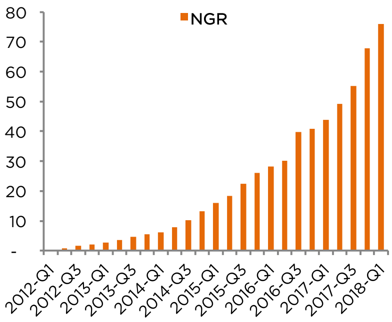
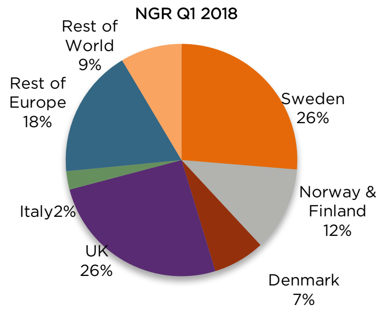
LeoVegas' vision is to create the ultimate mobile gaming experience and be number one in mobile gaming. The LeoVegas Mobile Gaming Group today has a leading position in mobile casino, sport, and live casino. The business is distinguished by award-winning innovation and strong growth. LeoVegas has attracted 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 Stockholm. *For more information about LeoVegas, visit www.leovegasgroup.com .*

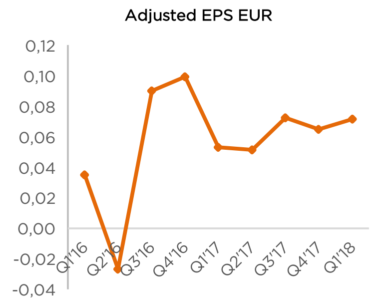
Strong start to the new year

First quarter: 1 January–31 March 2018*

- Revenue increased by 76% to EUR 77.4 m (43.9). Organic growth was 40%. Organic growth excluding markets closed in 2017 was 61%.
- Gross Gaming Revenue from sports betting and live casino were 6.5% and 15.3%, respectively, of total GGR.
- Net Gaming Revenue from Royal Panda and Rocket X† accounted for 14.3% and 5.2%, respectively, of total NGR.
- NGR from regulated markets was 35.4% (18.3%) of total.
- The number of depositing customers was 302,014 (172,338), an increase of 75%. The number of new depositing customers was 146,063 (75,017), an increase of 95%. The number of returning depositing customers was 155,951 (97,321), an increase of 60%.
- EBITDA was EUR 9.5 m (6.0), corresponding to an EBITDA margin of 12.3% (13.7%).
- Adjusted‡ EBITDA totalled EUR 9.0 m (6.2), corresponding to an adjusted EBITDA margin of 11.6% (14.0%).
- Operating profit (EBIT) was EUR 3.8 m (5.5).
- Adjusted EBIT was EUR 7.9 m (5.7), corresponding to an adjusted EBIT margin of 10.2% (12.9%).
- Earnings per share before and after dilution were EUR 0.02 (0.05).
- Adjusted earnings per share were EUR 0.07 (0.05).







Events during the quarter

- LeoVegas acquired 51% of the shares in the company behind the streaming network CasinoGrounds.com for SEK 30 m (EUR 3.1 m), with a potential, maximum earn-out payment of SEK 15 m (EUR 1.5 m). LeoVegas completed the acquisition on 1 January 2018. See page 11 for further information.
- LeoVegas acquired assets for GBP 65 m (EUR 73.6 m) from Intellectual Property & Software Limited along with related assets from another two companies that operate several brands including 21.co.uk, slotboss.com, Bet UK and UK Casino, which are now jointly referred to as "Rocket X". LeoVegas completed the acquisition on 1 March 2018. See page 10 for further information.
- LeoVegas acquired World of Sportsbetting for EUR 2.6 m, which holds a sports betting licence and a casino licence in the German state of Schleswig-Holstein, and an approved application for a sports betting licence through the state of Hessen.
- LeoVegas carried out a change in listing to Nasdaq Stockholm on 5 February.
- LeoVegas is updating the amortisation rate for intangible assets related to the acquisition of customer databases in Royal Panda. The rate of amortisation of customer relationships in Royal Panda is being changed to harmonise it with the Group's other acquisitions, and to better represent the usage period.
- LeoVegas has made a provision of EUR 0.5 m for fines from the UK Gambling Commission (UKGC) for alleged marketing violations in 2016. See page 9 for further information.

Events after the end of the quarter

- New financial targets for the full year 2020 were communicated on 19 April. The new targets are to reach at least EUR 600 m in revenue and EBITDA of at least EUR 100 m. See page 9 for further information.
- Net Gaming Revenue (NGR) in April amounted to EUR 29.3 m (16.5), representing growth of 77%.
- In Norway it has been learned that new legislation is expected to pass during the year which aims to prevent Norwegian residents from accessing foreign gaming sites. Details on the proposed legislation have not yet emerged. Revenue from Norway accounted for 4.6% of the Group's total during March.
- LeoVegas published its annual report for 2018 at www.leovegasgroup.com.

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* Throughout this report, figures in parentheses pertain to the same period a year earlier.
† Rocket X is consolidated as from 1 March 2018, and Royal Panda is consolidated as from 1 November 2017.
‡ Adjusted items are stripped of items affecting comparability related to acquisitions, the listings, sales of assets and non-cash items related to acquisitions. For a complete definition, see page 24.

CEO's comments

"Yet another record quarter with greater transparency, acquisitions performing as planned, and new and clear financial targets."

High pace into the new year
We got off to a flying start to the year with the acquisition of Rocket X, which has a strong footprint in the UK market with a local multibrand strategy and the market's most effective customer acquisition model. We followed this up with the acquisition of gambling licences in Germany, which will enable better local payment solutions and allow us to market sports betting throughout Germany.

In the autumn of 2017 we set the goal of changing our listing to Nasdaq's Main Market, and in early February we could once again ring the stock exchange's bell. The first day for trading on Nasdaq Stockholm was 5 February 2018, where we immediately moved into the Large Cap list.

We are continuing our hard work and are accelerating into 2018 on the momentum we built up last year.

First quarter
Our revenue during the first quarter amounted to EUR 77.4 m (43.9), representing growth of 76%. Our organic growth was 40%. Organic growth excluding markets that we closed in 2017 was 61%. EBITDA adjusted for items affecting comparability was EUR 9.0 m (6.2), corresponding to an adjusted EBITDA margin of 11.6% (14.0%).

KPIs and transparency
Transparency is important for LeoVegas. We have therefore decided to disclose additional Key Performance Indicators as a way to increase transparency and understanding for us as a group.

We have opted now for the first time to break down our revenue for the Sports book and Live Casino. Sport accounts for 6.5% of Gross Gaming Revenue (GGR), and Live Casino for 15.3%. We show these KPIs based on GGR due to calculations of bonuses, but the figure is basically identical to Net Gaming Revenue (NGR).

We have also opted to separately report on LeoVentures. LeoVentures today has an adjusted EBITDA of EUR -0.3 m, which is due to the fact that several of its companies are in the investment phase.

LeoSafePlay
Responsible gaming is one of LeoVegas' foundations since the start of 2011. Over the past year, LeoVegas has made a push in Responsible Gaming, which has resulted in more staff and improved tools based, among other things, on machine learning combined with the launch of the site www.LeoSafePlay.com. LeoSafePlay is a portal dedicated to identifying and managing unhealthy gaming behavior.

LeoSafePlay offers self-assessment tests, information for families and a free tool (GamBan) to block one's own access to all other gaming sites.

With upcoming regulations in Europe, including in Sweden, there are a number of regulations on responsible gaming, and we at LeoVegas embrace these as an important part of sustainable gaming, and also as a long-term sustainable business. The fact that gaming companies take responsibility and work with responsible gaming is good for the industry, and LeoVegas has a stated ambition and strategy to be at the forefront. A proof of this is the launch of a new self-exclusion function in the UK, where customers now automatically will be excluded from all our brands when they exclude from one of them. Later in the year we will be able to customize offers and bonuses based on a customer's risk level.

Acquisitions
Rocket X
The integration work is moving forward very well. We have quickly been able to work together on a number of matters and are identifying synergies in our knowledge-sharing and ways of working.

In connection with the acquisition's closing, Rocket X was put on the same gambling licence as LeoVegas. This was an extensive process, and already there we saw proof that we work very well and effectively together between the teams. I think this is why it feels like Rocket X has been part of the Group for a longer time than just a few months.

During the quarter Rocket X contributed revenue for only one month. For the first quarter this entailed EUR 4.0 m in revenue and EBITDA of EUR 0.9 m, for an EBITDA margin of 22.5%.

Royal Panda
The work with Royal Panda is also progressing well and is on track. The period for payment of the earn-out expires in December 2018, and we see a great willingness for cooperation and interaction between the various teams.

During the first quarter Royal Panda was fully consolidated and contributed EUR 10.9 m in revenue, with an EBITDA margin of 7.8%. The low margin for Royal Panda is attributable to substantial marketing costs in February and March, which drove large gains in the number of new depositing customers and also NGR.

Company culture and kickoff
LeoVegas' company culture is a major reason why we today are Sweden's leading GameTech company. It is therefore imperative to promote this culture within the Group. We are sensitive to the fact that acquisitions require resources, time and commitment. It is for this reason that we invested further in our work with the company culture and gathered our entire Group of more than 700 people to a kickoff event. It was extremely successful and exceeded our high expectations, and we are already seeing positive effects from the event.

Markets
Sweden
Sweden had yet another record quarter for new and returning customers. This shows that we have a strong and loyal customer base in one of our core markets. What we can see, however, is that the value per customer has gone down slightly, which is explained in part by a higher share of sport customers and an unfavourable gaming margin for casino.

Norway
Norway has historically and periodically blocked payment solutions that are linked to gaming sites. Now there is also a proposal to introduce additional barriers to using game sites. There are still no details when and how this will be introduced. Norway currently has no local licensing system, and instead of banning, I hope Norway will move towards a local regulation similar to the developments we see in Sweden. The Group's revenues from Norway were 4.6% in March. Regardless of the outcome, development in Norway does not affect LeoVegas' financial targets. LeoVegas has long been very clear in welcoming gaming market regulation and the Group's strategy is to expand in regulated markets and markets that are developing against regulation.

Italy
It was roughly one year ago that we acquired Winga.it and its gambling licence for the Italian market. During the autumn of last year we switched out the Winga brand to LeoVegas. The next step in our expansion for LeoVegas is to migrate the technical platform in Italy to our proprietary platform, Rhino. This will take place during the second quarter, at which time we will be able to fully offer our award-winning mobile gaming experience. This, combined with a strengthening of our commercial team in Milan, gives us favourable conditions to invest on a large scale in Italy.

Canada
Canada is a market of great interest and is showing strong growth for LeoVegas. During the quarter we began using our ambassador, hockey legend Mats Sundin, in our market communication in Canada.

UK
Following our recent acquisitions, the UK is our largest market measured by revenue and accounted for 25.6% of NGR during the first quarter. The effectiveness of our marketing in the UK was also the best ever during the quarter.

LeoVegas has high ambitions for compliance with laws and regulations and we have continuously improved our procedures and processes. We have had discussions with the UK Gambling Commission, UKGC, on suspected cases of breaches of the British gaming rules. A clear majority of cases are attributable to affiliate marketing. Our assessment is that the UKGC will issue fines for these violations and we have made a provision for the full amount.

We have also improved our routines, which has led us to close off non-compliant affiliates. This means that I feel great assurance in the work we do, both in the short and long term, but also in the face of continued expansion into new regulated markets. It's good that UKGC puts increased demands on us in the gaming industry. It is an advantage for serious actors who both have the will and ambition to work in a regulated market.

New financial targets for 2020
In 2015 we set a target to reach EUR 300 m in revenue by 2018. Our new revenue target represents a doubling to EUR 600 m by 2020, not including any major acquisitions. Parallel with this we are aiming for EBITDA of at least EUR 100 m, which implies adjusted earnings per share of at least SEK 8 by 2020.

The new targets confirm our continued focus on strong growth combined with a sound view of profitability. The targets create transparency about where we are headed, both internally and externally.

LeoVegas' long-term dividend policy remains intact, which is to distribute at least 50% of profit, and the proposal to the Annual General Meeting on 29 May is to pay a dividend of SEK 1.20 per share.

Comments on the second quarter
April has begun strong with Net Gaming Revenue (NGR) of 29.3 MEUR (16.5), corresponding to a growth rate of 77 percent. Marketing in relation to revenue for the Group in the second quarter of 2018 will be higher than the average for 2017, which was 42.3%. Due to the marketing opportunities surrounding the World Cup, the total amount of marketing is more difficult than usual to anticipate in advance. LeoVegas will act opportunistically with marketing on the opportunities we see.

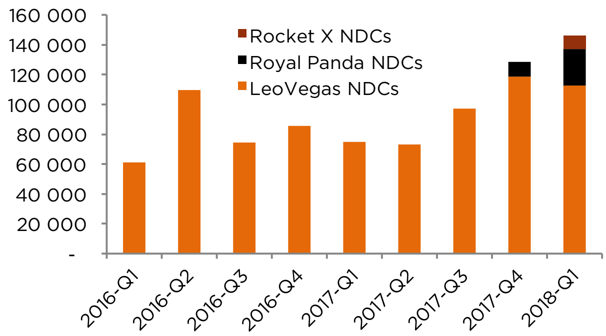
I am looking forward to the second quarter, in which Rocket X will be included for the entire quarter and an exciting summer of sport will get under way with the World Cup in June followed by the Swedish Open tennis tournament in Båstad, for which we are now a Principal Partner.

Gustaf Hagman, Group CEO and co-founder
LeoVegas AB, Stockholm, 2 May 2018

Key Performance Indicators

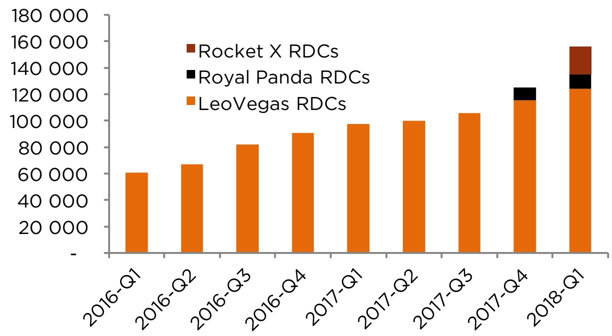
For more KPIs and comments, see the accompanying presentation on LeoVegasgroup.com. For definitions, see page 24.

New depositing customers (NDCs) per platform/brand



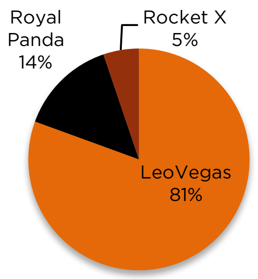
During the quarter, NDCs reached a peak, driven by acquisitions and the second strongest quarter ever for the LeoVegas brand for NDCs.

Returning depositing customers (RDCs) per platform



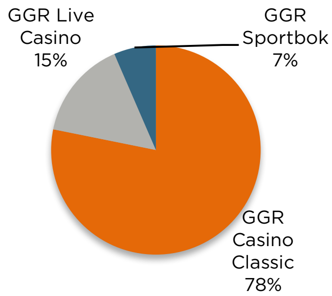
RDCs reached a new peak, with Rocket X and Royal Panda driving the increase. But, LeoVegas had one of its strongest quarters ever, with 7% growth in RDCs compared with the preceding quarter.

Net Gaming Revenue (NGR) per platform/brand Q1 2018



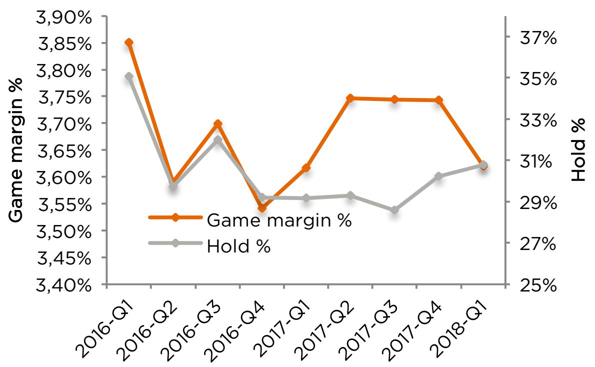
The LeoVegas brand accounted for 81% of the Group's NGR during the quarter. Rocket X is consolidated in the Group as from 1 March 2018.

Gross Gaming Revenue (GGR) per product Q1 2018



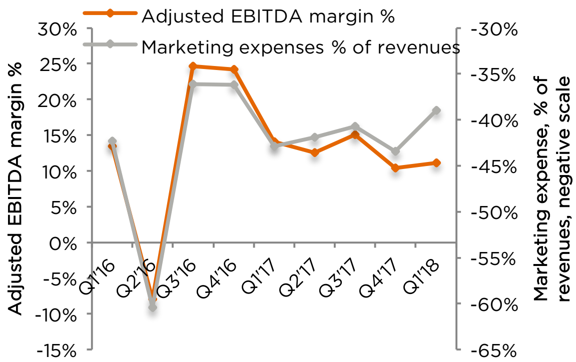
Sports contributed 7% to GGR, and Live Casino contributed 15%. Live Casino is offered in all brands in the Group. The sports book is not offered by Rocket X.

Gaming margin and hold



The relation between NGR and deposits (hold) increased during the quarter to 30.8%. The consolidation of Royal Panda and Rocket X contributed 2.0 percentage points to the increase, as hold for LeoVegas was 28.8%, which is the second lowest level in four years. One factor that has historically had a strong impact on hold is the gaming margin. The gaming margin during the first quarter was 3.62%, which is lower than in the last three quarters.

Adjusted EBITDA margin and marketing costs in relation to revenue



LeoVegas' EBITDA 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., Q2 16), the EBITDA margin decreases, while when it is lower (e.g., Q3-Q4 16) the EBITDA 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 NGR

Revenue amounted to EUR 77.4 m (43.9) during the first quarter, an increase of 76%. Royal Panda contributed EUR 10.9 m in revenue during the quarter. Rocket X was consolidated on 1 March and contributed EUR 4.0 m. Organic growth was 40%. Excluding markets that were closed in 2017 (Australia, the Czech Republic and Slovakia) and acquisitions (Winga, Royal Panda, CasinoGrounds, Rocket X), growth would have been 61% compared with the same period a year ago.

Deposits totalled EUR 248.6 m (149.6), an increase of 66%. Sequential growth in deposits was 11%. Excluding the acquisitions of Royal Panda and Rocket X, deposits increased by 43%. Mobile deposits accounted for 69% (67%) of total deposits.

The increase in deposits in absolute figures, excluding the acquisitions, was greatest in Denmark, closely followed by Sweden and the UK. These three markets accounted for 56% of the organic. Including acquisitions, the UK accounted for the absolute largest share of the increase in deposits, 38%. Deposits from Rest of World decreased by 1% compared with the same period a year ago, which is due to the fact that Australia is no longer included in the Group's deposits, at the same time that Canada posted strong growth during the quarter.

Net Gaming Revenue (NGR) increased sequentially by 13% from the fourth to the first quarter, which is a slightly higher rate of growth than for deposits. This is explained primarily by a higher hold for acquired companies that have been consolidated. Excluding acquisitions, NGR grew slightly more slowly than deposits.

Earnings

Gross profit increased by 64% compared with the same quarter a year ago to EUR 55.7 m (34.0), corresponding to a gross margin of 72.0% (77.4%). The lower margin is mainly attributable to higher gambling taxes, as the Group's share of revenue from regulated markets continues to grow. Gambling taxes during the quarter amounted to 9.1% of revenue (4.7%), and the cost of sales was 18.9% of revenue (17.9%).

Marketing costs totalled EUR 30.2 m (18.8) during the quarter, which is the highest level in absolute figures in LeoVegas' history. Marketing in relation to revenue was 39.0%, which is a decrease from the fourth quarter of 2017, when it was 43.4%. Excluding acquisitions, marketing in relation to revenue was 37.1%. This is in line with what was disclosed in the preceding quarterly report, where the expectation was that marketing costs in relation to revenue during the first quarter would be lower than the average for 2017. The level is higher than the industry average, as LeoVegas reinvests a larger share of its revenue in marketing in order to drive growth. The opportunities to make substantial marketing investments will vary over time, entailing that profitability may be volatile from quarter to quarter. The average acquisition cost for a new depositing customer (NDC) decreased compared with the fourth quarter, entailing that the first quarter had the lowest customer acquisition cost of the last five quarters. Taken on the whole, the acquisitions did not affect the average cost to a significant extent, as Royal Panda had an average cost that was slightly higher than the average, and Rocket X (which was consolidated on 1 March) was quite far below the average. The first quarter was the strongest quarter ever for new depositing customers.

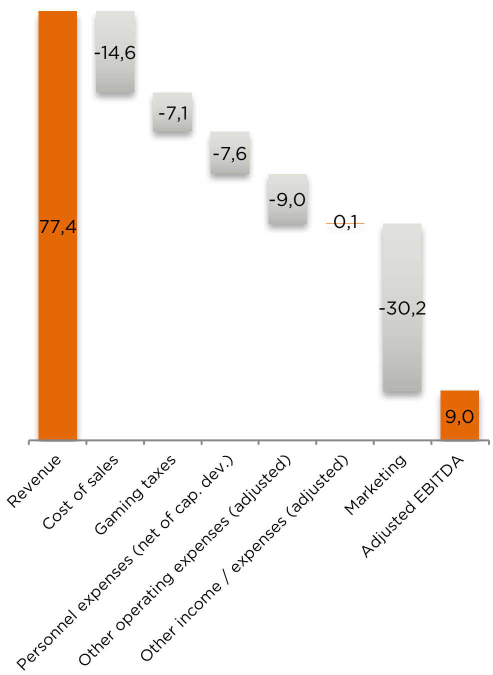
Personnel costs in relation to revenue were at a level that is slightly below the average for 2017. Personnel costs in relation to revenue during the first quarter were 11.1% (13.5%).

Other operating expenses amounted to 12.9% of revenue (9.3%). During the first quarter, there were two main items that contributed to the increase. Exchange rate movements against the euro increased expenses by EUR 0.4 m. In addition, LeoVegas held a kickoff together with its recently acquired companies, giving rise to an expense of EUR 1.4 m. Adjusted for items affecting comparability associated with the change in listing to Nasdaq Stockholm, consulting related to acquisitions and the provision for fines in the UK, other operating expenses amounted to 11.7% of revenue (9.0%). Other operating expenses adjusted for items affecting comparability, currency movements and the kickoff amounted to 9.3% of revenue.

Other income and expenses included EUR 1.5 m in revenue from the sale of TV broadcast rights in Italy in the Group company Winga.

EBITDA for the first quarter was EUR 9.5 m (6.0), corresponding to an EBITDA margin of 12.3% (13.7%).

P&L up to adjusted EBITDA



Adjusted EBITDA was EUR 9.0 m (6.2), corresponding to an adjusted EBITDA margin of 11.6% (14.0%). Adjusted EBITDA per platform/brand is presented in the graphs at right. Adjusted EBITDA more closely reflects the Group's underlying earnings capacity, as items affecting comparability related to acquisitions, the listings, the provision for fines in the UK, and the gain on the sale of the broadcasting asset in Italy are excluded.

Adjusted EBITDA for the LeoVegas brand was EUR 7.6 m, with a margin of 12.2%. The adjusted EBITDA margin for the LeoVegas brand was marginally higher for the Group as a whole. EBITDA for the Royal Panda brand was EUR 0.8 m, with a margin of 7.8%. The low margin in Royal Panda is explained by substantial marketing costs in February and March, which also drove large increases in the number of new depositing customers (NDCs), mainly in the UK. The Rocket X brands contributed EUR 0.9 m to EBITDA during March, which represents an EBITDA margin of 22.1%. LeoVentures had EBITDA of EUR -0.3 m, as several companies in LeoVentures are in investment phases.

Operating profit (EBIT) was EUR 3.8 m (5.5), corresponding to an EBIT margin of 4.9% (12.6%).

Adjusted EBIT was EUR 7.9 m (5.7), corresponding to an adjusted EBIT margin of 10.2% (12.9%). Adjusted EBIT more closely reflects the Group's underlying earnings capacity, as items affecting comparability related to acquisitions, the listings, the provision for fines in the UK, the gain on the sale of the broadcasting asset in Italy, and amortisation of acquired intangible assets are excluded.

The Group's depreciation and amortisation excluding acquisition-related amortisation amounted to EUR 1.1 m. Amortisation of acquired intangible assets was EUR 4.6 m. For more detailed information on amortisation of acquired intangible assets, see the press release from 13 April 2018. Further information is provided in the preliminary purchase price allocation analyses on pages 10-11.

Financial expenses in the first quarter were higher than in earlier quarters. The increase is attributable to the loan facility that was secured in connection with the acquisitions of Royal Panda and Rocket X. During the fourth quarter, EUR 20 m was used of the loan facility, which is worth EUR 100 m in total, and during the first quarter an additional EUR 65 m was used. During the first quarter, financial expenses related to the loan facility totaled EUR 0.3 m.

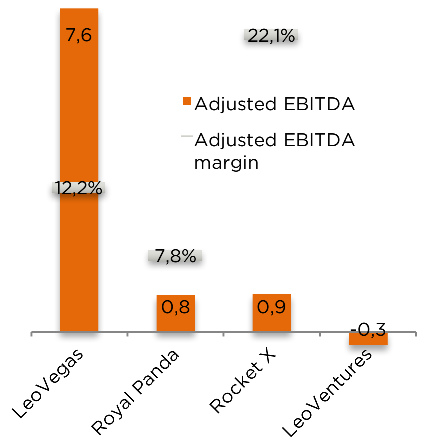
The acquisition of Royal Panda provides for a potential, maximum earn-out payment (contingent consideration) of EUR 60.0 m. LeoVegas has determined that it is likely that part of this earn-out will be paid out. The estimated outcome is expected to be EUR 42.0 m (undiscounted). The acquisition of CasinoGrounds also includes a contingent earn-out payment that can amount to a maximum of SEK 15 m (EUR 1.5 m). The assessment is that the maximum earn-out will be paid. During the quarter an earnings effect of EUR 1.6 m arose from the fair value discounting of these provisions, which is charged against profit for the period as a financial expense. The earn-out payment for Royal Panda will be settled on 1 December 2018. The earn-out for CasinoGrounds will be settled on 31 August 2018.

The tax cost for the quarter was EUR 0.1 m (0.4).

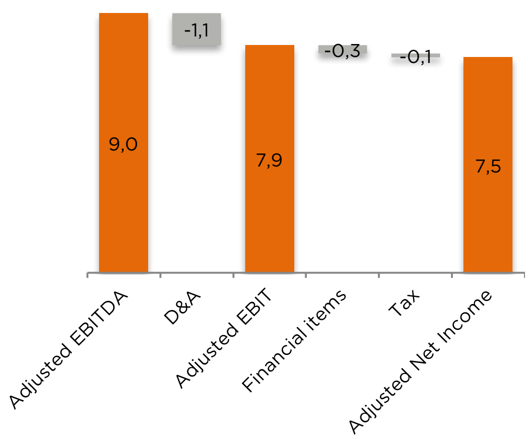
Net profit for the quarter was EUR 1.7 m (5.1), corresponding to a net margin of 2.2% (11.7%). Earnings per share were EUR 0.02 (0.05) before dilution and EUR 0.01 (0.05) after dilution.

Adjusted earnings per share were EUR 0.07 (0.05). Adjusted earnings per share reflect the Group's underlying earnings capacity, as items affecting comparability related to acquisitions, the listings, the provision for fines in the UK, the gain on the sale of the broadcasting asset in Italy, and amortisation of acquired intangible assets are excluded. The discounting effect of earn-out payments is also excluded, as this does not affect cash flow.

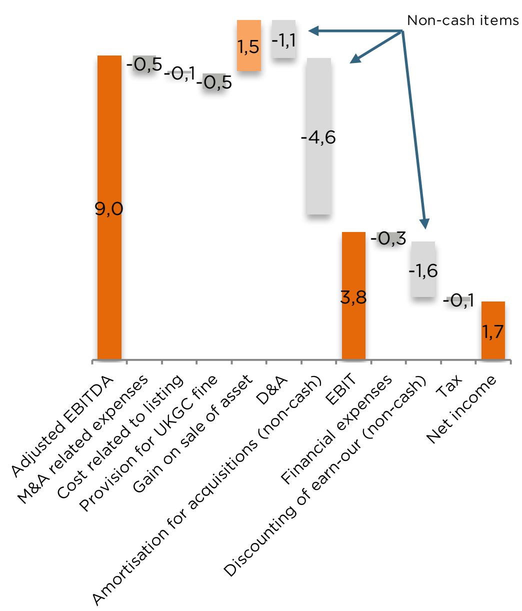
Adjusted EBITDA MEUR and adjusted EBITDA margin %



Adjusted EBITDA to Adjusted Net Income MEUR



Adjusted EBITDA to Net Income MEUR



Balance sheet and financing

At the end of March 2018, the Group's equity amounted to EUR 64.8 million (56.0), corresponding to EUR 0.6 per share. As of January 1, 2018, the LeoVegas Group has a non-controlling interest, amounting to EUR 4.7 million (0) of equity. Non-controlling interests are attributable to CasinoGrounds, where 51 percent of the shares were acquired.

The Group's financial position is strong. LeoVegas has taken out an interest-bearing bank loan of EUR 85 m and has the opportunity to use up to EUR 100 m in the existing loan facility. The equity/assets ratio was 24% (62%). Total assets as per 31 March 2018 were EUR 267.4 m (90.5).

The Group had intangible assets with a value of EUR 12.4 m (7.1) at the end of the quarter. Intangible assets attributable to identified surplus assets from acquisitions amounted to EUR 72.0 m (1.8). The increase is mainly attributable to the acquisitions of Royal Panda and Rocket X. Goodwill related to all acquisitions amounted to EUR 101.8 m (4.7). The acquisition of Rocket X is an asset/liability acquisition, whereby no shares were acquired. Other acquisitions involve purchases of shares. LeoVegas' holding in CasinoGrounds is 51% of the shares, whereby holdings of non-controlling interests are presented in the consolidated balance sheet and income statement.

The consolidated balance sheet includes customer deposits. Customer balances at the end of the first quarter amounted to EUR 10.7 m (4.6).

Cash and cash equivalents amounted to EUR 44.4 m (64.0). Cash and cash equivalents excluding customer balances amounted to EUR 33.7 m (59.5).

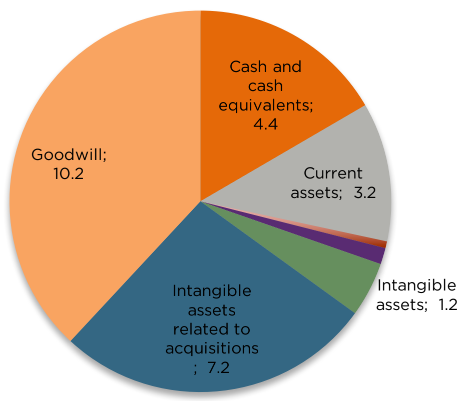
Several items in current liabilities have increased significantly during the year, which is due to the consolidation of acquisitions and underlying growth.

Cash flow and investments

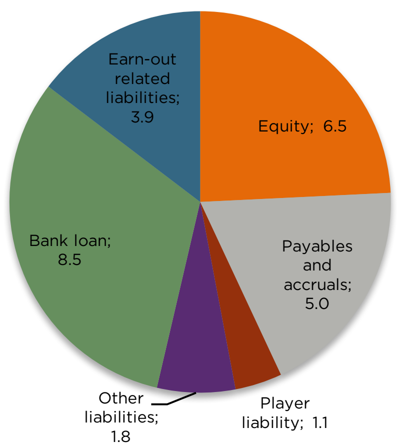
Cash flow from operating activities during the quarter totalled EUR 11.8 m (5.9). The increase is mainly attributable to an adjustment for higher amortisation of acquired intangible assets, which has does not affect cash flow.

Investments in property, plant and equipment amounted to EUR 1.0 m (0.1) and consisted mainly of equipment and furnishings for new offices in Stockholm and Västerås. Investments in intangible non-current assets amounted to EUR 2.8 m (0.8). Of this total EUR 1.85 m consisted of acquired intangible assets, and the remainder pertained to capitalised development costs. The increase in cash flow from investing activities is mainly related to the acquisitions of Rocket X, CasinoGrounds and World of Sportsbetting. Cash flow from investing activities was also positively affected by EUR 1.5 m, which pertains to the sale of the broadcast rights in Italy. In total, investing activities generated an outflow of EUR 84.4 m. In cash flow from financing activities, the Group used an additional EUR 65 m of the loan facilities.

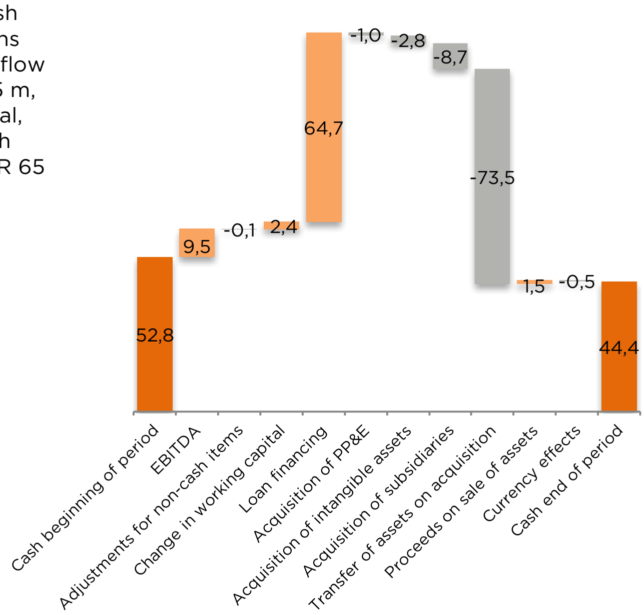
Balance sheet Assets MEUR



Balance sheet Equity and Liabilities MEUR



Cash flow MEUR



Other information

Outlook and financial targets[§]

Against the background of strong organic growth and several acquisitions that are contributing to LeoVegas' success as a growth company, the Board of Directors of LeoVegas has adopted new financial targets for the Group. These were communicated on 19 April and are presented below:

Growth and revenue:

- LeoVegas' target is to achieve revenue of at least EUR 600 m by 2020.

Profit:

- LeoVegas' target is to achieve at least EUR 100 m in EBITDA by 2020.

The long-term targets that were adopted in late 2015 have not changed and are as follows:

- Long-term organic growth that outperforms the online gaming market
- Long-term EBITDA margin of no less than 15% assuming that 100% of revenue will be generated in regulated markets subject to gambling tax
- To pay a dividend of at least 50% of profit after tax

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 core markets is very favourable.

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 of 2018 revenue amounted to EUR 0.6 m (0.1), and profit after tax was EUR -0.6 m (-0.3). Cash and cash equivalents amounted to EUR 0.7 m (15.4). A dividend of EUR 10.2 m was paid to the Parent Company's shareholders during the second quarter of 2017, which explains the decrease in cash and cash equivalents.

UK Gambling Commission has indicated assessment of fines against LeoVegas

LeoVegas has for some time been engaged in talks with the UK Gambling Commission (UKGC) on alleged violations of the British gambling regulations. As a result, the UKGC has announced that LeoVegas will be assessed fines of GBP 612,913 (approx. EUR 700,000). A clear majority of this is attributable to marketing conducted by affiliates. A provision of EUR 160,000 was made for this during the fourth quarter, and an additional provision of EUR 540 m was made during the first quarter. The UKGC's fine is based on the following events:

Misleading marketing conducted by affiliates

The UKCG recently set higher requirements for gambling companies' control of their affiliates. LeoVegas has adapted its routines to the new requirements. LeoVegas has regularly stopped working with a number of affiliates and increased its requirements on partners. This is work that has been conducted on a continuous basis, but it was stepped up in recent time in order to harmonise it with the UKGC's higher requirements. LeoVegas is today in full compliance with the regulations.

Reimbursement and marketing directed at customers who have requested to have their accounts closed

Due to an internal system error, LeoVegas directed marketing at customers who had requested to have their accounts closed. This occurred in 2016, and the error was remedied when it was discovered. The UKGC also alleges that LeoVegas has violated the regulations by not paying out deposited funds to a number of British players who had requested to have their accounts closed. In its contacts with the UKGC LeoVegas informed the commission that most of these players' funds amounted to a maximum of 1 pound and that the Company does not repay such small amounts. However, LeoVegas accepts the UKGC's decision to assess a fine.

[§] LeoVegas' financial targets provided above are based on a number of assumptions about the business environment that the Group works in. Over time this may vary, whereby the outcome may deviate considerably from these assumptions. The outcome may therefore be worse than what LeoVegas initially estimated when the financial targets were adopted. As a result, LeoVegas' ability to achieve the financial targets is subject to uncertainties and eventualities, of which some are outside of the Group's control. There is no guarantee that LeoVegas can achieve the targets or that LeoVegas' financial position or operating profit will not differ significantly from the financial targets.

Acquisition – Rocket X (1 March 2018)

LeoVegas enters into agreement to acquire assets from Intellectual Property & Software Limited ("IPS"), European Domain Management Ltd ("EDM") and assets and operations of Rocket 9 Ltd (collectively referred to as "Rocket X")
On 12 January 2018 it was announced that LeoVegas – through its wholly owned subsidiary LeoVegas Gaming Ltd – entered into an agreement to acquire assets from the gaming operator Intellectual Property & Software Limited ("IPS") and related assets from European Domain Management Ltd ("EDM"), both of which are based in Alderney, Channel Islands. In addition, LeoVegas – through a wholly owned British subsidiary – also reached an agreement to acquire the assets and operations in Rocket 9 Ltd ("Rocket 9"). Rocket 9 is a marketing business based in Newcastle, England. These assets are collectively named Rocket X going forward.

Transfer of possession and consolidation took place on 1 March 2018. The total purchase price was GBP 65 m (EUR 73.6 m). The acquisition was financed with existing cash holdings and debt financing. The Group has used EUR 60 m of existing credit that is included in a total loan facility of EUR 100 m.

Rocket X's strategy focuses on digital and data-driven customer acquisition that incorporates keyword optimisation with multiple brands and customer acquisition sites. As a result, Rocket X operates one of the market's most effective customer acquisition models. Rocket X has shown strong growth and profitability, which gives LeoVegas a firm stronghold in the UK with local expertise. In connection with the acquisition,
LeoVegas has also gained a strong company culture with a technology and product focus. The acquisition further strengthens LeoVegas' presence in the UK and its position as the leading mobile gaming company.

Accounting effects

The acquisition consists of an asset/liability acquisition, and no shares were taken over. During the first quarter Rocket X contributed EUR 4.0 m to the Group's revenue and EUR 0.9 m to operating profit (corresponding to one month). If LeoVegas had owned Rocket X as from 1 January 2018, it would have contributed EUR 12.4 m to the Group's revenue and EUR 3.6 m to operating profit at the end of the quarter.

The table at right shows a preliminary purchase price allocation and summarises the total purchase price of EUR 73.6 m, measured at fair value, as well as the fair value of acquired assets and liabilities taken over. Current receivables and liabilities include no derivatives, and fair value is the same as the carrying amount.

Preliminary purchase price allocation,* Rocket X (EUR, '000s)	
The acquired company's carrying amounts per the date of acquisition, 2018-03-01	**Measured at fair value**
Property, plant and equipment	149
Intangible assets	19 350
Financial assets	-
Trade and other receivables	1 770
Cash and cash equivalents	3 973
Trade and other payables	-5 743
Deferred tax liabilities	-
Total acquired, identifiable net assets at fair value	**19 499**
Goodwill	**54 149**
Purchase price	**73 648**
Purchase price	
Consideration paid	73 648
Total purchase price	**73 648**
Identified surplus value	
Brands and domains	7 125
Acquired customer database	12 225
Total identified surplus value	19 350

Identified surplus value pertains to intangible assets in the form of trademarks and domain names, valued at EUR 7.1 m, and the acquired customer database, valued at EUR 12.2 m. The intangible assets are measured at fair value as per the date of acquisition and are amortised over the estimated useful life, which corresponds to the estimated time they will generate cash flow. Continuing amortisation of the acquired trademarks and domain names will be charged against consolidated profit at a straight-line amortisation rate of five years. Amortisation of the acquired customer database will be charged against consolidated profit at an amortisation rate of two years during the first three months and at a rate of four years during the following 45 months.

Goodwill is attributable to future revenue synergies, which are based on the potential to reach new customers through access to new markets and thus geographic expansion. Goodwill is to some extent also attributable to human capital.

For 2018 the acquisition is expected to have a positive effect on the Group's EBITDA, but a marginally negative effect on EBIT and earnings per share due to higher depreciation and amortisation in the Group.

Acquisition – CasinoGrounds (1 January 2018)

LeoVegas has acquired 51% of CasinoGrounds through its wholly owned subsidiary LeoVentures

Through its wholly owned subsidiary LeoVentures Ltd, the Group signed an agreement to acquire 51% of the shares in GameGrounds United AB (CasinoGrounds), which is the company behind the streaming network casinogrounds.com. CasinoGrounds is the leading live streaming site for casino games via YouTube and Twitch and has carved out a new niche with its live streaming and social platform, which are very popular among players. The combination of proprietary content and moving picture format creates interesting opportunities going forward and is in line with LeoVegas' strategy to be an innovative and entrepreneur-driven company.

Transfer of possession and consolidation took place on 1 January 2018. The purchase price was SEK 30 m, with a potential, maximum earn-out payment of SEK 15 m. LeoVegas' assessment is that the full earn-out will be paid. In addition, the agreement includes an option to purchase an additional 29% of the shares in 2021 or 2022 at 5 times operating profit (EBIT multiple). The acquisition was paid for with own cash.

Accounting effects

During the first quarter the acquired business contributed EUR 0.3 m to the Group's revenue and EUR 0.1 m to operating profit.

The table at right shows a preliminary purchase price allocation and summarises the total purchase price of EUR 8.5 m (adjusted for minority share), measured at fair value, as well as the fair value of acquired assets and liabilities taken over.

Preliminary purchase price allocation,* CasinoGrounds (EUR, '000s)	
The acquired company's carrying amounts per the date of acquisition, 2018-01-01	Measured at fair value
Property, plant and equipment	-
Intangible assets	5 540
Financial assets	-
Trade and other receivables	368
Cash and cash equivalents	347
Trade and other payables	-126
Deferred tax liabilities	-553
Total acquired, identifiable net assets at fair value	**5 575**
Goodwill	**2 907**
Purchase price	**8 482**
Purchase price	
Consideration paid	3 054
Estimated earn-out (contingent consideration)	1 272
Total consideration for 51%	4 326
Total consideration adjusted to 100%	**8 482**
Identified surplus value	
Acquired customer database	3 690
Total identified surplus value	**3 690**

Identified surplus value pertains to intangible assets in the form of the acquired customer database, valued at EUR 3.7 m. The intangible assets are measured at fair value as per the date of acquisition and are amortised over the estimated useful life, which corresponds to the estimated time they will generate cash flow. Amortisation of the acquired customer database will be charged against consolidated profit at an amortisation rate of two years during the first three months and at a rate of four years during the following 45 months.

Goodwill is attributable to future revenue synergies, which are based on the potential to use existing knowledge to scale up the acquired business and thereby achieve expansion. Goodwill is to some extent also attributable to human capital.

The acquisition is not expected to have any material effect on the Group's EBITDA or earnings per share for 2018.

Adjusted purchase price for acquisition of Royal Panda

Royal Panda was acquired in 2017, with transfer of possession and consolidation on 1 November. The acquisition was made for an initially estimated purchase price of EUR 60 m, with a potential earn-out payment of an additional EUR 60 m (contingent consideration). An adjustment of the initial purchase price was made during the first quarter of 2018 by an additional EUR 0.2 m. The previously presented adjustment of EUR 2.7 m has thus increased to EUR 2.9 m. The increase is due to an adjustment of the previously set figure for working capital in the acquired company as per the date of transfer of possession. The total purchase price may thereby amount to EUR 120 m plus an additional EUR 2.9 m.

The adjustment entails an increase in goodwill by the corresponding amount (EUR 0.2 m), which amounts to EUR 40.4 m after the adjustment.

In other respects, no changes have been made in the presented purchase price allocation analyses (see 2017 Annual Report, page 102).

Currency sensitivity
LeoVegas' largest markets are the Nordic countries and the UK. The Group's earnings are thus affected by currency translation effects. In the quarter, changes in the euro exchange rate had a negative 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. In addition, 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 721 (413), of whom 43 are employed by companies in the Royal Panda Group and 100 in Rocket X. The average number of employees during the first quarter was 644 (357). In addition, LeoVegas was using the services of 24 (2) full-time consultants at the end of the quarter.

Related-party transactions
Since December 2017 LeoVegas no longer has a related-party relationship with the landlord regarding rents for office premises in Stockholm. LeoVegas continues to have a related-party relationship for rent of company flats. 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 2017 Annual Report.

Shares and ownership structure
LeoVegas AB was listed on Nasdaq Stockholm on 5 February 2018 (and listed on Nasdaq First North since 17 March 2016). The total number of shares and votes in LeoVegas AB is 99,695,470. As per 31 March 2018 the Company had 13,464 shareholders. The five largest shareholders were Swedbank Robur, with 8.2%; Gustaf Hagman, with 8.0%; Robin Ramm-Ericson, with 6.9%; Handelsbanken Fonder, with 4.3%; and Catella Bank, with 3.4% of the shares and votes.

Adjusted performance measures
LeoVegas presents adjusted performance measures to provide a more fundamental picture to readers of reports by showing earnings that more closely reflect the Group's underlying earnings capacity. Adjusted items include costs associated with the listings on Nasdaq First North Premier and Nasdaq Stockholm, costs related to consulting for acquisitions, sales of assets that affect earnings, amortisation of intangible assets related to acquisitions, and remeasurement and discounting of earn-out payments for acquisitions (that do not have a cash flow effect). Earnings-related items affecting comparability have entailed the recalculation of the performance measure adjusted EBIT and the adjusted EBIT margin for earlier historic periods. This is because amortisation of acquired intangible assets is now included as an item affecting comparability (starting with the first quarter of 2018).

Accounting policies
The consolidated financial statements are prepared in accordance with 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 applied in the preparation of this interim report, are described in Note 2, pages 82–87, of the 2017 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 the financial statements, 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 that 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 Alternative Performance Measures are designed to complement, not replace, financial measures that are presented in accordance with IFRS. For definitions, see the paragraph *Definitions of Alternative Performance Measures*.

The number of shares after dilution has been changed in all historic periods starting with the interim report for the fourth quarter of 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 in June 2018, which have a dilutive effect. An additional 1,000,000 warrants are outstanding which carry entitlement to subscribe for 1,000,000 shares. These expire in June 2020 and do not have a dilutive effect. 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 16 Leasing
IFRS 16 introduces a "right of use model" and entails for the lessee that all lease contracts, with a few exceptions, are to be recognised on the balance sheet. Exceptions are made for leases with lease terms that are 12 months or shorter and for leases with low values. The classification of operating and finance leases disappears. IFRS 16 Leases will replace IAS 17 Leases and is to be applied for financial years beginning on or after 1 January 2019, and early application is permitted under the condition that IFRS 15 is applied at the same time.

The Group has evaluated the potential effects on the financial statements of application of IFRS 16. The new standard will entail that new assets and liabilities are to be recognised on the balance sheet, which will affect reported profit or loss and key ratios such as EBITDA, CAPEX, and the debt-equity ratio. LeoVegas leases offices with lease fees (rents), which currently are reported as an operating expense. Upon application of IFRS 16, LeoVegas will instead recognise a tangible asset on the balance sheet, consisting of the lease contract, whereby depreciation of the asset will arise. Depreciation, instead of operating expenses, will thereby primarily affect EBITDA. LeoVegas also has an obligation to pay for this right, whereby a liability will be recognised on the balance sheet. Interest expenses related to the liability to the lessor will be classified as financial expenses. This entails a change compared with IAS 17, where LeoVegas' leasing costs are charged against operating profit on a separate line. IFRS 16 will entail recognition of higher costs at the start of a lease term and lower costs towards the end. This is because the interest expense will decrease in pace with amortisation of the leasing liability. Previously, under IAS 17, LeoVegas' operating leases affected earnings with an equally high cost every year during the lease term. Classification in the statement of cash flows will also be affected by application of IFRS 16. In the statement of cash flows, payments, i.e., amortisation of the liability, will be recognised under financing activities. This thus differs from the current standard, where lease payments are recognised in their entirety under operating activities. The interest component of payments will be reported under operating activities, since this is in accordance with the Group's classification of interest.

Legal update

The legal situation for online gaming is changing continuously at the EU level as well as in individual geographic markets. Countries within the EU are under pressure 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 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 Australia a supplement to current gaming legislation has been decided which, by LeoVegas' interpretation, makes it no longer possible to accept revenue from customers residing in Australia. LeoVegas has not accepted any revenue from Australia since 10 September 2017. Australia, which was included in the Rest of World geographic area, accounted for 5.7% of revenue during the third quarter of 2017.

The Swedish market is moving towards regulation, and indications are that 1 January 2019 will be the day this takes effect. The recommended gambling tax is 18%. The gambling tax is based on revenue, or a closely related revenue measure that is often referred to as Gross Gaming Revenue (GGR). 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 the second half of 2019 is now being indicated as the date of implementation. The Rest of World geographic area includes geographies with unclear gambling laws, which over time may affect LeoVegas' revenue, earnings and expansion opportunities, depending on what legal changes may be made.

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 because parts of LeoVegas' existing operations may be affected, but primarily as they may affect the Company's future expansion. Developments in the legal area are monitored and addressed on a continuous basis within LeoVegas.

Part of LeoVegas' marketing entails collaborating with partners in advertising networks, so-called affiliates. In connection with this, it may happen that the LeoVegas brand is exposed in undesirable contexts. 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 gambling-related problems. LeoVegas takes this very seriously, and responsible gambling is a fundamental principle in the Company's product design and customer contacts. All LeoVegas employees, regardless of their function in the Company, are required to obtain certification in responsible gambling. 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 gambling and related issues. LeoVegas 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 gambling as part of its company culture. LeoVegas works with commitment and knowledge to continuously promote a positive and sound gaming experience for everyone. During the fourth quarter of 2017 LeoSafePlay.com was launched, which is a website dedicated to promoting responsible gambling.

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 2017 Annual Report.

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.

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, 2 May 2018

Mårten Forste
Chairman of the Board

Robin Ramm-Ericson
Director

Barbara Canales Rivera
Director

Per Brilioth
Director

Anna Frick
Director

Patrik Rosén
Director

Tuva Palm
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Financial calendar 2018

Annual General Meeting	29 May 2018
Interim Report Jan-Jun	1 Aug 2018
Interim Report Jan-Sep	7 Nov 2018

Consolidated income statement

EUR'000s	Jan-Mar 2018	Jan-Mar 2017	2017	2016
Revenue	**77 367**	**43 916**	**217 014**	**141 398**
Cost of sales	(14 618)	(7 844)	(39 195)	(26 519)
Gaming Duties	(7 073)	(2 085)	(15 144)	(5 673)
Gross profit	**55 676**	**33 987**	**162 675**	**109 206**
Personnel costs	(8 608)	(5 932)	(26 402)	(17 782)
Capitalised development costs	1 041	795	3 713	2 808
Other operating expenses	(10 012)	(4 085)	(22 878)	(17 914)
Marketing expenses	(30 205)	(18 833)	(91 727)	(60 448)
Other income and expenses	1 615	103	566	131
EBITDA	**9 507**	**6 035**	**25 947**	**16 001**
Depreciation and amortisation	(1 106)	(495)	(3 165)	(1 399)
Amortisation of acquired intangible assets	(4 617)	(23)	(2 868)	-
Operating profit (EBIT)	**3 784**	**5 517**	**19 914**	**14 602**
Financial income	7	5	13	20
Financial costs	(304)	(1)	(130)	(3)
Financial liability fair value gains/(losses)	(1 616)	-	(993)	-
Profit before tax	**1 871**	**5 521**	**18 804**	**14 619**
Income tax	(131)	(388)	(676)	(193)
Net profit for the period	**1 740**	**5 133**	**18 128**	**14 426**
Net profit attributable to owners of the parent company	1 538	5 133	18 128	14 426
Net profit attributable to non-controlling interests	202	-	-	-
Exchange differences on translation of foreign operations	(1)	-	-	-
Other comprehensive income	**(1)**	**-**	**-**	**-**
Total comprehensive income	**1 739**	**5 133**	**18 128**	**14 426**
Earnings per share (EUR)	**0.02**	**0.05**	**0.18**	**0.14**
Earnings per share after dilution (EUR)	**0.02**	**0.05**	**0.18**	**0.14**
No. of shares outstanding adj. for share split (millions)	99.70	99.70	99.70	99.70
No. of shares after dilution adj. for share split (millions)	101.33	100.83	101.25	100.71
Key ratios				
Cost of sales as a % of revenue	18.9%	17.9%	18.1%	18.8%
Gaming duties as a % of revenue	9.1%	4.7%	7.0%	4.0%
Gross margin, %	72.0%	77.4%	75.0%	77.2%
Personnel costs as % of revenue	11.1%	13.5%	12.2%	12.6%
Operating expenses as % of revenue	12.9%	9.3%	10.5%	12.7%
Marketing expenses as % of revenue	39.0%	42.9%	42.3%	42.8%
EBITDA margin %	12.3%	13.7%	12.0%	11.3%
EBIT margin %	4.9%	12.6%	9.2%	10.3%
Net margin, %	2.2%	11.7%	8.4%	10.2%

Adjusted profit measures EUR'000s	Jan-Mar 2018	Jan-Mar 2017	2017	2016
EBITDA	**9 507**	**6 035**	**25 947**	**16 001**
Costs pertaining to listing	62	133	594	5 283
Costs pertaining to acquisition-related consulting	466	-	1 353	-
Provision for fine from UKGC	453	-	-	-
Gain on sale of asset	(1 500)	-	-	-
Adjusted EBITDA	**8 988**	**6 168**	**27 894**	**21 284**
Depreciation and amortisation	(1 106)	(495)	(3 165)	(1 399)
Adjusted EBIT	**7 882**	**5 673**	**24 729**	**19 885**
Net financial items	(297)	4	(117)	17
Tax	(131)	(388)	(676)	(193)
Adjusted net income	**7 454**	**5 289**	**23 936**	**19 709**
Adjusted EPS	**0.07**	**0.05**	**0.24**	**0.20**
Adjusted EBITDA margin %	11.6%	14.0%	12.9%	15.1%
Adjusted EBIT margin %	10.2%	12.9%	11.4%	13.9%
Adjusted net margin %	9.6%	12.0%	11.0%	13.9%

Consolidated balance sheet, condensed

EUR'000s	31 Mar 2018	31 Mar 2017	31 Dec 2017	31 Dec 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3 714	1 342	2 870	1 194
Intangible assets	12 410	7 099	9 948	4 804
Intangible assets surplus values from acquisitions	72 035	1 804	51 018	-
Goodwill	101 840	4 961	44 604	1 056
Deferred tax assets	1 541	837	1 541	837
Total non-current assets	**191 540**	**16 043**	**109 981**	**7 891**
Current assets				
Trade receivables	23 796	6 130	15 178	6 739
Other current receivables	7 706	4 295	7 074	3 098
Cash and cash equivalents	44 368	64 024	52 758	60 218
of which restricted cash (player funds)	*10 662*	*4 575*	*7 097*	*4 067*
Total current assets	**75 870**	**74 449**	**75 010**	**70 055**
TOTAL ASSETS	**267 410**	**90 492**	**184 991**	**77 946**
EQUITY AND LIABILITIES				
Share capital	1 196	1 196	1 196	1 196
Additional paid-in capital	36 588	36 411	36 588	36 411
Translation reserve	(1)	-	-	-
Retained earnings including profit for the period	22 660	18 361	21 122	13 228
Equity attributable to owners of the Parent Company	**60 443**	**55 968**	**58 906**	**50 835**
Non-controlling interest	4 370	-	-	-
Total Equity	**64 813**	**55 968**	**58 906**	**50 835**
Bank loan	84 761	-	20 015	-
Other non-current liabilities	951	928	942	924
Total non-current liabilities	**85 712**	**928**	**20 957**	**924**
Current liabilities				
Trade and other payables	17 920	12 928	14 818	8 737
Player liabilities	10 662	4 575	7 097	4 067
Tax liability	6 625	1 823	5 886	1 033
Accrued expenses and deferred income	32 357	14 270	27 302	12 350
Short-term liability in respect of acquisition	10 131	-	13 644	-
Provision for conditional purchase price (earn-out)	39 190	-	36 381	-
Total current liabilities	**116 885**	**33 596**	**105 128**	**26 187**
TOTAL EQUITY AND LIABILITIES	**267 410**	**90 492**	**184 991**	**77 946**

Consolidated statement of cash flows, condensed

EUR'000s	Jan-Mar 2018	Jan-Mar 2017	2017	2016
Operating profit	3 784	5 517	19 914	14 602
Adjustments for non-cash items	5 633	589	6 135	2 061
Cash flow from changes in working capital	2 429	(251)	8 026	10 488
Cash flow from operating activities	**11 846**	**5 855**	**34 075**	**27 151**
Acquisition of property, plant and equipment	(1 034)	(110)	(1 855)	(952)
Acquisition of intangible assets	(2 751)	(830)	(4 312)	(2 935)
Acquisition of subsidiaries	(8 686)	(1 156)	(43 935)	-
Transfer of assets on acquisition	(73 472)	-	-	-
Proceeds on sale of assets	1 500	-	-	-
Cash flow from investing activities	**(84 443)**	**(2 096)**	**(50 102)**	**(3 887)**
Loan financing	64 740	-	20 000	-
Proceeds from share issue/other equity securities	-	-	170	15 353
Cash dividends paid out to shareholders	-	-	(10 233)	-
Cash flow from financing activities	**64 740**	**-**	**9 937**	**15 353**
Net increase/(decrease) in cash and cash equivalents	(7 857)	3 759	(6 090)	38 617
Cash and cash equivalents at start of the period	52 758	60 218	60 218	22 605
Currency effects on cash and cash equivalents	(532)	47	(1 370)	(1 004)
Cash and cash equivalents at end of period	**44 368**	**64 024**	**52 758**	**60 218**
of which restricted cash (player funds)	*10 662*	*4 575*	*7 097*	*4 067*

Consolidated statement of changes in equity, condensed

EUR'000s	Share Capital	Other capital contribution	Translation reserve	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
Balance at 1 January 2017	**1 196**	**36 411**	-	**13 228**	**50 835**	-	**50 835**
Profit for the period	-	-	-	5 133	5 133	-	5 133
Total comprehensive income for the period	**-**	**-**	**-**	**5 133**	**5 133**	**-**	**5 133**
					-		
Balance at 31 March 2017	**1 196**	**36 411**	**-**	**18 361**	**55 968**	**-**	**55 968**
Balance at 1 January 2018	**1 196**	**36 588**	-	**21 122**	**58 906**	-	**58 906**
Profit for the period	-	-	-	1 538	1 538	202	1 740
Exchange differences on translation of foreign operations	-	-	(1)	-	(1)	-	(1)
Total comprehensive income for the period	**-**	**-**	**(1)**	**1 538**	**1 537**	**202**	**1 739**
Transactions with non-controlling interests:							
Acquisition of non-controlling interests	-	-	-	-	-	4 168	4 168
Balance at 31 March 2018	**1 196**	**36 588**	**(1)**	**22 660**	**60 443**	**4 370**	**64 813**

Parent Company income statement, condensed

EUR'000s	Jan-Mar 2018	Jan-Mar 2017	2017	2016
Revenue	**578**	**73**	**1 411**	**192**
Operating expenses	(1 190)	(512)	(4 374)	(7 600)
Other income and expenses	-	-	-	(99)
Operating profit (EBIT)	**(612)**	**(439)**	**(2 963)**	**(7 507)**
Net financial income	14	137	2 073	2 211
Tax cost	-	-	668	834
Profit / Loss for the period*	**(598)**	**(302)**	**(222)**	**(4 462)**

* Profit for the period corresponds to comprehensive income for the period

Parent Company balance sheet, condensed

EUR'000s	31 Mar 2018	31 Mar 2017	31 Dec 2017	31 Dec 2016
ASSETS				
Total non-current assets	15 475	13 995	14 275	9 731
Current assets	5 950	2 905	5 830	3 425
Cash and cash equivalents	661	15 417	2 975	19 249
Total current assets	**6 611**	**18 322**	**8 805**	**22 674**
TOTAL ASSETS	**22 086**	**32 317**	**23 080**	**32 405**
EQUITY AND LIABILITIES				
Total equity	**21 626**	**31 834**	**22 225**	**32 137**
Total liabilities	**460**	**483**	**855**	**268**
TOTAL EQUITY AND LIABILITIES	**22 086**	**32 137**	**23 080**	**32 405**

KPIs per quarter

Amounts in EUR'000s unless otherwise stated	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Deposits	**248 567**	**224 610**	**193 081**	**167 933**	**149 628**
Growth, Deposits, y-y %	*66%*	*62%*	*56%*	*67%*	*86%*
Growth, Deposits, q-q %	*11%*	*16%*	*15%*	*12%*	*8%*
Deposits per region					
Sweden, % Deposits	32.0%	36.6%	41.4%	40.9%	43.7%
Other Nordics, % Deposits	21.0%	23.0%	21.5%	20.3%	18.1%
UK, % Deposits	24.1%	18.5%	14.0%	15.3%	15.1%
Rest of Europe, % Deposits	18.1%	18.5%	17.2%	17.4%	15.2%
Rest of the World, % Deposits	4.7%	3.4%	5.9%	6.2%	8.0%
Net Gaming Revenue (NGR)	**76 467**	**67 901**	**55 165**	**49 175**	**43 656**
Growth Net Gaming Revenue, y-y %	*75%*	*67%*	*39%*	*65%*	*53%*
Growth Net Gaming Revenue, q-q %	*13%*	*23%*	*12%*	*13%*	*8%*
Net Gaming Revenue (NGR) per region					
Sweden, % Net Gaming Revenue	26.3%	33.5%	37.1%	36.6%	40.1%
Other Nordics, % Net Gaming Revenue	19.0%	22.2%	22.7%	20.0%	16.0%
UK, % Net Gaming Revenue	25.6%	16.6%	12.2%	14.3%	13.7%
Rest of Europe, % Net Gaming Revenue	20.5%	21.8%	17.8%	19.0%	17.3%
Rest of the World, % Net Gaming Revenue	8.6%	5.8%	10.1%	10.1%	13.0%
Growth in NGR per region					
Sweden, y-y %	*15.0%*	*35.3%*	*16.7%*	*22.7%*	*27.5%*
Other Nordics, y-y %	*108.1%*	*140.1%*	*127.3%*	*141.7%*	*117.5%*
UK, y-y %	*228.3%*	*162.9%*	*28.8%*	*83.0%*	*19.4%*
Rest of Europe, y-y %	*107.5%*	*115.6%*	*80.7%*	*143.8%*	*168.0%*
Rest of the World, y-y %	*15.9%*	*-39.3%*	*-7.5%*	*32.5%*	*60.5%*
Regulated revenue as a % of total	**35.4%**	**29.0%**	**25.3%**	**25.1%**	**18.3%**
Growth in regulated revenues, y-y %	*238%*	*340%*	*167%*	*223%*	*61%*
Growth in regulated revenues, q-q %	*38%*	*44%*	*11%*	*54%*	*79%*
Hold (NGR/Deposits) %	30.8%	30.2%	28.6%	29.3%	29.2%
Game margin %	3.62%	3.74%	3.74%	3.75%	3.62%
Number of active customers	**547 959**	**391 705**	**299 639**	**284 387**	**318 529**
Growth active customers, y-y %	*72%*	*-3%*	*-12%*	*-47%*	*-34%*
Growth active customers, q-q %	*40%*	*31%*	*5%*	*-11%*	*-21%*
Number of depositing customers	**302 014**	**253 299**	**202 980**	**173 034**	**172 338**
Growth depositing customers, y-y %	*75%*	*44%*	*30%*	*-2%*	*42%*
Growth depositing customers, q-q %	*19%*	*25%*	*17%*	*0%*	*-2%*
Number of new depositing customers	**146 063**	**128 409**	**97 210**	**73 014**	**75 017**
Growth new depositing customers, y-y %	*95%*	*50%*	*30%*	*-33%*	*23%*
Growth new depositing customers, q-q %	*14%*	*32%*	*33%*	*-3%*	*-12%*
Number of returning depositing customers	**155 951**	**124 890**	**105 770**	**100 020**	**97 321**
Growth returning depositing customers, y-y %	*60%*	*37%*	*29%*	*49%*	*61%*
Growth returning depositing customers, q-q %	*25%*	*18%*	*6%*	*3%*	*7%*

Consolidated income statement per quarter

EUR'000s	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenue	**77 367**	**67 826**	**55 620**	**49 652**	**43 916**
Cost of sales	(14 618)	(12 086)	(10 389)	(8 876)	(7 844)
Gaming Duties	(7 073)	(6 144)	(4 045)	(2 870)	(2 085)
Gross profit	**55 676**	**49 596**	**41 186**	**37 906**	**33 987**
Personnel costs	(8 608)	(7 869)	(5 568)	(7 033)	(5 932)
Capitalised development costs	1 041	1 233	813	872	795
Other operating expenses	(10 012)	(7 526)	(6 321)	(4 946)	(4 085)
Marketing expenses	(30 205)	(29 469)	(22 638)	(20 787)	(18 833)
Other income and expenses	1 615	163	170	130	103
EBITDA	**9 507**	**6 128**	**7 642**	**6 142**	**6 035**
Depreciation and amortisation	(1 106)	(1 006)	(680)	(623)	(495)
Amortisation of acquired intangible assets	(4 617)	(3 068)	(69)	(69)	(23)
Operating profit (EBIT)	**3 784**	**2 054**	**6 893**	**5 450**	**5 517**
Financial income	7	6	1	1	5
Financial costs	(304)	(129)	-	-	(1)
Financial liability fair value gains/(losses)	(1 616)	(993)	-	-	-
Profit before tax	**1 871**	**938**	**6 894**	**5 451**	**5 521**
Income tax	(131)	575	(442)	(421)	(388)
Net profit for the period	**1 740**	**1 513**	**6 452**	**5 030**	**5 133**
Net profit attributable to owners of the parent company	1 538	1 513	6 452	5 030	5 133
Net profit attributable to non-controlling interests	202	-	-	-	-
Exchange differences on translation of foreign operations	(1)	-	-	-	-
Other comprehensive income	**(1)**	**-**	**-**	**-**	**-**
Total comprehensive income	**1 739**	**1 513**	**6 452**	**5 030**	**5 133**
Earnings per share (EUR)	**0.02**	**0.02**	**0.06**	**0.05**	**0.05**
Earnings per share after dilution (EUR)	**0.02**	**0.01**	**0.06**	**0.05**	**0.05**
No. of shares outstanding adj. for share split (millions)	99.70	99.70	99.70	99.70	99.70
No. of shares after dilution adj. for share split (millions)	101.33	101.25	101.18	101.03	100.83
Key ratios					
Cost of sales as a % of revenue	18.9%	17.8%	18.7%	17.9%	17.9%
Gaming duties as a % of revenue	9.1%	9.1%	7.3%	5.8%	4.7%
Gross margin, %	72.0%	73.1%	74.0%	76.3%	77.4%
Personnel costs as % of revenue	11.1%	11.6%	10.0%	14.2%	13.5%
Operating expenses as % of revenue	12.9%	11.1%	11.4%	10.0%	9.3%
Marketing expenses as % of revenue	39.0%	43.4%	40.7%	41.9%	42.9%
EBITDA, margin %	12.3%	9.0%	13.7%	12.4%	13.7%
EBIT, margin %	4.9%	3.0%	12.4%	11.0%	12.6%
Net margin, %	2.2%	2.2%	11.6%	10.1%	11.7%

EUR'000s	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
EBITDA	**9 507**	**6 128**	**7 642**	**6 142**	**6 035**
Costs pertaining to listing	62	172	186	102	133
Costs pertaining to acquisition-related consulting	466	788	565	-	-
Provision for fine from UKGC	453	-	-	-	-
Gain on sale of asset	(1 500)	-	-	-	-
Adjusted EBITDA	**8 988**	**7 088**	**8 393**	**6 244**	**6 168**
Depreciation and amortisation	(1 106)	(1 006)	(680)	(623)	(495)
Adjusted EBIT	**7 882**	**6 082**	**7 713**	**5 552**	**5 650**
Net financial items	(297)	(1 116)	1	1	4
Tax	(131)	575	(442)	(421)	(388)
Adjusted net income	**7 454**	**5 541**	**7 272**	**5 132**	**5 266**
Adjusted EPS	**0.07**	**0.06**	**0.07**	**0.05**	**0.05**
Adjusted EBITDA margin %	11.6%	10.5%	15.1%	12.6%	14.0%
Adjusted EBIT margin %	10.2%	9.0%	13.9%	11.2%	12.9%
Adjusted net margin %	9.6%	8.2%	13.1%	10.3%	12.0%

Consolidated balance sheet per quarter, condensed

EUR'000s	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
ASSETS					
Non-current assets					
Property, plant and equipment	3 714	2 870	1 979	1 339	1 342
Intangible assets	12 410	9 948	7 906	7 513	7 099
Intangible assets surplus values from acquisitions	72 035	51 018	1 665	1 734	1 804
Goodwill	101 840	44 604	4 360	4 630	4 961
Deferred tax assets	1 541	1 541	837	837	837
Total non-current assets	**191 540**	**109 981**	**16 747**	**16 053**	**16 043**
Current assets					
Trade receivables	23 796	15 178	9 643	7 224	6 130
Other current receivables	7 706	7 074	5 117	4 746	4 295
Cash and cash equivalents	44 368	52 758	66 628	59 718	64 024
of which restricted cash (player funds)	*10 662*	*7 097*	*4 788*	*5 163*	*4 575*
Total current assets	**75 870**	**75 010**	**81 388**	**71 688**	**74 449**
TOTAL ASSETS	**267 410**	**184 991**	**98 135**	**87 741**	**90 492**
EQUITY AND LIABILITIES					
Share capital	1 196	1 196	1 196	1 196	1 196
Additional paid-in capital	36 588	36 588	36 588	36 411	36 411
Translation reserve	(1)	-	-	-	-
Retained earnings including profit for the period	22 660	21 122	19 610	13 158	18 361
Equity attributable to owners of the Parent Company	**60 443**	**58 906**	**57 394**	**50 765**	**55 968**
Non-controlling interest	4 370	-	-	-	-
Total Equity	**64 813**	**58 906**	**57 394**	**50 765**	**55 968**
Bank loan	84 761	20 015	-	-	-
Other non-current liabilities	951	942	938	933	928
Total non-current liabilities	**85 712**	**20 957**	**938**	**933**	**928**
Current liabilities					
Trade and other payables	17 920	14 818	11 263	13 558	12 928
Player liabilities	10 662	7 097	4 788	5 163	4 575
Tax liability	6 625	5 886	2 320	1 891	1 823
Accrued expenses and deferred income	32 357	27 302	21 432	15 431	14 270
Short-term liability in respect of acquisition	10 131	13 644	-	-	-
Provision for conditional purchase price (earn-out)	39 190	36 381	-	-	-
Total current liabilities	**116 885**	**105 128**	**39 803**	**36 043**	**33 596**
TOTAL EQUITY AND LIABILITIES	**267 410**	**184 991**	**98 135**	**87 741**	**90 492**

Consolidated statement of cash flows per quarter, condensed

EUR'000s	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Operating profit	3 784	2 054	6 893	5 450	5 517
Adjustments for non-cash items	5 633	2 892	1 532	1 122	589
Cash flow from changes in working capital	2 429	3 080	3 470	1 727	(251)
Cash flow from operating activities	**11 846**	**8 026**	**11 895**	**8 299**	**5 855**
Acquisition of property, plant and equipment	(1 034)	(760)	(824)	(161)	(110)
Acquisition of intangible assets	(2 751)	(863)	(889)	(1 730)	(830)
Acquisition of subsidiaries	(8 686)	(40 330)	(2 449)	-	(1 156)
Transfer of assets on acquisition	(73 472)	-	-	-	-
Proceeds on sale of assets	1 500	-	-	-	-
Cash flow from investing activities	**(84 443)**	**(41 953)**	**(4 162)**	**(1 891)**	**(2 096)**
Loan financing	64 740	20 000	-	-	-
Proceeds from share issue/other equity securities	-	170	-	-	-
Cash dividends paid out to shareholders	-	-	-	(10 233)	-
Cash flow from financing activities	**64 740**	**20 170**	**-**	**(10 233)**	**-**
Net increase/(decrease) in cash and cash equivalents	(7 857)	(13 757)	7 733	(3 825)	3 759
Cash and cash equivalents at start of the period	52 758	66 628	59 718	64 024	60 218
Currency effects on cash and cash equivalents	(532)	(113)	(823)	(481)	47
Cash and cash equivalents at end of period	**44 368**	**52 758**	**66 628**	**59 718**	**64 024**
of which restricted cash (player funds)	*10 662*	*7 097*	*4 788*	*5 163*	*4 575*

Definitions of APMs

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

Adjusted earnings per share
Earnings per share adjusted for items associated with the listings on Nasdaq First North Premier and Nasdaq Stockholm, costs pertaining to acquisition-related consulting, sales of assets that affect earnings, amortisation of intangible assets related to acquisitions, and remeasurement of earn-out payments for acquisitions.

Adjusted EBIT
EBIT adjusted for items associated with the listings on Nasdaq First North Premier and Nasdaq Stockholm, costs pertaining to acquisition-related consulting, sales of assets that affect earnings, and amortisation of intangible assets related to acquisitions.

Adjusted EBITDA
EBITDA adjusted for items associated with the listings on Nasdaq First North Premier and Nasdaq Stockholm, costs pertaining to acquisition-related consulting, and sales of assets that affect earnings

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 per platform/brand. Since this is measured per platform, it means that a certain number of customers are counted for more than once, such as for a customer who has made a deposit with Royal Panda and LeoVegas 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 in relation to 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 Gaming Revenue (GGR)
The sum of all wagers (cash and bonuses) less all wins payable to customers (referred to as GGR in the industry)

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

Hold
Net Gaming Revenue (NGR) divided by the sum of deposits

Items affecting comparability
Items pertaining to costs for the listings on Nasdaq First North Premier and Nasdaq Stockholm, and costs pertaining to acquisition-related consulting. No costs related to integration or restructuring are included. Sales of assets that affect earnings are eliminated by adjustment. This also includes amortisation related to acquired intangible assets and remeasurement of earn-out payments for acquisitions.

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

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)

Operating profit (EBIT)
Profit before interest and tax

Organic growth
Growth excluding acquisitions. Currency effects not excluded

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 weighted average number of shares outstanding during 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

Platform
The LeoVegas Group has three platforms: LeoVegas, Royal Panda and Rocket X. LeoVegas and Royal Panda have only one brand on their respective platforms, while Rocket X has several

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