

Stockholm, 30 november 2018

## LeoVegas among first to receive gambling licence in Sweden

Today it was announced that LeoVegas subsidiary LeoVegas Gaming Plc is among the first to have its application approved and the right to conduct casino and sports betting online. Starting 1 January 2019 only companies that have been granted a licence will have the right to conduct gambling activities in Sweden.

*"Finally - we have been waiting for this day for a long time and is a milestone in LeoVegas history! We have worked hard with the extensive application process and I am very proud of our work. LeoVegas currently has gaming licenses in several countries and has thus broad experience operating in a regulated environment".*

*"In recent years we have invested substantially in responsible gaming and LeoSafePlay, an area that will continue to make up a fundamental part of our operations. Being among the first operators to receive a gambling licence is a quality seal and affirms LeoVegas as a leading, long-term and serious actor in the industry. LeoVegas is the most well-known online casino brand in Sweden.<sup>1</sup> We believe we offer the best mobile gaming experience. This combination is hard to beat and gives us a strong position in our home market where we continue to grow,"* comments Gustaf Hagman, LeoVegas' Group CEO.

LeoVegas' expansion strategy is to focus on regulated markets and markets in the process of being regulated. Today 35% of revenue is generated from regulated markets (Q3 2018). With Sweden as a regulated market, this figure is expected to be approximately 60% in early 2019. Sweden is an important market for LeoVegas in achieving its financial targets for 2020.

### Regulated markets

#### *Responsible gaming - LeoSafePlay*

Regulated markets have more extensive guidelines for responsible gaming, which LeoVegas welcomes since, with experience from other regulated markets, has developed organization and marketing methods to offer the greatest gaming experience in a sustainable way. For example, the central register for players who have chosen to close their accounts will serve as a valuable tool in responsible gaming.

LeoVegas has always had a focus on responsible gaming, and the company's platform for this area, LeoSafePlay, is conducted as a standalone business unit. This is in order to create the best conditions for the next generation's system of responsible gaming based on machine learning and artificial intelligence.

#### *Market dynamics*

LeoVegas experience is that regulated markets favour larger actors with strong brands. In regulated markets, more marketing channels are also opened up, such as Google and Facebook. Over time the assessment is that the amount of marketing in the Swedish market will decrease.

Regulated markets entail that the gaming operators pay taxes. In Sweden the tax rate is 18% of revenues, part of the tax will be shared with LeoVegas external suppliers and absorbed by other market forces, thus only partially burdening the operators' income statement.

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### About the LeoVegas mobile gaming group

LeoVegas' passion is "Leading the way into the mobile future". LeoVegas is the premier GameTech company and is at the forefront of using state-of-the-art technology for mobile gaming. A large part of this success can be credited to an extreme product and technology focus coupled with effective and data-driven marketing. Technology development is conducted in Sweden, while operations are based in Malta. LeoVegas offers casino, live casino and sports betting, and operates two global and scalable brands - LeoVegas and Royal Panda - as well as a number of local brands in the UK. The company's shares are listed on Nasdaq Stockholm. For more about LeoVegas, visit [www.leovegasgroup.com](http://www.leovegasgroup.com).

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<sup>1</sup> Mantab Global brand surveys.