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, sports betting, 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 technology 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* .

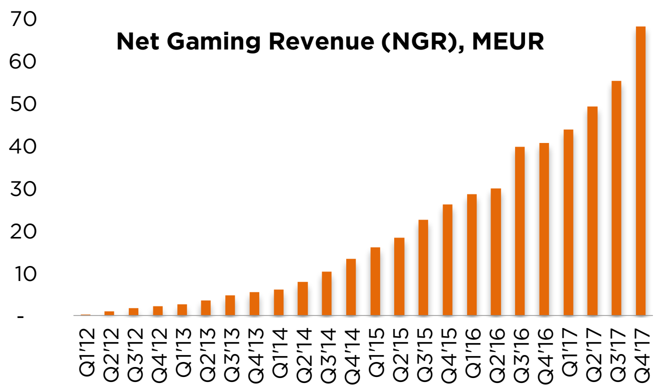
Strategic acquisitions and strong organic growth

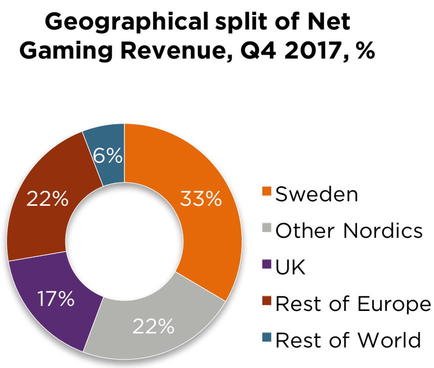
Fourth quarter: 1 October–31 December 2017*

- Revenue increased by 65% to EUR 67.8 m (41.2). Organic growth was 48%. Organic growth excluding markets closed in 2017 was 82%.
- Revenue from regulated markets accounted for 29.0% (11.0%) of total revenue.
- Mobile deposits accounted for 69% (67%) of total deposits, which increased by 62% to EUR 224.6 m (139.1).
- The number of depositing customers was 253,299 (176,306), an increase of 44%. The number of new depositing customers was 128,409 (85,384), an increase of 50%. The number of returning depositing customers was 124,890 (90,922), an increase of 37%.
- EBITDA was EUR 6.1 m (10.0), corresponding to an EBITDA margin of 9.0% (24.2%). EBITDA adjusted for items affecting comparability was EUR 7.1 m (10.0), corresponding to an adjusted EBITDA margin of 10.5% (24.2%).
- Operating profit (EBIT) was EUR 2.1 m (9.5). EBIT adjusted for items affecting comparability was EUR 3.0 m (9.5), corresponding to an adjusted EBIT margin of 4.4% (23.1%).
- Earnings per share were EUR 0.02 (0.10) before dilution and EUR 0.01 (0.10) after dilution.

Full year 2017

- Revenue increased by 53% to EUR 217.0 m (141.4). Organic growth was 46%. Organic growth excluding markets closed in 2017 was 61%.
- Adjusted EBITDA was EUR 27.9 m (21.3), corresponding to a margin of 12.9% (15.1%).
- Operating profit (EBIT) was EUR 19.9 m (14.6). Operating profit adjusted for items affecting comparability was EUR 21.9 m (19.9), corresponding to a margin of 10.1% (14.1%).
- Earnings per share were EUR 0.18 (0.14) before and after dilution.
- LeoVegas' board of directors proposes a dividend of SEK 1.20 (1.00) per share, for a total of SEK 119,634,564 (EUR 12.2 m).





Events during the quarter

- LeoVegas acquired the gaming group that operates the Royal Panda brand. The purchase price was EUR 60 m, with a maximum earn-out of an additional EUR 60 m. The total purchase price will be settled within a year. See page 11 for further information about the acquisition. Transfer of possession and consolidation took place on 1 November.
- The Group secured debt financing of EUR 100 m, of which EUR 20 m was utilised in connection with the acquisition of Royal Panda.
- The acquisition of Royal Panda entails that LeoVegas has departed from the short-term targets for 2018. This is because the targets were set without taking significant acquisitions into account.

Events after the end of the quarter

- Net Gaming Revenue (NGR) totalled EUR 24.8 m (14.1) in January, representing growth of 76%. Excluding the acquisition of Royal Panda, NGR in January was EUR 20.9 m, representing growth of 48%.
- 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 maximum potential earn-out of SEK 15 m (EUR 1.5 m). LeoVegas completed the acquisition and gained possession of the shares as per 1 January 2018. See page 10 for further information.
- LeoVegas entered into an agreement to acquire, for GBP 65 m (EUR 73.5 m), assets from Intellectual Property & Software Limited and related assets from two additional companies that operate several brands, including 21.co.uk, slotboss.com, Bet UK and UK Casino. See page 10 for further information.
- LeoVegas carried out its change in listing to Nasdaq Stockholm on 5 February.

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

CEO's comments

"Three acquisitions, a listing change, unicorn status, refined strategy and one of our strongest quarters ever."

An incredibly eventful quarter
Q4 2017 was one of our best quarters ever, with very strong underlying growth. Compared with Q4 2016 and excluding markets that we closed in 2017, our organic growth was an incredible 82% during the quarter. We even set a record for new depositing customers.

During the Q4 LeoVegas passed an important milestone, namely, a market cap higher than a billion dollars, which means that we became a "Unicorn".

I am very proud that we managed to carry out our first major acquisition during the fourth quarter, Royal Panda. During the last two years we have scoured the gaming market for companies that fit our overall expansion strategy, which Royal Panda does through its strong presence in the UK and its great global brand. Moreover, they earn a higher share of their revenue from mobile devices than the industry on average.

Royal Panda contributed EUR 5.6 m in revenue during the fourth quarter, which is slightly lower than their Q3 figure. This is because Royal Panda was included for only two months of the quarter, and because the company closed a number of markets during the year for the same reason that LeoVegas closed the Czech Republic and Australia. This was according to plan, and adjusted for these markets, Royal Panda grew 57% in Q4. Royal Panda is showing continued good performance in early Q1 2018, and I am very proud of how well our collaboration works already today.

During the quarter we acquired 51% of the shares in GameGrounds United AB (CasinoGrounds). The company operates the site www.casinogrounds.com, which in a short time has become a platform for casino streaming, with an active social casino forum.

In CasinoGrounds we are seeing a new behaviour in which people interested in casino games watch others play casino games via YouTube and Twitch. The combination of proprietary content and video format is creating interesting opportunities going forward and is in line with LeoVegas' strategy to be an innovative and entrepreneur-driven company. Our ambition now is to scale up existing operations to more markets.

Refined strategy
For several years we have been searching for acquisition candidates, and we have now successfully carried out our first acquisition. This is yet another milestone in the Company's history. LeoVegas will always focus on organic growth, but we will also make complementary acquisitions when we believe that they will develop our overall business. I want to add, however, that in the near-term we will focus on integrating these recent acquisitions.

Our expansion strategy is to grow in regulated markets and markets that will soon become regulated, and to carry out strategic, complementary acquisitions.

Our product strategy is to be the most innovative and pioneering company in the gaming industry.

Change in management team
LeoVegas Mobile Gaming Group is striving to be the most innovative, entrepreneurial and fastest growing company in our industry. To strengthen this pursuit, we are working intensively with our company culture, among other things.

Toward this end, I have created a new position, Chief Human Resources officer (CHRO), and brought Caroline Palm onto the Group Management team. In recent years Caroline has served as head of HR for a technology and entrepreneur-driven company grouping with more than 2,000 employees.

During the quarter we have seen the strengths of Jarl Modén's work, and as a result we have promoted him to the permanent position of Chief Product Officer (CPO) on the Group Management team.

Authentic Gaming
Authentic Gaming unveiled very exciting news with the announcement of an agreement with Foxwoods Resort Casino, the largest casino resort in the USA. This has made it possible for the first time for casino gamers in Europe to play live casino streamed directly from casino tables in the USA. The service is distributed through Authentic Gaming's network of operators, which includes LeoVegas.

4Q'17 figures
Revenue during the fourth quarter amounted to EUR 67.8 m (41.2), an increase of 65%. Organic growth was 48%. EBITDA adjusted for items affecting comparability related to consulting services for acquisitions and our listing on Nasdaq Stockholm was EUR 7.1 m (10.0), corresponding to an adjusted EBITDA margin of 10.5% (24.2%). Revenue from regulated markets accounted for 29% (11%) of total revenue during the quarter.

2017 – The year as a whole
We grew by 53% during 2017. But our organic growth during the year, excluding markets that we closed, was a full 61%. This is outstanding performance and figures that we at LeoVegas are very proud of.

In terms of personnel we grew from 365 employees at the start of the year to 566 at year-end, which of course puts high demands on our managers and organisation.

We have expanded our offices, and during the year we moved to new premises in Stockholm – all to create the best conditions for continued growth of the Company.

Denmark
During the year Denmark went from being a small market to a very important one and has thereby shows that our model, combined with hard work, is successful. LeoVegas is now one of the absolute strongest gaming brands in Denmark and continues to grow.

Canada
During the quarter, we launched our free-to-play site, LeoVegas.net, in Canada with the hockey legend Mats Sundin as an ambassador. At LeoVegas.net you can play mobile casino games without wagering real money and this will provide good marketing opportunities.

Our position – GameTech
Ever since LeoVegas was established we have been extremely product- and technology-driven. We therefore view ourselves not only as a mobile gaming company, but as a leading tech company in the gaming industry. Explaining LeoVegas to people in our external environment when it comes to identity, culture and way of working is described best by the term GameTech.

Start of 2018
Rocket X
We began the year with another large acquisition, with focus on the UK, when we entered into an agreement to acquire assets from Intellectual Property & Software Limited ("IPS") along with related assets from two related companies with highly-ranked brands such as 21.co.uk, Slotboss, Bet UK and UK Casino. We now refer to this collectively as Rocket X.

Since its launch in 2012 LeoVegas has had a very successful global brand strategy. Following the acquisition of Royal Panda, LeoVegas has two scalable brands. In larger markets these global brands, LeoVegas and Royal Panda, can be complemented with a local, multibrand strategy, which has now been made possible through the Rocket X acquisitions. The UK market is sufficiently large and mature to justify working with several brands. In Rocket X we have identified several features that have caught our interest, and they have great momentum – both in their growth and profitability. This, combined with one of the market's most effective customer acquisition models, gives us a stronghold in the UK plus 85 new employees with local expertise. With this acquisition we have also get a company culture that has a sharp focus on technology and products, which is a perfect match for LeoVegas.

In connection with the acquisition of Royal Panda, the Group secured debt financing of EUR 100 m, of which EUR 20 m was utilised in connection with the acquisition. We thus have scope of up to EUR 80 m to settle the Rocket X acquisitions.

During the fourth quarter of 2017 Rocket X had revenue of GBP 11.7 m and adjusted EBITDA of GBP 3.8 m, for an adjusted EBITDA margin of 32.6%. Revenue for the fourth quarter grew 49% compared with a year earlier. Of total revenue, 96% comes from the UK and 73% via mobile devices.

The acquisition is contingent upon the fulfilment of conditions, and possession is expected to be transferred during the latter part of Q1'18.

If both Royal Panda and Rocket X had been part of LeoVegas during the entire fourth quarter, consolidated revenue would have been EUR 84 m.

Product news
Apple Pay and facial recognition
Fifty-five per cent of LeoVegas' customers in the UK use iPhones. The launch of Apple Pay is thereby contributing to an improved experience for these customers. Being able to offer Apple Pay requires that the market is locally regulated, which the UK is. The UK is the first market in which LeoVegas is launching Apple Pay, but we already have plans to introduce it in more markets. Using state-of-the-art technology, LeoVegas is also launching facial recognition for log-ins and approval of payments using Apple Pay. This is possible owing to LeoVegas' own technology paired with Apple's new iPhone X, allowing customers to log in in a few hundredths of a second and approve payments via Apple Pay just as fast.

Expanded focus on live sport
LeoVegas is working intensively to improve and build the best sports betting experience ahead of the forthcoming UEFA World Cup. As part of this we are expanding our live streaming offering in the Nordic markets. LeoVegas Sport now has a strong offering of some 10,000 live broadcast sport events.

Exclusive games
LeoVegas is working closely with a number of game developers, including NetEnt and Yggdrasil, to come up with innovative and exclusive games, which we call LeoVegas Originals. One example is WitchCraft Academy from NetEnt, which was launched in January, and more games are in the starting blocks for launch.

Nasdaq Stockholm's Main Market list
I am very happy to note that as from 5 February LeoVegas is traded on Nasdaq Stockholm's Main Market list. This change in listing will strengthen the Company and give us an even better quality seal in our communication and cooperation with authorities, licensors and partners. For institutional investors – both in Sweden but even more so abroad – we will become more accessible and attractive as a company.

Other comments on Q1 2018
January has begun well, with Net Gaming Revenue (NGR) of EUR 24.8 m (14.1), representing growth of 76%. Growth excluding acquisitions and closed markets was 72%. During the first quarter we expect marketing in relation to revenue to be slightly lower than the average for 2017.

We continue to win numerous accolades – most recently at the EGR Nordics Awards, where the most successful and innovative gaming companies were highlighted. In tough competition LeoVegas won three distinctions: "Nordics Operator of the Year", "Casino Operator of the Year" and "Sports Betting Operator of the Year. It's always fun to win!

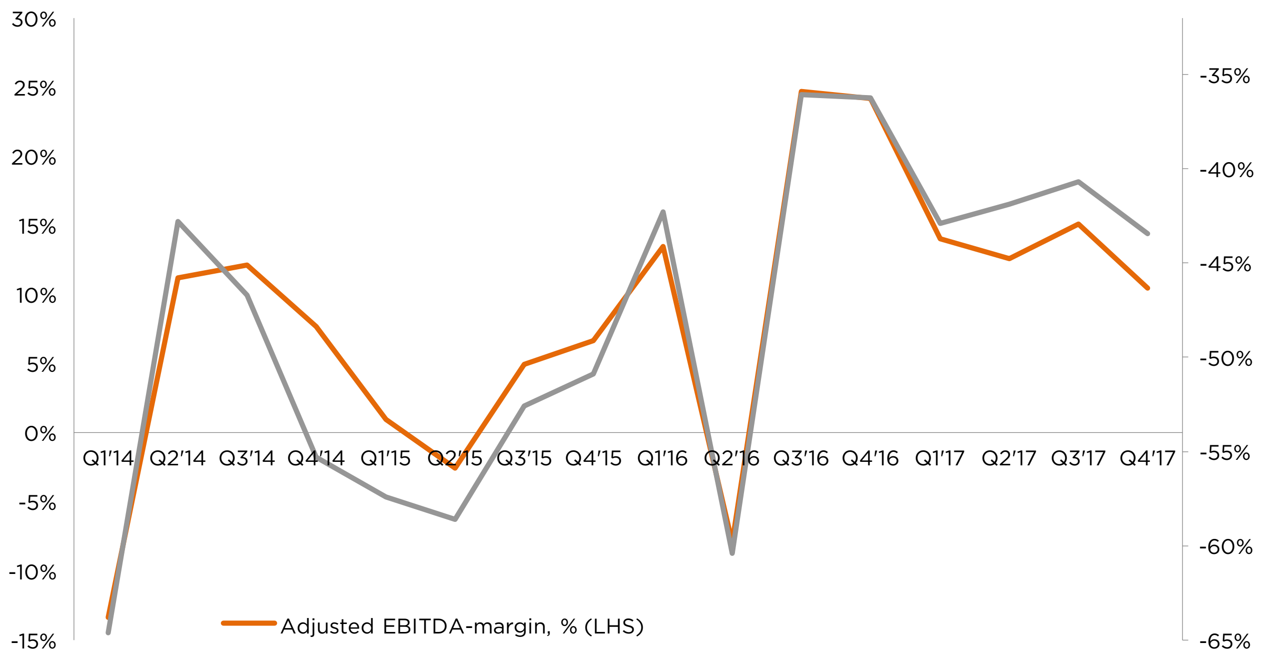
With several great acquisitions, awards, our change in listing and a strong start to the first quarter, all of us at LeoVegas are looking forward to an exciting 2018.

Gustaf Hagman, Group CEO and co-founder
LeoVegas AB, Stockholm 7 February 2018

Key quarterly performance figures

EUR '000s unless otherwise stated	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Number of depositing customers	253 299	202 980	173 034	172 338	176 306
Growth, y-y %	44%	30%	-2%	42%	75%
Growth, q-q %	25%	17%	0%	-2%	13%
Deposits	224 610	193 081	167 933	149 628	139 072
Growth, y-y %	62%	56%	67%	86%	87%
Growth, q-q %	16%	15%	12%	8%	12%
Revenue	67 826	55 620	49 652	43 916	41 165
Growth, y-y %	65%	40%	60%	49%	58%
Growth, q-q %	22%	12%	13%	7%	4%
Adjusted EBITDA	7 088	8 393	6 244	6 168	9 951
Adjusted EBITDA margin, %	10.5%	15.1%	12.6%	14.0%	24.2%
Adjusted EBIT	3 014	7 644	5 552	5 650	9 517
Adjusted EBIT margin, %	4.4%	13.7%	11.2%	12.9%	23.1%
Marketing expenses	29 469	22 638	20 787	18 833	14 912
Marketing expenses as % of revenue	43.4%	40.7%	41.9%	42.9%	36.2%

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



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 15, 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. The deviation in the curves from each other in 2017 is mainly due to higher gambling taxes, since in a relative sense LeoVegas is growing faster in regulated markets.

Group performance Q4

Revenue, deposits and number of depositing customers

Revenue amounted to EUR 67.8 m (41.2) during the fourth quarter, an increase of 65%. Royal Panda was consolidated on 1 November and contributed EUR 5.6 m in revenue for the quarter. Organic growth was 48%. Excluding markets that were closed in 2017 (Australia, the Czech Republic and Slovakia) and acquisitions (Winga, Royal Panda), growth would have been 82% compared with the same period a year ago and 22% compared with the third quarter. This makes the fourth quarter of 2017 one of the strongest quarters ever for LeoVegas' underlying growth.

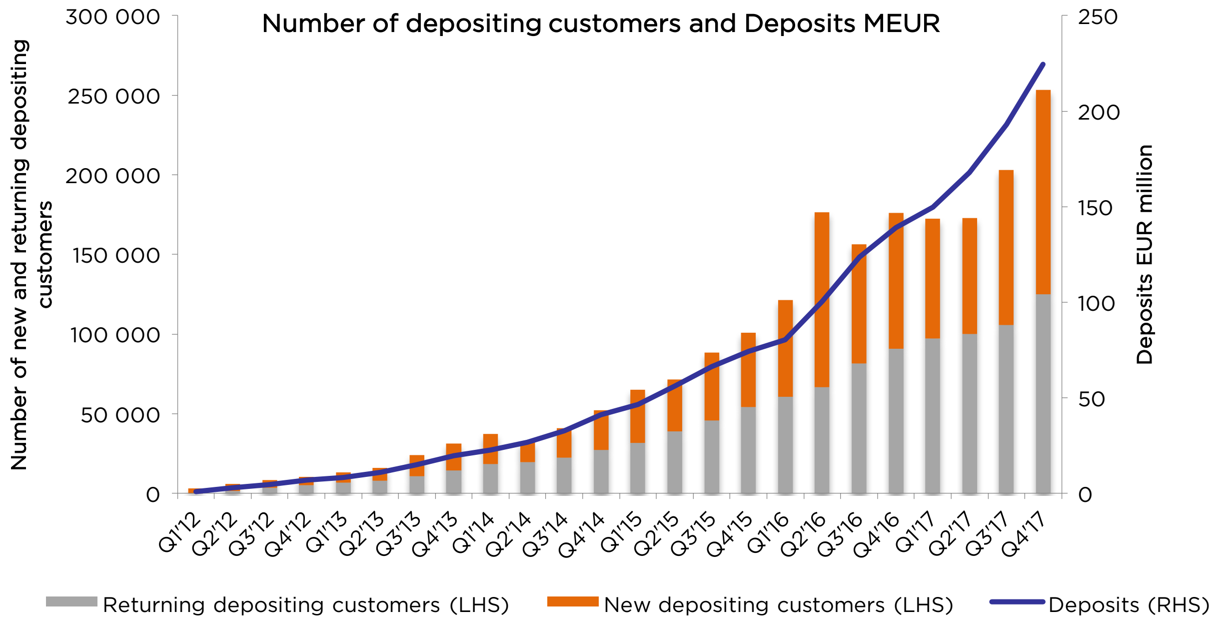
Deposits totalled EUR 224.6 m (139.1) during the quarter, an increase of 62%. Sequential growth in deposits was 16%. Excluding the acquisition of Royal Panda, deposits increased by 52%. Mobile deposits accounted for 69% (67%) of total deposits.

The increase in deposits in absolute figures was greatest in Other Nordics, driven by Denmark, which has been the strongest launch in LeoVegas' history. The increases were roughly as large in absolute figures in Sweden, the UK and Other Nordics. Deposits from Rest of World decreased due to LeoVegas' decision to close off the opportunity for customers residing in Australia to use the service. Apart from Australia, all regions showed a strong rate of growth, and as a result, the geographic concentration has decreased over time.

Net Gaming Revenue (NGR) increased sequentially by 23% from the third to fourth quarter, which is a slightly higher rate of growth than for deposits. Excluding the acquisition of Royal Panda, NGR grew 14% sequentially.

The ratio between NGR and deposits ("hold") increased slightly during the quarter, to 30.2%. The consolidation of Royal Panda contributed 0.6 percentage points of this increase. Excluding Royal Panda, hold was 29.6%, which is marginally higher than the average in recent quarters and is explained by a small change in the geographic mix of revenue. One factor that has historically had a strong impact on hold is the gaming margin. The gaming margin for the fourth quarter was 3.74%, which is essentially the same as in the preceding quarter and very close to the historical average of 3.68%.

The number of depositing customers during the fourth quarter was 253,299 (176,306), an increase of 44%. Of the depositing customer base, the number of new depositing customers was 128,409 (85,384), an increase of 50%. Excluding Royal Panda, the number of new depositing customers increased by 39%. The country mix of new depositing customers continues to be relatively evenly spread among countries, with many countries contributing to the increase during the quarter. This is particularly positive in view of the fact that this was the strongest quarter in LeoVegas' history for new customer acquisition. The number of returning depositing customers was 125,890 (90,922), an increase of 37%. Excluding Royal Panda, the number of returning customers increased by 27%. The number of returning depositing customers increased sequentially by 18% during the fourth quarter.



Earnings

Gross profit for the quarter increased by 56% to EUR 49.6 m (31.9), corresponding to a gross margin of 73.1% (77.5%). The lower margin is mainly attributable to higher gaming duties, as LeoVegas' share of revenue in regulated markets continues to grow. Gaming duties during the quarter amounted to 9.1% of revenue (4.1%), and the cost of sales was 17.8% of revenue (18.5%).

Marketing costs totalled EUR 29.5 m (14.9) during the quarter, which is the highest level in absolute figures in LeoVegas' history. Marketing in relation to revenue was 43.4%, which is somewhat higher than in the third quarter, when it was 40.7%. Excluding the acquisition of Royal Panda, marketing in relation to revenue was 43.7%. This is in line with what was reported in the preceding quarterly report, where the expectation was that marketing costs in relation to revenue during the fourth quarter would increase compared with the third quarter and would likely be the highest of all quarters in 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 mix of marketing among countries during the fourth quarter was similar to the third quarter, with the difference being that direct marketing decreased slightly in the UK and Germany. This is because these two countries had higher levels during the third quarter, which have now returned to more normal levels. 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 decreased marginally compared with the third quarter, entailing that the fourth quarter had the lowest customer acquisition cost of all quarters in 2017. The acquisition of Royal Panda had no effect on the average cost, as Royal Panda's and LeoVegas' average costs for a new depositing customer were basically the same during the fourth quarter. Both the third and fourth quarters had strong growth in the number of new customers, with a stable customer acquisition cost.

The acquisition cost should be put in relation to the expected future earnings from new customers in order to measure the return on the record-high marketing investment. The future, expected gross profit less the acquisition cost for these new customers during the quarter was the highest in LeoVegas' history. The return on marketing spend was thus very strong during the fourth quarter.

Personnel costs in relation to revenue returned to a level that is near the average for the year. Personnel costs in relation to revenue during the fourth quarter were 11.6% (11.3%).

Other operating expenses amounted to 11.1% of revenue (7.8%). Adjusted for items affecting comparability associated with the change in listing to Nasdaq Stockholm and consulting costs for acquisitions, other operating expenses amounted to 9.7% of revenue (7.8%).

EBITDA for the fourth quarter was EUR 6.1 m (10.0), corresponding to an EBITDA margin of 9.0% (24.2%). Adjusted EBITDA was EUR 7.1 m (10.0), corresponding to an adjusted EBITDA margin of 10.5% (24.2%). Adjusted EBITDA excluding Royal Panda was EUR 6.0 m. Royal Panda contributed EUR 1.1 m to EBITDA. Operating profit (EBIT) was EUR 2.1 m (9.5), corresponding to an EBIT margin of 3.0% (23.1%). Adjusted EBIT was EUR 3.0 m (9.5), corresponding to an adjusted EBIT margin of 4.4% (23.1%). The lower EBITDA margin during the fourth quarter of this year than in the fourth quarter a year ago is mainly explained by higher marketing costs and gambling taxes in relation to revenue.

The Group's depreciation and amortisation during the fourth quarter increased significantly compared with earlier periods. The increase is mainly attributable to the acquisition of Royal Panda, where identified surplus values are amortised. More information is provided in the purchase price allocation analysis on page 12. Depreciation and amortisation during the fourth quarter amounted to EUR 4.1 m (0.4).

Financial expenses in the fourth quarter were higher than in earlier quarters. The increase is attributable to the bank loan that was taken out in connection with the acquisition of Royal Panda. During the quarter, EUR 20 m was used of the loan facility, which is worth EUR 100 m in total.

The acquisition of Royal Panda provides for a potential earn-out payment (contingent consideration) that can amount to a maximum 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 earn-out is initially measured at fair value of EUR 35.4 m. During the quarter, an earnings effect of EUR 1.0 m arose through fair value discounting, which is charged against profit for the period (EBIT) as a financial expense. The earn-out payment will be settled on 1 December 2018.

The tax cost during the quarter was EUR 0.6 m (0.4). The positive tax is attributable to a positive tax effect from revaluation of deferred tax in the Parent Company. During the quarter, EUR 0.7 m was further capitalised, since management has determined that accumulated loss carryforwards are available that can be used against future taxable profits. Excluding this capitalisation of deferred tax, tax for the period was EUR -0.1 m, which in relation to profit before tax is 10.0%.

Net profit for the quarter was EUR 1.5 m (9.9), corresponding to a net margin of 2.2% (24.0%). Earnings per share were EUR 0.02 (0.10) before dilution and EUR 0.01 (0.10) after dilution.

Events during the quarter

- LeoVegas acquired the gaming group that operates the Royal Panda brand. The purchase price was EUR 60 m, with a maximum earn-out of an additional EUR 60 m. The total purchase price will be settled within a year. See page 11 for further information about the acquisition. Transfer of possession and consolidation took place on 1 November.
- The Group secured debt financing of EUR 100 m, of which EUR 20 m was utilised in connection with the acquisition of Royal Panda.
- The acquisition of Royal Panda entails that LeoVegas has departed from the short-term targets for 2018. This is because the targets were set without taking significant acquisitions into account.
- LeoVegas' board of directors proposes a dividend of SEK 1.20 (1.00) per share, for a total of SEK 119,634,564 (EUR 12.2 m).

Balance sheet and financing

At the end of December 2017 the Group's equity amounted to EUR 58.9 m (50.8), or EUR 0.6 per share.

The Group's financial position is strong. LeoVegas took out an interest-bearing bank loan of EUR 20 m and has the opportunity to use up to EUR 100 m in the existing loan facility. The equity/assets ratio was 32% (65%). Total assets as per 31 December 2017 were EUR 185.0 m (77.9).

The Group had intangible assets with a value of EUR 105.6 m (5.9) at the end of the quarter. The increase of EUR 99.7 m towards the end of the financial year is explained mainly by the Group's acquisition of Royal Panda, where total identifiable intangible assets at the time of acquisition amounted to EUR 52.7 m. Of these, EUR 52.4 m pertain to identified surplus value in the form of trademarks and domain names, and a customer database. Goodwill related to the acquisition of Royal Panda amounted to EUR 40.2 m.

In addition to this, intangible assets were affected by the Italian gaming operator Winga S.r.l. The fair value of acquired, identifiable intangible assets was EUR 2.8 m. All identifiable assets are amortised on straight-line basis over their estimated useful life. Goodwill related to the acquisition of Winga S.r.l. amounted to EUR 3.3 m.

Total goodwill in the Group amounted to EUR 44.6 m at the end of the financial year. The remaining increase in intangible assets is explained by continued investments in technological development of gaming portals and the technical platform, Rhino.

The consolidated balance sheet includes customer deposits. Customer balances at the end of the fourth quarter amounted to EUR 7.1 m (4.1). Provisions for potential local jackpot wins and bonus costs amounted to EUR 4.9 m at the end of the quarter (2.7).

Cash and cash equivalents amounted to EUR 52.8 m (60.2). Cash and cash equivalents excluding customer balances amounted to EUR 45.7 m (56.2).

During the fourth quarter several items in working capital increased compared with a year ago. This is due in large part to 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 8.0 m (12.9). The decrease is attributable to the lower profit, as changes in working capital contributed to higher cash flow during the quarter compared with the same period a year ago.

Investments in property, plant and equipment amounted to EUR 0.8 m (0.3) and consisted mainly of equipment, furniture, IT hardware and equipment for new offices in Stockholm. Investments in intangible assets amounted to EUR 0.9 m (0.8) and consisted mainly of capitalised development costs. In other respects, cash flow from investing activities was affected by the acquisition of Royal Panda, which resulted in a net outflow of EUR 40.0 m. The second part of the initial purchase price of EUR 60 m will be settled during the first and second quarters of 2018. The earn-out payment will be settled on 1 December 2018. A portion of the purchase price for CasinoGrounds was also paid in December, upon inception of the agreement, and amounted to SEK 3 m. The remaining purchase consideration, SEK 27 m, was paid upon transfer of possession on 1 January 2018.

Cash flow from financing activities increased by EUR 20.2 m and consisted of a bank loan of EUR 20 m and the proceeds from warrants. The bank loan was taken out in connection with the acquisition of Royal Panda.

Group performance full-year 2017

Revenue and profit

Consolidated revenue amounted to EUR 217.0 m (141.1), an increase of 53%.

Mobile deposits accounted for 68% (65%) of total deposits during the year.

Gross profit increased by 49% to EUR 162.7 m (109.2). The gross margin for the year was 75.0% (77.2%).

Marketing costs as a share of revenue decreased marginally to 42.3% (42.8%).

Operating expenses increased compared with a year ago, which is mainly explained by a larger workforce and related costs, such as costs for travel and the move to new offices.

EBITDA increased to EUR 25.9 m (16.0), and the EBITDA margin was 12.0% (11.3%). EBITDA adjusted for items affecting comparability was EUR 27.9 m (21.3), corresponding to a margin of 12.9% (15.1%).

Operating profit (EBIT) increased to EUR 19.9 m (14.6), for an operating margin of 9.2% (10.3%). The increase is mainly explained by higher revenue, as the total cost base in relation to revenue was relatively even. Operating profit adjusted for items affecting comparability amounted to EUR 21.9 m (19.9), corresponding to a margin of 10.1% (14.1%). Items affecting comparability consist of costs for the listing on Nasdaq First North Premier in 2016, costs for the change in listing to Nasdaq Stockholm, and costs for consulting services in connection with acquisitions. In 2016 items affecting comparability amounted to EUR 5.3 m. In 2017 these costs amounted to EUR 1.9 m. All items affecting comparability have been charged against operating profit.

Depreciation and amortisation increased significantly compared with a year ago, totalling EUR 6.0 m (1.4). The increase is mainly attributable to the acquisition of Royal Panda, where identified surplus value is amortised. In 2017 operating profit (EBIT) was charged with EUR 3.0 m in depreciation and amortisation related to identified surplus value in Royal Panda. More information is provided in the purchase price allocation analysis on page 12.

Financial expenses for the year totalled EUR 1.1 m. Of this, EUR 0.1 m consisted of interest on the bank loan that was taken out in connection with the acquisition of Royal Panda. During the quarter, EUR 20 m was used of the loan facility, which is worth EUR 100 m in total.

The acquisition of Royal Panda provides for a potential earn-out payment (contingent consideration) that can amount to a maximum 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 earn-out is initially measured at fair value of EUR 35.4 m. The liability is classified as current, as it payable on 1 December 2018. Discounting and remeasurement of the liability to fair value affected profit for the year by EUR 1.0 m.

The tax cost for the year was EUR -0.7 m (-0.2). The low tax cost is explained by the capitalisation of an additional EUR 0.7 m of deferred tax assets. Management has determined that accumulated loss carryforwards are available in the Parent Company that can be used against future taxable profits. Excluding this capitalisation of deferred tax, tax for the year is 7.1% of profit before tax.

Net profit for the year increased to EUR 18.1 m (14.4).

Cash flow and investments

Cash flow from operating activities increased to EUR 34.1 m (27.2) in 2017. The increase is mainly attributable to the higher operating profit.

Investments in property, plant and equipment amounted to EUR 1.9 m (1.0) and consisted mainly of IT hardware, furniture and equipment for new offices in Stockholm. Investments in intangible assets amounted to EUR 4.3 m (2.9) and consisted mainly of capitalised development costs. In November the first cash portion of the purchase price for the acquisition of Royal Panda, EUR 49.0 m, was paid. The net payment shown in the statement of cash flows was EUR 40.0 m. This is because the cash purchase price was netted against acquired cash and cash equivalents. An additional EUR 1 m will be paid during the first quarter of 2018, and another payment of EUR 13.4 m will be made during the second quarter. In December 2018 the earn-out payment will also be settled.

During the year LeoVegas completed the acquisition of Winga S.r.l., which had a cash flow effect of EUR 3.6 m. The total purchase price of EUR 5.5 m has been deducted from cash and cash equivalents in Winga S.r.l. of EUR -1.9 m. The acquisition of CasinoGrounds also affected cash flow, since part of the purchase price was paid upon inception of the agreement in December 2017. Payment of SEK 3 m was made upon inception of the agreement. The remaining purchase consideration, SEK 27 m, was paid upon transfer of possession on 1 January 2018.

Cash flow from financing activities amounted to EUR 9.9 m (15.4) and was affected during the year mainly by a dividend of EUR -10.2 m paid to owners of the Parent Company and the utilisation of a total of EUR 20.0 m in debt financing. A new issue was carried out in the preceding year, which contributed to an increase in share capital and other contributed share capital.

Other information

Events after the end of the quarter

- Net Gaming Revenue (NGR) totalled EUR 24.8 m (14.1) in January, representing growth of 76%. Excluding the acquisition of Royal Panda, NGR in January was EUR 20.9 m, representing growth of 48%.
- 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 maximum potential earn-out of SEK 15 m (EUR 1.5 m). LeoVegas completed the acquisition and gained possession of the shares as per 1 January 2018.
- LeoVegas entered into an agreement to acquire, for GBP 65 m (EUR 73.5 m), assets from Intellectual Property & Software Limited and related assets from two additional companies that operate several brands, including 21.co.uk, slotboss.com, Bet UK and UK Casino.
- LeoVegas carried out a change in listing to Nasdaq Stockholm on 5 February.

LeoVegas enters into agreement to acquire assets from Intellectual Property & Software Limited ("IPS"), European Domain Management Ltd ("EDM") and 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 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.

The acquisition will be financed with existing cash and debt financing for total purchase price of GBP 65 m (EUR 73.5 m). The acquisition is contingent upon the fulfilment of special conditions, and possession is expected to be transferred during the latter part of the first quarter of 2018.

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. This strategy, which is based on demographic segmentation and targeting, state-of-the-art technology and multiple customer acquisition sites, is optimised so that it can efficiently and effectively reach potential customers.

Rocket X currently uses a technical platform from Bede Gaming, and in connection with the acquisition LeoVegas entered into a services agreement with Bede Gaming to continue operating Rocket X on this platform. During the due diligence process LeoVegas determined that Bede's platform is very advanced from both a technical and product standpoint and is thus a very good solution for the UK gaming market.

Rocket X has shown strong growth and profitability which, combined with one of the market's most effective customer acquisition models, give LeoVegas a firm stronghold in the UK with local expertise. In connection with the acquisition, LeoVegas also gains a strong company culture with a technology and product focus. The acquisition will further strengthen LeoVegas' presence in the UK and its position as the leading mobile gaming company.

During the fourth quarter of 2017 Rocket X had revenue of GBP 11.7 m and adjusted EBITDA[1] of GBP 3.8 m, representing an EBITDA margin of 32.6%. Revenue for the fourth quarter of 2017 grew 49% compared with the fourth quarter of 2016. Of Rocket X's total revenue, 96% is from the UK and 73% via mobile devices.

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. A preliminary purchase price allocation analysis will likely be presented in the 2017 Annual Report.

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

On 6 December 2017 LeoVegas announced its acquisition of 51% of the shares in GameGrounds United AB, which is the company behind the streaming network CasinoGrounds. LeoVegas completed the acquisition and gained possession of the shares in CasinoGrounds on 1 January 2018.

CasinoGrounds is the leading live streaming site for casino games via YouTube and Twitch and operates the site www.casinogrounds.com, which in a short time has become a casino streaming platform with an active social casino forum. CasinoGrounds cooperates both with operators and game suppliers in the industry. CasinoGrounds has carved out a new niche with its live streaming and social platform, which are very popular among players. The combination of

[1] EBITDA is adjusted for a services agreement, where EBITDA for Q4 2017 has been recalculated as if the agreement that LeoVegas had for the platform through closing of the deal had applied for all of Q4 2017. IPS has conducted limited White Label business, which contributed to 2017 revenue but had a neutral effect on EBITDA. This business is not included in the transaction. Certain minor costs for the month of December have been estimated.

proprietary content and moving picture format is creating interesting opportunities going forward and is in line with LeoVegas' strategy to be an innovative and entrepreneur-driven company.

The purchase price is SEK 30 m, with a potential, maximum earn-out payment of SEK 15 m that will be based on the company's revenue performance during the period January–June 2018. Based on LeoVegas' assessment, the full earn-out payment will be made. 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 of CasinoGrounds was financed with own cash, of which SEK 3 m was paid upon inception of the agreement. The remaining purchase consideration of SEK 27 m was paid upon transfer of possession on 1 January 2018.

It is expected that the acquisition initially will not have any significant effect on the Group's financial position or earnings per share for 2018. A preliminary purchase price allocation analysis will be presented in the 2017 Annual Report.

Financial effects of the acquisition of Royal Panda

On 24 October 2017 it was announced that LeoVegas, through its wholly owned subsidiary LeoVegas International Ltd, entered into an agreement to acquire all of the shares in the Maltese gaming operator Web Investments Limited, which owns the Royal Panda brand ("Royal Panda"). Transfer of possession and consolidation of the acquisition took place on 1 November 2017. The acquisition of Royal Panda is in line with the strategy to continue growing in regulated markets and strengthen LeoVegas' expansion into regulated gaming markets, especially in the UK, and adds a strong brand to the LeoVegas Group.

The acquisition was made for an initially calculated 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 at the end of the reporting period is estimated to be made for an additional EUR 2.7 m. The adjustment pertains to determination of working capital in the acquired company as per the date of transfer of possession. In total, the purchase price can thereby amount to EUR 120 m, plus an additional EUR 2.7 m for the estimated adjustment.

Royal Panda is entitled to the maximum earn-out payment of EUR 60 m if certain financial milestones are achieved within 12 months after transfer of possession. In order for Royal Panda to be entitled to the maximum earn-out, the company must achieve at least EUR 50 m in Net Gaming Revenue (NGR) and EBITDA of at least EUR 15 m, at least EUR 34 m of NGR must be derived from the UK, and EBITDA from the UK must amount to at least EUR 5 m.

Part of LeoVegas' cash holdings were used to pay the initial purchase consideration. In addition, the Group secured debt financing of EUR 100 m from its bank. The debt financing was obtained to give the Company continued capacity to act on future acquisition opportunities. Of the EUR 100 m, EUR 40 m consists of a Revolving Credit Facility (RCF), of which EUR 20 m was used for the acquisition of Royal Panda. The financing has a term of three years, and amortisation will commence in the second quarter of 2019 in the amount of EUR 10 m quarterly. The interest rate on financing is approximately 2%. The loan is subject to customary borrowing terms.

Royal Panda has a proprietary technical platform focused on online casino, and the company recently launched a sportsbook. LeoVegas assesses the launch as promising and believes that the Royal Panda brand also works well with sport customers. The company today has approximately 60 employees, and its head office is located in Malta.

Accounting effects of Royal Panda

During the year, the acquired business contributed EUR 5.6 m to the Group's revenue for the period 1 November–31 December 2017. If the acquisition had been carried out on 1 January 2017, Royal Panda would have contributed EUR 37.6 m to the Group's revenue by the end of the reporting period. Royal Panda's main market is in the UK, which contributed EUR 3.0 m of total revenue during the period 1 November–31 December 2017.

Operating profit (EBIT) from the acquisition contributed EUR 1.0 m during the period 1 November–31 December 2017. If the acquisition had been carried out on 1 January 2017, Royal Panda would have contributed EUR 11.5 m to the Group's operating profit by the end of the reporting period.

The table below sums up the total purchase price measured at fair value of EUR 98.0 m. The total purchase price consists of EUR 49 m in purchase consideration paid, future partial payments of EUR 10.8 m, and the estimated adjustment of EUR 2.7 m. In addition to this is the estimated earn-out of EUR 35.4 m. Liabilities that have not been assumed are classified as current liabilities and provisions, respectively, since all parts will be settled in 2018.

The discount rate used in determining the value of the earn-out payment is 18.5% and reflects the inherent risk that the company has in its forecast outcome. An undiscounted earn-out payment has been prognosticated at EUR 42.0 m, which is the estimated value in a mid-range scenario in a range of possible outcome. The earn-out would amount to EUR 20 m in an estimated low-range scenario and EUR 60 m in a high-range scenario.

Identified surplus value pertains to intangible assets in the form of trademarks and domain names, valued at EUR 21.9 m, and the acquired customer database, valued at EUR 30.5 m. Total identified surplus value is EUR 52.4 m. The intangible assets are measured at fair value as per the date of acquisition and are amortised on a straight-line basis 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 an amortisation rate of eight years. Amortisation of the acquired customer database will be charged against consolidated profit at an amortisation rate of two years.

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, mainly in the UK. Goodwill is to some extent also attributable to human capital. Goodwill has an indefinite useful life and is not amortised, but is tested yearly for impairment or whenever there is an indication of impairment. No part of reported goodwill is expected to be deductible from income tax if an impairment loss were to be recognised.

The table below shows the fair value of all acquired assets and assumed liabilities. Current receivables and liabilities include no derivatives, and fair value is equal to the carrying amount. The fair value of trade receivables and other receivables is EUR 2.3 m and corresponds to the book value at which all receivables are expected to be received.

As a result of acquisition-related costs that have arisen, the acquisition is estimated to have a marginal effect on the Group's earnings per share for 2017. Acquisition-related costs amounted to EUR 0.45 m and are included in other operating expenses in the income statement and in operating activities in the statement of cash flows.

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.

Preliminary purchase price allocation,* Royal Panda (EUR '000s)	
The acquired company's carrying amounts as per the date of acquisition, 1/11/2017	**Measured at fair value**
Property, plant and equipment	291
Intangible assets	53 948
Financial assets	36
Trade and other receivables	2 296
Cash and cash equivalents	8 970
Trade and other payables	(5 192)
Deferred tax liabilities	(2 621)
Total acquired, identifiable net assets at fair value	**57 728**
Goodwill	**40 244**
Purchase price	**97 972**
Purchase price	
Consideration paid, 1 November 2017	49 000
Consideration payable on 1 February and 1 May 2018	10 841
Estimated adjustment of purchase price at end of reporting period	2 688
Estimated earn-out (contingent consideration) payable on 1 December 2018	35 443
Total purchase price	**97 972**
Identified surplus value	
Trademarks and domain names	21 929
Acquired customer database	30 492
Total identified surplus value	**52 420**

*A purchase price allocation is preliminary until it has been finalised. A preliminary purchase price allocation is finalised as soon as necessary information about assets/liabilities at the time of acquisition has been obtained, but not later than one year from the date of acquisition. The purchase price allocation presented above is preliminary, since further analysis may affect the final purchase price.

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

Earlier in the year, 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 was made for cash consideration. The original purchase price of EUR 6.1 m has been adjusted by a total of EUR -0.6 m, of which the total purchase price amounts to EUR 5.5 m. The final portion of the purchase price was settled in August. The adjustment during the third quarter amounted to EUR -0.3 m.

Transfer of possession and consolidation in LeoVegas' accounts took place on 1 March 2017. The acquisition was financed with liquidity from own cash holdings. No financing from external credit institutions was utilised.

At the time of acquisition Winga's organisation included 33 employees, and the company had sales of EUR 8.0 m in 2016. A large share of Winga's revenue is generated by 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 area. 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 potential to reach new customers through access to a new market and thus to achieve geographic expansion. Goodwill is to some extent also attributable to human capital. No part of reported goodwill is expected to be deductible from income tax if an impairment loss were to be recognised.

Accounting effects
During the year the acquired business contributed EUR 7.9 m to consolidated revenue for the period 1 March–31 December 2017. If the acquisition had been carried out on 1 January 2017, Winga would have contributed EUR 9.4 m to consolidated revenue by the end of the reporting period. 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 5.5 m and the fair value of acquired assets and assumed liabilities. Current receivables and liabilities include no derivatives, and the fair value is equal to 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.

Reporting of intangible assets is measured at fair value as per the date of acquisition, and the amount is amortised on a straight-line basis over their estimated useful life, 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 two years. Continuing amortisation of the acquired customer database will be charged against consolidated earnings at an amortisation rate of three years. Identified surplus value of the licence entails no annual amortisation, as it is judged to have an infinite useful life. The licence provides access to the regulated Italian market and is judged to no have 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.

The purchase price allocation analysis presented below has been finalised as per the end of the reporting period.

Purchase price allocation, Winga (EUR '000s)

The acquired company's carrying amounts as per the date of acquisition, 1 March 2017	Measured at fair value
Intangible assets	2 800
Property, plant and equipment	165
Financial assets	44
Trade and other receivables	501
Cash and cash equivalents	1 894
Trade and other payables	(2 771)
Deferred tax assets	(438)
Total acquired, identifiable net assets at fair value	**2 195**
Goodwill	**3 303**
Purchase price	**5 499**

Purchase price	
Consideration paid (1 March 2017)	3 050
Consideration paid (28 August 2017)	2 449
Total purchase price	**5 499**

Identified surplus value	
Trademarks and domain names	316
Licence	1 153
Acquired customer base	358
Total identified surplus value	**1 827**

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 0.6 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 566 (365), of whom 46 are employed by companies in the Royal Panda Group. The average number of employees during the fourth quarter was 510 (357). In addition, LeoVegas used the services of 20 (2) 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 31 December 2017 the Company had 10,218 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 5.5%; and SEB Life International, with 4.9% of the shares and votes.

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 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, 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 of key ratios, see page 27.

Items affecting comparability pertain to costs associated with the Company's IPO on Nasdaq First North Premier, the change in listing to Nasdaq Stockholm, and costs pertaining to the execution of acquisitions. They do not include any costs for integration or restructuring. The cost during 2017 amounted to EUR 1.9 m. Items affecting comparability in 2016 amounted to EUR 5.3 m. All items affecting comparability are charged against other operating expenses.

Non-current liabilities consist of two parts: a bank loan and a call option on the remaining shares in the subsidiary Authentic Gaming Ltd. The bank loan is classified as a financial liability. The call option is classified as a financial liability and is consolidated to 100%, which is why no minority interest is reported in the financial statements. The price is set at a predetermined amount of EUR 1 m in 2020. The value of the liability consists of a predetermined 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 IPO, 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 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 15 Revenue from Contracts with Customers
Application of IFRS 15 regulates revenue recognition. IFRS 15 applies for financial years starting on or after 1 January 2018, and early application is permitted. The standard thus replaces the current standard IAS 18 Revenue and IAS 11 Construction Contracts along with accompanying interpretations. The Group has evaluated the potential impact on the financial statements of application of IFRS 15. The Group has determined that the changeover to application of IFRS 15 will not affect the Group's revenue recognition. However, the Group's assessment is that the disclosure requirements in the financial statements may need to be further specified in various respects at the time of application. The first report to be published after application of IFRS 15 will be the interim report for the first quarter of 2018.

IFRS 9 Financial Instruments

IFRS 9 replaces the current standard for financial instruments, IAS 39. The standard is to be applied for financial years starting on 1 January 2018, and early application is permitted. LeoVegas is an online casino operator, and revenue flows are dependent on activities such as casino games, table games, slot machines and sportsbooks. Payments on wagers made on these gaming activities are thereby typically known at the time the wager is made. These wagers are described as fast-odds wagers. Such activity is assessed to fall within the definition of a financial instrument within the framework of IFRS 9 Financial Instruments and are thereby excluded from IFRS 15. In cases where IFRS 9 is applied instead of IFRS 15, the Group has determined that it does not affect the point in time, size, etc., of how revenue recognition is done, rather, it is the same regardless of which standard is applied.

Aside from the above, the standard changes the basis for calculation of the credit loss reserve. From a model that is based on incurred losses, IFRS will require a model that is based on expected losses. At present, an impairment loss is recognised for financial assets in the Group only if there are objective indications of a need to recognise impairment resulting from one or more events that have occurred (a "loss event"). Accordingly, LeoVegas has reviewed its current model for calculating credit loss provisions upon application of IFRS 9. Since a majority of the Group's financial assets consist of trade receivables from payment service providers, with very limited credit risk, the Group may determine, based on history, that all payment service providers have paid their receivables, for which no credit losses have previously arisen. All in all, the Group is of the opinion that adoption of IFRS 9 will have an immaterial effect on the financial reporting. The first report to be published after application of IFRS 9 will be the interim report for the first quarter of 2018.

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 geographical 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. Since 10 September 2017 LeoVegas has not accepted any revenue from Australia. Australia, which was included in the Rest of World area, accounted for 5.7% of revenue during the third quarter of 2017.

In Sweden, on 31 March 2017 a government study led by Håkan Hallstedt, Director General of the Swedish Gambling Authority, was presented, which makes recommendations for how the gambling market in Sweden can be regulated. One of the study's most important recommendations was that the so-called channelisation level (the share of the gambling market that is included in the licensing process) should be as high as possible. This led to the study's recommendation for 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 implemented. 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 the second half of 2019 is now being 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 opted to not complete an application for a gaming licence in this market. As a result, LeoVegas closed its business in the Czech Republic. The geographical area Rest of World 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.

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 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 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 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 LeoVegas 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. 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 gaming 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 gaming.

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 2017 revenue amounted to EUR 1.4 m (0.2), and profit after tax was EUR -0.2 m (-4.5). Profit was affected by increased further invoicing of intra-Group services and a Group contribution received of EUR 1.5 m. The Parent Company's non-current assets amounted to EUR 14.3 m (9.7). The change is explained by an increase in loan receivables from Group companies. Cash and cash equivalents amounted to EUR 3.0 m (19.2).

Future outlook and financial targets

LeoVegas evaluated several acquisition candidates in 2017 and continues to do so. The debt financing obtained from the bank strengthens LeoVegas' opportunities and ability to capitalise on consolidation in the industry.

The short-term targets for 2018 have been departed from as a result of completed acquisitions.

LeoVegas does not provide any future forecasts, but has set the following long-term targets:

- Long-term organic growth that outperforms the online gaming market
- Long-term EBITDA margin of no less than 15% assuming that 100% of revenue is 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.

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 fourth 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, 7 February 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 Director	**Gustaf Hagman** President and CEO	

LeoVegas AB
Luntmakargatan 18, SE-111 37 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.
This interim report has not been reviewed by the Company's auditor.

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Financial calendar 2018

Interim Report Jan.-March	2 May 2018
Annual General meeting	29 May 2018
Interim Report Jan.-June	1 Aug. 2018
Interim Report Jan.-Sept.	7 Nov. 2018

Consolidated income statement

EUR '000s	Oct-Dec 2017	Oct-Dec 2016	2017	2016
Revenue	**67 826**	**41 165**	**217 014**	**141 398**
Cost of sales	(12 086)	(7 599)	(39 195)	(26 519)
Gaming Duties	(6 144)	(1 677)	(15 144)	(5 673)
Gross profit	**49 596**	**31 889**	**162 675**	**109 206**
Personnel costs	(7 869)	(4 636)	(26 402)	(17 782)
Capitalised development costs	1 233	733	3 713	2 808
Operating expenses	(7 526)	(3 197)	(22 878)	(17 914)
Marketing expenses	(29 469)	(14 912)	(91 727)	(60 448)
Other income and expenses	163	74	566	131
EBITDA	**6 128**	**9 951**	**25 947**	**16 001**
Depreciation and amortisation	(4 074)	(434)	(6 033)	(1 399)
Operating profit (EBIT)	**2 054**	**9 517**	**19 914**	**14 602**
Financial income	6	5	13	20
Financial costs	(129)	(1)	(130)	(3)
Financial liability fair value gains/(losses)	(993)	-	(993)	-
Profit before tax	**938**	**9 522**	**18 804**	**14 619**
Income tax	575	368	(676)	(193)
Net profit for the period*	**1 513**	**9 890**	**18 128**	**14 426**
Other comprehensive income	-	-	-	-
Total comprehensive income*	**1 513**	**9 890**	**18 128**	**14 426**
Earnings per share (EUR)	**0.02**	**0.10**	**0.18**	**0.14**
Earnings per share after dilution (EUR)	**0.01**	**0.10**	**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)	101.25	100.74	101.25	100.71
Key ratios				
Cost of sales as a % of revenue	17.8%	18.5%	18.1%	18.8%
Gaming duties as a % of revenue	9.1%	4.1%	7.0%	4.0%
Gross margin, %	73.1%	77.5%	75.0%	77.2%
Personnel costs as % of revenue	11.6%	11.3%	12.2%	12.6%
Operating expenses as % of revenue	11.1%	7.8%	10.5%	12.7%
Marketing expenses as % of revenue	43.4%	36.2%	42.3%	42.8%
EBITDA margin %	9.0%	24.2%	12.0%	11.3%
EBIT margin %	3.0%	23.1%	9.2%	10.3%
Net margin, %	2.2%	24.0%	8.4%	10.2%

* Profit for the period is attributable in its entirety to owners of the Parent Company.

EUR '000s	Oct-Dec 2017	Oct-Dec 2016	2017	2016
EBITDA	6 128	9 951	25 947	16 001
Costs pertaining to listing	172	-	594	5 283
Costs pertaining to acquisition-related consulting	788	-	1 353	-
Adjusted EBITDA	**7 088**	**9 951**	**27 894**	**21 284**
Depreciation and amortisation	(4 074)	(434)	(6 033)	(1 399)
Adjusted EBIT	**3 014**	**9 517**	**21 861**	**19 885**
Adjusted EBITDA margin %	10.5%	24.2%	12.9%	15.1%
Adjusted EBIT margin %	4.4%	23.1%	10.1%	14.1%

Consolidated balance sheet, condensed

EUR '000s	31 Dec 2017	31 Dec 2016
ASSETS		
Non-current assets		
Property, plant and equipment	2 870	1 194
Intangible assets	105 570	5 860
Deferred tax assets	1 541	837
Total non-current assets	**109 981**	**7 891**
Current assets		
Trade receivables	15 178	6 739
Other current receivables	7 074	3 098
Cash and cash equivalents	52 758	60 218
of which restricted cash (player funds)	*7 097*	*4 067*
Total current assets	**75 010**	**70 055**
TOTAL ASSETS	**184 991**	**77 946**
EQUITY AND LIABILITIES		
Share capital	1 196	1 196
Additional paid-in capital	36 588	36 411
Retained earnings including profit for the period	21 122	13 228
Equity attributable to owners of the Parent Company	**58 906**	**50 835**
Bank loan	20 015	-
Other non-current liabilities	942	924
Total non-current liabilities	**20 957**	**924**
Current liabilities		
Trade and other payables	14 818	8 737
Player liabilities	7 097	4 067
Tax liability	5 886	1 033
Accrued expenses and deferred income	27 302	12 350
Short-term liability in respect of acquisition	13 644	-
Provision for estimated contingent consideration (earn-out)	36 381	-
Total current liabilities	**105 128**	**26 187**
TOTAL EQUITY AND LIABILITIES	**184 991**	**77 946**

Consolidated statement of cash flows, condensed

EUR '000s	Oct-Dec 2017	Oct-Dec 2016	2017	2016
Operating profit	2 054	9 517	19 914	14 602
Adjustments for non-cash items	2 892	234	6 135	2 061
Cash flow from changes in working capital	3 080	3 149	8 026	10 488
Cash flow from operating activities	**8 026**	**12 900**	**34 075**	**27 151**
Acquisition of property, plant and equipment	(760)	(261)	(1 855)	(952)
Acquisition of intangible assets	(863)	(747)	(4 312)	(2 935)
Acquisition of subsidiaries	(40 330)	-	(43 935)	-
Cash flow from investing activities	**(41 953)**	**(1 008)**	**(50 102)**	**(3 887)**
Loan financing	20 000	-	20 000	-
Proceeds from share issue/other equity securities	170	-	170	15 353
Cash dividends paid out to shareholders	-	-	(10 233)	-
Cash flow from financing activities	**20 170**	**-**	**9 937**	**15 353**
Net increase/(decrease) in cash and cash equivalents	(13 757)	11 892	(6 090)	38 617
Cash and cash equivalents at start of the period	66 628	48 088	60 218	22 605
Currency effects on cash and cash equivalents	(113)	238	(1 370)	(1 004)
Cash and cash equivalents at end of period	**52 758**	**60 218**	**52 758**	**60 218**
of which restricted cash (player funds)	*7 097*	*4 067*	*7 097*	*4 067*

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	-	-	14 426	14 426
Total comprehensive income for the period	**-**	**-**	**14 426**	**14 426**
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)	-	-
Dividends	-	-	-	-
Balance at 31 December 2016	**1 196**	**36 411**	**13 228**	**50 835**
Balance at 1 January 2017	1 196	36 411	13 228	50 835
Profit for the period	-	-	18 128	18 128
Total comprehensive income for the period	-	-	18 128	18 128
Transactions with shareholders in their capacity as owners:				
Dividends	-	-	(10 233)	(10 233)
Option Premium	-	177	-	177
Balance at 31 December 2017	**1 196**	**36 588**	**21 122**	**58 906**

Parent Company income statement, condensed

EUR '000s	Oct-Dec 2017	Oct-Dec 2016	2017	2016
Revenue	**1 227**	**75**	**1 411**	**192**
Operating expenses	(1 563)	(489)	(4 374)	(7 600)
Other income and expenses	-	-	-	(99)
Operating profit (EBIT)	**(336)**	**(414)**	**(2 963)**	**(7 507)**
Net financial income	1 605	1 830	2 073	2 211
Tax cost	668	834	668	834
Profit / Loss for the period*	**1 937**	**2 250**	**(222)**	**(4 462)**

Parent Company balance sheet, condensed

EUR '000s	31 Dec 2017	31 Dec 2016
ASSETS		
Total non-current assets	14 275	9 731
Current assets	5 830	3 425
Cash and cash equivalents	2 975	19 249
Total current assets	**8 805**	**22 674**
TOTAL ASSETS	23 080	32 405
EQUITY AND LIABILITIES		
Total equity	**22 225**	**32 137**
Total liabilities	**855**	**268**
TOTAL EQUITY AND LIABILITIES	23 080	32 405

KPIs per quarter

Amounts in EUR '000s unless otherwise stated	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Deposits	224 610	193 081	167 933	149 628	139 072
Growth, Deposits, y-y %	*62%*	*56%*	*67%*	*86%*	*87%*
Growth, Deposits, q-q %	*16%*	*15%*	*12%*	*8%*	*12%*
Deposits per region					
Sweden, % Deposits	36.6%	41.4%	40.9%	43.7%	43.9%
Other Nordics, % Deposits	23.0%	21.5%	20.3%	18.1%	16.1%
UK, % Deposits	18.5%	14.0%	15.3%	15.1%	15.3%
Rest of Europe, % Deposits	18.5%	17.2%	17.4%	15.2%	14.6%
Rest of the World, % Deposits	3.4%	5.9%	6.2%	8.0%	10.0%
Net Gaming Revenue (NGR)	67 901	55 165	49 175	43 656	40 611
Growth Net Gaming Revenue, y-y %	*67%*	*39%*	*65%*	*53%*	*55%*
Growth Net Gaming Revenue, q-q %	*23%*	*12%*	*13%*	*8%*	*3%*
Net Gaming Revenue (NGR) per region					
Sweden, % Net Gaming Revenue	33.5%	37.1%	36.6%	40.1%	41.2%
Other Nordics, % Net Gaming Revenue	22.2%	22.7%	20.0%	16.0%	15.4%
UK, % Net Gaming Revenue	16.6%	12.2%	14.3%	13.7%	10.6%
Rest of Europe, % Net Gaming Revenue	21.8%	17.8%	19.0%	17.3%	16.8%
Rest of the World, % Net Gaming Revenue	5.8%	10.1%	10.1%	13.0%	16.1%
Growth in NGR per region					
Sweden, y-y %	*35.3%*	*16.7%*	*22.7%*	*27.5%*	*21.4%*
Other Nordics, y-y %	*140.1%*	*127.3%*	*141.7%*	*117.5%*	*110.9%*
UK, y-y %	*162.9%*	*28.8%*	*83.0%*	*19.4%*	*-25.6%*
Rest of Europe, y-y %	*115.6%*	*80.7%*	*143.8%*	*168.0%*	*251.9%*
Rest of the World, y-y %	*-39.3%*	*-7.5%*	*32.5%*	*60.5%*	*309.4%*
Regulated revenue as a % of total	29.0%	25.3%	25.1%	18.3%	11.0%
Growth in regulated revenues, y-y %	*340%*	*167%*	*223%*	*61%*	*-22%*
Growth in regulated revenues, q-q %	*44%*	*11%*	*54%*	*79%*	*-15%*
Hold (NGR/Deposits) %	30.2%	28.6%	29.3%	29.2%	29.2%
Game margin %	3.74%	3.74%	3.75%	3.62%	3.54%
Number of active customers	391 705	299 639	284 387	318 529	404 773
Growth active customers, y-y %	*-3%*	*-12%*	*-47%*	*-34%*	*63%*
Growth active customers, q-q %	*31%*	*5%*	*-11%*	*-21%*	*19%*
Number of depositing customers	253 299	202 980	173 034	172 338	176 306
Growth depositing customers, y-y %	*44%*	*30%*	*-2%*	*42%*	*75%*
Growth depositing customers, q-q %	*25%*	*17%*	*0%*	*-2%*	*13%*
Number of new depositing customers	128 409	97 210	73 014	75 017	85 384
Growth new depositing customers, y-y %	*50%*	*30%*	*-33%*	*23%*	*83%*
Growth new depositing customers, q-q %	*32%*	*33%*	*-3%*	*-12%*	*14%*
Number of returning depositing customers	124 890	105 770	100 020	97 321	90 922
Growth returning depositing customers, y-y %	*37%*	*29%*	*49%*	*61%*	*68%*
Growth returning depositing customers, q-q %	*18%*	*6%*	*3%*	*7%*	*11%*

Consolidated income statement per quarter

EUR '000s	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Revenue	**67 826**	**55 620**	**49 652**	**43 916**	**41 165**
Cost of sales	(12 086)	(10 389)	(8 876)	(7 844)	(7 599)
Gaming Duties	(6 144)	(4 045)	(2 870)	(2 085)	(1 677)
Gross profit	**49 596**	**41 186**	**37 906**	**33 987**	**31 889**
Personnel costs	(7 869)	(5 568)	(7 033)	(5 932)	(4 636)
Capitalised development costs	1 233	813	872	795	733
Other operating expenses	(7 526)	(6 321)	(4 946)	(4 085)	(3 197)
Marketing expenses	(29 469)	(22 638)	(20 787)	(18 833)	(14 912)
Other income and expenses	163	170	130	103	74
EBITDA	**6 128**	**7 642**	**6 142**	**6 035**	**9 951**
Depreciation and amortisation	(4 074)	(749)	(692)	(518)	(434)
Operating profit (EBIT)	**2 054**	**6 893**	**5 450**	**5 517**	**9 517**
Financial income	6	1	1	5	7
Financial costs	(129)	-	-	(1)	(2)
Financial liability fair value gains/(losses)	(993)	-	-	-	-
Profit before tax	**938**	**6 894**	**5 451**	**5 521**	**9 522**
Income tax	575	(442)	(421)	(388)	368
Net profit for the period	**1 513**	**6 452**	**5 030**	**5 133**	**9 890**
Other comprehensive income	-	-	-	-	-
Total comprehensive income*	**1 513**	**6 452**	**5 030**	**5 133**	**9 890**
Earnings per share (EUR)	**0.02**	**0.06**	**0.05**	**0.05**	**0.10**
Earnings per share after dilution (EUR)	**0.01**	**0.06**	**0.05**	**0.05**	**0.10**
No. of shares outstanding adj. for share split	99.70	99.70	99.70	99.70	99.70
No. of shares after dilution adj. for share split	101.25	101.18	101.03	100.83	100.74
Key ratios					
Cost of sales as a % of revenue	17.8%	18.7%	17.9%	17.9%	18.5%
Gaming duties as a % of revenue	9.1%	7.3%	5.8%	4.7%	4.1%
Gross margin, %	73.1%	74.0%	76.3%	77.4%	77.5%
Personnel costs as % of revenue	11.6%	10.0%	14.2%	13.5%	11.3%
Operating expenses as % of revenue	11.1%	11.4%	10.0%	9.3%	7.8%
Marketing expenses as % of revenue	43.4%	40.7%	41.9%	42.9%	36.2%
EBITDA, margin %	9.0%	13.7%	12.4%	13.7%	24.2%
EBIT, margin %	3.0%	12.4%	11.0%	12.6%	23.1%
Net margin, %	2.2%	11.6%	10.1%	11.7%	24.0%

* Profit for the period is attributable in its entirety to owners of the Parent Company.

EUR '000s	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
EBITDA	6 128	7 642	6 142	6 035	9 951
Costs pertaining to listing	172	186	102	133	-
Costs pertaining to acquisition-related consulting	788	565	-	-	-
Adjusted EBITDA	7 088	8 393	6 244	6 168	9 951
Depreciation and amortisation	(4 074)	(749)	(692)	(518)	(434)
Adjusted EBIT	3 014	7 644	5 552	5 650	9 517
Adjusted EBITDA margin %	10.5%	15.1%	12.6%	14.0%	24.2%
Adjusted EBIT margin %	4.4%	13.7%	11.2%	12.9%	23.1%

Consolidated balance sheet per quarter, condensed

EUR '000s	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
ASSETS					
Non-current assets					
Property, plant and equipment	2 870	1 979	1 339	1 342	1 194
Intangible assets	105 570	13 931	13 877	13 864	5 860
Deferred tax assets	1 541	837	837	837	837
Total non-current assets	**109 981**	**16 747**	**16 053**	**16 043**	**7 891**
Current assets					
Trade receivables	15 178	9 643	7 224	6 130	6 739
Other current receivables	7 074	5 117	4 746	4 295	3 098
Cash and cash equivalents	52 758	66 628	59 718	64 024	60 218
of which restricted cash (player funds)	*7 097*	*4 788*	*5 163*	*4 575*	*4 067*
Total current assets	**75 010**	**81 388**	**71 688**	**74 449**	**70 055**
TOTAL ASSETS	**184 991**	**98 135**	**87 741**	**90 492**	**77 946**
EQUITY AND LIABILITIES					
Share capital	1 196	1 196	1 196	1 196	1 196
Additional paid-in capital	36 588	36 588	36 411	36 411	36 411
Retained earnings including profit for the period	21 122	19 610	13 158	18 361	13 228
Equity attributable to owners of the Parent Company	**58 906**	**57 394**	**50 765**	**55 968**	**50 835**
Long-term liabilities to credit institutions	20 015	-	-	-	-
Non-current liabilities	942	938	933	928	924
Total non-current liabilities	**20 957**	**938**	**933**	**928**	**924**
Current liabilities					
Trade and other payables	14 818	11 263	13 558	12 928	8 737
Player liabilities	7 097	4 788	5 163	4 575	4 067
Other liabilities	5 886	2 320	1 891	1 823	1 033
Accrued expenses	27 302	21 432	15 431	14 270	12 350
Short-term liability in respect of acquisition	13 644	-	-	-	-
Provision for contingent consideration (earn-out)	36 381	-	-	-	-
Total current liabilities	**105 128**	**39 803**	**36 043**	**33 596**	**26 187**
TOTAL EQUITY AND LIABILITIES	**184 991**	**98 135**	**87 741**	**90 492**	**77 946**

Consolidated statement of cash flows per quarter, condensed

EUR'000s	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Operating profit	2 054	6 893	5 450	5 517	9 517
Adjustments for non-cash items	2 892	1 532	1 122	589	234
Cash flow from changes in working capital	3 080	3 470	1 727	(251)	3 149
Cash flow from operating activities	**8 026**	**11 895**	**8 299**	**5 855**	**12 900**
Acquisition of property, plant and equipment	(760)	(824)	(161)	(110)	(261)
Acquisition of intangible assets	(863)	(889)	(1 730)	(830)	(747)
Acquisition of subsidiaries	(40 330)	(2 449)	-	(1 156)	-
Cash flow from investing activities	**(41 953)**	**(4 162)**	**(1 891)**	**(2 096)**	**(1 008)**
Loan financing	20 000	-	-	-	-
Proceeds from share issue/other equity securities	170	-	-	-	-
Cash dividends paid out to shareholders	-	-	(10 233)	-	-
Cash flow from financing activities	**20 170**	**-**	**(10 233)**	**-**	**-**
Net increase/(decrease) in cash and cash equivalents	(13 757)	7 733	(3 825)	3 759	11 892
Cash and cash equivalents at start of the period	66 628	59 718	64 024	60 218	48 088
Currency effects on cash and cash equivalents	(113)	(823)	(481)	47	238
Cash and cash equivalents at end of period	**52 758**	**66 628**	**59 718**	**64 024**	**60 218**
of which restricted cash (player funds)	*7 097*	*4 788*	*5 163*	*4 575*	*4 067*

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, and costs pertaining to acquisition-related consulting. No costs related to integration or restructuring are included.

In connection with acquisitions, the term adjusted EBITDA may be used to report on underlying earnings. In such cases an explicit definition will be used to report on the specific adjustment that the term refers to.

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 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

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