



LeoVegas

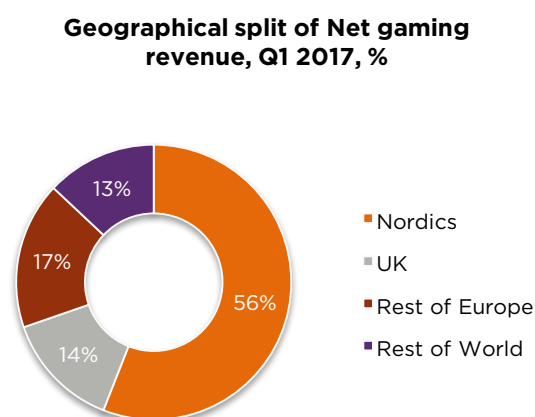
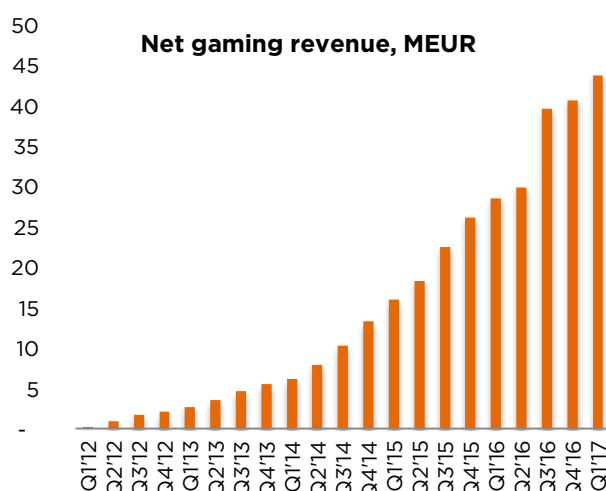
MOBILE GAMING GROUP

LeoVegas' vision is to create the ultimate mobile gaming experience and be number one in mobile gaming. The LeoVegas Mobile Gaming Group today has a leading position in mobile casino. The business is distinguished by award-winning innovation and strong growth. LeoVegas has attracted major international acclaim and has won numerous awards. LeoVegas' operations are based in Malta, while technical development is conducted in Sweden. The Parent Company LeoVegas AB (publ) invests in companies that offer gaming via mobile devices and computers, and companies that develop related technologies. The Group's head office is in Stockholm. LeoVegas AB is listed on Nasdaq First North Premier, and Avanza Bank AB is its Certified Advisor. *For more information about LeoVegas, visit www.lovevegasgroup.com.*

Record launch in Denmark

First quarter: 1 January– 31 March 2017*

- Revenue increased by 49% to EUR 43.9 m (29.5). Organic growth was 46%.
- Revenue from regulated markets accounted for 18.3% (17.6%) of total revenue.
- Mobile deposits accounted for 67% (61%) of total deposits. Total deposits increased by 86% to EUR 149.6 m (80.5).
- The number of depositing customers was 172,338 (121,615), an increase of 42%. The number of new depositing customers was 75,017 (60,989), an increase of 23%. The number of returning depositing customers was 97,321 (60,626), an increase of 61%.
- EBITDA was EUR 6.0 m (-1.3), corresponding to an EBITDA margin of 13.7% (-4.4%). EBITDA adjusted for items affecting comparability was EUR 6.2 m (4.0), corresponding to an adjusted EBITDA margin of 14.0% (13.5%).
- Operating profit (EBIT) was EUR 5.5 m (-1.6). EBIT adjusted for items affecting comparability was EUR 5.7 m (3.7), corresponding to an adjusted EBIT margin of 12.9% (12.6%).
- Earnings per share before and after dilution were EUR 0.05 (-0.02).



Events during the quarter

- LeoVegas' launch in Denmark went extremely well. Denmark accounted for 3% of Net Gaming Revenue (NGR) during the quarter.
- LeoVegas acquired Winga S.r.l. for a purchase price of EUR 6.1 m. The company is consolidated as from 1 March 2017, at which time possession was transferred. Winga contributed EUR 0.8 m to consolidated revenue during the month of March.
- LeoVegas Sport was launched in the Irish market after receiving a licence for the Irish market.
- The Czech Republic enacted new gaming legislation on 1 January 2017. LeoVegas has decided to not complete an application for a gaming licence. As a result, LeoVegas has closed its business in the Czech Republic.

Events after the end of the quarter

- Net Gaming Revenue (NGR) totalled EUR 16.5 m (9.2) in April, representing growth of 79%.
- Denmark continued its strong performance and accounted for 5% of revenue in April.
- Regulated markets accounted for 26% of NGR in April.
- The 2016 Annual Report was published on 12 April and is available at leovegasgroup.com.
- The Board of Directors proposes to the Annual General Meeting on 17 May 2017 that a dividend of SEK 1.00 be paid to the shareholders for the full year 2016, for a total pay-out of SEK 99,695,470. The dividend of SEK 1.00 corresponds to EUR 0.10448 per share, totalling EUR 10,416,226 **.

* Throughout this report, figures in parentheses pertain to the same period a year earlier.

** The dividend has been converted using the exchange rate as at 31 December 2016.

CEO's comments

"The tremendous launch in Denmark shows the strength in LeoVegas when we deliver at our best: a combination of technological and product excellence combined with effective marketing that we quickly scale."



One year as a listed company

In March we celebrated one year as a listed company. The introduction on Nasdaq First North Premier was an important milestone for us and has laid the foundation for continued strong growth.

First quarter

Revenue was EUR 43.9 m (29.5) in the first quarter, representing growth of 49%. Organic growth was 46%. EBITDA adjusted for items affecting comparability increased to EUR 6.2 m (-4.0), corresponding to an adjusted EBITDA margin of 14.0% (13.5).

During the quarter, we worked intensively on presenting LeoVegas as a company to investors and the stock market – both in Sweden and abroad – in an effort to spread knowledge about LeoVegas, our vision and our goals. This has elevated interest in LeoVegas as an investment, and we hope our continuing work with this will generate even greater interest.

Europe is clearly on its way toward becoming a regulated continent for online gaming, where certain large countries today are already regulated. It is therefore exciting that we are now active in five regulated markets: the UK, Denmark, Italy, Ireland and Malta. This means that for the first time we are presenting a new categorisation in the form of regulated revenue. Regulated revenue during the quarter amounted to 18%. Of this amount, Italy is only included for the month of March.

During the quarter, we received a licence for Sports in the Irish market and launched sports in New Zealand.

Denmark

The launch in Denmark that took place at the end of the fourth quarter has gone extremely well and is one of the most successful launches the Company has ever made. Owing to a combination of our Mobile First focus, product and technological innovation and effective marketing, we have quickly established ourselves as a significant contender in Denmark. A great kudos to our phenomenal team, who made this successful launch in Denmark possible.

Italy

On 1 March, we completed the acquisition of the Italian gaming operator Winga, which is yet another milestone in LeoVegas' history, as Winga is the Company's first

acquisition. The LeoVegas brand will be gradually introduced in the Italian market.

The acquisition gives us an established position, a strong local team and a licence in Europe's largest regulated market, according to figures from H2 Gambling Capital. An extra exciting data point is that the share of online is lower in Italy than in many other European countries, whereby we believe that "the mobile journey" has yet to take place in Italy. LeoVegas will be part in the transformation from offline to mobile gaming.

With LeoVegas as the new owner, above all our data-driven work approach in marketing, our product strength and our mobile technology will bring strong value-added to the business.

Gambling study in Sweden

For the first time, it appears that new gambling legislation in Sweden may see the light of day. From the outside, there seems to be strong political consensus, and if the proposed tax rate of 18% on gross gaming revenue (GGR) is adopted, LeoVegas will find it of interest to participate in the licensing process. However, we would rather see a tax rate of 15% – like in the UK – and that lottery products are included in the licensing system. In other respects, we feel that the study was well balanced so as to satisfy as many parties as possible.

Comments on second quarter

April got off to a strong start, with Net Gaming Revenue (NGR) of EUR 16.5 m (9.2), representing growth of 79%.

In the first quarter, we started scaling our marketing efforts to continue to drive growth. In the second quarter, we expect our marketing to revenue ratio to be slightly higher than in the first quarter as we see positive return on investment on many new marketing efforts as well as opportunities to try new marketing channels that have the potential to scale up in the future.

The AGM notice was published on 12 April and is available at leovegasgroup.com, and the AGM will be held on 17 May.

We continue to actively evaluate acquisition opportunities, and with a cash position of more than EUR 60 m, we have resources to carry out additional strategic acquisitions going forward.

In summary, the first quarter was stable and represents yet another step on the path to our financial targets of EUR 300 m in revenue and a 15% margin by 2018.

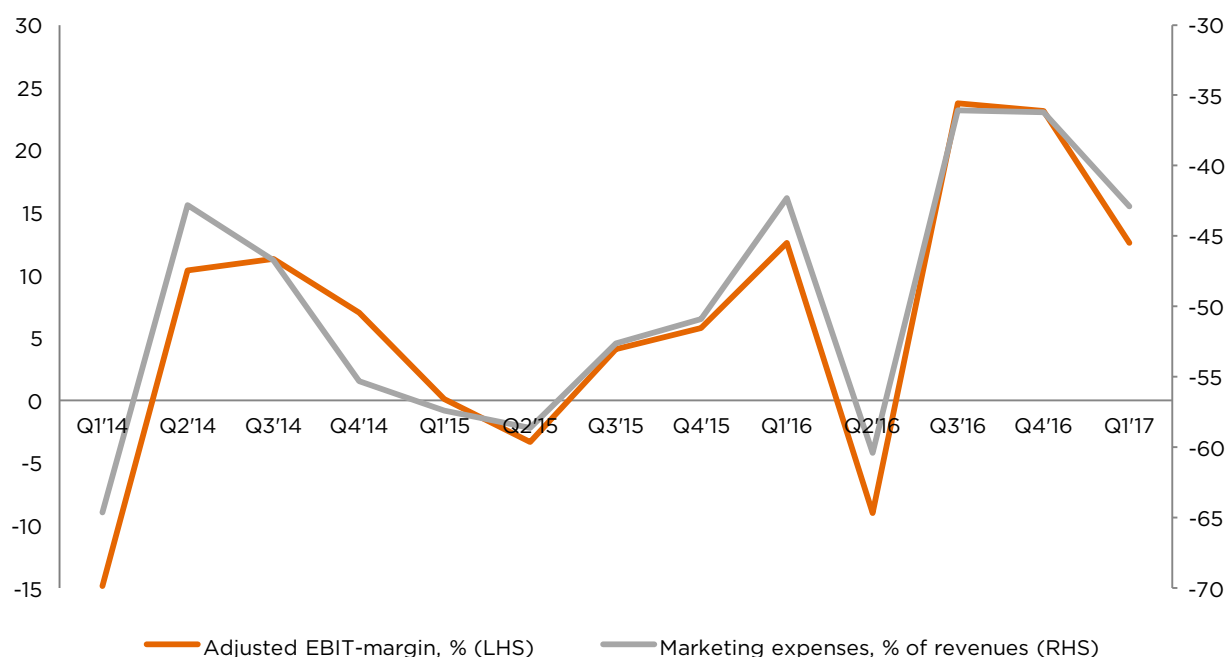


Gustaf Hagman, Group CEO and co-founder
LeoVegas AB, Stockholm, 3 May 2017

Key quarterly performance figures

EUR'000s unless otherwise stated	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Number of depositing customers	172 338	176 306	156 389	176 635	121 615
Growth, y-y %	42%	75%	77%	147%	87%
Growth, q-q %	-2%	13%	-11%	45%	21%
Deposits	149 628	139 072	123 720	100 577	80 495
Growth, y-y %	86%	87%	87%	79%	73%
Growth, q-q %	8%	12%	23%	25%	8%
Revenue	43 916	41 165	39 713	30 980	29 541
Growth, y-y %	49%	58%	76%	67%	86%
Growth, q-q %	7%	4%	28%	5%	13%
Adjusted EBITDA	6 168	9 951	9 802	(2 454)	3 986
Adjusted EBITDA margin, %	14.0%	24.2%	24.7%	-7.9%	13.5%
Adjusted EBIT	5 650	9 517	9 436	(2 777)	3 712
Adjusted EBIT margin, %	12.9%	23.1%	23.8%	-9.0%	12.6%
Marketing expenses	18 833	14 912	14 317	18 708	12 510
Marketing expenses as % of revenue	43%	36%	36%	60%	42%

The adjusted EBIT margin is a function of the marketing-to-revenue ratio



LeoVegas' EBIT margin is to a large extent a function of the amount spent on marketing in a given period. When investments in marketing as a percentage of revenue are higher (e.g., Q1'14, Q1-Q3'15, Q2'16), the EBIT margin decreases, while when it is lower (e.g., Q2-Q3'14, Q1'16, Q3'16-Q1'17) the EBIT margin increases. Historically LeoVegas has had a higher marketing-to-revenue ratio than its industry peers. This is because the return on marketing investments has been high, which justifies a continued focus on investments in growth.

Group performance Q1

Revenue, deposits and number of depositing customers

Revenue amounted to EUR 43.9 m (29.5) during the first quarter, an increase of 49%. Organic growth was 46%. Winga S.r.l. was consolidated as from 1 March at which time possession was transferred, and contributed EUR 0.8 m in revenue for the quarter.

In the Czech Republic, a new gaming legislation was introduced on January 1, 2017. Pending the licensing process, LeoVegas, like many other players, has closed down operations in the Czech Republic. The Czech market accounted for 4% of revenue during the fourth quarter. Operations were launched in Denmark at the end of the fourth quarter and accounted for 3% of revenue already in the first quarter of 2017. Revenue in Denmark in March was as high as for the Czech Republic in December.

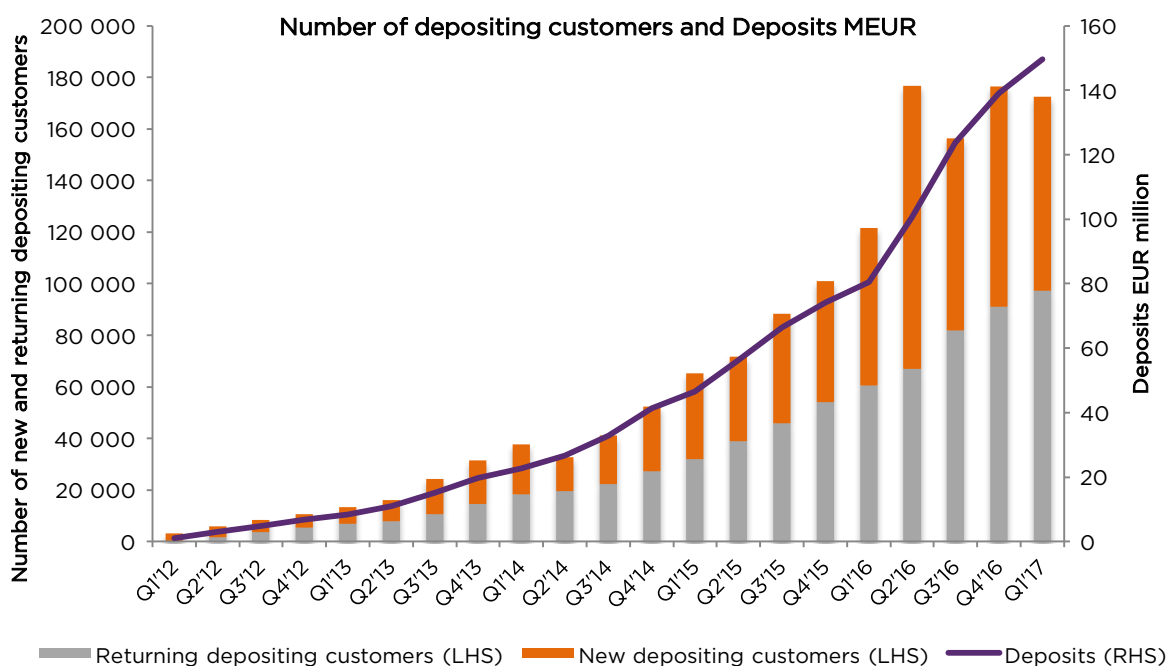
Deposits totalled EUR 149.6 m (80.5) during the quarter, an increase of 86%. Despite the closure of the Czech market, the rate of growth in deposits was higher during the first quarter than the average annual growth per quarter in 2016. Sequential growth in deposits was 7.6%, which is in line with the 8.5% growth during the first quarter a year ago. Mobile deposits accounted for 67% (61%) of total. In absolute figures, the Nordic countries and the UK together accounted for 68% of the increase in total deposits during the quarter. The smaller markets showed the highest percentage growth during the quarter. Total deposits grew 225% in Rest of Europe and 116% in Rest of World. In the Nordic countries and the UK, deposits grew 73% and 55%, respectively.

Net Gaming Revenue (NGR) increased by 8% from the fourth quarter of 2016 to the first quarter of 2017, which is the same pace as deposits. The ratio between NGR and deposits (Hold) was thus stable from the fourth quarter of 2016 to the first quarter of 2017, at 29.2%. Hold for the first quarter was lower than the historical average, which is mainly explained by the mix of countries and products that LeoVegas currently has, as they generate a lower Hold.

One factor that has historically had a strong impact on the retention ratio is the gaming margin. The gaming margin for the first quarter was 3.62% (3.85%), which was near the historical average of 3.66%.

The number of depositing customers during the first quarter was 172,338 (121,615), an increase of 42%. Of the depositing customer base, the number of returning depositing customers was 97,321 (60,626), an increase of 61%. The number of new customers grew 23% to 75,017 (60,989). The number of depositing customers in the first quarter developed at a slower pace than in the preceding quarter and was down slightly from the fourth quarter of 2016. The main reason for this was the closure of business in the Czech market in January. Excluding the Czech Republic, both new and returning customers increased during the first quarter compared with the fourth quarter of 2017.

The number of active customers during the quarter, which includes customers who only play using bonus money, was 318,529 (480,320), a decrease of 34%. The decrease is explained by an unusually large number of customers who played only with bonus money during the first quarter of 2016.



Earnings

Gross profit for the quarter increased to EUR 34.0 m (22.7), corresponding to a gross margin of 77.4% (76.8%). The higher margin was driven by a slightly lower cost of goods sold, as gambling taxes were stable at 4.7% of revenue for the quarter.

Marketing costs totalled EUR 18.8 m (12.5), which is the highest level in LeoVegas' history and just above the level in the second quarter of 2016. Investments in marketing in relation to revenue were 42.9%, which is an increase over the fourth quarter of 2016, when they were 36.2%. The increase is in line with what was communicated in connection with the publication of the year-end report – that marketing costs in relation to revenue, and in absolute figures, would increase during the first quarter compared with the fourth quarter of 2016. The level during the first quarter is near the average level for the full year 2016, which was 42.8%. The level is higher than that industry average, as LeoVegas reinvests a larger share of its potential profit in marketing in order to drive growth. A large share of the increase during the first quarter compared with the fourth quarter of 2016 came from two markets: Denmark and the UK. LeoVegas' marketing activities in Denmark began during the last days of December and increased successively every month during the first quarter. The increase is justified by strong performance in the Danish market, where the return on marketing investment has been higher than anticipated. In the UK, a new brand ambassador – Johnny Vegas – has been launched, and in connection with this the level of advertising has increased, especially on TV. The opportunities to make substantial marketing investments will vary over time, entailing that profitability may be volatile from quarter to quarter.

The average cost for a new depositing customer increased compared with the fourth quarter of 2016, but the return on marketing investment has remained high. The increase in the average cost for a new depositing customer is mainly attributable to the mix of countries that new customers have come from. The number of new depositing customers in Denmark has gone from being very few in the fourth quarter of 2016 to a substantial number during the first quarter of 2017, while the opposite situation occurred in the Czech Republic. In the Czech Republic, the customer acquisition cost was among the lowest of all countries. In Denmark, however, the customer acquisition cost is higher, as it is closer to the Nordic average. The reason why the return on investment is expected to remain high is that the anticipated customer value of an average customer in Denmark is considerably higher than for an average customer in the Czech Republic.

Personnel costs rose sequentially at a slightly faster pace than revenue during the quarter, which is mainly due to the annual salary adjustments that were made in January. Personnel costs during the quarter corresponded to 13.5% (13.2%) of revenue.

Other operating expenses amounted to 9.3% of revenue (27.5%). Adjusted for costs associated with the listing on Nasdaq First North Premier during the first quarter of 2016 as well as for costs related to the work on listing change to Nasdaq Stockholm in the first quarter of 2017, operating expenses amounted to 9.0% of revenue (9.7%). Compared with the preceding quarter, other operating expenses in relation to revenue were slightly higher since acquisition-related costs of EUR 0.2 m arose in connection with the acquisition of Winga S.r.l.

EBITDA for the first quarter increased to EUR 6.0 m (-1.3), corresponding to an EBITDA margin of 13.7% (-4.4%). Adjusted EBITDA was EUR 6.2 m (4.0), corresponding to an adjusted EBITDA margin of 14.0% (13.5%). Operating profit (EBIT) was EUR 5.5 m (-1.6), corresponding to an EBIT margin of 12.6% (-5.3%). Adjusted EBIT was SEK 5.7 m (3.7), corresponding to an adjusted EBIT margin of 12.9% (12.6%). The lower EBITDA margin in the first quarter than in the fourth quarter of 2016 is mainly attributable to higher marketing costs, as communicated in connection with the presentation of the preceding report.

Paid tax for the quarter was SEK 0.4 m (-0.2).

Net profit for the quarter was EUR 15.1 m (-1.8), corresponding to a net margin of 11.7% (-6.1%). Earnings per share were EUR 0.05 (-0.02) both before and after dilution.

Events during the quarter

- LeoVegas' launch in Denmark went extremely well. Denmark accounted for 3% of Net Gaming Revenue (NGR) during the quarter.
- LeoVegas acquired Winga S.r.l. for a purchase price of EUR 6.1 m. The company is consolidated as from 1 March 2017, at which time possession was transferred. Winga contributed EUR 0.8 m to consolidated revenue during the month of March.
- LeoVegas launched Sport in the Irish market after receiving a licence for the Irish market.
- The Czech Republic enacted new gaming legislation on 1 January 2017. LeoVegas has decided to not complete an application for a gaming licence. As a result, LeoVegas has closed its business in the Czech Republic.

Balance sheet and financing

At the end of March 2017, the Group's equity amounted to EUR 56.0 m (34.6), or EUR 0.56 per share. The Group's financial position is strong, and LeoVegas has no interest-bearing loans from credit institutions. The equity/assets ratio was 62% (60%). Total assets as per 31 March 2017 were EUR 90.5 m (57.4).

The Group had intangible assets amounting to EUR 13.9 m at the end of the quarter (4.3). At the end of fiscal year 2016, intangible assets amounted to EUR 5.9 m. The increase of EUR 8.0 m is primarily attributable to the Group's acquisition of the Italian gaming operator Winga S.r.l. The fair value of acquired identifiable intangible assets amounted to EUR 2.8 m. In addition, the Group's goodwill amounted to EUR 3.9 m. The remaining increase is explained by continued investments in technology development of the gaming portal and the technological platform Rhino.

The consolidated balance sheet includes customer deposits. Customer balances at the end of the first quarter amounted to EUR 4.6 m (2.9). Provisions for potential local jackpot wins and bonus costs amounted to EUR 3.1 m at the end of the quarter (1.8).

Cash and cash equivalents amounted to EUR 64.0 m (30.2). Cash and cash equivalents excluding customer balances amounted to EUR 59.4 m (27.3).

During the first quarter additional items in working capital increased compared a year ago. This is due to a large share of higher trade payables related to marketing, which results in a lower level of tied-up capital.

Cash flow and investments

Cash flow from operating activities during the quarter was EUR 5.9 m (8.7). The decrease is attributable to changes in working capital. Stripped of this, the change is explained mainly by operating profit.

Investments in non-current assets amounted to EUR 0.1 m (0.2). Investments consisted primarily of IT hardware. Investments in intangible assets amounted to EUR 0.8 m (0.6) and consisted primarily of capitalised development costs. The acquisition of the subsidiary Winga S.r.l. resulted in a net cash flow of EUR -1.2 m, which consists of EUR -3.1 m in consideration paid, which has been offset against cash and cash equivalents in Winga. This is the first portion (50%) of the purchase price paid. The remainder will be paid six months after the date of possession, which was 1 March 2017.

Other information

Events after the end of the quarter

- Net Gaming Revenue (NGR) totalled EUR 16.5 m (9.2) in April, representing growth of 79%.
- The 2016 Annual Report was published on 12 April and is available at leovegasgroup.com.
- The Board of Directors proposes to the Annual General Meeting on 17 May 2017 that a dividend of SEK 1.00 be paid to the shareholders for the full year 2016, for a total pay-out of SEK 99,695,470. The dividend of SEK 1.00 corresponds to EUR 0.10448 per share, totalling EUR 10,416,226. The dividend has been converted using the exchange rate as at 31 December 2016.

Financial effects of the acquisition of Winga S.r.l

Financial effects of the acquisition

On 21 February 2017, 100% of the shares in Winga S.r.l. were acquired. Winga is an Italian gaming operator with a licence in the Italian market. The acquisition gives LeoVegas an established position in Europe's largest regulated gaming market. The acquisition is being made for cash consideration of EUR 6.1 m. The purchase price is payable in two parts, of which the first part of 50% was paid upon transfer of possession. The remainder will be paid after six months. Possession and consolidation in LeoVegas' accounts took place on 1 March 2017. The acquisition was financed with liquidity from LeoVegas' own cash holdings, whereby no financing from external credit institutions was utilised.

At the time of acquisition Winga's organisation included 33 employees, and the company had revenue of EUR 8.0 m in 2016. Winga's revenue is to a large extent generated from Live Casino, both from a studio environment as well as from their unique product, which is broadcast live on Italian TV and Sky TV.

The acquired business is reported in the Rest of Europe geographical segment. As a result of acquisition and integration costs, the acquisition is expected to have a marginally negative impact on the Group's earnings per share in 2017.

Goodwill is attributable to future revenue synergies, which are based on the opportunity to reach new customers through access to a new market and thus to achieve geographical expansion. The goodwill is to a certain extent also attributable to human capital. None of the recognised goodwill is expected to be deductible from income tax in the event an impairment loss were to be recognised.

Accounting effects

The acquired business contributed EUR 0.8 m to consolidated revenue for the period 1 March-31 March 2017. If the acquisition had been carried out on 1 January 2017, Winga would have contributed EUR 2.4 m to consolidated revenue. Operating profit and profit for the year from the acquisition were not significant for the Group.

The table below sums up the total purchase price of EUR 6.1 m and the fair value of acquired assets and assumed liabilities. Current receivables and liabilities include no derivatives, and the fair value is the same as the carrying amount. Identified surplus value consists of intangible assets in the form of trademarks and domain names, totalling EUR 0.3 m; the licence, totalling EUR 1.2 m; and the acquired customer base, totalling EUR 0.4 m.

Preliminary* purchase price allocation, EUR thousands

01/03/2017

The acquired company's carrying amounts as per the date of acquisition	Measured at fair value
Intangible assets	2,800
Property, plant and equipment	165
Financial assets	44
Trade receivables and other receivables	501
Cash and cash equivalents	1,894
Trade payables and other payables	(2,771)
Deferred tax liability	(438)
Total acquired, identifiable net assets at fair value	2,195
Goodwill	3,905
Purchase price	6,100
Purchase price	
Consideration paid, cash and cash equivalents as per 1 March 2017	3,050
Consideration payable, cash and cash equivalents as per 28 August 2017	3,050
Total purchase price	6,100
Identified surplus value	
Trademarks and domain names	316
Licence	1,153
Acquired customer base	358
Total identified surplus value	1,827

* An acquisition analysis is preliminary until it is finalized. A preliminary acquisition analysis is finalized if and as soon as new information regarding assets / liabilities at the acquisition date is received, but no later than one year from the acquisition date. When adjusting acquisition analyses, the income and balance sheets for the comparative period are changed. The above-mentioned acquisition purchase price allocation is preliminary, since further analysis may affect identified surplus values. The values will be determined no later than one year from the date of acquisition.

Reporting is measured at fair value as per the date of acquisition and is amortised on a straight-line basis over the prognosticated useful lives, corresponding to the estimated time they will generate cash flow. Continuing amortisation of acquired trademarks and domain names will be charged against consolidated earnings at an amortisation rate of 2 years. Continuing amortisation of the acquired customer base will be charged against consolidated earnings at an amortisation rate of 3 years. Identified surplus value of the licence entails no annual amortisation, as this is judged to have an indefinite useful life. The licence provides access to the regulated Italian gaming market and is judged to not have a finite useful life. Assets with an infinite useful life are not amortised, but are tested yearly for impairment or whenever an indication of impairment exists.

The fair value of trade receivables is EUR 0.3 m and corresponds to the carrying amount at which all receivables are expected to be received.

Acquisition-related costs amounted to EUR 0.2 m and are included in other operating expenses in the income statement and in operating activities in the statement of cash flows.

Currency sensitivity

LeoVegas' largest markets are the Nordic countries and the UK. The Group's earnings are thus affected by currency translation effects. During the quarter, changes in the euro exchange rate had a positive effect on revenue of EUR 0.3 m.

Seasonal variations

Customers use LeoVegas' gaming services year-round, which means that seasonal variations tend to be rather low. Owing to the Company's fast growth, seasonal variations in gaming activity are less apparent.

Personnel

The number of full-time employees at the end of the quarter was 413 (280). The average number of employees during the first quarter was 357 (254). In addition, LeoVegas used the services of 2 (8) full-time consultants at the end of the quarter.

Related-party transactions

No material changes have taken place for the Group or Parent Company in relations or transactions with related parties compared with the description provided in the 2016 Annual Report.

Shares and ownership structure

LeoVegas AB was listed on Nasdaq First North Premier on 17 March 2016. The total number of shares and votes in LeoVegas AB is 99,695,470. As per the end of March 2017 the Company had 7,107 shareholders. The five largest shareholders were Gustaf Hagman, with 8.0%; Swedbank Robur, with 8.0%; Robin Ramm-Ericson, with 6.9%; SEB Life International, with 4.7%; and Handelsbanken Fonder, with 4.4% of the shares and votes.

Accounting policies

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IAS/IFRS, as endorsed by the European Union) issued by the International Accounting Standards Board, interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), the Swedish Annual Accounts Act, and Swedish Financial Reporting Board (RFR) standard RFR 1 "Supplementary Accounting Rules for Groups". This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The most important accounting policies under IFRS, which are the accounting policies adhered to in the preparation of this interim report, are described in Note 2, pages 68-73, of the 2016 Annual Report. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 "Accounting for Legal Entities".

In addition to in the financial statements and their accompanying notes, disclosures in accordance with IAS 34 paragraph 16A are provided in other parts of the interim report.

In this interim report, reference is made to measures that LeoVegas AB and others use in the evaluation of LeoVegas Mobile Gaming Group's performance which are not explicitly defined in IFRS. These measures provide management and investors with important information to analyse trends in the Company's business activities. These non-IFRS measures are designed to complement, not replace, financial measures that are presented in accordance with IFRS. For definitions of key ratios, see page 22.

Items affecting comparability pertain to costs associated with the Company's stock market listing on Nasdaq First North Premier and the forthcoming listing change to Nasdaq Stockholm. The cost in the first quarter of 2017 amounted to EUR 0.13 m; listing costs for the first quarter of 2016 amounted to EUR 5.3m. All items affecting comparability are charged against other operating expenses.

Non-current liabilities consist of a call option on the remaining shares in the subsidiary Authentic Gaming Ltd. The call option is classified as a financial liability and is consolidated to 100%, which is the reason why no minority interest is reported in the financial statements. The price is set at a pre-determined amount of EUR 1 m in 2020. The value of the liability consists of a pre-determined purchase price discounted to present value with an interest rate of 2% per year.

LeoVegas AB was listed on Nasdaq First North Premier on 17 March 2016. In connection with the listing, an issue of EUR 20.2 m was made. The costs for the transaction were EUR 6.3 m, of which EUR 0.4 m was booked directly against equity. The net proceeds from the issue accrued to LeoVegas during the second quarter of 2016 and totalled EUR 15.4 m.

The number of shares after dilution has been changed in all historic periods starting with the fourth quarter interim report in 2016, which entails that the number of shares after dilution is calculated according to the Treasury Stock Method. The company has 500,000 subscription warrants outstanding which carry entitlement to subscribe for 2 million shares. The number of shares after dilution increases with the number of outstanding warrants and decreases with the number of shares that the proceeds from the exercise of the warrants can buy on the market for the average price during the period. Previously the number of shares after dilution was calculated as the number of shares outstanding before dilution plus the outstanding subscription warrants.

IFRS 15 Income from agreements with customers

The application of IFRS 15 regulates how accounting of revenue should be done. IFRS 15 applies to fiscal years beginning January 1, 2018, or later, and earlier application is permitted. The standard therefore supersedes the current standard IAS 18 "Revenue" and IAS 11 "Construction Agreement" with accompanying interpretations. The Group has evaluated the potential impact on the financial statements as a result of the application of IFRS 15. The Group has conducted a qualitative review and currently assesses that there are no material effects for the Group's income statement when introducing IFRS 15. However, the Group's assessment is that disclosure requirements in the financial statements will need to be further specified at the time of the introduction. No new information has been added since the disclosure in the annual report regarding the company's assessment of the effects.

IFRS 9 Financial Instruments

IFRS 9 replaces parts of the current financial instruments standard, IAS 39. The standard is applicable for fiscal years beginning January 1, 2018. Early application is allowed. The standard changes the basis for calculating credit loss reserves. From a principle based on losses incurred, IFRS 9 will require a principle based on expected losses. At present, financial assets in the Group are written down only if there are objective indications of an impairment loss due to one or more events (a "loss event"). LeoVegas will therefore need to review its current principle for calculating credit reserves and also reserve for potentially expected losses. As the majority of the Group's financial assets consist of accounts receivable against payment providers with a very limited credit risk, the Group assesses that no material effects of loan losses will arise as a result of the introduction of IFRS 9. The Group can, based on history, state that all payment intermediaries have paid their claims, of which no credit losses have previously occurred. The Group concludes that the impact of the introduction of IFRS 9 will have an immaterial impact on financial reporting. No new information has been added since the disclosure in the annual report regarding the company's assessment of the effects.

Legal update

The legal situation for online gaming is changing continuously at the EU level as well as in other geographical markets. There is pressure on countries within the EU to adapt their respective national legislation to applicable EU laws, especially regarding the free movement of products and services. Most countries in the EU have had or are currently having discussions to introduce so-called local regulation in order to adapt to the prevailing market climate. Examples of such countries that have adopted local regulation include the UK, Denmark and Italy. LeoVegas' expansion strategy is primarily to work in regulated markets or markets that are in the process of being regulated.

In Sweden, on 31 March a government study led by Håkan Hallstedt, Director General of the Swedish Gambling Authority, was presented, which provides recommendations for how the gambling market in Sweden can be regulated. One of the study's most important recommendations was that the so-called channelization rate (the share of the gambling market that is included in the licensing process) should be as high as possible. This entailed that the study recommended a gambling tax of 18%. The gambling tax is based on revenue, or a closely related revenue measure that is often referred to as Gross Gaming Revenue (GGR). Some other recommendations were that most forms of gambling should be allowed, that Svenska Spel be split up, and that greater consumer protections be enacted. It is expected that this will take effect on 1 January 2019, however, the proposal must go through the political process, which may delay implementation. In the Netherlands, the authorities have proposed the introduction of a 29% gambling tax. This is the same tax rate paid by land-based operators. Implementation of this appears to be delayed, and 1 January 2019 has now been indicated as the date of implementation. In the Czech Republic, local regulation was enacted on 1 January 2017 with a gambling tax of 35%. LeoVegas has decided to not complete an application for a gaming licence. As a result, LeoVegas has closed its business in the Czech Republic. The Rest of World segment includes geographies with unclear gaming legislation, which over time may affect LeoVegas' revenue, earnings and expansion opportunities, depending on what legal changes may be made. Australia is included in the Rest of World segment, where a change to the country's laws governing online gaming from 2001 is currently being debated in parliament. If a change in the country's legislation is implemented, it may affect LeoVegas' ability to accept revenue from Australia.

Risks and uncertainties

The main risk and uncertainty facing LeoVegas is the general legal status of online gaming. Decisions and changes in laws and rules may affect LeoVegas' business activities and expansion opportunities. An ongoing debate is focusing attention on the fact that EU Member States should adapt their local laws to EU law governing free movement of products and services. Since most of LeoVegas' customers are active in Europe, the legal status in the EU has most significance for the Company's existing operations. However, developments outside the EU are also of interest, partly for parts of LeoVegas' existing operations, but primarily as they may affect the Company's expansion and future plans. Developments in the legal area are monitored and addressed on a continuous basis within LeoVegas.

Part of LeoVegas' marketing entails collaborating with affiliates in advertising networks. In connection with this, it may happen that the LeoVegas brand is exposed in contexts that are not desirable. On account of the complexity and volume of traffic sources, it is not possible for LeoVegas to control each and every one of these traffic sources. In the event of a conflict with our affiliation terms, LeoVegas has the opportunity to withhold payment and terminate its collaboration with the affiliate in question. LeoVegas is working together with the Swedish Trade Association for Online Gambling (BOS) to address this problem together with BOS and its members.

LeoVegas' offering is based on gaming as a fun and attractive form of entertainment. However, some people are at risk of developing gaming-related problems. LeoVegas takes this very seriously, and responsible gaming is a fundamental principle in the Company's product design and customer contacts. All employees, regardless of their function in the Company, are required to obtain certification in responsible gaming. This training and certification is designed in cooperation with experts from the company Sustainable Interaction AB. LeoVegas has employees who work specifically with promoting responsible gaming and related issues. The company has implemented a number of functions designed to identify and help potential problem gamers. These include tools for helping customers control their gaming, including Loss limits, Time limits, Time alerts, Pause account and Account closure. In addition, a Self Assessment is offered to enable early identification if a customer's gaming is at risk of becoming a problem. In addition to these tools for customers and internal training for employees, LeoVegas works internally with responsible gaming as part of its company culture. LeoVegas works with commitment and knowledge to continuously promote a positive and sound gaming experience for everyone.

Other risks that could affect LeoVegas are market-related risks and financial risks, such as currency and liquidity risks. Market risks and financial risks are monitored and followed up as a continuous part of operations. A detailed description of financial risks is provided in the 2016 Annual Report.

Parent Company

LeoVegas AB (publ), the Group's Parent Company, invests in companies that offer gaming via smartphones, tablets and desktop computers, as well as companies that develop related technology. Gaming services are offered to end consumers through subsidiaries. The Parent Company is not engaged in any gaming activities.

During the first quarter, revenue amounted to EUR 0.01 m (0.00), and profit after tax was EUR -0.3 m (-5.6). Cash and cash equivalents amounted to EUR 15.4 m (5.7).

Future outlook

LeoVegas does not issue future guidance, but has set long-term targets for the full year 2018:

- To reach EUR 300 m in revenue in 2018
- Long-term organic growth higher than the online gaming market
- To achieve an EBITDA margin of approximately 15% in 2018
- A long-term EBITDA margin of at least 15% with the assumption that 100% of revenue will be generated in regulated markets in which gambling taxes are in effect
- To distribute at least 50% of profits

The Company sees continued strong demand for gaming services and believes that the opportunities for continued expansion in new markets are very favourable. External market forecasts indicate that mobile gaming will continue to grow faster than the traditional gaming market. Mobile penetration and the use of smartphones continue to rise around the world, and smartphones are being used to an ever-greater extent for entertainment and gaming. LeoVegas will continue to invest in growth and believes that the growth potential in the Company's current core markets is very favourable.

Board of Directors' and CEO's assurance

This is a translation of the Swedish original. In the event of any discrepancies between the original Swedish version and the English translated version, the Swedish version shall govern.

This interim report has not been subject to review by the Company's auditors.

The Board of Directors assures that the interim report for the first quarter gives a fair overview of the Parent Company's and Group's operations, position and result of operations, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 3 May 2017

Robin Ramm-Ericson
Chairman of the Board

Per Brilioth
Director

Barbara Canales Rivera
Director

Mårten Forste
Director

Anna Frick
Director

Patrik Rosén
Director

Gustaf Hagman
President and CEO

LeoVegas AB
Sveavägen 59, 113 59 Stockholm
Head offices: Stockholm
Corporate identity number: 556830-4033

All information in this report pertains to the Group companies that are ultimately owned by LeoVegas AB, also referred to as LeoVegas.

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Financial Calendar 2017/18

Annual General Meeting	17 May 2017
Interim Report Jan.-June	16 Aug. 2017
Interim Report Jan.-Sept.	25 Oct. 2017
Year-end Report Jan.-Dec. 2017	7 Feb. 2018

Consolidated income statement

EUR'000s	Jan-Mar 2017	Jan-Mar 2016	2016	2015
Revenue	43 916	29 541	141 398	83 018
Cost of sales	(7 844)	(5 488)	(26 519)	(15 238)
Gaming Duties	(2 085)	(1 380)	(5 673)	(3 390)
Gross profit	33 987	22 673	109 206	64 390
Personnel costs	(5 932)	(3 895)	(17 782)	(9 183)
Capitalised development costs	795	638	2 808	1 433
Operating expenses	(4 085)	(8 136)	(17 914)	(9 776)
Marketing expenses	(18 833)	(12 510)	(60 448)	(45 106)
Other income and expenses	103	(67)	131	(565)
EBITDA	6 035	(1 297)	16 001	1 193
Depreciation and amortisation	(518)	(274)	(1 399)	(688)
Operating profit (EBIT)	5 517	(1 571)	14 602	505
Financial income	5	2	20	9
Financial costs	(1)	(1)	(3)	(2)
Profit before tax	5 521	(1 570)	14 619	512
Income tax	(388)	(219)	(193)	(82)
Net profit for the period	5 133	(1 789)	14 426	429
Earnings per share (EUR)	0.05	(0.02)	0.14	0.00
Earnings per share after dilution (EUR)	0.05	(0.02)	0.14	0.00
Number of shares outstanding adjusted for share split (million)	99.70	99.70	99.70	93.85
Number of diluted shares outstanding adj. for share split (million)	100.83	100.71	100.71	94.85
Other comprehensive income	-	-	-	-
Total comprehensive income	5 133	(1 789)	14 426	429
Key ratios				
Cost of sales as a % of revenue	17.9%	18.6%	18.8%	18.4%
Gaming duties as a % of revenue	4.7%	4.7%	4.0%	4.1%
Gross margin, %	77.4%	76.8%	77.2%	77.6%
Personnel costs as % of revenue	13.5%	13.2%	12.6%	11.1%
Operating expenses as % of revenue	9.3%	27.5%	12.7%	11.8%
Marketing expenses as % of revenue	42.9%	42.3%	42.8%	54.3%
EBITDA margin %	13.7%	(4.4%)	11.3%	1.4%
EBIT margin %	12.6%	(5.3%)	10.3%	0.6%
Net margin, %	11.7%	(6.1%)	10.2%	0.5%

EUR'000s	Jan-Mar 2017	Jan-Mar 2016	2016	2015
EBITDA	6 035	(1 297)	16 001	1 193
Expenses related to listing	133	5 283	5 283	635
Adjusted EBITDA	6 168	3 986	21 284	1 828
Depreciation and amortisation	(518)	(274)	(1 399)	(688)
Adjusted EBIT	5 650	3 712	19 885	1 140
Adjusted EBITDA margin %	14.0%	13.5%	15.1%	2.2%
Adjusted EBIT margin %	12.9%	12.6%	14.1%	1.4%

Consolidated balance sheet, condensed

EUR'000s	31 Mar 2017	31 Mar 2016	31 Dec 2016	31 Dec 2015
ASSETS				
Non-current assets				
Property, plant and equipment	1 342	777	1 194	694
Intangible assets	13 864	4 333	5 860	3 872
Deferred tax assets	837	7	837	7
Total non-current assets	16 043	5 117	7 891	4 573
Current assets				
Trade receivables	6 130	19 667	6 739	4 045
Other current receivables	4 295	2 465	3 098	1 813
Cash and cash equivalents	64 024	30 176	60 218	22 605
<i>of which restricted cash (player funds)</i>	<i>4 575</i>	<i>2 879</i>	<i>4 067</i>	<i>3 246</i>
Total current assets	74 449	52 308	70 055	28 464
TOTAL ASSETS	90 492	57 425	77 946	33 036
EQUITY AND LIABILITIES				
Share capital	1 196	1 196	1 196	57
Additional paid-in capital	36 411	36 411	36 411	17 689
Retained earnings /(Accumulated losses)	18 361	(2 987)	13 228	(1 198)
Equity attributable to owners of the Parent Company	55 968	34 620	50 835	16 548
Non-current liabilities	928	906	924	906
Total non-current liabilities	928	906	924	906
Current liabilities				
Trade and other payables	12 928	10 400	8 737	4 748
Player liabilities	4 575	2 879	4 067	3 246
Other liabilities	1 823	446	1 033	621
Accrued expenses	14 270	8 174	12 350	6 968
Total current liabilities	33 596	21 899	26 187	15 583
TOTAL EQUITY AND LIABILITIES	90 492	57 425	77 946	33 036

Consolidated statement of cash flows, condensed

EUR'000s	Jan-Mar 2017	Jan-Mar 2016	2016	2015
Operating profit	5 517	(1 571)	14 602	505
Adjustments for non-cash items	589	538	2 061	680
Cash flow from changes in working capital	(251)	9 693	10 488	5 206
Cash flow from operating activities	5 855	8 660	27 151	6 393
Acquisition of property, plant and equipment	(110)	(172)	(952)	(600)
Acquisition of intangible assets	(830)	(646)	(2 935)	(1 533)
Acquisition of subsidiaries	(1 156)	-	-	(156)
Cash flow from investing activities	(2 096)	(818)	(3 887)	(2 289)
Proceeds from share issue/other equity securities	-	-	15 353	1 004
Cash flow from financing activities	-	-	15 353	1 004
Net increase/(decrease) in cash and cash equivalents	3 759	7 842	38 617	5 107
Cash and cash equivalents at start of the period	60 218	22 605	22 605	17 483
Currency effects on cash and cash equivalents	47	(271)	(1 004)	15
Cash and cash equivalents at end of period	64 024	30 176	60 218	22 605
<i>of which restricted cash (player funds)</i>	<i>4 575</i>	<i>2 879</i>	<i>4 067</i>	<i>3 246</i>

Consolidated statement of changes in equity, condensed

EUR'000s	Share Capital	Other capital contribution	Retained earnings	Total equity
Balance at 1 January 2016	57	17 689	(1 198)	16 548
Profit for the period	-	-	(1 789)	(1 789)
Total comprehensive income for the period	-	-	(1 789)	(1 789)
Transactions with shareholders in their capacity as owners:				
New share issue including issue costs	70	19 791	-	19 861
Bonus issue	1 069	(1 069)	-	-
Premium received for warrants	-	-	-	-
Balance at 31 March 2016	1 196	36 411	(2 987)	34 620
Balance at 1 January 2017	1 196	36 411	13 228	50 835
Profit for the period	-	-	5 133	5 133
Total comprehensive income for the period	-	-	5 133	5 133
Transactions with shareholders in their capacity as owners:				
New share issue including issue costs	-	-	-	-
Bonus issue	-	-	-	-
Balance at 31 March 2017	1 196	36 411	18 361	55 968

Parent Company income statement, condensed

EUR'000s	Jan-Mar 2017	Jan-Mar 2016	2016	2015
Revenue	73	32	192	69
Operating expenses	(512)	(5 658)	(7 600)	(1 135)
Other income and expenses	-	(99)	(99)	-
Operating profit (EBIT)	(439)	(5 725)	(7 507)	(1 066)
Net financial income	137	120	2 211	493
Tax cost	-	-	834	-
Profit / Loss for the period	(302)	(5 605)	(4 462)	(573)

*Det finns inga poster i övrigt totalresultat.

Parent Company balance sheet, condensed

EUR'000s	31 Mar 2017	31 Mar 2016	31 Dec 2016	31 Dec 2015
ASSETS				
Total non-current assets	13 995	8 897	9 731	8 318
Current assets	2 905	17 386	3 425	1 584
Cash and cash equivalents	15 417	5 754	19 249	7 321
Total current assets	18 322	23 140	22 674	8 905
TOTAL ASSETS	32 317	32 037	32 405	17 223
EQUITY AND LIABILITIES				
Total equity	31 834	30 994	32 137	16 738
Total liabilities	483	1 043	268	485
TOTAL EQUITY AND LIABILITIES	32 137	32 037	32 405	17 223

KPIs per quarter

Amounts in EUR'000s unless otherwise stated	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Deposits	149 628	139 072	123 720	100 577	80 495
Growth, Deposits, y-y %	86%	87%	87%	79%	73%
Growth, Deposits, q-q %	8%	12%	23%	25%	8%
Deposits per geography					
Nordic region, % Deposits	61.8%	60.0%	62.2%	62.5%	66.4%
UK, % Deposits	15.1%	15.3%	15.5%	18.6%	18.1%
Rest of Europe, % Deposits	15.2%	14.6%	12.6%	10.9%	8.7%
Rest of the World, % Deposits	8.0%	10.0%	9.7%	8.1%	6.8%
Net Gaming Revenue (NGR)	43 656	40 611	39 586	29 843	28 497
Growth Net Gaming Revenue, y-y %	53%	55%	76%	63%	115%
Growth Net Gaming Revenue, q-q %	8%	3%	33%	5%	9%
Net Gaming Revenue (NGR) per region					
Nordic region, % Net Gaming Revenue	56.0%	56.6%	58.0%	62.1%	60.1%
UK, % Net Gaming Revenue	13.7%	10.6%	13.2%	12.8%	17.6%
Rest of Europe, % Net Gaming Revenue	17.3%	16.8%	13.6%	12.7%	9.9%
Rest of the World, % Net Gaming Revenue	13.0%	16.1%	15.2%	12.5%	12.4%
Growth in NGR per region					
Nordic region, y-y %	42.7%	36.5%	50.2%	43.5%	38.3%
UK, y-y %	19.4%	-25.6%	26.4%	32.0%	143.8%
Rest of Europe, y-y %	168.0%	251.9%	355.5%	249.4%	208.7%
Rest of the World, y-y %	60.5%	309.4%	225.4%	165.2%	497.5%
Regulated revenue as a % of total	18.3%	11.0%	13.2%	12.8%	17.6%
Growth in regulated revenues, y-y %	61%	-22%	26%	33%	142%
Growth in regulated revenues, q-q %	79%	-15%	37%	-23%	-14%
Hold (NGR/Deposits) %	29.2%	29.2%	32.0%	29.7%	35.1%
Game margin %	3.62%	3.54%	3.70%	3.59%	3.85%
Number of active customers	318 529	404 773	338 861	540 276	480 320
Growth active customers, y-y %	-34%	63%	43%	193%	209%
Growth active customers, q-q %	-21%	19%	-37%	12%	94%
Number of depositing customers	172 338	176 306	156 389	176 635	121 615
Growth depositing customers, y-y %	42%	75%	77%	147%	87%
Growth depositing customers, q-q %	-2%	13%	-11%	45%	21%
Number of new depositing customers	75 017	85 384	74 638	109 718	60 989
Growth new depositing customers, y-y %	23%	83%	76%	235%	84%
Growth new depositing customers, q-q %	-12%	14%	-32%	80%	31%
Number of returning depositing customers	97 321	90 922	81 751	66 917	60 626
Growth returning depositing customers, y-y %	61%	68%	78%	72%	90%
Growth returning depositing customers, q-q %	7%	11%	22%	10%	12%

Consolidated income statement per quarter

EUR'000s	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Revenue	43 916	41 165	39 713	30 980	29 541
Cost of sales	(7 844)	(7 599)	(7 222)	(6 210)	(5 488)
Gaming Duties	(2 085)	(1 677)	(1 409)	(1 207)	(1 380)
Gross profit	33 987	31 889	31 082	23 563	22 673
Personnel costs	(5 932)	(4 636)	(4 822)	(4 430)	(3 895)
Capitalised development costs	795	733	686	752	638
Operating expenses	(4 085)	(3 197)	(2 899)	(3 682)	(8 136)
Marketing expenses	(18 833)	(14 912)	(14 317)	(18 708)	(12 510)
Other income and expenses	103	74	73	51	(67)
EBITDA	6 035	9 951	9 802	(2 454)	(1 297)
Depreciation and amortisation	(518)	(434)	(366)	(323)	(274)
Operating profit (EBIT)	5 517	9 517	9 436	(2 777)	(1 571)
Financial income	5	7	8	3	2
Financial costs	(1)	(2)	(0)	(1)	(1)
Profit before tax	5 521	9 522	9 444	(2 775)	(1 570)
Income tax	(388)	368	(450)	107	(219)
Net profit for the period*	5 133	9 890	8 993	(2 668)	(1 789)
Earnings per share (EUR)	0.05	0.10	0.09	(0.03)	(0.02)
Earnings per share after dilution (EUR)	0.05	0.10	0.09	(0.03)	(0.02)
Number of shares outstanding adjusted for share split (million)	99.70	99.70	99.70	99.70	99.70
Number of diluted shares outstanding adjusted for share split (million)	100.83	100.74	100.65	100.76	100.71
Key ratios					
Cost of sales as a % of revenue	17.9%	18.5%	18.2%	20.0%	18.6%
Gaming duties as a % of revenue	4.7%	4.1%	3.5%	3.9%	4.7%
Gross margin, %	77.4%	77.5%	78.3%	76.1%	76.8%
Personnel costs as % of revenue	13.5%	11.3%	12.1%	14.3%	13.2%
Operating expenses as % of revenue	9.3%	7.8%	7.3%	11.9%	27.5%
Marketing expenses as % of revenue	42.9%	36.2%	36.1%	60.4%	42.3%
EBITDA, margin %	13.7%	24.2%	24.7%	(7.9%)	(4.4%)
EBIT, margin %	12.6%	23.1%	23.8%	(9.0%)	(5.3%)
Net margin, %	11.7%	24.0%	22.6%	(8.6%)	(6.1%)

*Profit for the period is attributable to shareholders of the Parent Company.

EUR'000s	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
EBITDA	6 035	9 951	9 802	(2 454)	(1 297)
Expenses related to IPO	133	-	-	-	5 283
Adjusted EBITDA	6 168	9 951	9 802	(2 454)	3 986
Depreciation and amortisation	(518)	(434)	(366)	(323)	(274)
Adjusted EBIT	5 650	9 517	9 436	(2 777)	3 712
Adjusted EBITDA margin %	14.0%	24.2%	24.7%	(7.9%)	13.5%
Adjusted EBIT margin %	12.9%	23.1%	23.8%	(9.0%)	12.6%

Consolidated balance sheet per quarter, condensed

EUR'000s	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
ASSETS					
Non-current assets					
Property, plant and equipment	1 342	1 194	1 064	1 093	777
Intangible assets	13 864	5 860	5 418	4 872	4 333
Deferred tax assets	837	837	7	7	7
Total non-current assets	16 043	7 891	6 489	5 972	5 117
Current assets					
Trade receivables	6 130	6 739	6 617	4 893	19 667
Other current receivables	4 295	3 098	1 674	2 157	2 465
Cash and cash equivalents	64 024	60 218	48 088	39 220	30 176
<i>of which restricted cash (player funds)</i>	<i>4 575</i>	<i>4 067</i>	<i>3 085</i>	<i>3 270</i>	<i>2 879</i>
Total current assets	74 449	70 055	56 379	46 270	52 308
TOTAL ASSETS	90 492	77 946	62 868	52 242	57 425
EQUITY AND LIABILITIES					
Share capital	1 196	1 196	1 196	1 196	1 196
Additional paid-in capital	36 411	36 411	36 411	36 411	36 411
Retained earnings /(Accumulated losses)	18 361	13 228	3 338	(5 655)	(2 987)
Equity attributable to owners of the Parent Company	55 968	50 835	40 945	31 952	34 620
Non-current liabilities	928	924	920	915	906
Total non-current liabilities	928	924	920	915	906
Current liabilities					
Trade and other payables	12 928	8 737	5 408	5 748	10 400
Player liabilities	4 575	4 067	3 085	3 270	2 879
Other liabilities	1 823	1 033	416	-	446
Accrued expenses	14 270	12 350	12 094	10 357	8 174
Total current liabilities	33 596	26 187	21 003	19 375	21 899
TOTAL EQUITY AND LIABILITIES	90 492	77 946	62 868	52 242	57 425

Consolidated statement of cash flows per quarter, condensed

EUR'000s	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Operating profit	5 517	9 517	9 436	(2 777)	(1 571)
Adjustments for non-cash items	589	234	722	566	538
Cash flow from changes in working capital	(251)	3 149	177	(2 532)	9 693
Cash flow from operating activities	5 855	12 900	10 335	(4 743)	8 660
Acquisition of property, plant and equipment	(110)	(261)	(97)	(423)	(172)
Acquisition of intangible assets	(830)	(747)	(786)	(756)	(646)
Acquisition of subsidiaries	(1 156)	-	-	-	-
Cash flow from investing activities	(2 096)	(1 008)	(883)	(1 179)	(818)
Proceeds from share issue/other equity securities	-	-	-	15 353	-
Cash flow from financing activities	-	-	-	15 353	-
Net increase/(decrease) in cash and cash equivalents	3 759	11 892	9 452	9 431	7 842
Cash and cash equivalents at start of the period	60 218	48 088	39 220	30 176	22 605
Currency effects on cash and cash equivalents	47	238	(584)	(387)	(271)
Cash and cash equivalents at end of period	64 024	60 218	48 088	39 220	30 176
<i>of which restricted cash (player funds)</i>	<i>4 575</i>	<i>4 067</i>	<i>3 085</i>	<i>3 270</i>	<i>2 879</i>

Definitions of APMs

Active customers

The number of customers who have played on LeoVegas, including customers who have only used a bonus offer

Adjusted EBIT

EBIT adjusted for items affecting comparability

Adjusted EBITDA

EBITDA adjusted for items affecting comparability

Average number of full-time employees

Average number of employees (full-time equivalents) during the entire period

Cash and cash equivalents

Balances in bank accounts plus e-wallets

Depositing customers

Customers who have made cash deposits during the period

Deposits

Includes all cash deposited in the casino by customers during a given period

Dividend per share

The dividend paid or proposed per share

Earnings per share

Profit for the period attributable to owners of the parent, divided by the number of shares outstanding at the end of the period

Earnings per share after dilution

Profit after tax divided by a weighted average number of shares outstanding during the year, adjusted for additional shares for warrants with a dilutive effect

EBIT

Operating profit before interest and tax

EBIT margin, %

EBIT divided by operating revenue

EBITDA

Operating profit before depreciation, amortisation and impairment losses

EBITDA margin, %

EBITDA in relation to revenue

Equity/assets ratio, %

Shareholders' equity divided by total assets

Gaming margin, %

Customers' total wagers (including bonus money) less winnings, divided by customers' total wagers (including bonus money)

Gross profit

Revenue less direct, variable costs, which including costs for third-party gaming vendors, software costs, fees paid to payment service providers, gaming fees and taxes

Hold

Net Gaming Revenue (NGR) in relation to the sum of deposits

Items affecting comparability

Items pertaining to costs for the listing on Nasdaq First North Premier and Nasdaq Stockholm

Net Gaming Revenue (NGR)

Total cash deposits less all wins payable to customers after bonus costs and external jackpot contributions (referred to as NGR in the industry)

New depositing customer

A customer who has made his or her first cash deposit during the period

Operating cash flow after investments

Operating profit including change in depreciation/amortisation and impairment losses, working capital, and investments in other non-current assets (net)

Organic growth

Growth excluding acquisitions. Currency effects not excluded

Operating profit (EBIT)

Profit before interest and tax

Profit margin

Net profit divided by revenue

Returning depositing customer

A customer who has made a cash deposit during the period, but made his or her first deposit in an earlier period

Shareholders' equity per common share

Shareholders' equity attributable to owners of the Parent Company divided by the number of shares at the end of the period after redemptions, repurchases and new issues

Shares outstanding after dilution

The number of shares outstanding before dilution plus the number outstanding warrants, less the redemption sum for the warrants, divided by the average share price for the period

Working capital

Working capital is calculated as the net of current liabilities (excl. amounts payable to players) and current assets

Other definitions

Gambling tax

A tax that is calculated on a measure of revenue that operators of gaming activities pay in a regulated market, such as in Denmark, Italy or the UK

Locally regulated markets

Markets that have regulated online gaming and that have issued licences that operators can apply for

Mobile devices

Smartphones and tablets

Net profit

Profit less all expenses, including interest and tax

Regulated revenue

Revenue from locally regulated markets

Revenue

Net Gaming Revenue plus adjustments for corrections, changes in provisions for local jackpots and unconverted provisions for bonuses