or discussions regarding the Offer due to conflict of interest.

[2] Based on 97,652,970 outstanding shares in LeoVegas, which excludes 4,000,000 treasury shares held by LeoVegas. In the event that LeoVegas should pay any dividend or make any other value transfer prior to the settlement of the Offer, the price per share in the Offer will be reduced correspondingly.

[3] LOYS AG: 3,259,281 shares (3.3 per cent). Robin Ramm-Ericson: 2,250,000 shares (2.3 per cent). Pontus Hagnö: 1,000,000 shares (1.0 per cent). Gilston Invest AB: 400,000 shares (0.4 per cent).

FOR FURTHER INFORMATION, PLEASE CONTACT

Per Norman, Chairman of the Board of Directors, through Philip Dofsvik, Director of Investor Relations and Corporate Finance

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ABOUT LEOVEGAS MOBILE GAMING GROUP

LeoVegas vision and position is "King of Casino". The global group LeoVegas Mobile Gaming Group offers games on Casino, Live Casino, Bingo and Sport. The parent company LeoVegas AB (publ.) is located in Sweden and its operations are mainly located in Malta. The company's shares are listed on Nasdaq Stockholm. www.leovegasgroup.com

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ATTACHMENTS

[Statement by the Board of Directors of LeoVegas in relation to the public offer from MGM](#)
[Fairness Opinion 2022 05 01 English](#)