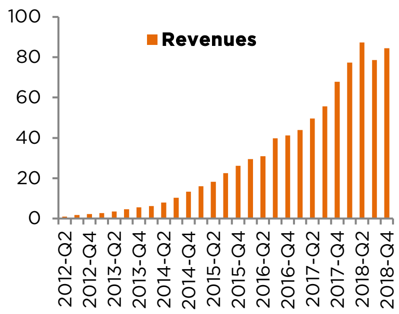
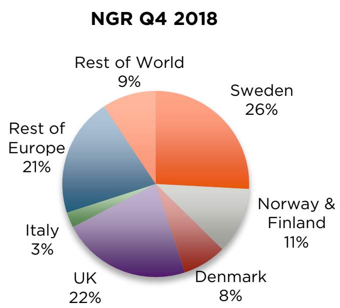
*LeoVegas' passion is "Leading the way into the mobile future". LeoVegas is the premier GameTech company and is at the forefront of using state-of-the-art technology for mobile gaming. A large part of this success can be credited to an extreme product and technology focus coupled with effective and data-driven marketing. LeoVegas offers casino, live casino and sports betting, and operates two global and scalable brands – LeoVegas and Royal Panda – as well as a number of local brands in the UK that are collectively referred to as Rocket X. The company's shares are listed on Nasdaq Stockholm. For more about LeoVegas, visit [www.leovegasgroup.com](http://www.leovegasgroup.com).*

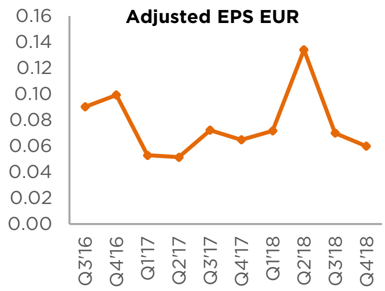
# Quarterly report October-December 2018

### Fourth quarter 2018: 1 October– 31 December 2018[1]

- Revenue increased by 25% to EUR 84.5 m (67.8). Organic growth in local currencies was 7%. Organic growth in local currencies excluding the UK was 14%.
- Net Gaming Revenue (NGR) from Royal Panda and Rocket X was 13% and 10%, respectively, of total NGR.
- Net Gaming Revenue (NGR) from regulated markets was 33% (29%) of total NGR.
- The number of depositing customers was 327,156 (253,299), an increase of 29%. The number of returning depositing customers was 181,747 (124,890), an increase of 46%. The number of new depositing customers was 145,409 (128,409), an increase of 13%.
- EBITDA was EUR 8.1 m (6.1), corresponding to an EBITDA margin of 9.6% (9.0%).
- Adjusted EBITDA was EUR 8.1 m (7.1), corresponding to an adjusted EBITDA margin of 9.6% (10.5%).
- Operating profit (EBIT) was EUR 2.6 m (2.1).
- Adjusted EBIT was EUR 6.7 m (6.1), corresponding to an adjusted EBIT margin of 8.0% (9.0%).
- Earnings per share were EUR 0.22 (0.02) before dilution and EUR 0.22 (0.01) after dilution.
- Adjusted earnings per share were EUR 0.06 (0.07).




### Full year 2018[1]

- Revenue increased by 51% to EUR 327.8 m (217.0).
- EBITDA was EUR 41.6 m (25.9), corresponding to an EBITDA margin of 12.7% (12.0%). Adjusted EBITDA was EUR 41.1 m (27.9), corresponding to an adjusted EBITDA margin of 12.5% (12.9%).
- Operating profit (EBIT) was EUR 19.2 m (19.9). Operating profit adjusted for items affecting comparability was EUR 36.2 m (24.7), corresponding to an adjusted EBIT margin of 11.0% (11.4%).
- Earnings per share were EUR 0.43 (0.18).

### Events during the quarter

- LeoVegas has applied for a gambling licence for the Spanish market. Approval and implementation are expected during the first or second quarter of 2019.
- LeoVegas was one of the first operators to receive a licence for both casino and sports betting in Sweden.

### Events after the end of the quarter

- LeoVegas has postponed its financial targets from 2020 to 2021 due to developments in the UK market. However, the direction remains unchanged with financial targets in absolute numbers to reach EUR 600 m in revenue and EUR 100 m in EBITDA.
- In connection with regulation of the Swedish market, a number of new features were launched, including the launch of the local payment service Swish.
- The Group's Pixel.bet brand was granted a licence for online casino and sports betting in Sweden.
- The Board proposes a total dividend of SEK 1.20 per share (1.20), to be paid out on two occasions during the year.
- Revenue amounted to EUR 28.7 m (24.8) in January, representing growth of 16%.

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

# CEO's comments

***"After a challenging 2018 we now see improved momentum with a record strong December and a positive start to 2019. Entering the new year we have full focus on expansion, cost control, increased profitability and to continue building the world's best mobile casino."***

**2018 – an educational year for a seven-year old**
2018 was the most challenging year in LeoVegas' history. We bumped into challenges that we have not previously encountered and saw a slowdown in growth as a result. It was also a year in which we carried out a number of strategically crucial projects that have taken us large steps forward on our growth journey. There is much left to do, and there's no doubt we can and will improve in many areas. We have learned a lot, and our position for achieving our long-term vision – to be the global market leader in mobile casino – is good. Today we are already the most appreciated brand in our home market in Sweden, and we are live in more markets than ever before. We are well-invested with our own technology, which makes us scalable and flexible, and we have taken large leaps in responsible gaming and compliance. Our multibrand strategy is in place, enabling us to rapidly launch new casino brands, and we are ready to expand in more markets in 2019 with an overall focus on cost control and increased profitability.

During the fourth quarter we also returned to sequential growth following a slowdown during the third quarter, and we ended the year with all-time high revenues in December, and with record-high customer activity. The new year has also started on a promising note – for example, our depositing customer base was up 42% in January. LeoVegas has just celebrated seven years as a company. We have achieved a lot in a short period of time, but we are still just at the start of our growth journey.

**Fourth quarter figures**
Revenue during the fourth quarter amounted to EUR 84.5 m (67.8), an increase of 25%. Organic growth in local currencies was 7%. As in the preceding quarter, growth during the period was affected by weak performance in the UK. Excluding the UK, organic growth for the Group was 14% during the quarter, which shows healthy underlying growth. October was the weakest month during the quarter, and December the strongest.

EBITDA totalled EUR 8.1 m (6.1), corresponding to an EBITDA margin of 9.6% (9.0%). We increased our investments in marketing during the quarter, among other things to reassure our leading position in Sweden ahead of the market's regulation, but also in other key markets. Marketing costs amounted to 37.9% during the fourth quarter, compared with 35.6% during the third quarter. Our personnel costs in relation to revenue remained at a higher level than we are pleased with. We will thus now focus on cost control, improving efficiency in our ways of working, and increase automation in our operations. This is also necessary in order to adapt our cost base to rising tax pressure in our regulated markets.

**Sweden – finally a regulated market**
The day we have been waiting for has finally arrived, when Sweden became a regulated market. We were among the first companies to be granted a licence, which is a quality seal and confirms our position as a leading, long-term and serious player in the industry. In January, LeoVegas' Pixel.bet brand also received a licence in Sweden for casino and sports betting. Pixel.bet has the ambition to take the leading brand position in esports betting.

A regulated market has extensive guidelines for responsible gaming. We have good experience from other regulated markets, and we have developed the organisation and our marketing methods to offer our games in the best, sustainable way. We look forward to working side-by-side the Swedish Gambling Authority and our licensed competitors to ensure a sound and responsible market that impedes the presence of unlicensed actors.

With regulation of the market, all licensed gaming companies are now free to operate in stores. LeoVegas was the first one to grasp this opportunity in January. There is important symbolic value in having a physical presence at betting agents in connection with the implementation of the new gambling law in Sweden. We will now be able to truly challenge to the old monopoly through a greater exposure of our LeoVegas brand with an even closer presence to our customers in a new type of environment.

Regulation of the market in Sweden also made it possible for us to launch the popular Swish mobile payment method in the Swedish market. Swish both strengthens our customer offering and is expected to significantly lower our transaction costs.

Improvements in the product combined with increased marketing led to a strong fourth quarter in Sweden, with 18% sequential growth, which affirms our position as the leading casino brand. The new year has also started on a positive note for LeoVegas in Sweden. We have seen record-high customer activity, with 28% growth of our Swedish depositing customer base compared with the same period a year ago. At the same time, revenue is down somewhat compared with the same period a year ago, which is partly due to many customers initially using their welcome bonuses, but also to some trim-in challenges during the first two weeks following the start of regulation, and to the fact that players are getting accustomed to certain modifications in the gaming experience.

It is still hard to accurately predict the market dynamics in Sweden in the near term, but with a record-large active customer base and a large number of exciting product and marketing initiatives under way during the year, we are well positioned in our home market. As previously, we are confident that our product, customer experience, competence in responsible gaming, very strong brand and data-driven marketing will lead to higher market shares in Sweden.

**UK**
The UK is Europe's largest gambling market and a market in which LeoVegas sees continued major growth potential in the long term. Together with our brands in Rocket X, LeoVegas and Royal Panda we have a unique multibrand position in casino. In the near term the market continues to be challenging, and after a transitional period we are now working from a new, lower level on which to grow. Our revenue continued to decrease sequentially during the fourth quarter, but with gradual improvements in both revenue and KPIs. This positive development continued on Group level during January. It is still too early to declare that we have turned the corner yet in the UK, but we are confident with the plan we have charted out.

**Scale-up markets**
We are satisfied with our performance in most of our markets during the fourth quarter. Germany continues to be a strong growth market and once again delivered a record quarter with growth of more than 200%. In addition to Germany – Finland, Denmark and Canada amongst other markets delivered good results during the quarter.

**Changes in Group Management team**
As previously communicated, Richard Woodbridge has been recruited as our new Chief Operating Officer. He took up his position on 7 January and has overarching responsibility for operations in LeoVegas. Richard is based at LeoVegas' offices in Malta.

Group Management has also been reinforced with Avshalom Lazar, who we recruited as Chief Compliance & Legal Officer. Avshalom, who is based in Malta, will strengthen the Group Management team with relevant knowledge about the industry and an understanding of and experience in the higher requirements that are placed on companies in regulated markets.

We are also adding a new role to the Group Management, Chief Product and Technical Officer (CPTO), where we are combining the CTO and CPO roles. Mattias Wedar has been recruited to this new position and will begin at LeoVegas during the spring. Mattias joins us most recently from a similar role and has solid experience in product development and keen industry knowledge. With this new position, the product and technology organisation will have a single leader, which will increase its effectiveness and cooperation within the Group.

**Tech update**
We have previously presented the upgrade of our technical front-end platform, which took place during the second quarter. This has improved our organic search capabilities and during the fourth quarter we saw an increase in organic traffic by more than 70% compared to the same period last year. We expect to see continued positive effects from this combined with our data-driven marketing.

The Rocket X managed UK brands encountered certain technical issues that impacted the site performance during part of the fourth quarter. The issues are now to a large extent solved which is confirmed by a higher revenue and customer activity in January compared to December.

Our technology organisation has been through an intensive period, and during the fourth quarter, three parallel platform adaptations were made to the locally regulated markets in Sweden, Germany and Spain – an impressive record for LeoVegas. We are now beginning to gradually free up resources for a renewed focus on product innovation, new brands and markets – areas that are expected to drive our growth going forward.

**Financial targets and focus on growth with profitability**
Following a year burdened by a number of external factors and large internal projects, we are now well prepared for the future with a renewed focus on growth. Our direction remains firm, with financial targets in absolute figures to reach EUR 600 m in revenue and EUR 100 m in EBITDA. However, we have decided to push back these targets one year, until 2021, as our adaptation to the increased regulatory requirements in the important UK market caused us to temporarily lose our tempo compared with the previous business plan.

It is also increasingly clear for us that the coming years will be decisive for who will be the long-term winners in our industry and who will not be able to cope with the increased complexity, compliance, technological development and higher tax burden. We are therefore currently in a very exciting period in the gaming industry, and we are well prepared.

As more markets become locally regulated – with more regulatory requirements and higher tax pressure – it is important to be a company that is both agile and of a size that enables economies of scale. We are convinced that this requires proprietary technology and a world-class user experience while at the same time being well invested in responsible gambling and compliance – and having a diversified operation both geographically and in terms of brands. Moreover, we will continuously evaluate our marketing and our organisational set-up, all in line with our focus on growth with increased profitability in an increasingly complex business environment.

We have also decided to conduct a strategic evaluation of our portfolio companies within LeoVentures, with the intention to further intensify focus within the Company on our end goal – to be the market-leading mobile casino operator globally. At the same time, we believe that the years ahead will offer a number of new growth opportunities within casino for operators with the strength and ability to act quickly, as smaller actors have a hard time adapting to the growing requirements and complexity.

**Comments regarding Q1 2019**
2019 has begun on a good note for LeoVegas, with Revenue of EUR 28.7 m (24.8) in January, representing growth of 16%. Underlying customer activity remains strong, with 42% growth in depositing customers compared to the same period last year.

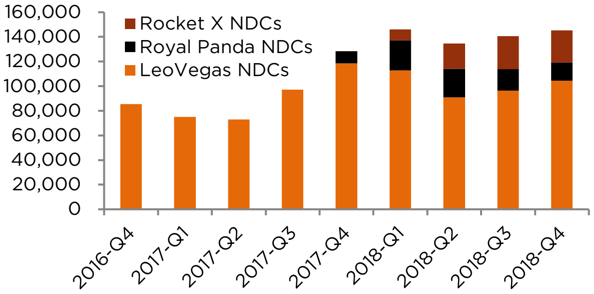
We have now forged ahead through both an eventful and challenging year with several acquisitions, accolades, higher regulatory requirements, a number of major platform projects and a change in listing to the Stockholm Stock Exchange's main market list. We at LeoVegas now look forward to 2019, where we have put casino front and centre and have our full focus on profitable growth.

**Gustaf Hagman**, President and CEO, LeoVegas Mobile Gaming Group, Stockholm, 12 February 2019

# Key Performance Indicators

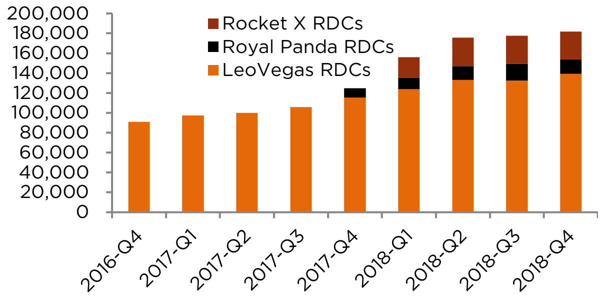
*For more KPIs and comments, see the accompanying presentation file on LeoVegasgroup.com. See also the section "Definitions of Alternative Performance Measures".*

**New depositing customers (NDCs) per platform/brand**



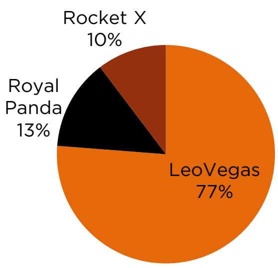

The Group's NDCs increased by 13% over the same period a year ago and by 3% over the preceding quarter.

**Returning depositing customers (RDCs) per platform/brand**



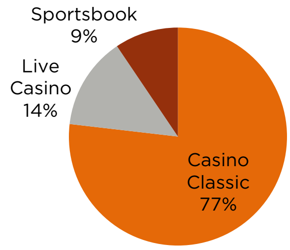

RDCs reached a new record during the quarter, rising 46% over the same period a year ago and 2% over the preceding quarter.

**Net Gaming Revenue (NGR) per platform/brand Q4 2018**



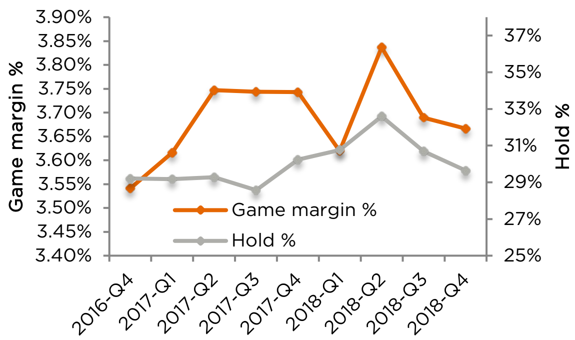

The LeoVegas brand accounted for 77% of the Group's NGR during the quarter. Royal Panda and Rocket X accounted for 13% and 10% of the Group's total NGR, respectively.

**Gross Gaming Revenue (GGR) per product Q4 2018**



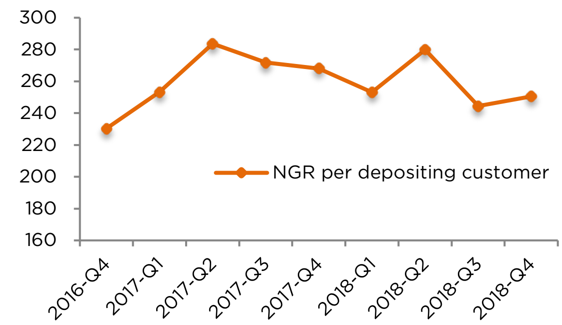

Casino contributed 77% to GGR, Live Casino contributed 14%, and the sports book contributed 9%. The relation between casino and sport was unchanged compared with the third quarter.

**Game margin and hold**




The relation between NGR and deposits (hold) decreased slightly compared with the preceding quarter, to 29.6%. One factor that has historically had a strong bearing on hold is the gaming margin. The gaming margin during the fourth quarter was 3.67%, which is slightly below the historical average.

**Player value (EUR)**




The average player value per depositing customer was EUR 251, which is an increase of 3% compared with the preceding quarter but a decrease of 7% compared with the same period a year ago. The lower player value compared with the historical average is explained by a changed mix in the player base and the Company's work with compliance and responsible gaming.

# Group performance Q4

**Revenue, deposits and NGR**
Revenue amounted to EUR 84.5 m (67.8) during the fourth quarter, an increase of 25%. Royal Panda contributed EUR 11.5 m in revenue during the quarter, while Rocket X contributed EUR 8.2 m. Organic growth in local currencies was 7% during the fourth quarter. Excluding the UK market, organic growth in local currencies was 14%.

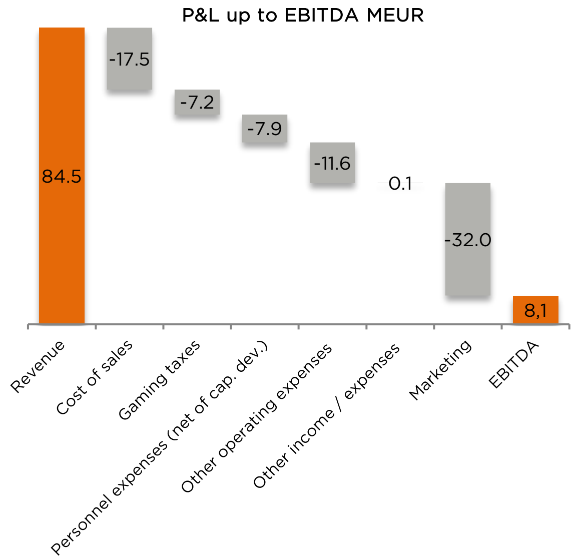
Deposits totalled EUR 276.6 m (224.6) during the quarter, an increase of 23%. On a sequential basis, deposits increased by 9% compared with the preceding quarter. Mobile deposits accounted for 72% (69%) of total, which is the highest share ever.

Net Gaming Revenue (NGR) increased by 21% compared with the same period a year ago and increased sequentially by 5% from the third to fourth quarter. The increase in NGR was slightly lower than for deposits, which is explained by a slightly lower hold and game margin than during the comparison periods.

**Earnings**
Gross profit increased by 20.4% compared with the same quarter a year ago, to EUR 59.7 m (49.6), corresponding to a gross margin of 70.7% (73.1%). Gaming taxes totalled EUR 7.2 m, which is marginally lower than during the third quarter, but represents an increase over the fourth quarter a year ago (6.1). The increase is attributable to a higher share of revenue from markets with gaming taxes, such as Denmark, the UK and Italy. The cost of sales was 20.8% of revenue (17.8%) and consists mainly of costs to external game and payment service providers. The share of cost of sales was unusually high during the fourth quarter, which his partly related to an adjustment of cost allocation for Royal Panda.

Marketing costs during the quarter totalled EUR 32.0 m (29.5). Marketing in relation to revenue was 37.9%, which is an increase over the third quarter's level of 35.6%. During the fourth quarter, investments increased in direct marketing of the LeoVegas brand in Sweden ahead of the upcoming regulation as well as in affiliates in a number of markets. These investments are perceived to have had their desired effect. During the fourth quarter a continued shift was made from sports book-based marketing back to casino-based marketing, as the return is higher in the casino segment.

The average acquisition cost for a new depositing customer rose 11% over the preceding quarter but decreased by 4% compared with the same period a year ago, and reflects gradually higher effectiveness of the Company's marketing, with an increase in organic SEO-related traffic.




Personnel costs in relation to revenue increased during the quarter compared with the preceding quarter and same period a year ago, to 13.6% (11.6%). The increase is mainly attributable to the Company's work with compliance during the past year and an increase in products and technology, where the Company continues to transition away from external consultants to its own personnel. Personnel costs were also affected by investments in LeoVegas Ventures, where Pixel.bet was added at the end of the third quarter. The Company now believes that a further staffing increase will not be needed to support continued revenue growth in the quarters immediately ahead, and focus will instead be on efficiency improvement and investments in automation.

Other operating expenses amounted to 13.7% of revenue (11.1%). The level of other operating expenses is higher than normal and included several specific costs during the quarter, including costs for the Company's licence application in Spain, costs related to Pixel.bet and negative currency effects.

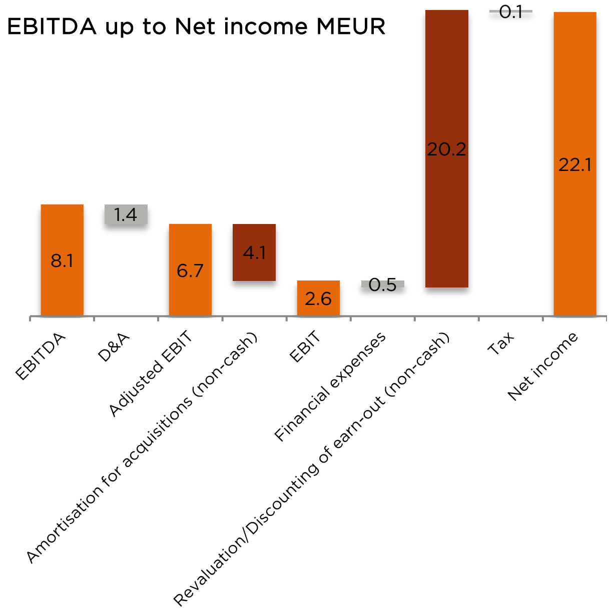
Capitalised development costs were unusually high during the fourth quarter and totalled EUR 3.6 m, which is primarily related to adaptations to three regulated markets (Sweden, Germany and Spain) and to the previously mentioned adjustment of cost allocation for Royal Panda.

EBITDA for the fourth quarter was EUR 8.1 m (6.1), corresponding to an EBITDA margin of 9.6% (9.0%). Adjusted EBITDA was the same as EBITDA for the quarter, since there were no items affecting comparability. EBITDA for the LeoVegas brand was EUR 3,7 m for the quarter which is a decrease compared to same period last year. EBITDA for Royal Panda was EUR 4.2 m for the quarter and benefited from an usually low share of marketing, mainly in the UK market. EBITDA for Rocket X was EUR 0.3 m for the quarter, which is partly explained by higher investments in marketing of the BetUK and Legs11 brands in the UK market, but also by certain technology-related problems during the period. LeoVentures had negative EBITDA of EUR -0.1 m, as several companies in LeoVentures are in investment phases.

Operating profit (EBIT) for the quarter was EUR 2.6 m (2.1), corresponding to an EBIT margin of 3.1% (3.0%). Adjusted EBIT was EUR 6.7 m (6.1), corresponding to an adjusted EBIT margin of 8.0% (9.0%). Adjusted EBIT more closely reflects the Group's underlying earnings capacity, as items affecting comparability related to acquisitions, the listings, amortisation of acquired intangible assets and any items that are clearly affecting comparability are excluded.

The Group's depreciation and amortisation excluding acquisition-related depreciation and amortisation amounted to EUR 1.4 m (1.0). Amortisation of acquired intangible assets totalled EUR 4.1 m (3.1).

Regular financial expenses are mainly coupled to the loan facility that was secured in connection with previous acquisitions. During the fourth quarter, financial expenses amounted to EUR 0.5 m (0.1). Net financial items also include an additional consideration, which is reported in accordance with IFRS 3 at the end of the fourth quarter to EUR 9.0 million (undiscounted). The accounting revaluation compared with the previous quarter has an effect of a total of EUR 21 million, which has a positive effect on the company's financial net. The remeasurement had no cash flow effect for the period. The measurement period for the additional consideration ended on 1 December and communication is initiated to determine the final additional consideration, which is expected to be made during the first half of 2019.




The tax cost for the quarter was EUR -0.1 m (0.6).

Net profit for the fourth quarter was EUR 22.1 m (1.5), corresponding to a net margin of 26.2% (2.2%). Earnings per share were EUR 0.22 (0.02) before dilution and EUR 0.22 (0.01) after dilution.

Adjusted earnings per share were EUR 0.06 (0.07). Adjusted earnings per share reflect the Group's underlying earnings capacity, as items affecting comparability related to acquisitions, divestments, the listings, provisions and amortisation of acquired intangible assets are excluded. The remeasurement and discounting effect of additional considerations is also excluded, as it does not affect cash flow.

## Balance sheet and financing

At the end of the quarter the Group's equity amounted to EUR 99.6 m (58.9), or EUR 0.98 per share. Non-controlling interests make up EUR 5.7 m (0.0) of equity. Non-controlling interests pertain to CasinoGrounds, in which 51% of the shares were acquired in January 2018, and to Pixel.bet, in which 51% of the shares were acquired in September 2018. Non-controlling interests are thus reported on the consolidated balance sheet and income statement.

The Group's financial position is good. Cash and cash equivalents amounted to EUR 56.7 m (52.8). Cash and cash equivalents excluding customer balances amounted to EUR 44.8 m (45.7). LeoVegas has an interest-bearing bank loan of EUR 100 m that is fully utilised. After the end of the quarter, the available loan facility was increased to EUR 140 m.

The equity/assets ratio was 35.8% (31.8%). Total assets at the end of the quarter amounted to EUR 279.3 m (185.0).

The Group had intangible assets with a value of EUR 75.5 m at the end of the quarter (61.0). Intangible assets attributable to identified surplus value from acquisitions amounted to EUR 61.5 m (51.0). The increase is mainly attributable to the acquisitions of Royal Panda and Rocket X. Goodwill related to all acquisitions amounted to EUR 103.0 m (44.6). The acquisition of Rocket X was an asset/liability acquisition, whereby no shares were acquired. Other acquisitions involved purchases of shares. In conjunction with the end of the reporting period, goodwill has been tested to identify any impairment need, which has been carried out for each cash-generating unit. After impairment tests, it can be concluded that no impairment need has been identified.

Non-current liabilities decreased during the quarter, since part of the Group's bank facility is to be amortised within 12 months and is thereby reported as a current liability. In other respects, current liabilities were unchanged compared with the preceding quarter. Several current liability items increased overall compared with the preceding year driven by acquisitions and bigger business operations. However, this has been offset by a significantly lower liability for the additional consideration.

## Cash flow and investments

Cash flow from operating activities totalled EUR 7.9 m (8.0) during the quarter. Working capital was relatively stable during the quarter, but it was volatile earlier in the quarter as it is affected by factors such as jackpot provisions, incoming and outgoing payments between LeoVegas and various product and payment service providers, and advance payments for licences.

Investments in property, plant and equipment amounted to EUR 0.3 m (0.8). Investments in intangible non-current assets amounted to SEK 3.1 m (0.9) and pertain to acquired intangible assets and capitalised development costs.

# Group performance for the full-year 2018

### Revenue and earnings

Consolidated revenue amounted to EUR 327.8 m (217.0), an increase of 51%.

Gross profit increased 45% to EUR 235.5 m (162.7).

Marketing costs as a share of revenue decreased to 36.8% (42.3%).

EBITDA increased to EUR 41.6 m (25.9), and the EBITDA margin was 12.7% (12.0%). EBITDA adjusted for items affecting comparability was EUR 41.1 m (27.9), corresponding to a margin of 12.5% (12.9%).

Operating profit (EBIT) was EUR 19.2 m (19.9), for an operating margin of 5.8% (9.2%). Operating profit adjusted for items affecting comparability was EUR 36.2 m (24.7), corresponding to a margin of 11.0% (11.4%).

Profit for the full year increased to EUR 43.2 m (18.1). The increase in profit for the year is attributable to higher EBITDA and non-cash items related to acquisitions, such as depreciation and amortisation, and remeasurement of the liability for the additional consideration. Adjusted profit for the period increased to EUR 33.2 m (23.9), for an adjusted margin of 10.1% (11.0%).

### Cash flow and investments

Cash flow from operating activities increased to EUR 36.5 m (34.1) during the year. The increase is mainly attributable to higher EBITDA, which was partly countered by changes in working capital during the year.

Investments in property, plant and equipment amounted to EUR 2.5 m (1.9) and consisted mainly of IT hardware and investments in new office premises. Investments in intangible assets amounted to EUR 8.6 m (4.3) and consisted mainly of capitalised development costs. Cash flow pertaining to acquisitions and divestments of subsidiaries totalled EUR 92.2 m (43.9).

Cash flow from financing activities amounted to EUR 71.6 m (9.9). The increase during the year is mainly attributable to utilisation of the loan facility. In addition, during the year a dividend of EUR 11.7 m (10.2) was paid out to the Parent Company's shareholders.

# Other information

## Outlook and financial targets[1]

After the end of the fourth quarter the Board of Directors of LeoVegas adopted new financial targets for the Group. The targets are unchanged in absolute figures but have been postponed one year, from 2020 to 2021. The Company's long-term financial targets are unchanged:

**Growth and revenue:**

- LeoVegas' target is to achieve EUR 600 m in revenue by 2021.

**Profit:**

- LeoVegas' target is to achieve EUR 100 m in EBITDA by 2021.

**Long-term financial 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 will be generated in regulated markets subject to gambling tax
- To pay a dividend, over time, 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 existing and new markets are very favourable. External market forecasts indicate that mobile gaming will continue to grow faster than the traditional gaming market. Mobile penetration and the use of smartphones continue to rise around the world, and smartphones are being used to an ever-greater extent for entertainment and gaming. LeoVegas will continue to invest in growth and believes that the growth potential in the Company's core markets is very favourable.

## Parent Company

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

Revenue for the full year 2018 amounted to EUR 1.0 m (1.4), and profit after tax was EUR -2.9 m (-0.2). The result is steered essentially by invoiced management services and other operating expenses. Cash and cash equivalents amounted to EUR 0.3 m (3.0).

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

## Acquisition – Rocket X (1 March 2018)

**LeoVegas acquired assets from Intellectual Property & Software Limited ("IPS") and European Domain Management Ltd ("EDM"), and the assets and operations of Rocket 9 Ltd (collectively referred to as "Rocket X").**

On 12 January 2018 it was announced that LeoVegas – through its wholly owned subsidiary LeoVegas Gaming Ltd – entered into an agreement to acquire assets from the gaming operator Intellectual Property & Software Limited ("IPS") and related assets from European Domain Management Ltd ("EDM"), both based in Alderney, Channel Islands. In addition, LeoVegas – through a wholly owned British subsidiary – reached an agreement to acquire the assets and operations of Rocket 9 Ltd ("Rocket 9"). Rocket 9 is a marketing business based in Newcastle, England, where all 85 of the company's employees were based at the time of acquisition. These assets are collectively named Rocket X going forward.

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

Rocket X's strategy focuses on digital and data-driven customer acquisition that incorporates search engine optimisation with multiple brands and customer acquisition sites. This has made Rocket X one of the market's most effective customer acquisition models. The acquisition has given LeoVegas as strong foothold in the UK with local expertise.

### Accounting effects

The acquisition consisted of an asset/liability transfer, and no shares were taken over. During the year Rocket X contributed EUR 32.7 m to the Group's revenue and EUR 3.4 m to operating profit (corresponding to 10 months). If LeoVegas had owned Rocket X from 1 January 2018, it would have contributed EUR 41.1 m to the Group's revenue and EUR 6.2 m to operating profit at the end of the quarter.

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

**Preliminary purchase price allocation Rocket X* (EUR, ´000s)**

| Amounts per the date of acquisition, 2018-03-01 | Measured at fair value |
|---|---|
| Property, plant and equipment | 149 |
| Intangible assets | 19 350 |
| Financial assets | - |
| Trade and other receivables | 1 770 |
| Cash and cash equivalents | 3 973 |
| Trade and other payables | - 5 743 |
| Deferred tax liabilities | - |
| **Total acquired, identifiable net assets at fair value** | **19 499** |
| **Goodwill** | **54 149** |
| **Purchase price:** | **73 648** |

| Purchase price | |
|---|---|
| Consideration paid | 73 648 |
| **Total purchase price** | **73 648** |

| Identified surplus values | |
|---|---|
| Brand and domains | 7 125 |
| Acquired customer database | 12 225 |
| **Total identified surplus values** | **19 350** |

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

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

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 amortisation attributable to surplus value in the Group.

## Acquisition – CasinoGrounds (1 January 2018)

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

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

Transfer of possession and consolidation took place on 1 January 2018. The purchase price was SEK 30 m, with a potential, maximum earn-out payment of SEK 15 m. During the second quarter the milestones for payment of the full earn-out were reached – something that LeoVegas had counted on from the start. The earn-out payment was made during the third quarter. In addition, the agreement includes an option to purchase an additional 29% of the shares in 2021 or 2022 at 5 times operating profit (EBIT multiple). The acquisition was paid for with own cash.

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

### Accounting effects

The table at right shows a preliminary purchase price allocation and summarises the total purchase price of EUR 8.5 m (adjusted for non-controlling interest), measured at fair value, as well as the fair value of acquired assets and liabilities taken over. Identified surplus value pertains to intangible assets in the form of the acquired customer database, valued at EUR 3.7 m. The intangible assets are measured at fair value as per the date of acquisition and are amortised over the estimated useful life, which corresponds to the estimated time they will generate cash flow. Amortisation of the acquired customer database has been charged against consolidated profit at an amortisation rate of two years for the first three months and will be charged at a rate of four years for the remaining 45 months. Goodwill is attributable to future revenue synergies, which are based on the potential to use existing knowledge to scale up the acquired business and thereby achieve expansion. Goodwill is to some extent also attributable to human capital. The acquisition is not expected to have any material effect on the Group's EBITDA or earnings per share.

## Acquisition – Pixel.bet (5 September 2018)

**LeoVegas, through its wholly owned subsidiary LeoVentures, invested esports betting – Pixel.bet**

The LeoVegas Group, through its wholly owned investment company LeoVentures Ltd, acquired Pixel Holding Group Ltd, which runs the esports betting operator Pixel.bet. With this investment in Pixel.bet, LeoVegas gains unique insight into a new and fast-growing segment. In its next phase Pixel.bet is gearing up for a broader launch of its business. Sweden and the Nordics are initial focus markets, with clear potential to grow further internationally. Pixel.bet has the ambition to position itself as the leading brand in esports betting. The investment amounted to EUR 1.5 m for 51% of the company and was carried out through a new share issue. Pixel.bet's vision is to create the greatest gaming experience in esports via www.pixel.bet. Transfer of possession and consolidation took place on 5 September 2018.

| Preliminary purchase price allocation, Pixel.bet* (EUR, ´000s) | |
|---|---|
| Amounts per the date of acquisition | Measured at fair value |
| Property, plant and equipment | - |
| Intangible assets | 372 |
| Financial assets | - |
| Trade and other receivables | 1 505 |
| Cash and cash equivalents | 9 |
| Trade and other payables | - 45 |
| Deferred tax liabilities | - 19 |
| Total acquired, identifiable net assets at fair value | 1 823 |
| Goodwill | 1 118 |
| Purchase price, adjusted for non-controlling interest (100%) | 2 941 |
| | |
| Purchase price | |
| Purchase price 51 % | 1 500 |
| Purchase price, adjusted 100 % | 2 941 |
| | |
| Identified surplus values | |
| Technical platform | 372 |
| Total identified surplus values | 372 |

### Accounting effects

The table at right shows a preliminary purchase price allocation and the total purchase price (adjusted for non-controlling interest) of EUR 2.9 m measured at fair value as well as the fair value of acquired assets and liabilities taken over. Identified surplus value pertains to intangible assets in the form of a technical platform, valued at EUR 0.4 m. The intangible assets are measured at fair value as per the date of acquisition and are amortised over the estimated useful life, which corresponds to the estimated time they will generate cash flow. Amortisation of the technical platform will be charged against consolidated profit at an amortisation rate of five years. Goodwill is attributable to future revenue synergies, which are based on the potential to use existing knowledge to scale up the acquired business and thereby achieve expansion. Goodwill is to some extent also attributable to human capital. The acquisition is not expected to have any material effect on the Group's EBITDA or earnings per share.

## 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 2.0 m compared with the same period a year ago and a positive effect of EUR 0.1 m compared with the preceding quarter.

## 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, any seasonal variations in gaming activity are less apparent.

## Personnel
The number of full-time employees at the end of the quarter was 888 (566), of whom 51 are employed in the Royal Panda Group, 133 in Rocket X and 72 in LeoVentures. The average number of employees during the quarter was 888 (510). In addition, LeoVegas was using the services of 33 (20) full-time consultants at the end of the quarter.

## Related-party transactions
LeoVegas currently has a related-party relationship for rents of company flats. In addition to the related-party relationship above, Chairman of the Board Mårten Forste performed consulting services for the Company for a total value of EUR 0.06 m in 2018. In other respects, no material changes have taken place for the Group or Parent Company in relations or transactions with related parties compared with the description provided in the 2017 Annual Report.

## Shares and ownership structure
LeoVegas AB was listed on Nasdaq Stockholm on 5 February 2018 (and prior to this was listed on Nasdaq First North since 17 March 2016). The total number of shares and votes in LeoVegas AB is 101,652,970. As per 31 December 2018 the Company had 18,328 shareholders. The five largest shareholders were Swedbank Robur, with 8.6%; Gustaf Hagman, with 8.2%; Robin Ramm-Ericson, with 7.0%; Skandia Mutual Life Insurance Company, with 5.6%; and Torsten Söderberg, with 3.7% of the shares and votes.

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

## Accounting policies
The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IAS/IFRS, as endorsed by the European Union) issued by the International Accounting Standards Board, interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), the Swedish Annual Accounts Act, and Swedish Financial Reporting Board (RFR) standard RFR 1 "Supplementary Accounting Rules for Groups". This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The most important accounting policies under IFRS, which are the accounting policies applied in the preparation of this interim report, are described in Note 2, pages 82–87, of the 2017 Annual Report. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 "Accounting for Legal Entities".

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

In this interim report, reference is made to measures that LeoVegas AB and others use in the evaluation of LeoVegas Mobile Gaming Group's performance that are not explicitly defined in IFRS. These measures provide management and investors with important information to analyse trends in the Company's business activities. These Alternative Performance Measures are intended to complement, not replace, financial measures that are presented in accordance with IFRS. For definitions, see the section *Definitions of Alternative Performance Measures*.

The number of shares after dilution is calculated using the Treasury Stock method. At the end of the reporting period two warrant programmes were in effect, which expire in 2020 and 2021, respectively. These have no dilutive effect, as the subscription price is higher than the price at which the shares were traded during the quarter.

**IFRS 16 Leasing**
IFRS 16 introduces a "right-of-use model", which replaces the current standard IAS 17 Leases. Upon application of IFRS 16 (1 January 2019), the Group will not report any operating leases. These means that rental costs and other lease payments will be recognised on the balance sheet, corresponding to a finance lease. The simplified transitional method will be used for the transition, entailing that no adjustments for comparative figures will be presented.

A quantitative analysis has been performed ahead of the transition. The Group's balance sheet total is estimated to increase by EUR 10.9 m. Initially the lease asset will in all material respect correspond to the value of the lease liability, which is a present value discounting of future contracted cash flows. The interest rate used for the present value discounting is the incremental borrowing rate. This is because the implicit rate was not available.

During the 2018 financial year, recognised rental costs and other lease payments amounted to EUR 3.0 m, all of which were reported under Other operating expenses. Upon application of IFRS 16, EBITDA will thus be positively affected by a corresponding amount (1%), assuming that the leases are constant. Remeasurement of the lease asset and lease liability may be done, which may thus affect the anticipated outcome.

The rules of IFRS 16 exclude leases that are shorter than 12 months and low-value leases (<USD 5,000).

IFRS 16 will lead to the recognition of higher expenses at the beginning of the lease term and lower toward the end. This is because the interest expense will decrease in pace with payment of the lease liability. Previously, under IAS 17, LeoVegas' operating leases affected earnings by an equally large expense every year throughout the lease term. Classification in the statement of cash flows will also be affected by IFRS 16. In the statement of cash flows, the payment – i.e., amortisation of the liability – will be reported under financing activities. This thus differs from the current standard, where lease payments are reported in their entirety as part of operating activities. The interest portion of payments will be reported under operating activities, since this is in accordance with the Group's classification of interest. All in all the new standard entails that new assets and liabilities are to be taken up on the balance sheet, which will affect reported EBITDA, capex and the equity/assets ratio.

## Legal update

The legal situation for online gaming is changing continuously at the EU level as well as in individual geographic markets. Countries within the EU are under pressure to adapt their respective national legislation to applicable EU laws, especially regarding the free movement of products and services. LeoVegas' expansion strategy is primarily to work in regulated markets or markets that are in the process of being regulated. 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. In January 2019 Sweden also implemented local regulation.

Sweden's new gambling law took effect on 1 January 2019, and LeoVegas looks forward to working in a regulated market in Sweden. The Company was one of the first to be licensed for online gaming and wagers at the time the law came into force. The gambling tax rate is 18%, and the regulations include a number of measures to promote responsible gaming.

In the UK, the gambling tax for online casino will be increased on 1 April 2019 from 15% at present to 21%. The gambling tax for online sports betting remains at 15%. The background to the tax increase is that the UK Gambling Commission has cut the maximum stake on Fixed Odds Betting Terminals (FOBTs) from GBP 100 to GBP 2. This will result in a loss of tax revenue from FOBTs, which the authorities will compensate for through an increase in the tax on online gambling. Discussions on a tax increase have been in progress for quite some time, and this is something that LeoVegas has factored in to its forecasts.

In the Netherlands, the authorities have proposed the introduction of a 29% gambling tax, which is the same tax rate paid by land-based operators. Implementation of this appears to be delayed and will most likely take place in 2020.

In Italy the new government has introduced legislation that would ban most advertising for gambling starting in June 2019. LeoVegas feels this is unfortunate for the market, since it will benefit unserious actors and undermine consumer protection, as actors that do not follow the rules will gain relatively more exposure. However, it is unclear if the proposed legislation is compatible with EU law, and it may change further by June 2019. However, LeoVegas is working from the assumption that the advertising ban will go through. Italy also increased its gambling tax from 20% to 25% in January 2019.

The Rest of World geographic area includes geographies with unclear gambling laws, which over time may affect LeoVegas' revenue, earnings and expansion opportunities, depending on what legal changes may take place.

## Risks and uncertainties

The main risk and uncertainty facing LeoVegas is the general legal status of online gambling. 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.

LeoVegas' offering is based on gaming as a fun and attractive form of entertainment. However, some people are at risk of developing gambling-related problems. LeoVegas takes this very seriously, and responsible gambling is a fundamental principle in the Company's product design and customer contacts. All LeoVegas employees, regardless of their function in the Company, are required to obtain certification in responsible gambling. LeoVegas has employees who work exclusively with promoting responsible gambling and related issues. LeoVegas has implemented a number of functions designed to identify and help potential problem gamers. These include tools for helping customers control their gaming, including Loss limits, Time limits, Time alerts, Pause account and Account closure. In addition, a Self-Assessment is offered to enable early identification if a customer's gaming is at risk of becoming a problem. In addition to these tools for customers and internal training for employees, LeoVegas works internally with responsible gambling as part of its company culture. LeoVegas works with commitment and knowledge to continuously promote a positive and sound gaming experience for everyone. In 2017 LeoSafePlay was launched, which is a Group-wide platform for responsible gambling. LeoSafePlay is an area of great focus and will continue to be developed with the aim of being one of the industry's strongest tools for player protection.

Other risks that could affect LeoVegas are market-related risks and financial risks, such as currency and liquidity risks. Market risks and financial risks are monitored and followed up as a continuous part of operations. A detailed description of financial risks is provided in the 2017 Annual Report.

## Sustainability

LeoVegas' mission is to offer customers entertainment in a safe and secure manner. LeoVegas strives for long-term and sustainable relationships with customers. What's most important is that customers view their gaming as entertainment and play in a secure and responsible manner. However, for certain individuals, gaming may evolve from a form of entertainment to instead causing financial and/or social problems. LeoVegas is at the forefront in the industry with respect to responsible gambling, both with respect to protecting customers and working proactively and support individuals who develop unsound gambling behaviours. LeoVegas has invested heavily in technology and development of algorithms that detect early signs of players that could indicate a risk for unsound gambling. Within the framework of LeoSafePlay, the Company has launched a tool based on machine learning and algorithms that help create risk profiles for customers at risk of developing a gambling problem. Our ambition in responsible gambling is to be the best in the business and to use state-of-the-art technology to build the next generation system for responsible gambling.

LeoVegas is active in an industry in which companies that cannot create sustainable and long-term customer value, good service, fair pricing and high credibility will not survive in the long run. Investments and focus on sustainability are a must to be able to act in accordance with the Company's gambling licences in the various markets. Today the bigger and serious gaming operators have implemented tools for responsible gambling. Online gaming operators have also learned to accommodate strict compliance requirements that often differ from one market to the next. LeoVegas is also seeing greater interest from many investors in sustainability issues as awareness of the gambling industry increases. All this strengthens the Company's focus on being a reliable partner for upholding long-term relationships both with customer and investors. LeoVegas welcomes this development, as it creates opportunities for professional and innovative companies to make changes for the better both for society and for customers.

LeoVegas is taking market shares from competitors by being a data-driven company that knows what drives the customer experience. LeoVegas is keen on retaining customers over a long period and building sustainable relationships with them. This leads to stability in the average revenue per customer over time while increasing the number of active customers who view their gaming as entertainment. This is a sustainable and responsible growth strategy for LeoVegas as a Group.

# Board of Directors' and President'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, 12 February 2019**

**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, 111 37 Stockholm
Main office: Stockholm
Corporate identity number: 556830-4033

*All information in this report belongs to the Group of companies, which are ultimately owned by LeoVegas AB, also known as LeoVegas.*

*The interim report has not been reviewed by the Company's auditor.*

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**Financial calendar 2019**

| | |
|---|---|
| Interim report Jan.-March | 2 May 2019 |
| Annual General Meeting 2019 | 29 May 2019 |
| Interim report Jan.-June | 23 July 2019 |

# Consolidated income statement

| EUR'000s | Oct-Dec 2018 | Oct-Dec 2017 | 2018 | 2017 |
|---|---|---|---|---|
| **Revenue** | **84 485** | **67 826** | **327 817** | **217 014** |
| Cost of sales | (17 548) | (12 086) | (62 588) | (39 195) |
| Gaming Duties | (7 199) | (6 144) | (29 686) | (15 144) |
| **Gross profit** | **59 738** | **49 596** | **235 543** | **162 675** |
| Personnel costs | (11 509) | (7 869) | (40 980) | (26 402) |
| Capitalised development costs | 3 589 | 1 233 | 7 192 | 3 713 |
| Other operating expenses | (11 592) | (7 526) | (41 204) | (22 878) |
| Marketing expenses | (32 019) | (29 469) | (120 752) | (91 727) |
| Other income and expenses | (72) | 163 | 1 806 | 566 |
| **EBITDA** | **8 135** | **6 128** | **41 605** | **25 947** |
| Depreciation and amortisation | (1 417) | (1 006) | (4 925) | (3 165) |
| Amortisation of acquired intangible assets | (4 127) | (3 068) | (17 505) | (2 868) |
| **Operating profit (EBIT)** | **2 591** | **2 054** | **19 175** | **19 914** |
| Financial income | 3 | 6 | 10 | 13 |
| Financial costs | (502) | (129) | (1 746) | (130) |
| Financial liability fair value gains/(losses) | 20 163 | (993) | 27 022 | (993) |
| **Profit before tax** | **22 255** | **938** | **44 461** | **18 804** |
| Income tax | (147) | 575 | (1 221) | (676) |
| **Net profit for the period** | **22 108** | **1 513** | **43 240** | **18 128** |
| Net profit attributable to owners of the parent company | 22 071 | 1 513 | 43 150 | 18 128 |
| Net profit attributable to non-controlling interests | 37 | - | 90 | - |
| Exchange differences on translation of foreign operations | (3) | - | (3) | - |
| **Other comprehensive income** | **(3)** | **-** | **(3)** | **0** |
| **Total comprehensive income** | **22 105** | **1 513** | **43 237** | **18 128** |
| **Earnings per share (EUR)** | **0,22** | **0,02** | **0,43** | **0,18** |
| **Earnings per share after dilution (EUR)** | **0,22** | **0,01** | **0,43** | **0,18** |
| No. of shares outstanding adj. for share split (millions) | 101,65 | 99,70 | 101,65 | 99,70 |
| No. of shares after dilution adj. for share split (millions) | 101,65 | 101,25 | 101,65 | 101,25 |
| **Key ratios** | | | | |
| Cost of sales as a % of revenue | 20,8% | 17,8% | 19,1% | 18,1% |
| Gaming duties as a % of revenue | 8,5% | 9,1% | 9,1% | 7,0% |
| Gross margin, % | 70,7% | 73,1% | 71,9% | 75,0% |
| Personnel costs as % of revenue | 13,6% | 11,6% | 12,5% | 12,2% |
| Operating expenses as % of revenue | 13,7% | 11,1% | 12,6% | 10,5% |
| Marketing expenses as % of revenue | 37,9% | 43,4% | 36,8% | 42,3% |
| EBITDA margin % | 9,6% | 9,0% | 12,7% | 12,0% |
| EBIT margin % | 3,1% | 3,0% | 5,8% | 9,2% |
| Net margin, % | 26,2% | 2,2% | 13,2% | 8,4% |

| Adjusted profit measures EUR'000s | Oct-Dec 2018 | Oct-Dec 2017 | 2018 | 2017 |
|---|---|---|---|---|
| **EBITDA** | **8 135** | **6 128** | **41 605** | **25 947** |
| Costs pertaining to listing | - | 172 | 62 | 594 |
| Costs pertaining to acquisition-related consulting | - | 788 | 466 | 1 353 |
| Provision for fine from UKGC | - | - | 453 | - |
| Gain on sale of asset | - | - | (1 500) | - |
| **Adjusted EBITDA** | **8 135** | **7 088** | **41 086** | **27 894** |
| Depreciation and amortisation | (1 417) | (1 006) | (4 925) | (3 165) |
| **Adjusted EBIT** | **6 718** | **6 082** | **36 161** | **24 729** |
| Net financial items | (499) | (123) | (1 736) | (117) |
| Tax | (147) | 575 | (1 221) | (676) |
| **Adjusted net income** | **6 072** | **6 534** | **33 204** | **23 936** |
| **Adjusted EPS** | **0,06** | **0,07** | **0,33** | **0,24** |
| Adjusted EBITDA margin % | 9,6% | 10,5% | 12,5% | 12,9% |
| Adjusted EBIT margin % | 8,0% | 9,0% | 11,0% | 11,4% |
| Adjusted net margin % | 7,2% | 9,6% | 10,1% | 11,0% |

# Consolidated balance sheet, condensed

| EUR'000s | 31 Dec 2018 | 31 Dec 2017 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 4 141 | 2 870 |
| Intangible assets | 14 032 | 9 948 |
| Intangible assets surplus values from acquisitions | 61 467 | 51 018 |
| Goodwill | 102 958 | 44 604 |
| Deferred tax assets | 2 975 | 1 541 |
| **Total non-current assets** | **185 573** | **109 981** |
| **Current assets** | | |
| Trade receivables | 29 268 | 15 178 |
| Other current receivables | 7 768 | 7 074 |
| Cash and cash equivalents | 56 738 | 52 758 |
| *of which restricted cash (player funds)* | *11 922* | *7 097* |
| **Total current assets** | **93 774** | **75 010** |
| **TOTAL ASSETS** | **279 347** | **184 991** |
| **EQUITY AND LIABILITIES** | | |
| Share capital | 1 220 | 1 196 |
| Additional paid-in capital | 40 409 | 36 588 |
| Translation reserve | 485 | - |
| Retained earnings including profit for the period | 52 116 | 21 122 |
| **Equity attributable to owners of the Parent Company** | **94 230** | **58 906** |
| Non-controlling interest | 5 700 | - |
| **Total Equity** | **99 930** | **58 906** |
| Bank loan | 69 642 | 20 015 |
| Other non-current liabilities | 961 | 942 |
| Deferred tax liability | 2 765 | 2 854 |
| **Total non-current liabilities** | **73 368** | **23 811** |
| **Current liabilities** | | |
| Trade and other payables | 18 022 | 14 818 |
| Player liabilities | 11 922 | 7 097 |
| Tax liability | 5 111 | 3 032 |
| Accrued expenses and deferred income | 31 994 | 27 302 |
| Short-term liability in respect of acquisition | - | 13 644 |
| Bank loan | 30 000 | - |
| Provision for conditional purchase price | 9 000 | 36 381 |
| **Total current liabilities** | **106 049** | **102 274** |
| **TOTAL EQUITY AND LIABILITIES** | **279 347** | **184 991** |

# Consolidated statement of cash flows, condensed

| EUR'000s | Oct-Dec 2018 | Oct-Dec 2017 | 2018 | 2017 |
|---|---|---|---|---|
| Operating profit | 2 591 | 2 054 | 19 175 | 19 914 |
| Adjustments for non-cash items | 4 682 | 2 892 | 20 193 | 6 135 |
| Cash flow from changes in working capital | 621 | 3 080 | (2 874) | 8 026 |
| **Cash flow from operating activities** | **7 894** | **8 026** | **36 494** | **34 075** |
| Acquisition of property, plant and equipment | (339) | (760) | (2 475) | (1 855) |
| Acquisition of intangible assets | (3 129) | (863) | (8 633) | (4 312) |
| Acquisition of subsidiaries | - | (40 330) | (20 213) | (43 935) |
| Transfer of assets on acquisition | - | - | (73 472) | - |
| Proceeds on sale of assets | - | - | 1 500 | - |
| **Cash flow from investing activities** | **(3 468)** | **(41 953)** | **(103 293)** | **(50 102)** |
| Loan financing | 4 735 | 20 000 | 79 475 | 20 000 |
| Proceeds from share issue/other equity securities | 34 | 170 | 3 832 | 170 |
| Cash dividends paid out to shareholders | - | - | (11 669) | (10 233) |
| **Cash flow from financing activities** | **4 769** | **20 170** | **71 638** | **9 937** |
| Net increase/(decrease) in cash and cash equivalents | 9 195 | (13 757) | 4 839 | (6 090) |
| Cash and cash equivalents at start of the period | 47 555 | 66 628 | 52 758 | 60 218 |
| Currency effects on cash and cash equivalents | (12) | (113) | (859) | (1 370) |
| **Cash and cash equivalents at end of period** | **56 738** | **52 758** | **56 738** | **52 758** |
| *of which restricted cash (player funds)* | *11 922* | *7 097* | *11 922* | *7 097* |

# Consolidated statement of changes in equity, condensed

| EUR'000s | Share Capital | Other capital contribution | Translation reserve | Retained earnings | Equity attributable to owners of the parent company | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2017** | **1 196** | **36 411** | **-** | **13 228** | **50 835** | **-** | **50 835** |
| Profit for the period | - | - | - | 18 128 | 18 128 | - | 18 128 |
| Other comprehensive income | - | - | - | - | - | - | - |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **18 128** | **18 128** | **-** | **18 128** |
| Transactions with shareholders in their capacity as owners: | | | | | | | |
| Dividends | - | - | - | (10 233) | (10 233) | - | (10 233) |
| Premium received from warrants | - | 177 | - | - | 177 | - | 177 |
| **Balance at 31 December 2017** | **1 196** | **36 588** | **-** | **21 122** | **58 906** | **-** | **58 906** |
| **Balance at 1 January 2018** | **1 196** | **36 588** | **-** | **21 122** | **58 906** | **-** | **58 906** |
| Profit for the period | - | - | - | 43 150 | 43 150 | 90 | 43 240 |
| Other comprehensive income *(exchange differences of foreign operations)* | - | - | (3) | - | (3) | - | (3) |
| **Total comprehensive income for the period** | **-** | **-** | **(3)** | **43 150** | **43 147** | **90** | **43 237** |
| *Transactions with shareholders in their capacity as owners:* | | | | | | | |
| Share issue from options program | 24 | 3 402 | - | - | 3 426 | - | 3 426 |
| Dividends | - | - | 488 | (12 156) | (11 669) | - | (11 669) |
| Option Premium | - | 419 | - | - | 419 | - | 419 |
| *Transactions with non-controlling interests:* | | | | | | | |
| Acquisition of NCI | - | - | - | - | - | 5 610 | 5 610 |
| **Balance at 31 December 2018** | **1 220** | **40 409** | **485** | **52 116** | **94 230** | **5 700** | **99 930** |

# Parent Company income statement, condensed

| EUR'000s | Oct-Dec 2018 | Oct-Dec 2017 | 2018 | 2017 |
|---|---|---|---|---|
| **Revenue** | **146** | **1 227** | **988** | **1 411** |
| Operating expenses | (1 062) | (1 563) | (4 474) | (4 374) |
| Other income and expenses | - | - | - | - |
| **Operating profit (EBIT)** | **(916)** | **(336)** | **(3 486)** | **(2 963)** |
| Net financial income | 113 | 1 605 | 144 | 2 073 |
| Tax cost | 507 | 668 | 454 | 668 |
| **Profit / Loss for the period*** | **(296)** | **1 937** | **(2 888)** | **(222)** |

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

# Parent Company balance sheet, condensed

| EUR'000s | 31 Dec 2018 | 31 Dec 2017 |
|---|---|---|
| **ASSETS** | | |
| Total non-current assets | 17 682 | 14 275 |
| Current assets | 4 883 | 5 830 |
| Cash and cash equivalents | 326 | 2 975 |
| **Total current assets** | **5 209** | **8 805** |
| **TOTAL ASSETS** | **22 891** | **23 080** |
| **EQUITY AND LIABILITIES** | | |
| **Total equity** | **11 986** | **22 225** |
| **Total current liabilities** | **905** | **855** |
| **Total long term liabilities** | **10 000** | **-** |
| **TOTAL EQUITY AND LIABILITIES** | **22 891** | **23 080** |

# KPIs per quarter

| Amounts in EUR'000s unless otherwise stated | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 |
|---|---|---|---|---|---|
| **Deposits** | **276 604** | **253 399** | **266 259** | **248 567** | **224 610** |
| *Growth, Deposits, y-y %* | *23%* | *31%* | *59%* | *66%* | *62%* |
| *Growth, Deposits, q-q %* | *9%* | *-5%* | *7%* | *11%* | *16%* |
| **Deposits per region** | | | | | |
| *Nordics, % Deposits* | 53,7% | 52,0% | 50,7% | 53,1% | 59,6% |
| *Rest of Europe, % Deposits* | 40,6% | 42,8% | 44,3% | 42,2% | 37,0% |
| *Rest of World, % Deposits* | 5,7% | 5,2% | 5,0% | 4,7% | 3,4% |
| **Net Gaming Revenue (NGR)** | **81 992** | **77 781** | **86 782** | **76 467** | **67 901** |
| *Growth Net Gaming Revenue, y-y %* | *21%* | *41%* | *76%* | *75%* | *67%* |
| *Growth Net Gaming Revenue, q-q %* | *5%* | *-10%* | *13%* | *13%* | *23%* |
| **Net Gaming Revenue (NGR) per region** | | | | | |
| *Nordics, % Net Gaming Revenue* | 45,3% | 42,8% | 42,3% | 45,3% | 55,7% |
| *Rest of Europe, % Net Gaming Revenue* | 45,3% | 48,2% | 49,1% | 46,2% | 38,4% |
| *Rest of World, % Net Gaming Revenue* | 9,3% | 8,9% | 8,6% | 8,6% | 5,8% |
| **Growth in NGR per region** | | | | | |
| *Nordics, y-y %* | *-1,8%* | *0,9%* | *31,7%* | *41,5%* | *63,9%* |
| *Rest of Europe, y-y %* | *42,5%* | *131,5%* | *160,5%* | *160,8%* | *133,8%* |
| *Rest of World, y-y %* | *92,9%* | *24,6%* | *50,9%* | *15,9%* | *-39,3%* |
| **Regulated revenue as a % of total** | **32,7%** | **35,3%** | **38,8%** | **35,4%** | **29,0%** |
| *Growth in regulated revenues, y-y %* | *36%* | *102%* | *173%* | *238%* | *340%* |
| *Growth in regulated revenues, q-q %* | *-3%* | *-18%* | *24%* | *38%* | *44%* |
| **Hold (NGR/Deposits) %** | **29,6%** | **30,7%** | **32,6%** | **30,8%** | **30,2%** |
| **Game margin %** | **3,67%** | **3,69%** | **3,84%** | **3,62%** | **3,74%** |
| **Number of active customers** | **587 712** | **547 526** | **544 013** | **547 959** | **391 705** |
| *Growth active customers, y-y %* | *50%* | *83%* | *91%* | *72%* | *-3%* |
| *Growth active customers, q-q %* | *7%* | *1%* | *-1%* | *40%* | *31%* |
| **Number of depositing customers** | **327 156** | **318 189** | **309 987** | **302 014** | **253 299** |
| *Growth depositing customers, y-y %* | *29%* | *57%* | *79%* | *75%* | *44%* |
| *Growth depositing customers, q-q %* | *3%* | *3%* | *3%* | *19%* | *25%* |
| **Number of new depositing customers** | **145 409** | **140 552** | **134 487** | **146 063** | **128 409** |
| *Growth new depositing customers, y-y %* | *13%* | *45%* | *84%* | *95%* | *50%* |
| *Growth new depositing customers, q-q %* | *3%* | *5%* | *-8%* | *14%* | *32%* |
| **Number of returning depositing customers** | **181 747** | **177 637** | **175 500** | **155 951** | **124 890** |
| *Growth returning depositing customers, y-y %* | *46%* | *68%* | *75%* | *60%* | *37%* |
| *Growth returning depositing customers, q-q %* | *2%* | *1%* | *13%* | *25%* | *18%* |

# Consolidated income statement per quarter

| EUR'000s | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 |
|---|---|---|---|---|---|
| **Revenue** | **84 485** | **78 552** | **87 413** | **77 367** | **67 826** |
| Cost of sales | (17 548) | (14 720) | (15 702) | (14 618) | (12 086) |
| Gaming Duties | (7 199) | (7 338) | (8 076) | (7 073) | (6 144) |
| **Gross profit** | **59 738** | **56 494** | **63 635** | **55 676** | **49 596** |
| Personnel costs | (11 509) | (10 509) | (10 354) | (8 608) | (7 869) |
| Capitalised development costs | 3 589 | 1 002 | 1 560 | 1 041 | 1 233 |
| Other operating expenses | (11 592) | (10 118) | (9 482) | (10 012) | (7 526) |
| Marketing expenses | (32 019) | (27 991) | (30 537) | (30 205) | (29 469) |
| Other income and expenses | (72) | 86 | 177 | 1 615 | 163 |
| **EBITDA** | **8 135** | **8 964** | **14 999** | **9 507** | **6 128** |
| Depreciation and amortisation | (1 417) | (1 302) | (1 100) | (1 106) | (1 006) |
| Amortisation of acquired intangible assets | (4 127) | (4 125) | (4 636) | (4 617) | (3 068) |
| **Operating profit (EBIT)** | **2 591** | **3 537** | **9 263** | **3 784** | **2 054** |
| Financial income | 3 | - | - | 7 | 6 |
| Financial costs | (502) | (449) | (491) | (304) | (129) |
| Financial liability fair value gains/(losses) | 20 163 | 10 109 | (1 634) | (1 616) | (993) |
| **Profit before tax** | **22 255** | **13 197** | **7 138** | **1 871** | **938** |
| Income tax | (147) | (444) | (499) | (131) | 575 |
| **Net profit for the period** | **22 108** | **12 753** | **6 639** | **1 740** | **1 513** |
| Net profit attributable to owners of the parent company | 22 071 | 12 817 | 6 724 | 1 538 | 1 513 |
| Net profit attributable to non-controlling interests | 37 | (64) | (85) | 202 | - |
| Exchange differences on translation of foreign operations | (3) | - | 1 | (1) | - |
| **Other comprehensive income** | **(3)** | **-** | **1** | **(1)** | **-** |
| **Total comprehensive income** | **22 105** | **12 753** | **6 640** | **1 739** | **1 513** |
| **Earnings per share (EUR)** | **0,22** | **0,13** | **0,07** | **0,02** | **0,02** |
| **Earnings per share after dilution (EUR)** | **0,22** | **0,13** | **0,07** | **0,02** | **0,01** |
| No. of shares outstanding adj. for share split (millions) | 101,65 | 101,65 | 100,34 | 99,70 | 99,70 |
| No. of shares after dilution adj. for share split (millions) | 101,65 | 101,65 | 101,37 | 101,33 | 101,25 |
| Key ratios | | | | | |
| Cost of sales as a % of revenue | 20,8% | 18,7% | 18,0% | 18,9% | 17,8% |
| Gaming duties as a % of revenue | 8,5% | 9,3% | 9,2% | 9,1% | 9,1% |
| Gross margin, % | 70,7% | 71,9% | 72,8% | 72,0% | 73,1% |
| Personnel costs as % of revenue | 13,6% | 13,4% | 11,8% | 11,1% | 11,6% |
| Operating expenses as % of revenue | 13,7% | 12,9% | 10,8% | 12,9% | 11,1% |
| Marketing expenses as % of revenue | 37,9% | 35,6% | 34,9% | 39,0% | 43,4% |
| EBITDA, margin % | 9,6% | 11,4% | 17,2% | 12,3% | 9,0% |
| EBIT, margin % | 3,1% | 4,5% | 10,6% | 4,9% | 3,0% |
| Net margin, % | 26,2% | 16,2% | 7,6% | 2,2% | 2,2% |

| EUR'000s | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 |
|---|---|---|---|---|---|
| **EBITDA** | **8 135** | **8 964** | **14 999** | **9 507** | **6 128** |
| Costs pertaining to listing | - | - | - | 62 | 172 |
| Costs pertaining to acquisition-related consulting | - | - | - | 466 | 788 |
| Provision for fine from UKGC | - | - | - | 453 | - |
| Gain on sale of asset | - | - | - | (1 500) | - |
| **Adjusted EBITDA** | **8 135** | **8 964** | **14 999** | **8 988** | **7 088** |
| Depreciation and amortisation | (1 417) | (1 302) | (1 100) | (1 106) | (1 006) |
| **Adjusted EBIT** | **6 718** | **7 662** | **13 899** | **7 882** | **6 082** |
| Net financial items | (499) | (449) | (491) | (297) | (123) |
| Tax | (147) | (444) | (499) | (131) | 575 |
| **Adjusted net income** | **6 072** | **6 769** | **12 909** | **7 454** | **6 534** |
| **Adjusted EPS** | **0,06** | **0,07** | **0,13** | **0,07** | **0,07** |
| Adjusted EBITDA margin % | 9,6% | 11,4% | 17,2% | 11,6% | 10,5% |
| Adjusted EBIT margin % | 8,0% | 9,8% | 15,9% | 10,2% | 9,0% |
| Adjusted net margin % | 7,2% | 8,6% | 14,8% | 9,6% | 9,6% |

# Consolidated balance sheet per quarter, condensed

| EUR'000s | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 4 141 | 4 114 | 3 851 | 3 714 | 2 870 |
| Intangible assets | 14 032 | 12 046 | 11 630 | 12 410 | 9 948 |
| Intangible assets surplus values from acquisitions | 61 467 | 65 585 | 69 345 | 72 035 | 51 018 |
| Goodwill | 102 958 | 102 958 | 101 840 | 101 840 | 44 604 |
| Deferred tax assets | 2 975 | 1 489 | 1 488 | 1 541 | 1 541 |
| **Total non-current assets** | **185 573** | **186 192** | **188 154** | **191 540** | **109 981** |
| **Current assets** | | | | | |
| Trade receivables | 29 268 | 22 973 | 19 806 | 23 796 | 15 178 |
| Other current receivables | 7 768 | 9 090 | 10 232 | 7 706 | 7 074 |
| Cash and cash equivalents | 56 738 | 47 555 | 49 377 | 44 368 | 52 758 |
| *of which restricted cash (player funds)* | *11 922* | *11 849* | *11 697* | *10 662* | *7 097* |
| **Total current assets** | **93 774** | **79 618** | **79 415** | **75 870** | **75 010** |
| **TOTAL ASSETS** | **279 347** | **265 810** | **267 569** | **267 410** | **184 991** |
| **EQUITY AND LIABILITIES** | | | | | |
| Share capital | 1 220 | 1 220 | 1 220 | 1 196 | 1 196 |
| Additional paid-in capital | 40 409 | 40 409 | 40 289 | 36 588 | 36 588 |
| Translation reserve | 485 | 488 | 487 | (1) | - |
| Retained earnings including profit for the period | 52 116 | 30 044 | 17 228 | 22 660 | 21 122 |
| **Equity attributable to owners of the Parent Company** | **94 230** | **72 161** | **59 224** | **60 443** | **58 906** |
| Non-controlling interest | 5 700 | 5 662 | 4 285 | 4 370 | - |
| **Total Equity** | **99 930** | **77 823** | **63 509** | **64 813** | **58 906** |
| Bank loan | 69 642 | 74 849 | 94 803 | 84 761 | 20 015 |
| Other non-current liabilities | 961 | 947 | 952 | 951 | 942 |
| Deferred tax liability | 2 765 | 2 945 | 3 108 | 3 284 | 2 854 |
| **Total non-current liabilities** | **73 368** | **78 741** | **98 863** | **88 996** | **23 811** |
| **Current liabilities** | | | | | |
| Trade and other payables | 18 022 | 14 116 | 17 257 | 17 920 | 14 818 |
| Player liabilities | 11 922 | 11 849 | 11 697 | 10 662 | 7 097 |
| Tax liability | 5 111 | 3 387 | 3 867 | 3 341 | 3 032 |
| Accrued expenses and deferred income | 31 994 | 30 563 | 31 409 | 32 357 | 27 302 |
| Short-term liability in respect of acquisition | - | - | 168 | 10 131 | 13 644 |
| Bank loan | 30 000 | 20 000 | - | - | - |
| Provision for conditional purchase price | 9 000 | 29 331 | 40 799 | 39 190 | 36 381 |
| **Total current liabilities** | **106 049** | **109 246** | **105 197** | **113 601** | **102 274** |
| **TOTAL EQUITY AND LIABILITIES** | **279 347** | **265 810** | **267 569** | **267 410** | **184 991** |

# Consolidated statement of cash flows per quarter, condensed

| EUR'000s | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 |
|---|---|---|---|---|---|
| Operating profit | 2 591 | 3 537 | 9 263 | 3 784 | 2 054 |
| Adjustments for non-cash items | 4 682 | 3 916 | 5 962 | 5 633 | 2 892 |
| Cash flow from changes in working capital | 621 | (6 570) | 647 | 2 429 | 3 080 |
| **Cash flow from operating activities** | **7 894** | **883** | **15 872** | **11 846** | **8 026** |
| Acquisition of property, plant and equipment | (339) | (626) | (476) | (1 034) | (760) |
| Acquisition of intangible assets | (3 129) | (1 018) | (1 761) | (2 751) | (863) |
| Acquisition of subsidiaries | - | (1 409) | (10 092) | (8 686) | (40 330) |
| Transfer of assets on acquisition | - | - | - | (73 472) | - |
| Proceeds on sale of assets | - | - | - | 1 500 | - |
| **Cash flow from investing activities** | **(3 468)** | **(3 053)** | **(12 329)** | **(84 443)** | **(41 953)** |
| Loan financing | 4 735 | - | 10 000 | 64 740 | 20 000 |
| Proceeds from share issue/other equity securities | 34 | 372 | 3 426 | - | 170 |
| Cash dividends paid out to shareholders | - | - | (11 669) | - | - |
| **Cash flow from financing activities** | **4 769** | **372** | **1 757** | **64 740** | **20 170** |
| Net increase/(decrease) in cash and cash equivalents | 9 195 | (1 798) | 5 300 | (7 857) | (13 757) |
| Cash and cash equivalents at start of the period | 47 555 | 49 377 | 44 368 | 52 758 | 66 628 |
| Currency effects on cash and cash equivalents | (12) | (24) | (291) | (532) | (113) |
| **Cash and cash equivalents at end of period** | **56 738** | **47 555** | **49 377** | **44 368** | **52 758** |
| *of which restricted cash (player funds)* | *11 922* | *11 849* | *11 697* | *10 662* | *7 097* |

# Definitions of Alternative Performance Measures

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

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

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

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

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

### Cash and cash equivalents
Balances in bank accounts plus e-wallets

### Depositing customers
Customers who have made cash deposits during the period per platform/brand. Since this is measured per platform, it means that a certain number of customers are counted for more than once, such as for a customer who has made a deposit with Royal Panda and LeoVegas during the period

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

### Dividend per share
The dividend paid or proposed per share

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

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

### EBIT
Operating profit

### EBIT margin, %
EBIT in relation to revenue

### EBITDA
Operating profit before depreciation, amortisation and impairment losses

### EBITDA margin, %
EBITDA in relation to revenue

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

### Gaming margin, %
Customers' total wagers (including bonus money) less winnings, divided by customers' total wagers (including bonus money)

### Gross Gaming Revenue (GGR)
The sum of all wagers (cash and bonuses) less all wins payable to customers (referred to as GGR in the industry)

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

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

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

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

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

### Operating profit (EBIT)
Profit before interest and tax

### Organic growth
Growth excluding acquisitions, adjusted for currency effects

### 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 gambling activities pay in a regulated market, such as in Denmark, Italy or the UK. In certain cases, it also pertains to the cost for VAT in regulated markets (Germany, Malta, Ireland)

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

### Mobile devices
Smartphones and tablets

### Net profit
Profit less all expenses, including interest and tax

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

### Regulated revenue
Revenue from locally regulated markets

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