



## NOTICE OF ANNUAL GENERAL MEETING IN LEOVEGAS AB (PUBL)

*The shareholders of LeoVegas AB (publ), reg. no. 556830-4033, (the "Company"), are hereby convened to the annual general meeting to be held on Thursday 19 May 2022 at. 12.30 p.m. at the cinema Grand's premises on Sveavägen 45 in Stockholm. The doors to the meeting will open 12.00. p.m.*

### RIGHT TO ATTEND THE ANNUAL GENERAL MEETING AND NOTICE

Shareholders wishing to attend the Annual General Meeting must:

- i. on the record date, which is Wednesday 11 May 2022, be registered in the share register maintained by Euroclear Sweden AB;
- ii. notify the participation at the general meeting no later than Friday 13 May 2022. Notice of participation at the general meeting may be given by regular mail to Annual General Meeting, LeoVegas AB (publ), c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, by telephone +46 8 402 90 97 or at the company's website [www.leovegasgroup.com](http://www.leovegasgroup.com). Upon notification, the shareholder should state their full name, personal identification number or corporate registration number, address and telephone number, and, where applicable, details of representatives, proxy holders and advisors. A shareholder who wishes to be represented by proxy shall issue a written and dated proxy to the proxy holder. If the proxy is issued by a legal entity, a certified copy of the registration certificate or corresponding document ("**Registration Certificate**") shall be enclosed. The proxy must not be more than one year old, however, the proxy may be older if it is stated that it is valid for a longer term, maximum five years. The proxy in original and the Registration Certificate, if any, must be available at the general meeting and a copy should well before the meeting be sent to the Company by regular mail to Annual General Meeting, LeoVegas AB (publ), c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, and should, in order to facilitate the entrance to the general meeting, be at the Company's disposal no later than on Friday 13 May 2022. A form proxy will be available for downloading on the Company's website [www.leovegasgroup.com](http://www.leovegasgroup.com).

### NOMINEE REGISTERED SHARES

Shareholders whose shares are registered in the name of a nominee, must temporarily register the shares in their own name at Euroclear Sweden AB. Shareholders whose shares are registered in the name of a nominee must, no later than on Wednesday 11 May 2022 via their nominee, temporarily register the shares in their own name in order to be entitled to participate at the general meeting. Voting registration requested by a shareholder in such time that the registration has been made by the relevant nominee no later than on Friday 13 May 2022 will be considered in the preparation of the share register.

## PROPOSED AGENDA:

1. Opening of the meeting and election of the chairman of the general meeting
2. Preparation and approval of voting list
3. Election of one or two persons to certify the minutes
4. Determination of whether the general meeting has been duly convened
5. Approval of the agenda
6. Presentation of the annual report and audit report and the group annual report and group audit report
7. Resolutions regarding:
  - a) adoption of income statement and balance sheet and group income statement and group balance sheet;
  - b) appropriation of the Company's profit or loss in accordance with the adopted balance sheet; and
  - c) discharge of liability for the directors and the managing director
8. Determination of remuneration to the board of directors and the auditors
9. Election of the board of directors and the auditors
10. Election of the chairman of board of directors
11. Resolution regarding adoption of principles for the nomination committee
12. Incentive program
- 12.A Resolution regarding warrant program and issue of warrants 2022/2025
  - a) Issue of warrants 2022/2025
  - b) Approval of transfer of warrants
  - c) More detailed information about the warrant program
- 12.B Resolution regarding employee stock option program 2022/2025 and hedging measures
  - a) Resolution to implement employee stock option program 2022/2025
  - b) Hedging measures in the form of transfer of own shares In the employee stock option program 2022/2025
  - c) Details of the employee stock option program
13. Resolution regarding authorising the board of directors to decide on repurchase and transfer of own shares
14. Resolution regarding authorising the board of directors to decide on new issue of shares
15. Resolution regarding updated guidelines for remuneration to senior executives
16. Submission of remuneration report for approval
17. Closing of the meeting

## PROPOSALS FOR RESOLUTIONS:

### ITEM 1: OPENING OF THE MEETING AND ELECTION OF CHAIRMAN OF THE GENERAL MEETING

The board of directors proposes that Carl Svernlöv, attorney at law, Baker & McKenzie Advokatbyrå, is appointed as chairman of the general meeting, or, in his absence, the person appointed by him.

### ITEM 7B): APPROPRIATION OF THE COMPANY'S PROFIT OR LOSS IN ACCORDANCE WITH THE ADOPTED BALANCE SHEET

The board of directors proposes that SEK 1.68 per share is distributed to the shareholders as dividend. The dividend is proposed to be distributed in four tranches of SEK 0.42 per share.

Dividend no.	Last trading day with dividend entitlement	Record date	Distribution date	Amount (SEK)
1	19 May 2022	23 May 2022	27 May 2022	0.42
2	11 July 2022	13 July 2022	18 July 2022	0.42
3	11 October 2022	13 October 2022	18 October 2022	0.42
4	11 January 2023	13 January 2023	18 January 2023	0.42

**ITEMS 8-II: DETERMINATION OF REMUNERATION TO THE BOARD OF DIRECTORS AND THE AUDITORS, ELECTION OF THE BOARD OF DIRECTORS AND THE AUDITORS AND ELECTION OF THE CHAIRMAN OF BOARD OF DIRECTORS AND RESOLUTION REGARDING ADOPTION OF PRINCIPLES FOR THE NOMINATION COMMITTEE**

The nomination committee's complete proposal for resolution and motivated opinion will be presented no later than the day of the Annual General Meeting.

**ITEM 12: INCENTIVE PROGRAM**

**The background and rationale for the proposal**

The reason behind the proposal is, in accordance with previous long-term incentive programs, to create conditions for the Company to retain and recruit qualified and motivated personnel. The Board of Directors finds the proposal being in the interest of the shareholders' that Group management, senior executives and other key employees have a long-term interest of good value development of the share in the Company. A long-term ownership commitment is expected to increase interest in the business and earnings development as a whole as well as increase the motivation for the participants and aims to achieve increased community of interest between the participating and the shareholders of the Company.

The Company have since long had employees in Sweden and Malta. Now the Company has started an expansion in the US and have a few employees in other countries. The Board of Directors has noted that the local conditions and market practices regarding incentive programs are substantially different in the countries where the Company operates. Therefore, the Board of Directors has developed a proposal for an incentive program in two parts: a warrant program that is primarily aimed at employees in Sweden and an employee stock option program aimed at employees in other countries. The Board of Directors sees this incentive structure as essential for the Company's continued success.

The proposal is divided into the following two items.

12.A Resolution regarding warrant program and issue of warrants 2022/2025

12.B Resolution regarding Employee Stock Option Program 2022/2025 and hedging measures

The two parts of the incentive program, warrants and employee stock options, may be different in size. The specific allocation in each program will be determined by the number of employees in Sweden and other countries, local market practice and the extent to which employees already have an adequate incentive structure. Regardless of the allocation between warrants and employee stock options, the total dilution for the two parts shall not exceed a total of 1,548,015 shares corresponding to a dilution of not more than approximately 1.5 percent of the shares at the time of this notice.

The resolutions of the Annual General Meeting pursuant to items 12 A and 12 B shall be taken as one resolution and are thus conditional upon each other. The resolution of the Annual General Meeting regarding this item 12 is valid only if it is supported by shareholders with at least nine-tenths (9/10) of both the votes cast and the shares represented at the Annual General Meeting.

#### **12.A RESOLUTION REGARDING WARRANT PROGRAM AND ISSUE OF WARRANTS 2022/2025**

The Board of Directors of the Company proposes that the Annual General Meeting resolves on the issue of warrants as follows.

##### **A: Issue of warrants 2022/2025**

The Board of Directors proposes that the Annual General Meeting resolves on a directed issue of not more than 700,000 warrants, entailing an increase in the share capital at full exercise of a maximum of EUR 8,400. For the decision, the following conditions shall apply:

1. The right to subscribe for the warrants shall, with derogation from the shareholders' pre-emption rights, be granted to the Company, with the right and obligation to transfer the warrants to employees within the Group as set out below.
2. Oversubscription cannot take place.
3. The reasons for the derogation from the shareholders' pre-emption rights are to introduce an incentive program whereby employees through their own investment shall take part of and work for a positive value development of the share in the Company during the period covered by the proposed program, and that the Company shall be able to retain and recruit competent and committed personnel.
4. The warrants shall be issued at no consideration.
5. Subscription for the warrants shall take place no later than on the following day of the Annual General Meeting.
6. The Board of Directors shall be entitled to extend the subscription period.
7. Each warrant entitles the holder to subscribe for one new share in the Company. The warrants may be exercised to subscription for new shares commencing on 1 June 2025 up to and including 30 June 2025, or such earlier or later dates as set out in the opting terms and conditions referred to in item 11 below.
8. The subscription price per share shall correspond to 130 percent of the volume weighted average price according to Nasdaq Stockholm's official price list for the share during the 10 trading days between 16 June to 29 June 2022 (approximately SEK 37.66 based on a preliminary calculation).
9. The shares subscribed for based on the warrants shall carry a right to participate in dividends for the first time on the next record date for dividends, which occurs after subscription is completed.
10. Warrants held by the Company that are not transferred to Participants as stated below or that is repurchased from Participants, may be cancelled through a decision by the Board of Directors. The cancellation shall be notified to the Swedish Companies Registration Office.

11. Other terms and conditions for the warrants will be published on the Company's website no later than three weeks before the Annual General Meeting.

#### **B: Approval of transfer of warrants**

The Board of Directors proposes that the Annual General Meeting approves the Company's transfer of warrants in accordance with the following.

The right to acquire warrants shall be granted to a maximum of 40 persons selected by the Board of Directors in Group Management, senior executives and key employees (the "**Participants**").

The Company's board members shall not be included in the program.

1. Initially, each Participant will be offered to acquire warrants in accordance with the table set out below. In the event that one or some Participants do not acquire their entire share, the Company has the opportunity to offer other Participants to acquire remaining warrants. Such right shall be granted primarily to Participants of Category A, secondly Participants of Category B and, thirdly, Participants of Category C. However, such acquisition of remaining warrants may not exceed a number corresponding to 100 percent of the maximum number of options per person within each category.

Category	Number of Participants	Number of warrants per Participant (max)	Total number of warrants
Group Management ("Category A")	Maximum of 10	50,000–200,000	0–1,500,000
Senior executives ("Category B")	Maximum of 30	15,000–40,000	0–1,000,000
Other key employees ("Category C")	Maximum of 30	5,000–15,000	0–450,000

2. The warrants shall be transferred on market terms at a price (premium) determined on the basis of an estimated market value of the warrants using the Black & Scholes valuation model calculated by an independent valuation institute. The value has been provisionally calculated at approximately SEK 2.82 per warrant based on the following assumptions: share price SEK 37.66, subscription price SEK 48.96; risk-free interest 0.9 percent, volatility 38 percent and maturity 3 years.

3. The warrants shall otherwise be subject to market conditions including a right for the Company to repurchase the warrants if the Participant's employment in the Company ceases.

4. Transfer to Participants requires, on the one hand, that the acquisition of the warrants can legally take place and, on the other hand, that, in the Board's opinion, it can be made at reasonable administrative and financial efforts.

5. Notice of acquisition of warrants shall be made no later than 30 June 2022. However, the Company's Board of Directors shall have the right to extend the period for notification of acquisitions. Furthermore, any remaining warrants may be transferred in the event that a new employee takes office and meets the criteria for participation in one of category A-C. Such transfer may also take place in the event that a Participant is promoted and thus meets the criteria for a category. Decisions as described above are made by the Company's Board of Directors on the recommendation of the Remuneration Committee. Transfer after the initial registration period shall be made at

the then current market price and made no later than 31 December 2022. Such a transfer may mean that the remaining term of the options is less than three years. The Board of Directors justifies this shorter term on the grounds that it is of great importance to the Company that new and promoted staff also have a competitive incentive and it is also important to equate the incentives as far as possible with those that apply to other Participants.

6. The Company shall make payments of special cash compensation in connection with the warrant program as follows. The payment is based on the number of warrants the Participant acquires. The amount shall sum to a total that, net of tax, approximately corresponds to the amount to be paid by the Participant in accordance with item 2 above. The payment shall be divided into three instalments in equal parts: one on the first anniversary of the acquisition of options and one each on the second and third anniversaries respectively. Payment requires that the Participant is still employed by the Company at the time of payment.

### **C: More detailed information about the warrant program**

#### **1. Dilution**

Upon full subscription based on all warrants, 700,000 new shares may be issued, subject to the recalculation of the number of shares that each warrant entitles to subscription of that may take place as a result of certain issues and more. Transfer to the Participants may not exceed a number that together with the employee stock options that are allotted to Participants in the Employee Stock Option Program 2022/25 corresponds to a dilution of a total of 1.5 percent of the shares at the time of this notice.

#### **2. Effect on important key ratios and costs for the Company etc**

Since the Company pays a cash remuneration, the warrant program entails costs for this compensation and social security charges. The total cost of the warrant program is estimated to amount to approximately SEK 3.1 million, excluding social security charges, calculated on the basis of the following assumptions: (i) that 600,000 warrants are allotted, (ii) that the share price at the time of allotment amounts to SEK 37.66 per share, (iii) that the value per warrant is estimated at SEK 2.82 (see item B.2 above) and that the employee turnover in the Company amounts to 20 percent over three years. Based on the same assumptions as above, and subject to social security charges of 31.42 percent, the costs of social security charges are estimated to amount to approximately SEK 1.0 million. In total, this results in estimated costs of approximately SEK 4.1 million. The cost will be distributed over the next three years. This cost can be compared to the total personnel cost including social security charges in the Group of a total of approximately SEK 540 million in 2021. In the program, cash flow impacting posts will be affected less than the total cost of the Warrant Program because a market-based remuneration is received as payment of the options at the time of allotment.

Given the above assumptions and the fact that the program has instead been introduced in 2021, it is estimated that the key ratio's earnings per share for the full year 2021 would have decreased from SEK 1.13 to SEK 1.11. The warrant program will also entail certain limited costs in the form of external consulting fees and administration regarding the warrant program.

#### **3. Calculation of market value**

The market value has been provisionally determined on the basis of an estimated market value of the warrants using the Black & Scholes valuation model calculated by Svalner Skatt & Transaktion. See point B. 2 above.

#### 4. Preparation of the proposal

The warrant program has been prepared by the Board of Directors and parts of Group management and external advisors and in consultation with major shareholders. The Board of Directors has subsequently decided to submit this proposal to the Annual General Meeting. In addition to the officials who prepared the matter as instructed by the Board of Directors and the Remuneration Committee, no employee who may be covered by the program has participated in the design of the terms and conditions.

#### 5. Other share-related incentive programs etc

For a description of the Company's other share-related incentive programs, please refer to the Company's Annual Report of 2021 (Note 6) which will be published prior the Annual General Meeting, and can be found on the Company's website.

#### 6. Authorisations and decision-making rules

The Annual General Meeting instructs the Company's Board of Directors to execute the resolution as above.

The Board of Directors, or a person appointed by the Board of Directors, shall be authorized to make minor adjustments to the resolutions above that may be necessary in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

#### **ITEM 12.B: RESOLUTION REGARDING EMPLOYEE STOCK OPTION PROGRAM 2022/2025 AND HEDGING MEASURES**

The Board of Directors of the Company proposes that the Annual General Meeting resolves to introduce an employee stock option program for senior executives, other employees and key employees in the Company and the Group outside Sweden ("**Employee Stock Option Program 2022/2025**") in accordance with the following.

In order to secure the Company's commitments regarding delivery of shares under the Employee Stock Option Program 2022/2025, the Board of Directors also proposes that the Annual General Meeting resolves on hedging measures and transfer of own shares in accordance with item B below.

##### **A: Resolution to implement Employee Stock Option Program 2022/2025**

The Board of Directors of the Company proposes that the Annual General Meeting resolves to implement the Employee Stock Option Program 2022/2025 in accordance mainly with the following guidelines:

1. The Employee Stock Option Program 2022/2025 shall comprise a maximum of 1,000,000 employee stock options.
2. Each employee stock option entitles the holder to acquire a new ordinary share in the Company at a strike price corresponding to 130 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list for the share during the period of ten trading days from June 16 to June 29, 2022 (approximately SEK 37.66 based on a preliminary calculation). The calculated exercise price shall be rounded off to a total of one hundredth of a SEK, whereby SEK 0.005 shall be rounded to SEK 0.01. The exercise price and the number of shares that each employee stock option entitles to be acquired may be subject to recalculation as a result of a bonus issue, reverse split or split of shares, rights issue and similar measures in accordance with market principles.

3. The Employee Stock Option Program 2022/2025 shall be offered on one or more occasions to a maximum of 40 by the Board of Directors selected persons in Group management, senior executives and key employees outside Sweden (the "Participants").

4. Within the framework of the Employee Stock Option Program 2022/2025, the Participants will be offered to subscribe for employee stock options divided into three different categories of employees outside Sweden as follows:

Category	Number of Participants	Number of employee stock options per Participant (max)	Total number of employee stock options
Group Management ("Category A")	Maximum 10	50,000–200,000	0–1,500,000
Senior executives ("Category B")	Maximum 30	15,000–40,000	0–1,000,000
Other key employees ("Category C")	Maximum 30	5,000–15,000	0–450,000

Employee stock options offered to the Participants in the categories above, which are not acquired by the Participants, may later be offered to existing (who do not subscribe for their fully offered share) Participants and future senior executives or other employees of the Group outside Sweden within the framework, of the now proposed principles for allotment. Oversubscription cannot take place. In the event that any person in the above categories does not subscribe for his full share, such share may be transferred to another category. However, such acquisition of remaining warrants may not exceed a number corresponding to 100 percent of the maximum number of options per person within each category.

5. The Company's Board members shall not be covered by the Employee Stock Option Program 2022/2025.

6. Notification to participate in the Employee Stock Option Program 2022/2025 must have been received by the Company no later than 30 June 2022, with the right for the Board of Directors to extend this deadline. Allotment of employee stock options to Participants shall be made as soon as possible after the end of the registration period. Furthermore, any remaining employee stock options may be transferred in the event that a new employee takes office and meets the criteria for participation in one of category A-C. Such transfer may also take place in the event that any participant is promoted and thus meets the criteria for a category. Resolutions as described above are made by the Company's Board of Directors on the recommendation of the Remuneration Committee. Transfer after the initial registration period must be made no later than 31 December 2022. Such a transfer may mean that the remaining term of the options is less than three years. The Board of Directors justifies this shorter term on the grounds that it is of great importance to the Company that new and promoted staff also have a competitive incentive and it is also important to equate the incentives as far as possible with those that apply to other Participants.

7. The employee stock options shall not constitute securities and shall not be transferable or pledged. The employee stock options expire if the Participant's employment in the LeoVegas Group ceases unless the Board of Directors, on a case-by-case basis, decides otherwise.

The employee stock options shall be allotted free of charge.

8. The holder may exercise allotted employee stock options during the period 1 June - 30 June 2025. The Board of Directors has the right to limit the number of occasions for delivery of shares during the exercise period.

9. Participation in the Employee Stock Option Program 2022/2025 requires, on the one hand, that such participation can legally take place and, on the other hand, that such participation in the Company's assessment can be made with reasonable administrative costs and financial efforts.

10. The employee stock options shall be regulated in special agreements with each participant and in accordance with the Company's "2022 Equity Plan". The Board of Directors shall be responsible for the design and management of the Employee Stock Option Program 2022/2025 within the framework of the above-mentioned main terms and guidelines. The Board of Directors has the right, within the framework of the agreement with each participant, to make the reasonable changes and adjustments to the terms of the employee stock options that are deemed appropriate or appropriate as a result of local labour or tax law rules or administrative circumstances. This may mean, among other things, that continued vesting of employee stock options may take place in certain cases when this would not otherwise have been the case. The Board of Directors also has the right to bring forward vesting and the time of exercise of employee stock options in certain cases, such as in the case of a public takeover offer, certain changes in ownership in the Company, liquidation, merger and similar measures. Finally, the Board of Directors has the right, in extraordinary cases, to limit the scope of or prematurely terminate the Employee Stock Option Program 2022/2025, in whole or in part.

11. Other terms and conditions for the employee stock options within the framework of the "2022 Equity Plan" will be published on the Company's website no later than three weeks before the meeting.

## **B: Hedging measures in the form of transfer of own shares in the Employee Stock Option Program 2022/2025**

### **B.1 Number of shares**

At the time of issuing this notice, the Company holds 4,000,000 own shares repurchased based on authorizations resolved by the previous Annual General Meeting. The Board of Directors proposes, with a change to the purpose of the share repurchases stated in previous repurchase authorizations, that a maximum of 1,000,000 of these own shares may be used as a hedging measure to enable the Company's delivery of shares to holders of Employee Stock Options 2022/2025. The Board of Directors thus proposes that the Annual General Meeting resolves that the transfer of up to 1,000,000 LeoVegas shares under the Employee Stock Option Program may be made in accordance with the terms and conditions set out herein. The number is calculated on the basis of maximum participation.

### **B.2 Other terms and conditions for transfer of LeoVegas shares**

LeoVegas shares may be transferred to holders of employee stock options 2022/2025.

Share transfer shall be made in accordance with the terms of the Employee Stock Option Program 2022/2025.

The number of LeoVegas shares that may be transferred under the Employee Stock Option Program 2022/2025 shall be recalculated in accordance with customary principles and may consequently be recalculated as a result of a bonus issue, split, rights issue, dividend and/or other similar measures. Measures resolved at the Annual General Meeting 2022 shall not be included in a recalculation of the number of shares.

## C: Details of the Employee Stock Option Program

### 1. Dilution

Upon full subscription based on all employee stock options, 1,000,000 new shares may be issued, subject to the recalculation of the number of shares that each warrant entitles to subscription of that may take place as a result of certain issues and more. Allotment of employee stock options to the Participants may not exceed a number that together with the warrants allotted to Participants in warrant program 2022/2025 corresponds to a dilution of a total of 1.5 percent of the shares at the time of this notice.

### 2. Effect on important key ratios and costs for the Company etc

Costs related to the Employee Stock Option Program 2022/2025 will be reported in accordance with IFRS 2, which means that the employee stock options shall be expensed as an employee cost over the vesting period.

Based on the assumption that 100 percent of the employee stock options included in the Employee Stock Option Program 2022/2025 will be allotted, and that employee turnover in the Company amounts to 20 percent over three years, the accounting salary costs for the options are estimated to total approximately SEK 2.2 million during the period 2022-2025 based on the fair value of the options at the time of calculation. This cost can be compared to the total personnel cost including social security charges in the Group of a total of approximately SEK 540 million in 2021.

In the event of a positive price development, the Employee Stock Option Program 2022/2025 may entail costs in the form of social security charges. Total social security costs depend partly on the Participant's employment relationship, partly on how many options are allocated, and partly on the value of the benefit that the participant ultimately receives, i.e. on the value of the options at the time of exercise in 2025, but also in which countries the Participants reside in and what levels apply to social security charges in those countries.

Based on the assumption that (i) 900,000 of the options included in the Employee Stock Option Program 2022/2025 are allotted, (ii) that employee turnover in the Company amounts to 20 percent over three years, (iii) that the proportion of remaining employee stock options that will be imposed on social security contributions, based on country-specific rules, amounts to 15 percent of the total share of options (iv) that an assumed average percentage of social security charges of approximately 10 percent and (v) an assumed share price of SEK 60 at the exercise of the options, the costs of the social security charges are estimated to total approximately SEK 0.2 million.

The total costs for the Employee Stock Option Program 2022/2025 will be distributed over the years 2022-2025.

Given the above assumptions, including an assumed share price of SEK 60 at the time of exercise of the options, and the fact that the program has instead been introduced in 2021, it is estimated that the key ratio's earnings per share for the full year 2021 would have decreased from SEK 1.13 to SEK 1.12.

It should be noted that all the calculations above are preliminary, based on assumptions and only aim to provide an illustration of the costs that the Employee Stock Option Program 2022/2025 may entail. Actual costs may therefore differ from those set out above.

### 3. Calculation of market value

Options are not transferable. However, the Board of Directors has, with the help of the independent valuer Svalner Skatt & Transaktion, calculated a theoretical value of the options with the addition of the Black & Scholes value model. The calculations have been based on the board's estimated share price of 37.66 kronor per share, a risk-free interest rate of 0.9 percent and an assumed volatility of 38 percent. According to this valuation, the value of the options in the Employee Stock Option Program 2022/2025 is approximately SEK 2.82 per option. The restrictions on the right of disposal have not been considered in the valuation.

#### 4. Preparation of the proposal

The Employee Stock Option Program has been prepared by the Board of Directors and parts of Group management and external advisors and in consultation with major shareholders. The Board of Directors has subsequently decided to present this proposal to the Annual General Meeting. In addition to the officials who prepared the matter as instructed by the Board of Directors and the Remuneration Committee, no employee who may be covered by the program has participated in the design of the terms and conditions.

#### 5. Other share-related incentive programs etc.

For a description of the Company's other share-related incentive programs, please refer to the Company's Annual Report for 2021 (Note 6) which will be published before the Meeting, as well as the Company's website.

#### 6. Authorisations and decision-making rules

The Annual General Meeting instructs the Company's Board of Directors to execute the resolution as above.

The Board of Directors, or the person appointed by the Board of Directors, is authorized to make the minor adjustments required for the registration of the decision with the Swedish Companies Registration Office and Euroclear Sweden AB.

### **ITEM 13: RESOLUTION REGARDING AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON REPURCHASE AND TRANSFER OF OWN SHARES**

The Board of Directors of the Company proposes that the Annual General Meeting resolves to authorise the Board of Directors to decide on purchases of the Company's own shares in accordance with the following main terms:

1. Share repurchases may be made only on Nasdaq Stockholm or any other regulated market.
2. The authorisation may be exercised on one or more occasions before the 2023 Annual General Meeting.
3. The maximum number of own shares that may be repurchased so that the company's holding of shares at any given time does not exceed 10 percent of the total number of shares in the company.
4. Repurchases of the company's own shares on Nasdaq Stockholm may only be made at a price within the range of the highest purchase price and lowest selling price at any given time.
5. Payment for the shares shall be made in cash.

In addition, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to decide on transfers of own shares, with or without deviation from the shareholders' preferential rights, in accordance with the following main terms:

1. Transfers may be made on (i) Nasdaq Stockholm or (ii) outside of Nasdaq Stockholm in connection with acquisitions of companies, operations or assets.
2. The authorisation may be exercised on one or more occasions before the 2023 Annual General Meeting.
3. The maximum number of shares that may be transferred corresponds to the number of shares held by the company at the point in time of the Board of Directors' decision on the transfer.

4. Transfers of shares on Nasdaq Stockholm may only be made at a price within the range of the highest purchase price and lowest selling price at any given time. For transfers outside of Nasdaq Stockholm, the price shall be set so that the transfer is made at market terms, except for delivery of shares in connection with employee stock option programs.

5. Payment for transferred shares may be made in cash, through in-kind payment, or through set-off against claims with the company.

The purpose of the authorisations is to give the Board of Directors greater scope to act and the opportunity to adapt and improve the company's capital structure and thereby create further shareholder value, and take advantage of any attractive acquisition opportunities. The authorization may also be used in order to enable delivery of shares in connection with employee stock option programs.

The Board of Directors shall have the right to decide on other terms for repurchases and transfers of own shares in accordance with its authorisation. The Board of Directors also has the right to authorise the Chairman of the Board, the Group CEO, or the person designated by the Board to make such minor adjustments that may be necessary in connection with the execution of the Board's decision to repurchase and transfer shares.

A valid resolution in favour of the Board's proposal requires the approval of shareholders with at least two-thirds of the votes and shares represented at the Annual General Meeting.

#### **ITEM 14: RESOLUTION REGARDING AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON NEW ISSUE OF SHARES**

The Board of Directors of the Company proposes that the Annual General Meeting authorises the Board of Directors, on one or more occasions, during the time up until the next Annual General Meeting, to decide to increase the company's share capital through a new issue of shares to such extent that it corresponds to a dilution of a maximum of 10% of the number of shares outstanding at the time of the Annual General Meeting calculated after full exercise of the issue authorisation now proposed.

A new issue of shares may be carried out with or without deviation from the shareholders' preferential rights. Shares issued with deviation from the shareholders' preferential rights shall be issued at market terms. The Board of Directors shall have the right to decide on other terms for the issue. Payment may be made against cash payment, in-kind payment or through set-off against claims with the company. If the Board of Directors finds it suitable in order to enable delivery of shares in connection with a share issuance as set out above it may be made at a subscription price corresponding to the shares quota value.

The purpose of the authorisation is to give the Board of Directors greater scope to act and the opportunity to adapt and improve the company's capital structure and thereby create further shareholder value, and take advantage of any attractive acquisition opportunities.

The Chairman of the Board, the Group CEO or the person designated by the Board of Directors shall have the right to make such minor adjustments in the decision that may be necessary for registration of the decision with the Swedish Companies Registration Office.

A valid resolution in favour of the Board's proposal above requires the approval of shareholders with at least two-thirds of the votes and shares represented at the Annual General Meeting.

## **ITEM 15: RESOLUTION REGARDING UPDATED GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES**

Upon recommendation of the remuneration committee, the board of directors of the Company proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives.

### **General**

The guidelines shall apply to remuneration that has been agreed upon or to changes in already agreed remunerations after the guidelines have been adopted by the annual general meeting. The guidelines do not apply to remunerations that has been resolved by the general meeting and any remuneration through shares, warrants, convertibles or other share-related instruments such as synthetic options or employ stock options shall therefore be resolved by the general meeting.

These guidelines apply to the CEO and other senior executives in the company group and all other remuneration to members of the board except fees to the board of directors.

Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made in order to comply with such mandatory rules or established local practice, whereby the general objectives of these guidelines shall, to the extent possible, be met.

### **The guidelines promotion of the Company's business strategy, long-term interest and sustainability**

For more information regarding the Company's business strategy, please see [www.leovegasgroup.com/](http://www.leovegasgroup.com/).

The guidelines shall contribute to the possibility to create conditions for the Company to retain and recruit competent and committed employees in order to successfully implement the Company's business strategy and meet the Company's long-term interests, including sustainability. The guidelines shall further stimulate an increased interest in the business and earnings development as a whole, and to increase the motivation for the senior executives and increase positive cohesion in the Company. The Guidelines shall also contribute to good ethics and corporate culture.

In order to achieve the Company's business strategy, the total annual remuneration must be market-based and competitive in the employment market in which the senior executive is situated and taking into account the individual's qualifications and experience and that exceptional performance must be reflected in the total remuneration.

Variable cash payments covered by these guidelines are intended to promote the Company's business strategy and long-term interests, including its sustainability.

### **The forms of remuneration etc.**

Remuneration may consist of fixed cash salary, possible variable cash compensation, other customary benefits and pension. The total annual cash remuneration, including pension benefits, must be market-based and competitive in the employment market and in the work area in which the employee is situated, taking into account the individual's qualifications and experience and that outstanding achievements are to be reflected in the total remuneration.

Fixed cash salary and variable cash remuneration shall be related to the executive's responsibility and authority. The fixed cash salary shall be revised annually.

The fulfillment of criteria for payment of variable cash compensation shall be measurable over a period of one year. The variable cash payment may amount to a maximum of 50 percent of the total fixed cash salary during the measurement period for such criteria.

Additional variable cash compensation may be payable in exceptional circumstances, provided that such arrangements are time-limited and made only at the individual level. The purpose of such arrangements must be to recruit or retain executives, or as compensation for extraordinary work in addition to the person's ordinary duties. Such compensation shall not exceed an amount corresponding to 25 percent of the fixed annual cash salary and shall not be paid more than once per year and per individual. A decision on such remuneration shall be made by the board of directors on proposal from the remuneration committee.

Pension benefits, including health insurance, must be defined in contribution schemes with respect to the CEO. Variable cash payments shall not entitle to pension. Pension premiums for defined contribution schemes shall amount to a maximum of 45 percent of the fixed annual cash salary.

For other senior executives, pension benefits, including health insurance, must be defined in contribution schemes unless the employee is covered by defined-benefit pensions under compulsory collective agreement provisions. Variable cash compensation must be pension-based insofar as it is compelled by compulsory collective agreement provisions applicable to the senior executive. Pension premiums for defined contribution schemes shall amount to a maximum of 45 percent of the fixed annual cash salary.

Employees also have the right to salary exchange (i.e., instead of salary, the employee chooses to receive the wages as pension provision - the salary exchange must be cost-neutral for the employer).

Other benefits may include: life insurance, health insurance and car benefit. Such benefits may amount to a maximum of 10 percent of the fixed annual cash salary.

For executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, taking into account the particular circumstances associated with such expatriation, whereby the overall purpose of these guidelines is to be met as far as possible. Such benefits may amount to a maximum of 15 percent of the fixed annual cash salary.

If a member of the board of directors performs work on behalf of the Company, in addition to the work of the board, consultancy fees and other remuneration for such work may be payable after special resolution by the board of directors, after preparation of the remuneration committee. Such compensation shall be constructed in accordance with these guidelines.

#### **Termination of employment**

Upon termination of employment, the notice period may not exceed six months. Fixed cash salary during the notice period and severance pay may not, in total, exceed an amount corresponding to the fixed cash salary for one year. In the event of termination by the senior executive, the period of notice may not exceed six months.

#### **Criteria for payment of variable cash compensation etc.**

The variable cash remuneration shall be based on and be related to the outcome in relation to predetermined and measurable concrete defined objectives based on the Company's business strategy and the long-term business plan approved by the board of directors. The objectives may include financial objectives, either at the group or unit level, operational objectives as well as objectives for sustainability and social responsibility, employee engagement or customer satisfaction, as well as individualized quantitative or qualitative goals. These objectives must be established and documented annually in order to promote the long-term development of executives. The Company

has established financial targets and KPI's based on strategic and business-critical initiatives and projects that ensure fulfillment in accordance with the business plan and business strategy for a sustainable continued business and safeguarding the Company's long-term interests.

Conditions for variable cash compensation should be designed so that the board of directors, if particularly difficult economic conditions occur, has the option of limiting or neglecting to issue variable remuneration if such a resolution is deemed unreasonable and incompatible with the Company's responsibility vis-à-vis the shareholders. For annual bonuses, there should be the option of limiting or neglecting to pay variable remuneration, if the board of directors deems it justified for other reasons. The Company must be able to recover, in full or in part, variable cash compensation according to law or agreement subject to any restrictions that may follow.

When the measurable period for fulfillment of the criteria for payment of variable cash compensation has ended, the extent to which the criteria have been met shall be determined. The board of directors, after preparation from the remuneration committee, is responsible for the assessment of variable cash remuneration to the CEO and the CEO is responsible for the assessment of variable cash remuneration to other executives. With respect to financial targets the evaluation shall be based on the Company's latest publicly available financial information.

#### **Salary and terms of employment for employees**

In preparing the board of directors' proposal for these guidelines, salary and terms of employment for the Company's employees have been taken into account, with respect to information on the employees' total remuneration, the components of the remuneration and the rate of increase and increase over time, when the remuneration committees and the boards of directors have decided on the evaluation of the reasonableness of these guidelines and the limitations that follows from the guidelines.

The board of directors of the Company shall work to ensure that all subsidiaries in the group apply these principles.

#### **Preparation, decision-making etc.**

Questions regarding cash salary and variable cash remuneration to the CEO and other senior executives are prepared by the remuneration committee and resolved by the board of directors and, where applicable, the CEO.

The remuneration committee shall also prepare the board of directors' resolution on matters regarding remuneration principles for senior executives, including guidelines for remuneration to senior executives. The remuneration committee shall also monitor and evaluate ongoing and completed programs for variable remuneration for senior executives during the year, and follow and evaluate the application of these guidelines for remuneration to senior executives as well as current remuneration structures and remuneration levels in the Company. At the board of directors preparations of and resolutions on remuneration-related matters, the CEO or other members of the executive management are not present, insofar as they are affected by the resolutions.

The board of directors shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting.

This year's version of the guidelines has been updated with regards to the text in respect to share-based incentive programs resolved by a general meeting which are not included in the guidelines.

Previously the guidelines did not include incentive programs resolved by a general meeting. A description of the incentive programs can be found on the Company's website and in the Company's annual reports. The incentive program is also described in the Company's remuneration report in accordance with current regulations.

The board of directors considers that the guidelines on remuneration to senior executives are proportionate in relation to salary levels, remuneration levels and conditions for other employees in the group.

#### **Deviations from the guidelines**

The board of directors shall have the right to deviate from the above guidelines if the board of directors considers that, in a particular case, there are special reasons which justify it and an exception is necessary to meet the Company's long-term interests and sustainability or to ensure the Company's financial viability. Such deviation shall also be approved by the remuneration committee. An agreement that deviates from the guidelines may be renewed, but any such agreement should be limited in time and not exceed 24 months or an amount that is twice as high as the compensation that the person concerned would have received without any agreement.

#### **Information on deviations from the remuneration guidelines adopted by the annual general meeting for 2021**

No deviations has occurred.

#### **Information regarding remuneration**

For information on remuneration please refer to the annual report for 2021, which is available on the Company's website [www.leovegasgroup.com](http://www.leovegasgroup.com).

#### **Number of shares and votes**

The total number of shares in the Company as of the date hereof amounts to 101,652,970 shares, with a corresponding number of votes. The Company holds 4,000,000 own shares.

#### **Further information**

Copies of accounts, audit report, auditor statement regarding guidelines for remuneration to the senior executives, proxy form, complete proposals, remuneration report and other documents that shall be available in accordance with the Swedish Companies Act are available at the Company at Luntmakargatan 18 in Stockholm and at the Company's website [www.leovegasgroup.com](http://www.leovegasgroup.com), at least three weeks in advance of the annual general meeting and will be sent to shareholders who request it and provide their e-mail or postal address. The nomination committee's proposal regarding the board of directors will be available no later than the date of the Annual General Meeting.

The shareholders hereby notified regarding the right to, at the Annual General Meeting, request information from the board of directors and managing director according to Ch. 7 § 32 of the Swedish Companies Act.

#### **Processing of personal data**

For information on how personal data is processed in relation the meeting, see the Privacy notice available on Euroclear Sweden AB's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Stockholm in April 2022

**LeoVegas AB (publ)**

The board of directors

FOR FURTHER INFORMATION, PLEASE CONTACT

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**ABOUT LEOVEGAS MOBILE GAMING GROUP**

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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](http://www.leovegasgroup.com)

**ATTACHMENTS**

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[NOTICE OF ANNUAL GENERAL MEETING IN LEOVEGAS AB \(PUBL\)](#)