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

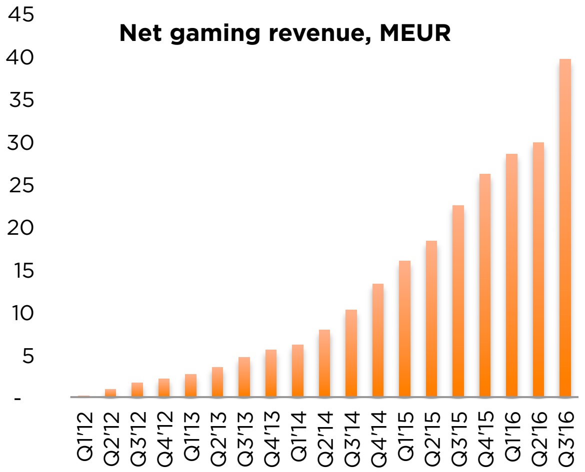
Record-high revenue and 25% EBITDA margin

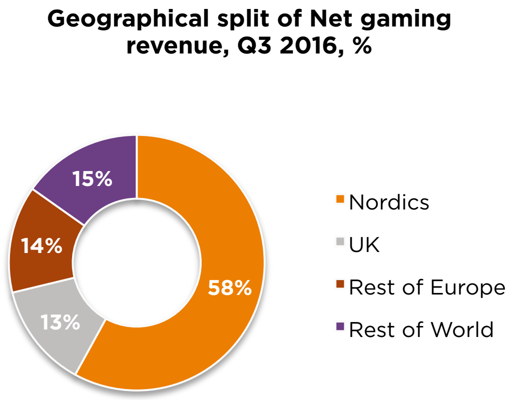
Third quarter: 1 July–30 September 2016*

- Revenue grew 76% to EUR 39.7 m (22.6). Growth was entirely organic.
- Mobile deposits accounted for 67% (58%) of total deposits, which grew 87% to EUR 123.7 m (66.3).
- The number of depositing customers was 156,389 (88,290), an increase of 77%. The number of new depositing customers was 74,638 (42,378), an increase of 76%.
- The number of returning depositing customers was 81,751 (45,912), an increase of 78%.
- EBITDA amounted to EUR 9.8 m (1.1), corresponding to an EBITDA margin of 24.7% (4.9%).
- Operating profit (EBIT) was EUR 9.4 m (0.9).
- Earnings per share were EUR 0.09 both before and after dilution (0.01).

Interim period: 1 January–30 September 2016

- Revenue grew 76% to EUR 100.2 m (57.0). Growth was entirely organic.
- EBITDA amounted to EUR 6.1 m (0.8). EBITDA adjusted for items affecting comparability was EUR 11.3 m (0.8), corresponding to an adjusted EBITDA margin of 11.3%.
- Operating profit (EBIT) was EUR 5.1 m. Operating profit adjusted for items affecting comparability was EUR 10.4 m (0.3), corresponding to an adjusted EBIT margin of 10.3%.
- Earnings per share were EUR 0.05 (0.00) before dilution and EUR 0.04 (0.00) after dilution.





Events after the end of the quarter

- LeoVegas granted a gaming licence for the Danish market

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

CEO commentary

Strong momentum in growth and earnings resulting from a consistent focus on mobile devices, our technology lead, effective marketing investments and strong customer inflow during the preceding quarter.

Third quarter
LeoVegas continues to develop in line with our vision: to create the ultimate gaming experience and be number one in mobile gaming. The launches of LeoVegas Sport and LeoVegas Live Casino have laid the foundation for strong growth in new customers and gave us considerable momentum into the autumn and third quarter.

Revenue grew 76% during the third quarter, to EUR 39.7 m (22.6), while EBITDA improved considerably to EUR 9.8 m (1.1), corresponding to an EBITDA margin of 24.7%. The increase in revenue and higher profitability are largely attributable to the customer inflow during the second quarter and to highly effective marketing during the third quarter.

As I mentioned in our Q2 interim report, our marketing investments would be lower during the third quarter. Given the lower level that we in fact had during the quarter, we expect to see a slight increase during the fourth quarter both in relation to revenue and in absolute figures.

Our marketing investments steer profitability, which will continue to be volatile from quarter to quarter. However, with respect to accumulated earnings and the EBITDA margin during the first nine months of the year, profitability, at 11.3%, has developed well toward our long-term target of approximately 15% in 2018.

LeoVegas' leading position in mobile gaming has been affirmed in a survey published in the Online Gambling Quarterly Report. The results of the survey, which is based on responses from leading experts and executives in the industry, suggest that during the coming 12 months LeoVegas will be the gaming operator that grows the most of all gaming operators in the world. I credit this to the fantastic contributions made by all of our employees.

Market
The total number of depositing customers grew 77% compared with the same quarter a year ago. Due to the strong growth in LeoVegas' customer base during the second quarter, the share of returning customers during the third quarter was very high. Sequential growth of returning customers was 22%, which is the highest level in seven quarters.

In absolute figures, the Nordic countries and the UK together accounted for 64% of the increase in total deposits during the quarter, while our smaller markets showed the fastest growth percentagewise. In the Rest of Europe segment, total deposits grew 329%, while in Rest of World they grew 244%. In the Nordic countries and the UK, deposits increased by 63% and 59%, respectively. Mobile devices accounted for 67% of deposits during the quarter.

We are continuously analysing our marketing initiatives in all markets. For example, in the UK we made changes during the quarter in our marketing investments towards a clearer focus on digital channels.

Products
LeoVegas has been named as Mobile and Online Casino Operator of the Year on repeated occasions. We continue to lead the gaming industry with our advanced technological platform and now offer the market's broadest array of Live Casino games via mobile devices. In addition, we are focusing intensely on developing the market's fastest and most user-friendly mobile sportsbook.

One product trend in which LeoVegas has been a driver is games that use more of a smartphone's capacity in the portrait mode. For example, LeoVegas was first to launch NetEnt Live and Evolutions Live Casino in the portrait mode. Many other mobile gaming forms are played in the portrait mode, and it will be very interesting to see how this trend affects our part of the gaming industry.

Denmark
In early October we received our gaming licence for the Danish market, and it will be exciting to launch LeoVegas in Denmark, where we have a very knowledgeable team in place.

Comments on fourth quarter
The fourth quarter has opened in line with our expectations. Net gaming revenue (NGR) in October totalled EUR 12.8 m, corresponding to growth of 63% over the same period in 2015. December has historically been the month with the strongest growth for the quarter.

With strong momentum, new gaming categories and a leading position in mobile gaming, we look forward to an eventful winter.

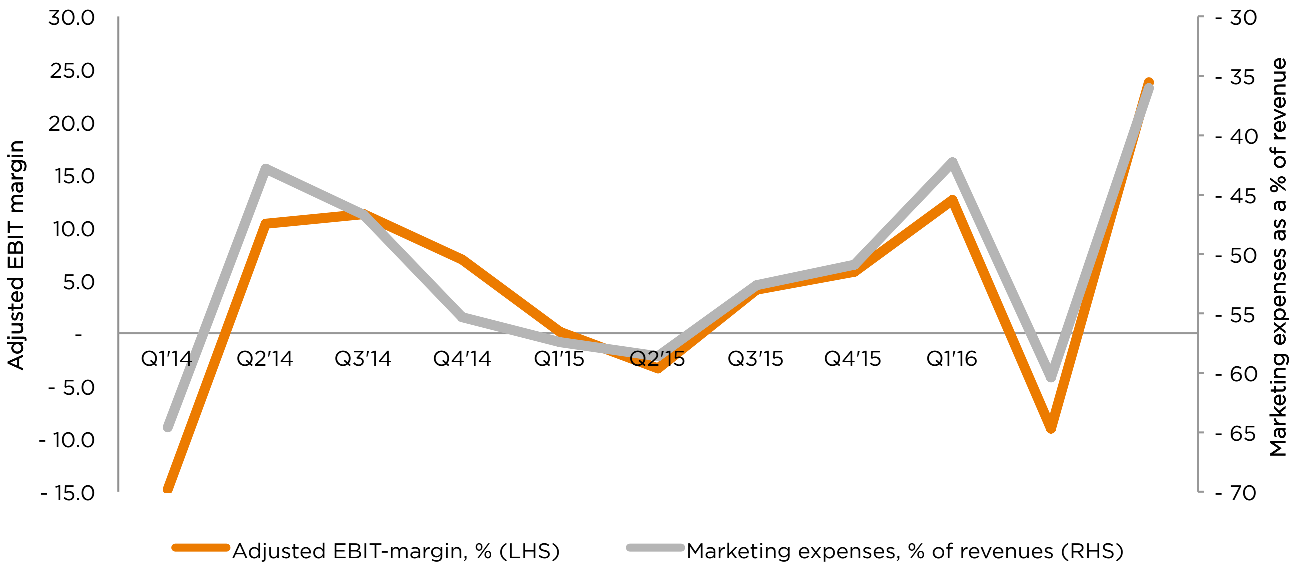
Stockholm, 9 November 2016

Gustaf Hagman, Group CEO, Co-founder

Key quarterly performance figures

EUR'000s unless otherwise stated	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Number of depositing customers	**156 389**	**176 635**	**121 615**	**100 852**	**88 290**	**71 632**	**65 122**
Growth, y-y %	77%	147%	87%	93%	115%	119%	73%
Growth, q-q %	-11%	45%	21%	14%	23%	10%	25%
Deposits	**123 720**	**100 577**	**80 495**	**74 216**	**66 333**	**56 292**	**46 546**
Growth, y-y %	87%	79%	73%	80%	103%	111%	105%
Growth, q-q %	23%	25%	8%	12%	18%	21%	13%
Revenue	**39 713**	**30 980**	**29 541**	**26 041**	**22 586**	**18 504**	**15 887**
Growth, y-y %	76%	67%	86%	100%	124%	140%	157%
Growth, q-q %	28%	5%	13%	15%	22%	16%	22%
Adjusted EBITDA	**9 802**	**(2 454)**	**3 986**	**1 739**	**1 115**	**(475)**	**152**
Adjusted EBITDA margin, %	24.7%	-7.9%	13.5%	6.7%	4.9%	-2.6%	1.0%
Adjusted EBIT	**9 436**	**(2 777)**	**3 712**	**1 508**	**931**	**(611)**	**15**
Adjusted EBIT margin, %	23.8%	-9.0%	12.6%	5.8%	4.1%	-3.3%	0.1%
Marketing expenses	**14 317**	**18 708**	**12 510**	**13 250**	**11 886**	**10 846**	**9 124**
Marketing expenses as % of revenue	36%	60%	42%	51%	53%	59%	57%

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



LeoVegas' EBIT margin is to a large extent a function of the amount spent on marketing in a given period. When investments in marketing as a percentage of revenue are higher (e.g., Q1 2014, Q1-Q3 2015, Q2 2016), the EBIT margin decreases, while when it is lower (e.g., Q2-Q3 2014, Q1 2016, Q3 2016), the EBIT margin increases. LeoVegas has historically had a higher marketing-to-revenue ratio than its industry peers. This is because the return on marketing investments has been high, which justifies a continued focus on investments in growth.

Group performance Q3

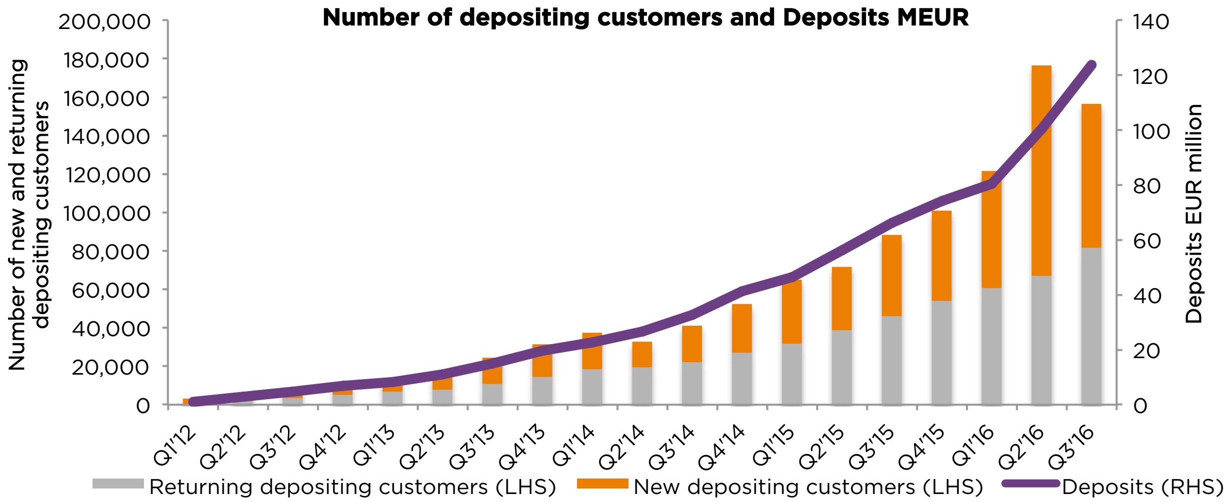
Revenue, deposits and number of depositing customers

Revenue amounted to EUR 39.7 m (22.6) during the third quarter, an increase of 76%. Growth was entirely organic.

Total deposits amounted to EUR 123.7 m (66.3) during the quarter, an increase of 87%. Growth over the second quarter of 2016 was 23%, which is the fastest sequential growth rate in seven quarters and can be credited to a growing base of returning customers. Deposits from mobile devices accounted for 67% (58%) of total. In absolute figures, the Nordic countries and the UK together accounted for 64% of the increase in total deposits during the quarter. The smaller markets showed the highest percentage growth during the quarter. Total deposits grew by 329% in Rest of Europe and by 244% in Rest of World. In the Nordic countries and the UK, deposits grew by 63% and 59%, respectively.

The number of depositing customers in the third quarter was 156,389 (88,290), an increase of 77%. Of the depositing customer base, the number of returning depositing customers was 81,751 (45,912), an increase of 78%. The increase in returning depositing customers from the second to the third quarters of 2016 was 22%, which is the highest sequential percentage growth rate in seven quarters. This can be credited to the record-large number of new customers during the second quarter of 2016. The number of new customers increased by 76% to 74,638 (42,378). The number of new customers decreased during the third quarter from the second quarter on account of the exceptionally high level during the second quarter. The number of new customers during the third quarter grew in line with the historic growth trend, disregarding the second quarter.

The number of active customers during the quarter, which includes customers who only play using bonus money, was 338,861 (236,156), an increase of 43%. Compared with the second quarter, however, the number of active customers decreased by 37%. This is because fewer customers who previously only played using bonus money registered with LeoVegas during the quarter. One of the reasons for this is that LeoVegas reduced the number of customer offerings that allow customers to play using bonus money without requiring a deposit.



Earnings

Gross profit for the quarter increased to EUR 31.1 m (17.9), corresponding to a gross margin of 78.3% (79.3%). The gross margin grew slightly over the second quarter due to lower bonus costs in relation to revenue, which has an indirect impact on the gross margin. Excluding gaming taxes, the gross margin was 81.8%.

Investments in marketing relative to revenue were at the lowest level in LeoVegas' history, at 36.1%. This is still higher than the average for the industry among gaming operators, and in absolute terms it was the second-highest level in LeoVegas' history, totalling EUR 14.3 m (11.9). Historically, marketing in relation to revenue for LeoVegas has been roughly 50%.

During the second quarter, marketing investments in relation to revenue reached a record-high level. This can be viewed against the background of the launches of LeoVegas Sport and LeoVegas Live Casino as well as marketing activities related to the European Championship. Marketing in Sweden and the UK thereafter returned to more normal levels during the third quarter. In connection with the launch of the new product categories, a record-large array of new market channels was also opened up. Focus during the third quarter was thus extra strong on optimising these channels. As a result, the third quarter was one of the most effective for LeoVegas in terms of its marketing. The change in the UK contributed to lower marketing investments, but also to a higher level of effectiveness in connection with a clear focus on digital channels.

Opportunities to make substantial marketing investments will vary over time, entailing that profitability may be volatile from quarter to quarter. Adding the second and third quarters together, marketing costs in relation to revenue were 46.7%, which is close to LeoVegas' historic average.

Personnel costs rose at a sequentially lower pace than revenue during the quarter, which is in line with what was communicated in the preceding interim report. Personnel costs increased more during the first half of 2016 as a result of a large number of new hires ahead of and in conjunction with the launch of LeoVegas Sport and LeoVegas Live Casino. LeoVegas' focus on growth requires that the Group can recruit key talent at a rapid pace. Personnel costs during the quarter corresponded to 12.1% (10.9%) of revenue.

Operating expenses amounted to 7.3% of revenue (12.2%), which should be considered as a low level. The low level of operating expenses in relation to revenue is partly attributable to the high revenue growth for the quarter, but also to the fact that costs for office premises, IT, travel and consulting were historically low in relation to revenue and personnel costs.

EBITDA for the third quarter increased to EUR 9.8 m (1.1), corresponding to an EBITDA margin of 24.7% (4.9%). Operating profit (EBIT) was EUR 9.4 m (0.9), corresponding to an EBIT margin of 23.8% (4.1%). Profit for the third quarter included no items affecting comparability. The EBITDA margin for the third quarter increased by 33 percentage points over the second quarter. This increase is mainly attributable to a 24 percentage point decrease in marketing in relation to revenue, a 2 percentage point decrease in the cost of goods sold, and to 2 percentage point and 5 percentage point decrease in personnel costs and operating expense, respectively.

Paid tax for the quarter was EUR -0.5 m (-0.0).

Net profit for the quarter was EUR 9.0 m (0.9), corresponding to a net margin of 22.6% (4.1%). Earnings per share were EUR 0.09 (0.01), and EUR 0.9 (0.01) after dilution.

Activities during the third quarter
No significant events took place during the third quarter.

Balance sheet and financing
At the end of September 2016 the Group's equity amounted to EUR 40.9 m (16.3 at 30 September 2015 and 16.5 at 31 December 2015), or EUR 0.41 per share. The Group's financial position is strong, and LeoVegas has no interest-bearing loan liabilities to credit institutions. The equity/assets ratio was 65% (60%). Total assets as per 30 September 2016 were EUR 62.9 m (27.3).

The consolidated balance sheet includes customer deposits. Customer balances at the end of the third quarter amounted to EUR 3.1 m (1.2). Provisions for potential local jackpot wins and bonus costs amounted to EUR 2.4 m at the end of the quarter (1.2).

Cash and cash equivalents amounted to EUR 48.1 m (19.1). Cash and cash equivalents excluding customer balances amounted to EUR 45.0 m (17.9).

Cash flow and investments
Cash flow from operating activities during the quarter was EUR 10.3 m (2.1). The increase is attributable almost entirely to the* operating profit.

Investments in non-current assets amounted to EUR 0.1 m (0.1). Investments consisted primarily of IT hardware. Investments in intangible assets during the quarter amounted to EUR 0.8 m (0.3) and consisted primarily of capitalised development costs.

Group performance during first nine months of 2016

Revenue and profit

Group revenue amounted to EUR 100.2 m (57.0), an increase of 76%.

During the nine-month interim period, deposits from mobile devices accounted for 65% (56%) of total deposits.

Gross profit increased to EUR 77.3 m (44.0), an increase of 76%. The gross margin for the nine-month period was 77.1% (77.2%).

Marketing costs in relation to revenue decreased to 45.4% (55.9%), which is the result of a combination of a relatively lower level of marketing during the first and third quarters, and a higher level of marketing during the second quarter of 2016.

Operating expenses increased to EUR 14.7 m (6.1) compared with the same period a year ago, owing to costs for the Initial Public Offering. Stripped of costs for the IPO, operating expenses in relation to revenue decreased to 9.4% (9.6%).

Personnel costs increased to EUR 13.2 m (6.1) and were 13.1% (10.8%) in relation to revenue. The increase in personnel costs in relation to revenue is mainly attributable to the increase during the first half of 2016 for new hires and for developing and operating LeoVegas Sport.

EBITDA increased to EUR 6.1 m (0.8), and the EBITDA margin was 6.0% (1.4%). EBITDA adjusted for items affecting comparability was EUR 11.3 m (1.4), corresponding to an EBITDA margin of 11.3%.

Operating profit (EBIT) increased to EUR 5.1 m (0.3), with an operating margin of 5.1% (0.6%). The increase is attributable to the strong earnings during the third quarter, as the first quarter included EUR 5.3 m in non-recurring costs for the IPO, and the second quarter included record-high marketing costs. Operating profit adjusted for items affecting comparability was EUR 10.4 m (0.3), corresponding to a margin of 10.3%.

Net profit increased to EUR 4.5 m (0.3) during the nine-month interim period.

Cash flow and investments

Cash flow from operating activities increased during the first nine months to EUR 14.3 m (2.0). The increase is attributable to the EBITDA result and changes in working capital.

Investments in non-current assets amounted to EUR 0.7 m (0.3). Investments consisted primarily of new office premises and IT hardware. Investments in intangible assets amounted to EUR 2.2 m (0.9) and consisted primarily of capitalised development costs.

Other information

Events after the end of the quarter
LeoVegas was granted a gaming licence for the Danish market.

Independent Mobile Productions
In connection with LeoVegas' IPO it was communicated that LeoVegas has started the company Independent Mobile Productions Ltd (IMP), a wholly owned holding company based in Malta, where new business prospects can be driven in separate entrepreneurial companies, independent of LeoVegas' other operations. The establishment of IMP is part of LeoVegas' ambition to promote innovation and experimentation around mobile gaming experiences.

IMP includes the subsidiary Authentic Gaming, which provides an innovative live casino solution with streaming from land-based casinos, where you as a customer can play with others in a genuine casino environment. Authentic Gaming has an innovative and strong product in what is perhaps the fastest growing segment in the online casino market.

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 negative effect on revenue of EUR 0.2 m.

Seasonal variations
Customers use LeoVegas' gaming services year-round, which means that seasonal variations tend to be rather low. The company's fast growth obfuscates seasonal variations in gaming activity.

Personnel
The number of full-time employees at the end of the quarter was 354 (191). The average number of employees during the third quarter was 349 (174). In addition, LeoVegas used the services of 5 (9) 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 2015 Annual Report.

Shares and ownership structure
LeoVegas AB was listed on Nasdaq First North Premier on 17 March 2016. The total number of shares and votes in LeoVegas AB is 99,695,470. As per the end of September 2016 the company had 8,013 shareholders. The five largest shareholders were Gustaf Hagman, with 8.0%, Robin Ramm-Ericson, with 6.9%, Swedbank Robur, with 5.5%, SEB Life International, with 4.7%, and Handelsbanken Fonder, with 4.2% 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), as 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 60-64, of the 2015 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 this interim report, reference is made to measures that LeoVegas AB and others use in the evaluation of LeoVegas Mobile Gaming Group's performance which are not explicitly defined in IFRS. These measures provide management and investors with important information to analyse trends in the company's business activities. These non-IFRS measures are designed to supplement, not replace, financial measures that are presented in accordance with IFRS. For definitions of key ratios, see page 21.

Items affecting comparability pertain to costs associated with the company's preparations ahead of its Initial Public Offering. The cost in the first quarter of 2016 amounted to EUR 5.3 m and was recognised as an operating expense. IPO-related costs recognised during the fourth quarter of 2015 amounted to EUR 0.6 m. The total cost for the IPO was EUR 6.3 m, of which EUR 0.4 m is recognised against the proceeds in equity.

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

In the Netherlands, the authorities have proposed the introduction of a gaming tax of 29% in 2017. This is the same tax rate paid by land-based operators. In Sweden, discussions are being carried out on how the Swedish model and gaming tax may look like after regulation. According to the timetable communicated by the authorities, a proposal for regulation in Sweden will be presented during the first quarter of 2017. The Rest of World segment includes geographies with unclear gaming laws, which over time could affect LeoVegas' 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 for parts of LeoVegas' existing operations, but primarily as they may affect the company's expansion and future plans. Developments in the legal area are monitored and addressed on a continuous basis within LeoVegas.

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

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

Other risks that could affect LeoVegas are market-related risks and financial risks, such as currency and liquidity risks. Market risks and financial risks are monitored and followed up as a continuous part of operations. A detailed description of financial risks is provided in the 2015 Annual Report.

Parent Company

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

During the first nine months of the year, revenue amounted to EUR 0.03 m (0.01), and profit after tax was EUR -0.5 m (-0.1). Cash and cash equivalents amounted to EUR 19.2 m (6.2).

Future outlook

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

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

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

Board of Directors' and CEO's assurance

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

The Board of Directors assures that the interim report for the third 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, 9 November 2016

Robin Ramm-Ericson
Chairman of the Board

Per Brilioth
Director

Barbara Canales Rivera
Director

Mårten Forste
Director

Anna Frick
Director

Patrik Rosén
Director

Gustaf Hagman
President and CEO

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

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

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Financial calendar 2017/18

Year-end report Jan.-Dec. 2016	15 Feb. 2017
Interim report Jan.-March	3 May 2017
Interim report Jan.-June	16 Aug. 2017
Interim report Jan.-Sept.	25 Oct. 2017
Year-end report Jan.-Dec. 2017	7 Feb. 2018

Review report

Review report over Interim Financial Statements (Interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

Introduction

We have reviewed this report for the period 1 January 2016 to 30 September 2016 for LeoVegas AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 9 November 2016

PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant
Auditor in charge

Magnus Brändström
Authorised Public Accountant

Consolidated income statement

EUR'000s	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	2015
Revenue	**39 713**	**22 586**	**100 233**	**56 978**	**83 018**
Cost of sales	(8 631)	(4 672)	(22 916)	(13 010)	(18 628)
Gross profit	**31 082**	**17 914**	**77 317**	**43 967**	**64 390**
Personnel costs	(4 822)	(2 471)	(13 147)	(6 136)	(9 183)
Capitalised development costs	686	275	2 075	758	1 433
Operating expenses	(2 899)	(2 766)	(14 717)	(6 054)	(9 776)
Marketing expenses	(14 317)	(11 886)	(45 535)	(31 856)	(45 106)
Other income and expenses	73	49	57	113	(565)
EBITDA	**9 802**	**1 115**	**6 050** 0	**792** 0	**1 193**
Depreciation and amortisation	(366)	(184)	(964)	(457)	(688)
Operating profit (EBIT)	**9 436**	**931**	**5 086**	**335**	**505**
Net financial income	8	1	11	1	7
Profit before tax	**9 444**	**932**	**5 097**	**334**	**512**
Income tax	(450)	(12)	(561)	(62)	(82)
Net profit for the period*	**8 993**	**919**	**4 536**	**273**	**429**
Earnings per share (EUR)	**0.09**	**0.01**	**0.05**	**0.00**	**0.00**
Earnings per share after dilution (EUR)	**0.09**	**0.01**	**0.04**	**0.00**	**0.00**
Number of shares outstanding adjusted for share split (million)	99.70	93.85	99.70	93.85	93.85
Number of diluted shares outstanding adjusted for share split (million)	101.70	95.85	101.70	95.85	95.85
Key ratios					
Gross margin, %	78.3%	79.3%	77.1%	77.2%	77.6%
Personnel costs as % of revenue	12.1%	10.9%	13.1%	10.8%	11.1%
Operating expenses as % of revenue	7.3%	12.2%	14.7%	10.6%	11.8%
Marketing expenses as % of revenue	36.1%	52.6%	45.4%	55.9%	54.3%
EBITDA margin %	24.7%	4.9%	6.0%	1.4%	1.4%
EBIT margin %	23.8%	4.1%	5.1%	0.6%	0.6%
Net margin, %	22.6%	4.1%	4.5%	0.5%	0.5%

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

EUR'000s	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	2015
EBITDA	**9 802**	**1 115**	**6 050**	**792**	**1 193**
Expenses related to IPO	0	0	5 283	0	635
Adjusted EBITDA	**9 802**	**1 115**	**11 333**	**792**	**1 828**
Depreciation and amortisation	(366)	(184)	(964)	(457)	(688)
Adjusted EBIT	**9 436**	**931**	**10 369**	**335**	**1 140**
Adjusted EBITDA margin %	24.7%	4.9%	11.3%	1.4%	2.2%
Adjusted EBIT margin %	23.8%	4.1%	10.3%	0.6%	1.4%

Consolidated balance sheet

EUR'000s	30 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS			
Non-current assets			
Property, plant and equipment	1 064	738	694
Intangible assets	5 418	2 027	3 872
Deferred tax assets	7	0	7
Total non-current assets	**6 489**	**2 765**	**4 573**
Current assets			
Trade receivables	6 617	3 780	4 045
Other current receivables	1 674	1 668	1 813
Cash and cash equivalents	48 088	19 065	22 605
Total current assets	**56 379**	**24 513**	**28 464**
TOTAL ASSETS	**62 868**	**27 278**	**33 036**
EQUITY AND LIABILITIES			
Share capital	1 196	57	57
Additional paid-in capital	36 411	17 553	17 689
Retained earnings /(Accumulated losses)	3 338	(1 352)	(1 198)
Equity attributable to owners of the Parent Company	40 945	16 258	16 548
Non-current liabilities	920	0	906
Total non-current liabilities	**920**	**0**	**906**
Current liabilities			
Trade and other payables	5 408	3 705	4 748
Player liabilities	3 085	1 204	3 246
Other liabilities	416	970	621
Accrued expenses	12 094	5 141	6 968
Total current liabilities	**21 003**	**11 020**	**15 583**
TOTAL EQUITY AND LIABILITIES	**62 868**	**27 278**	**33 036**

* Shareholders' equity is entirely attributable to the owners of the Parent Company. There have been no transfers between levels of the fair value hierarchy used in measuring fair value of financial instruments. No significant effects came from revaluation of financial assets and liabilities and no such assets are valued based on non-observable inputs.

Consolidated statement of cash flows, condensed

EUR'000s	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	2015
Operating profit	9 436	931	5 086	335	505
Adjustments for non-cash items	722	488	1 826	611	680
Cash flow from changes in working capital	177	665	7 339	1 075	5 206
Cash flow from operating activities	**10 335**	**2 084**	**14 252**	**2 021**	**6 393**
Acquisition of property, plant and equipment	(97)	(75)	(691)	(275)	(600)
Acquisition of intangible assets	(786)	(293)	(2 188)	(885)	(1 533)
Acquisition of subsidiaries	0	0	0	0	(156)
Cash flow from investing activities	**(883)**	**(369)**	**(2 880)**	**(1 161)**	**(2 289)**
Proceeds from share issue/other equity securities	0	0	15 353	877	1 004
Cash flow from financing activities	**0**	**0**	**15 353**	**877**	**1 004**
Net increase/(decrease) in cash and cash equivalents	9 452	1 716	26 725	1 738	5 107
Cash and cash equivalents at start of the period	39 220	17 654	22 605	17 483	17 483
Currency effects on cash and cash equivalents	(584)	(305)	(1 242)	(156)	15
Cash and cash equivalents at end of period	**48 088**	**19 065**	**48 088**	**19 065**	**22 605**

Consolidated statement of changes in equity

EUR'000s	Share Capital	Share capital not yet registered	Other capital contribution	Retained earnings	Total equity
Balance at 1 January 2015	**24**	**1**	**16 682**	**(1 627)**	**15 080**
Profit for the period	-	-	-	273	273
Total comprehensive income for the period	-	-	-	**273**	**273**
Transactions with shareholders in their capacity as owners:					
Bonus issue	1	(1)	-	-	-
New share issue	32	-	871	2	905
Balance at 30 September 2015	**57**	-	**17 553**	**(1 352)**	**16 258**
Balance at 1 January 2016	**57**	-	**17 689**	**(1 198)**	**16 548**
Profit for the period	-	-	-	4 536	4 536
Total comprehensive income for the period	-	-	-	**4 536**	**4 536**
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)	-	-
Balance at 30 September 2016	**1 196**	-	**36 411**	**3 338**	**40 945**

Parent Company income statement, condensed

EUR'000s	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	2015
Revenue	**26**	**6**	**117**	**30**	69
Operating expenses	(629)	(261)	(7 111)	(488)	(1 135)
Other income and expenses	0	0	(99)	0	0
Operating profit (EBIT)	**(603)**	**(255)**	**(7 093)**	**(458)**	**(1 066)**
Net financial income	130	139	380	350	493
Tax cost	0	0	0	0	0
Profit / Loss for the period	**(473)**	**(116)**	**(6 713)**	**(108)**	**(573)**

Parent Company balance sheet

EUR'000s	30 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS			
Total non-current assets	8 897	10 277	8 318
Current assets	1 976	699	1 584
Cash and cash equivalents	19 215	6 208	7 321
Total current assets	**21 190**	**6 907**	**8 905**
TOTAL ASSETS	**30 088**	**17 185**	**17 223**
EQUITY AND LIABILITIES			
Total equity	**29 887**	**17 067**	**16 738**
Total liabilities	**201**	**118**	**485**
TOTAL EQUITY AND LIABILITIES	**30 088**	**17 185**	**17 223**
Pledged assets/contingent liabilities	10 320	10 965	9 531

KPIs per quarter

Amounts in EUR'000s unless otherwise stated	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Deposits	**123 720**	**100 577**	**80 495**	**74 216**	**66 333**	**56 292**	**46 546**
Growth, Deposits, y-y %	*87%*	*79%*	*73%*	*80%*	*103%*	*111%*	*105%*
Growth, Deposits, q-q %	*23%*	*25%*	*8%*	*12%*	*18%*	*21%*	*13%*
Deposits per geography							
Nordic region, % Deposits	62.2%	62.5%	66.4%	68.3%	71.0%	73.4%	77.8%
UK, % Deposits	15.5%	18.6%	18.1%	19.8%	18.2%	16.9%	14.0%
Rest of Europe, % Deposits	12.6%	*10.9%*	*8.7%*	*6.3%*	*5.5%*	*4.9%*	*5.1%*
Rest of the World, % Deposits	9.7%	*8.1%*	*6.8%*	*5.6%*	*5.3%*	*4.8%*	*3.1%*
Net Gaming Revenue (NGR)	**39 586**	**29 843**	**28 497**	**26 124**	**22 461**	**18 285**	**15 943**
Growth Net Gaming Revenue, y-y %	*76%*	*63%*	*115%*	*97%*	*120%*	*133%*	*159%*
Growth Net Gaming Revenue, q-q %	*33%*	*5%*	*9%*	*16%*	*23%*	*15%*	*20%*
Net Gaming Revenue (NGR) per geography							
Nordic region, % Net Gaming Revenue	58.0%	62.1%	60.1%	64.4%	68.1%	70.6%	77.7%
UK, % Net Gaming Revenue	13.2%	12.8%	17.6%	22.1%	18.5%	15.8%	12.9%
Rest of Europe, % Net Gaming Revenue	13.6%	*12.7%*	*9.9%*	*7.4%*	*5.3%*	*5.9%*	*5.7%*
Rest of the World, % Net Gaming Revenue	15.2%	*12.5%*	*12.4%*	*6.1%*	*8.2%*	*7.7%*	*3.7%*
Number of active customers	**338 861**	**540 276**	**480 320**	**247 971**	**236 156**	**184 158**	**155 371**
Growth active customers, y-y %	*43%*	*193%*	*209%*	*130%*	*176%*	*298%*	*52%*
Growth active customers, q-q %	*-37%*	*12%*	*94%*	*5%*	*28%*	*19%*	*44%*
Number of depositing customers	**156 389**	**176 635**	**121 615**	**100 852**	**88 290**	**71 632**	**65 122**
Growth depositing customers, y-y %	77%	147%	87%	93%	115%	119%	73%
Growth depositing customers, q-q %	*-11%*	*45%*	*21%*	*14%*	*23%*	*10%*	*25%*
Number of new depositing customers	**74 638**	**109 718**	**60 989**	**46 690**	**42 378**	**32 733**	**33 206**
Growth new depositing customers, y-y %	76%	235%	84%	87%	125%	149%	73%
Growth new depositing customers, q-q %	*-32%*	*80%*	*31%*	*10%*	*29%*	*-1%*	*33%*
Number of returning depositing customers	**81 751**	**66 917**	**60 626**	**54 162**	**45 912**	**38 899**	**31 916**
Growth returning depositing customers, y-y %	78%	72%	90%	99%	106%	99%	74%
Growth returning depositing customers, q-q %	*22%*	*10%*	*12%*	*18%*	*18%*	*22%*	*17%*

Consolidated income statement per quarter

EUR'000s	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Revenue	**39 713**	**30 980**	**29 541**	**26 041**	**22 586**	**18 504**	**15 887**
Cost of sales	(8 631)	(7 417)	(6 868)	(5 618)	(4 672)	(4 529)	(3 809)
Gross profit	**31 082**	**23 563**	**22 673**	**20 422**	**17 914**	**13 975**	**12 078**
Personnel costs	(4 822)	(4 430)	(3 895)	(3 047)	(2 471)	(2 034)	(1 631)
Capitalised development costs	686	752	638	675	275	255	228
Operating expenses	(2 899)	(3 682)	(8 136)	(3 722)	(2 766)	(1 855)	(1 433)
Marketing expenses	(14 317)	(18 708)	(12 510)	(13 250)	(11 886)	(10 846)	(9 124)
Other income and expenses	73	51	(67)	(678)	49	30	34
EBITDA	**9 802**	**(2 454)**	**(1 297)**	**401**	**1 115**	**(475)**	**152**
Depreciation and amortisation	(366)	(323)	(274)	(231)	(184)	(135)	(137)
Operating profit (EBIT)	**9 436**	**(2 777)**	**(1 571)**	**170**	**931**	**(611)**	**15**
Net financial income	8	2	1	6	1	0	0
Profit before tax	**9 444**	**(2 775)**	**(1 570)** 0	**176**	**932**	**(610)**	**15**
Income tax	(450)	107	(219)	(20)	(12)	18	(68)
Net profit for the period*	**8 993**	**(2 668)**	**(1 789)**	**156**	**919**	**(593)**	**(53)**
Earnings per share (EUR)	**0.09**	**(0.03)**	**(0.02)**	**0.00**	**0.01**	**(0.01)**	**(0.00)**
Earnings per share after dilution (EUR)	**0.09**	**(0.03)**	**(0.02)**	**0.00**	**0.01**	**(0.01)**	**(0.00)**
Number of shares outstanding adjusted for share split (million)	99.70	99.70	99.70	93.85	93.85	90.68	89.77
Number of diluted shares outstanding adjusted for share split (million)	101.70	101.70	101.70	95.85	95.85	92.68	90.97
Key ratios							
Gross margin, %	78.3%	76.1%	76.8%	78.4%	79.3%	75.5%	76.0%
Personnel costs as % of revenue	12.1%	14.3%	13.2%	11.7%	10.9%	11.0%	10.3%
Operating expenses as % of revenue	7.3%	11.9%	27.5%	14.3%	12.2%	10.0%	9.0%
Marketing expenses as % of revenue	36.1%	60.4%	42.3%	50.9%	52.6%	58.6%	57.4%
EBITDA, margin %	24.7%	(7.9%)	(4.4%)	1.5%	4.9%	(2.6%)	1.0%
EBIT, margin %	23.8%	(9.0%)	(5.3%)	0.7%	4.1%	(3.3%)	0.1%
Net margin, %	22.6%	(8.6%)	(6.1%)	0.6%	4.1%	(3.2%)	(0.3%)

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

EUR'000s	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
EBITDA	**9 802**	**(2 454)**	**(1 297)**	**401**	**1 115**	**(475)**	**152**
Expenses related to IPO	0	0	5 283	635	0	0	0
Adjusted EBITDA	**9 802**	**(2 454)**	**3 986**	**1 036**	**1 115**	**(475)**	**152**
Depreciation and amortisation	(366)	(323)	(274)	(231)	(184)	(135)	(137)
Adjusted EBIT	**9 436**	**(2 777)**	**3 712**	**805**	**931**	**(610)**	**15**
Adjusted EBITDA margin %	24.7%	(7.9%)	13.5%	4.0%	4.9%	(2.6%)	1.0%
Adjusted EBIT margin %	23.8%	(9.0%)	12.6%	3.1%	4.1%	(3.3%)	0.1%

Consolidated balance sheet per quarter

EUR'000s	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
ASSETS							
Non-current assets							
Property, plant and equipment	1 064	1 093	777	694	738	663	595
Intangible assets	5 418	4 872	4 333	3 872	2 027	1 918	1 761
Deferred tax assets	7	7	7	7	0	0	0
Total non-current assets	**6 489**	**5 972**	**5 117**	**4 573**	**2 765**	**2 581**	**2 356**
Current assets							
Trade receivables	6 617	4 893	19 667	4 045	3 780	4 476	2 953
Other current receivables	1 674	2 157	2 465	1 813	1 668	1 147	916
Cash and cash equivalents	48 088	39 220	30 176	22 605	19 065	17 654	18 328
Total current assets	**56 379**	**46 270**	**52 308**	**28 464**	**24 513**	**23 278**	**22 197**
TOTAL ASSETS	**62 868**	**52 242**	**57 425**	**33 036**	**27 278**	**25 858**	**24 553**
EQUITY AND LIABILITIES							
Share capital	1 196	1 196	1 196	57	57	55	25
Additional paid-in capital	36 411	36 411	36 411	17 689	17 553	17 555	16 682
Retained earnings /(Accumulated losses)	3 338	(5 655)	(2 987)	(1 198)	(1 352)	(2 271)	(1 680)
Equity attributable to owners of the Parent Company	**40 945**	**31 952**	**34 620**	**16 548**	**16 258**	**15 339**	**15 027**
Non-current liabilities	920	915	906	906	0	0	0
Total non-current liabilities	**920**	**915**	**906**	**906**	**0**	**0**	**0**
Current liabilities							
Trade and other payables	5 408	5 748	10 400	4 748	3 705	4 211	3 781
Player liabilities	3 085	3 270	2 879	3 246	1 204	1 243	879
Other liabilities	416	0	446	621	970	864	659
Accrued expenses	12 094	10 357	8 174	6 968	5 141	4 201	4 207
Total current liabilities	**21 003**	**19 375**	**21 899**	**15 583**	**11 020**	**10 519**	**9 526**
TOTAL EQUITY AND LIABILITIES	**62 868**	**52 242**	**57 425**	**33 036**	**27 278**	**25 858**	**24 553**

* Shareholders' equity is entirely attributable to the owners of the Parent Company. There have been no transfers between levels of the fair value hierarchy used in measuring fair value of financial instruments. No significant effects came from revaluation of financial assets and liabilities and no such assets are valued based on non-observable inputs.

Consolidated statement of cash flows per quarter, condensed

EUR'000s	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Operating profit	9 436	(2 777)	(1 571)	170	931	(611)	15
Adjustments for non-cash items	722	566	538	68	488	139	(16)
Cash flow from changes in working capital	177	(2 532)	9 693	4 133	665	(691)	1 101
Cash flow from operating activities	**10 335**	**(4 743)**	**8 660**	**4 372**	**2 084**	**(1 163)**	**1 100**
Acquisition of property, plant and equipment	(97)	(423)	(172)	(325)	(75)	(68)	(132)
Acquisition of intangible assets	(786)	(756)	(646)	(648)	(293)	(292)	(300)
Acquisition of subsidiaries	0	0	0	(156)	0	0	0
Cash flow from investing activities	**(883)**	**(1 179)**	**(818)**	**(1 129)**	**(369)**	**(360)**	**(432)**
Proceeds from share issue/other equity securities	0	15 353	0	127	0	852	25
Cash flow from financing activities	**0**	**15 353**	**0**	**127**	**0**	**852**	**25**
Net increase/(decrease) in cash and cash equivalents	9 452	9 431	7 842	3 369	1 716	(671)	693
Cash and cash equivalents at start of the period	39 220	30 176	22 605	19 065	17 654	18 328	17 483
Currency effects on cash and cash equivalents	(584)	(387)	(271)	170	(305)	(3)	152
Cash and cash equivalents at end of period	**48 088**	**39 220**	**30 176**	**22 605**	**19 065**	**17 654**	**18 328**

Definitions

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 non-recurring items affecting comparability

Adjusted EBITDA
EBITDA adjusted for non-recurring items affecting comparability

Average number of full-time employees
The average number of full-time employees over the entire period

Cash and cash equivalents
Balances in bank accounts plus e-wallet balances

Depositing customers
Customers who have made a cash deposit during the period

Deposits
Includes all cash that has been put into the casino from customers in a given period

Earnings per share
Profit for the period attributable to owners of the Parent Company, divided by the number of shares outstanding at the end of the period

EBIT
Operating profit before interest and tax

EBIT margin, %
EBIT in relation to operating revenue

EBITDA
Operating profit before interest, tax, depreciation, amortisation and impairment losses

EBITDA margin, %
EBITDA in relation to revenue

Equity/assets ratio, %
Shareholders' equity divided by total assets

Gross profit
Revenue less direct variable costs that include, but are not limited to, games suppliers, software costs, payment processing, and gambling taxes and duties

Items affecting comparability
Non-recurring items associated with costs for the Initial Public Offering

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

Mobile devices
Smartphones and tablets

Net gaming revenue (NGR)
Total cash bets placed less all winnings payable to customers after bonus costs and pooled jackpot contribution

Net profit
Profit after all costs including interest and tax

New depositing customer (NDC)
A customer who has made his/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)

Operating profit
Profit before interest and tax

Organic growth
Growth excluding acquisitions, currency effects are not excluded

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

Returning depositing customer (RDC)
A customer who has made a cash deposit during the period but made his/her first deposit in an earlier period

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