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

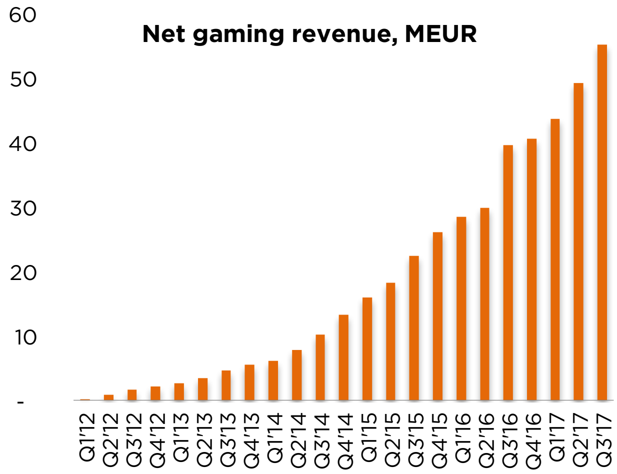
Continued strong growth and a strategic acquisition

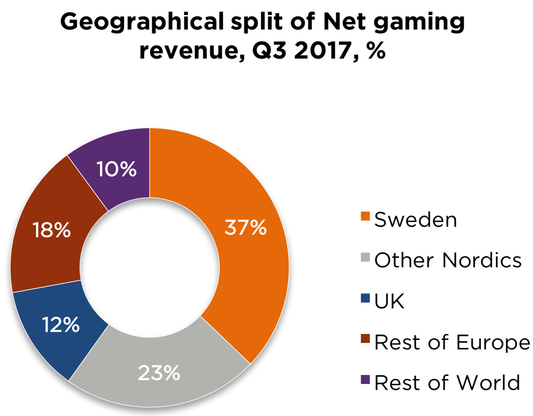
Third quarter: 1 July–30 September 2017*

- Revenue increased by 40% to EUR 55.6 m (39.7). Organic growth was 33%.
- Revenue from regulated markets accounted for 25.3% (13.2%) of total revenue.
- Mobile deposits were 70% (67%) of total deposits, which increased by 56% to EUR 193.1 m (123.7).
- The number of depositing customers was 202,980 (156,389), an increase of 30%. The number of new depositing customers was 97,210 (74,638), an increase of 30%. The number of returning depositing customers was 105,770 (81,751), an increase of 29%.
- EBITDA was EUR 7.6 m (9.8), corresponding to an EBITDA margin of 13.7% (24.7%). EBITDA adjusted for items affecting comparability was EUR 8.4 m (9.8), corresponding to an EBITDA margin of 15.1% (24.7%).
- Operating profit (EBIT) was EUR 6.9 m (9.4). EBIT adjusted for items affecting comparability was EUR 7.6 m (9.4), corresponding to an adjusted EBIT margin of 13.7% (23.8%).
- Earnings per share before and after dilution were EUR 0.06 (0.09).

Interim period: 1 January–30 September 2017

- Revenue increased by 49% to EUR 149.2 m (100.2). Organic growth was 43%.
- Operating profit (EBIT) was EUR 17.9 m (5.1). Operating profit adjusted for items affecting comparability was EUR 18.8 m (10.4), corresponding to an adjusted EBIT margin of 12.6% (10.3%).
- Earnings per share were EUR 0.17 (0.05) before dilution and EUR 0.16 (0.04) after dilution.





Events during the quarter

- On 10 September LeoVegas was closed for customers residing in Australia.

Events after the end of the quarter

- Net Gaming Revenue (NGR) totalled EUR 14.9 m (8.8) during the first 23 days of October, representing growth of 70%.
- LeoVegas acquired the group that operates the Royal Panda brand. The acquisition of Royal Panda is in line with the strategy to continue to grow in regulated markets. More than half of Royal Panda's revenue comes from the UK. The purchase price was EUR 60 m with a maximum earn-out of an additional EUR 60 m within one year. See page 9 for further information about the acquisition.
- The Group has arranged debt financing of EUR 100 m.
- Due to the acquisition LeoVegas is removing the short-term financial targets for 2018 since they were organic targets.
- LeoVegas aims to carry out a change in its listing to Nasdaq Stockholm during the first half of 2018.
- The subsidiary company IMP (Independent Mobile Productions) changes its name to LeoVentures.
- Co-founder Robin Ramm-Ericson is taking on the role as Managing Director of LeoVentures, leaving the CXO role in the executive management team, and remains as senior executives in the Group.
- The Chief Product Officer (CPO) role has been added in the executive management team. At the moment, this role is occupied by Jarl Modén, our former Head of Product, who is now acting CPO.

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

CEO's comments

"Acquisition of Royal Panda and a third quarter with continued strong organic growth and profitability"

Strategic acquisition
After the end of the quarter we carried out a strategic acquisition. During the past two years we have combed the gaming market in search of companies that fit in with our overall expansion strategy, which is to grow in regulated markets and markets that will soon become regulated. We made our first acquisition earlier this year, of Winga in the Italian market. We are now taking the next step with our acquisition of Royal Panda, which is a great fit with our strategy to establish a strong presence in the UK – plus they have a great brand!

We have worked hard to carry out this acquisition and will now focus on integrating it in our operations and make sure that we are all working towards the same goals. When working with acquisitions, culture and people are key pieces of the puzzle. We are convinced that this is a major success factor. This match exists, and we thus have very good conditions to unite in our common strategy and continue our development.

Royal Panda – a new global brand
Royal Panda has in a short time built up an exciting and strong brand in one of our most important regulated markets – the UK. This is a major acquisition we are carrying out following a carefully executed process.

Backed by the strong symbolic value of the Panda, the company has built a premium brand among players that will serve as a good complement to LeoVegas. With the acquisition we now have two great brands that are both global, which makes the scalability in our continued growth enormous.

Royal Panda is run by people with a long record of experience in the gaming industry, and what they have achieved is impressive. The team is strong and very effective, which can be seen in the company's highly effective marketing.

Royal Panda works with a proprietary technical platform and recently launched Sportsbook. The launch looks very promising, and the Royal Panda brand also works well with sports customers.

Royal Panda's core market is the UK, which accounted for 50% of its revenue in Q3 2017. If the company had been part of LeoVegas during the third quarter, it would have added EUR 4.9 m in revenue from the UK, thereby increasing the Group's total revenue from the UK market by 73%.

During the third quarter Royal Panda had EUR 9.8 m in revenue (6.1) and an EBITDA margin of 32%. The acquisition is being made for a purchase price of EUR 60 m. If certain financial thresholds are met after 12 months, Royal Panda is entitled to an earn-out payment up to an additional EUR 60 m. In order to receive the maximum, earn-out, the company must achieve at least EUR 50 m in Net Gaming Revenue (NGR), of which EUR 34 m from the UK, and EBITDA of EUR 15 m. The total purchase price may thus amount to a maximum of EUR 120 m.

On the back of the acquisition of Royal Panda, the LeoVegas Group will remove its short-term 2018 financial targets as these did not consider larger acquisitions.

Financing
LeoVegas has a strong cash position that has been used for the initial purchase price. In addition, the Group has raised loan financing of EUR 100 m from the bank in order to have continued capacity to act on future acquisition opportunities. Of these EUR 100 m, EUR 40 m is a Revolving Credit Facility (RCF). The financing has a maturity of three years and amortization begins in the second quarter of 2019 with EUR 10 m per quarter. The interest rate on financing is approximately 2 %.

LeoVegas has a strong balance sheet and positive cash flow. The financing ensures that LeoVegas is in a strong position take part in further consolidation within the industry.

Our position – GameTech
Ever since LeoVegas was founded we have been extremely product- and technology-focused. Our innovative and data-driven marketing has been instrumental to our success. Everything emanates from technology, and we therefore see ourselves not only as a gaming company, but as a tech company in the gaming industry.

Explaining LeoVegas for investors and others with respect to identity, culture and work approach is expressed best with the term GameTech. I am proud of our passion – "Leading the way into the mobile future" – and ability to say that we are leading development in this part of the industry – GameTech.

Third quarter
Revenue totalled EUR 55.6 m (39.7) during the third quarter, an increase of 40%. Organic growth was 33%. EBITDA adjusted for items affecting comparability pertaining acquisitions and work with the listing on Nasdaq Stockholm was EUR 8.4 m (9.8), corresponding to an adjusted EBITDA margin of 15.1% (24.7%).

Revenue from regulated markets accounted for 25.3% (13.2%) of total revenue during the quarter.

Australia closed
As communicated in connection with the second quarter interim report, we have decided to close our operations in Australia due to legal changes that have been made. We closed Australia on 10 September. During the third quarter Australia contributed EUR 3.2 m in revenue. The fourth quarter will thus be the first quarter in which Australia is excluded entirely. During the fourth quarter of 2016 Australia contributed EUR 5.8 m in revenue.

Focus on LeoVentures and Management changes
The LeoVegas Mobile Gaming Group strives to be the most innovative, entrepreneurial and fastest growing company in our industry. To strengthen this momentum, we give increased focus to our venture business IMP (Independent Mobile Productions), and at the same time change the name to LeoVentures.

My co-founder Robin Ramm-Ericson now takes the role of Managing Director for LeoVentures, leaving the CXO role in LeoVegas' executive management team, and remains as senior executives in the Group.

In addition to growing existing investments, we will expand the portfolio over time with other strategically important opportunities for the group that are in line with our passion "Leading the Way into the Mobile Future". At present, this is a part of LeoVentures:

- Authentic Gaming (Live Casino Provider)
- 21 Heads-Up (Provider of unique and innovative card games)
- LiveCasino.com (affiliate and community activities in Live Casino)

New investments within LeoVentures include internal and external entrepreneurs who come to us with innovative ideas, industry knowledge or identify an early market trend, as well as external companies that we see the potential to scale up further.

At the same time, the Chief Product Officer (CPO) position is added to the executive management team. At the moment, it is our former Head of Product Jarl Modén who will hold the role. Recruitment to the CPO is ongoing and we look at both internal and external for candidates

Nasdaq Stockholm's main list
Since our listing on Nasdaq First North Premier we have been preparing ourselves for a change in listing to Nasdaq Stockholm's main list. A listing change will strengthen the company and give us an even more distinct quality seal in our communication and cooperation with authorities, licensors and partners. For institutional investors – both in Sweden but even more so abroad – we will become more accessible and attractive as a company. Our plan for the listing change is that it will be completed during the first half of 2018.

Leo Safe Play
Responsible gaming is an important area that we are working tirelessly to improve. For example, we now have an automated system that proactively alerts us about customers who show tendencies toward unsound gaming. This enables us to more swiftly and effectively address these customers in a responsible manner.

All aids and tools can be found on Leo Safe Play's website – www.leosafeplay.com. Lifting this out to a separate website makes it more visible and easier for our customers to find the information.

LeoVegas is now also a member of the Swedish Standards Institute (SIS), which will be setting uniform European standards for reporting surrounding online gaming. This will contribute to safer and more secure gaming, which we welcome. It is also further proof that regulation is the way to a more mature and sustainable market.

Markets
In Italy we are planning and working to migrate LeoVegas Italy to our proprietary technical platform, Rhino, next year. We see economies of scale in this, and it will reduce the complexity in our daily work. In recent months we have successively phased in the LeoVegas brand and phased out Winga, and we now market only LeoVegas in Italy.

Denmark has continued to grow strongly and represented 8% of revenues in the quarter.

Comments on fourth quarter
The first 23 days of October have begun with Net Gaming Revenue (NGR) of EUR 14.9 m (8.8), representing growth of 70%. This fine start to the fourth quarter shows that even though we have closed Australia for business, it has not had an appreciable impact on our revenue. The percentage growth rate of 70% is somewhat boosted by that October last year was a comparatively weak month in the fourth quarter and that October this year has had an exceptionally strong start.

During the fourth quarter we expect marketing in relation to revenue to be higher than in the third quarter. We will most likely reach the highest level during the year as we plan to invest ahead of the Christmas holiday season.

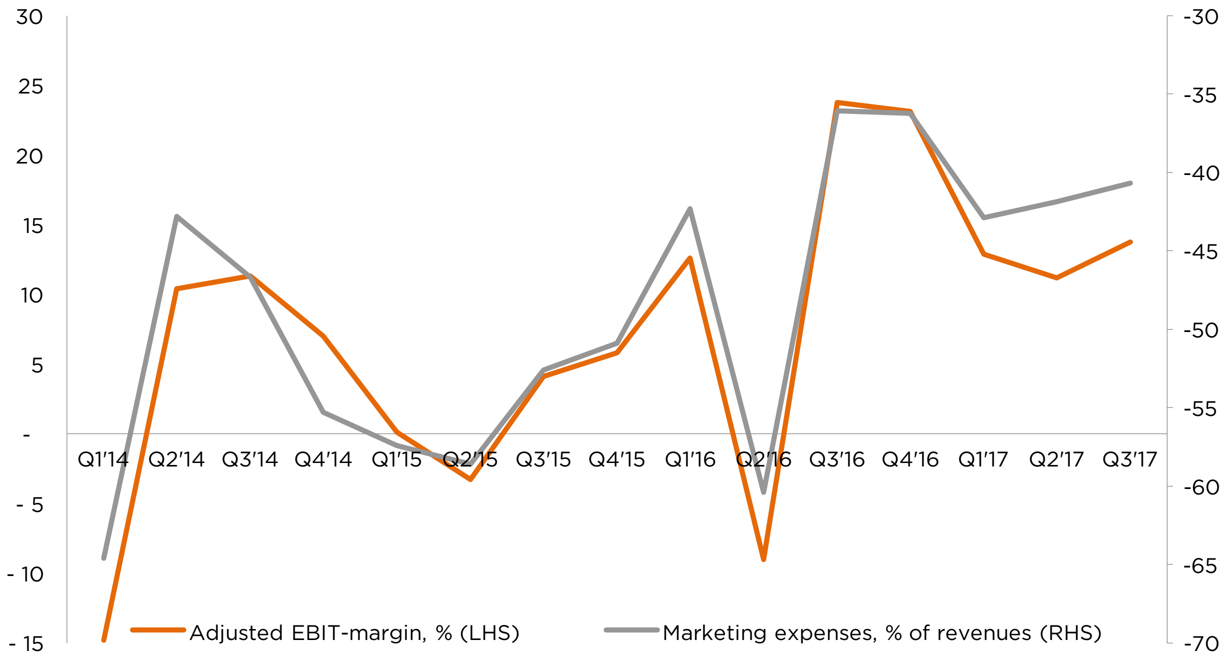
With a great acquisition, a good start to the fourth quarter and a continued strong cash position, we continue to have tremendous opportunities going forward, and we are all looking forward to an exciting fourth quarter.

Gustaf Hagman, Group CEO and co-founder
LeoVegas AB, Stockholm, 25 October 2017

Key quarterly performance figures

EUR '000s unless otherwise stated	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Number of depositing customers	**202 980**	**173 034**	**172 338**	**176 306**	**156 389**
Growth, y-y %	30%	-2%	42%	75%	77%
Growth, q-q %	17%	0%	-2%	13%	-11%
Deposits	**193 081**	**167 933**	**149 628**	**139 072**	**123 720**
Growth, y-y %	56%	67%	86%	87%	87%
Growth, q-q %	15%	12%	8%	12%	23%
Revenue	**55 620**	**49 652**	**43 916**	**41 165**	**39 713**
Growth, y-y %	40%	60%	49%	58%	76%
Growth, q-q %	12%	13%	7%	4%	28%
Adjusted EBITDA	**8 393**	**6 244**	**6 168**	**9 951**	**9 802**
Adjusted EBITDA margin, %	15.1%	12.6%	14.0%	24.2%	24.7%
Adjusted EBIT	**7 644**	**5 552**	**5 650**	**9 517**	**9 436**
Adjusted EBIT margin, %	13.7%	11.2%	12.9%	23.1%	23.8%
Marketing expenses	**22 638**	**20 787**	**18 833**	**14 912**	**14 317**
Marketing expenses as % of total revenue	40.7%	41.9%	42.9%	36.2%	36.1%

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



LeoVegas' EBIT margin is to a large extent a function of the amount spent on marketing in a given period. When investments in marketing as a percentage of revenue are higher (e.g., Q2 15, Q2 16), the EBIT margin decreases, while when it is lower (e.g., Q3 16-Q4 16) the EBIT margin increases. Historically LeoVegas has had a higher marketing-to-revenue ratio than its industry peers. This is because the return on marketing investments has been high, which justifies a continued focus on investments in growth. The deviation in the curves from each other during the last two quarters is due to a slight increase in personnel costs and other operating expenses, and to the acquisition of Winga.

Group performance Q3

Revenue, deposits and number of depositing customers

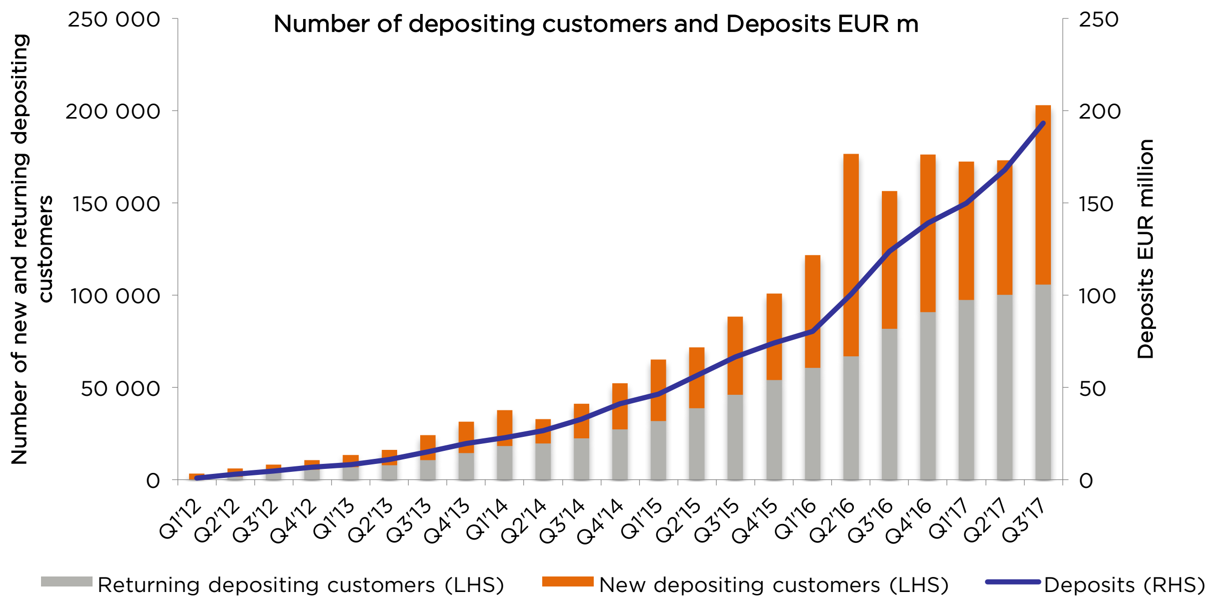
Revenue amounted to EUR 55.6 m (39.7) during the third quarter, an increase of 40%. Organic growth was 33%.

Deposits totalled EUR 193.1 m (123.7), an increase of 56%. Sequential growth in deposits was 15%, which is the highest level since the third quarter a year ago. Mobile deposits accounted for 70% (67%) of total deposits. The increase in deposits in absolute figures can be credited in roughly equally proportions to Sweden, Other Nordics and Rest of Europe. These three regions accounted for 90% of the increase. Other Nordics has had the fastest growth both as a percentage and in absolute figures due to the strong growth in the Danish market, which was launched at the end of the fourth quarter of 2016. Rest of Europe also had a high rate of growth, 113%, where the acquisition of Winga in March 2017 has been a contributing factor. Excluding the acquisition of Winga, deposits in Rest of Europe grew by 75%. Other Nordics grew by 127%. In Rest of World, deposits decreased as a result of LeoVegas' decision to not accept new customers from Australia since December 2016. Effective 10 September LeoVegas has closed the opportunity for customers residing in Australia to play. The rate of growth for Rest of World was -5%. In Sweden and the UK, deposits increased by 36% and 41%, respectively.

Net Gaming Revenue (NGR) increased sequentially by 12% from the second to the third quarter, which is a slightly lower rate of growth than for deposits. The ratio between NGR and deposits ("hold") thus decreased slightly during the quarter, to 28.6%. One factor that has historically had a strong impact on hold is the gaming margin. The gaming margin for the third quarter was 3.74%, which is very close to the historical average of 3.68%.

The number of depositing customers during the third quarter was 202,980 (156,389), an increase of 30%. Of the depositing customer base, the number of new depositing customers was 97,210 (74,638), an increase of 30%. The country mix of new depositing customers was more even than in previous quarters. More countries than previously made a significant contribution to the increase during the quarter. The number of returning depositing customers was 105,770 (81,751), an increase of 29%. The number of returning depositing customers from Australia was 5,257 during the third quarter. The number of returning depositing customers increased sequentially by 6% during the third quarter. Excluding Australia, the number of returning depositing customers grew by 7% sequentially.

The number of active customers during the quarter, which includes customers who only play using bonus money, was 299,639 (338,861), a decrease of 12%. The decrease is explained by a large number of customers who played only with bonus money during the third quarter of 2016.



Earnings

Gross profit for the quarter increased by 33% to EUR 41.2 m (31.1), corresponding to a gross margin of 74.0% (78.3%). The lower margin is mainly attributable to higher gambling taxes, as LeoVegas' share of revenue in regulated markets continues to grow. Gambling taxes during the quarter amounted to 7.3% of revenue (3.5%), and the cost of sales amounted to 18.7% of revenue (18.2%).

Marketing costs totalled EUR 22.6 m (14.3) during the quarter, which is the highest level in absolute figures in LeoVegas' history. Marketing in relation to revenue was 40.7%, which is a marginal decrease from the second quarter, when they were 41.9%. This is in line with what was reported in the preceding quarterly report, where the expectation was that marketing costs in relation to revenue would not deviate meaningfully compared with the level in previous quarters. The level is higher than the industry average, as LeoVegas reinvests a larger share of its revenue in marketing in order to drive growth. The mix of marketing among countries during the third quarter was in line with the second quarter, with the difference that direct marketing has increased slightly more in the UK and Germany than in other countries. The opportunities to make substantial marketing investments will vary over time, entailing that profitability may be volatile from quarter to quarter.

The average cost for a new depositing customer decreased compared with the second quarter. This development was driven by normal factors, such as that LeoVegas has succeeded in scaling up certain marketing channels that have had favourable returns at the same time that there has been scope to test many new channels.

Personnel costs decreased sequentially due to vacations during the third quarter. Personnel costs in relation to revenue were 10.0% (12.1%) during the third quarter.

Other operating expenses amounted to 11.4% of revenue (7.3%). Adjusted for items affecting comparability associated with the change in listing to Nasdaq Stockholm and acquisitions during the third quarter of 2017, other operating expenses amounted to 10.0% of revenue (7.3%). Compared with the preceding quarter, other operating expenses in relation to revenue were unchanged and at a historic normal level.

EBITDA for the third quarter was EUR 7.6 m (9.8), corresponding to an EBITDA margin of 13.7% (24.7). Adjusted EBITDA was EUR 8.4 m (9.8), corresponding to an adjusted EBITDA margin of 15.1% (24.7%). Operating profit (EBIT) was EUR 6.9 m (9.4), corresponding to an EBIT margin of 12.4% (23.8%). Adjusted EBIT was EUR 7.6 m (9.4), corresponding to an adjusted EBIT margin of 13.7% (23.8%). The lower EBITDA margin during the third quarter of this year than in the third quarter a year ago is mainly attributable to higher marketing costs and gambling taxes in relation to revenue.

Paid tax for the quarter totalled EUR -0.4 m (-0.5).

Net profit for the quarter was EUR 6.5 m (9.0), corresponding to a net margin of 11.6% (22.6%). Earnings per share were EUR 0.06 (0.09) both before and after dilution.

Events during the quarter

- On 10 September LeoVegas closed the opportunity for customers residing in Australia to play on LeoVegas.

Balance sheet and financing

At the end of September 2017, the Group's equity amounted to EUR 57.4 m (40.9), or EUR 0.58 per share. The Group's financial position is strong, and LeoVegas has no interest-bearing loans from credit institutions. The equity/assets ratio was 58% (65%). Total assets as per 30 September 2017 were EUR 98.1 m (62.9).

The Group had intangible assets with a value of EUR 13.9 m (5.4) at the end of the quarter. At the end of the 2016 financial year, intangible assets amounted to EUR 5.9 m. The increase of EUR 8.0 m since year-end 2016 is mainly explained by the Group's acquisition of the Italian gaming operator Winga S.r.l. The fair value of acquired, identifiable intangible assets was EUR 1.8 m. In addition to this, Group goodwill amounted to EUR 3.3 m. The rest of the increase is explained by continued investments in technology development of the gaming portal and the Rhino technical platform.

The consolidated balance sheet includes customer deposits. Customer balances at the end of the third quarter amounted to EUR 4.8 m (3.1). Provisions for potential local jackpot wins and bonus costs amounted to EUR 3.7 m at the end of the quarter (2.4).

Cash and cash equivalents amounted to EUR 66.6 m (48.1). Cash and cash equivalents excluding customer balances amounted to EUR 61.8 m (45.0).

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

Cash flow and investments

Cash flow from operating activities during the quarter was EUR 11.9 m (10.3). The increase is attributable to profit and changes in working capital.

Investments in property, plant and equipment amounted to EUR 0.8 m (0.1) and consisted mainly of equipment, furniture, IT hardware and equipment for new premises in Stockholm for one of the Group's subsidiaries. Investments in intangible assets amounted to EUR 0.9 m (0.8) and consisted mainly of capitalised development costs. During the quarter LeoVegas settled the second and last portion of the acquisition of Winga S.r.l. This entailed a cash flow impact of EUR 2.4 m. The original purchase consideration has been adjusted by EUR -0.6 m, entailing a cash flow impact during the third quarter in connection with payment of the final purchase consideration.

Group performance first nine months of 2017

Revenue and profit

Consolidated revenue amounted to EUR 149.2 m (100.2), an increase of 49%.

During the interim period mobile deposits accounted for 68% (65%) of total deposits.

Gross profit increased 46% to EUR 113.1 m (77.3). The gross margin for the interim period was 75.8% (77.1%).

Marketing costs as a share of revenue decreased to 41.7% (45.4%). The level during the first nine months of 2017 was in line with the average for 2016.

Operating expenses increased compared with the same period a year ago, which is mainly explained by a larger workforce and costs associated with acquisitions.

EBITDA increased to EUR 19.8 m (6.1), and the EBITDA margin was 13.3% (6.0%). EBITDA adjusted for items affecting comparability was EUR 20.8 m (11.3), corresponding to a margin of 13.9% (11.3%).

Operating profit (EBIT) increased to EUR 17.9 m (5.1), for an operating margin of 12.0% (5.1%). The increase is mainly explained by lower costs in relation to revenue, where the preceding period included sizeable costs for the listing on Nasdaq First North Premier as well as costs for the launches of LeoVegas Sport and LeoVegas Live Casino, which had a significant, negative effect on earnings. Operating profit adjusted for items affecting comparability amounted to EUR 18.8 m (10.4), corresponding to a margin of 12.6% (10.3%). Items affecting comparability consist of costs for the listing on Nasdaq First North Premier in 2016 and the forthcoming listing on Nasdaq Stockholm as well as costs related to acquisitions. During the first nine months of 2016, items affecting comparability amounted to EUR 5.3 m. These costs during the first nine months of 2017 amounted to EUR 1.0 m. All items affecting comparability have been charged against operating profit.

Profit increased to EUR 16.6 m (4.5) for the interim period.

Cash flow and investments

Cash flow from operating activities during the first nine months of 2017 was EUR 26.0 m (14.3). The increase is attributable to profit and changes in working capital.

Investments in property, plant and equipment amounted to EUR 1.1 m (0.7) and consisted mainly of IT hardware, furniture and equipment for new offices for a Group subsidiary. Investments in non-current assets amounted to EUR 3.4 m (2.2) and consisted mainly of capitalised development costs. During the period LeoVegas completed the acquisition of Winga S.r.l., which had a cash flow effect of EUR 3.6 m. The total purchase consideration of EUR 5.5 m has been deducted from cash and cash equivalents in Winga S.r.l. of EUR -1.9 m.

Cash flow from financing activities amounted to EUR -10.2 m (15.4). The decrease during the period is entirely attributable to payment of dividends to the Parent Company's shareholders for the full year 2016. A new issue was carried out during the preceding year, which contributed to the increase in share capital and other contributed share capital.

Other information

Events after the end of the quarter

- Net Gaming Revenue (NGR) totalled EUR 14.9 m (8.8) during the first 23 days of October, representing growth of 70%.
- LeoVegas acquired the group that operates the Royal Panda brand. The acquisition of Royal Panda is in line with the strategy to continue to grow in regulated markets. More than half of Royal Panda's revenue comes from the UK. The purchase price was EUR 60 m with a maximum earn-out of an additional EUR 60 m within one year.
- The Group has arranged debt financing of EUR 100 m.
- Due to the acquisition LeoVegas is removing the short-term financial targets for 2018 since they were organic targets.
- LeoVegas aims to carry out a change in its listing to Nasdaq Stockholm during the first half of 2018.
- The subsidiary company IMP (Independent Mobile Productions) changes name to LeoVentures.
- Robin Ramm-Ericson is taking on the role as Managing Director in LeoVentures and is therefore leaving the executive management team.
- A new role in the executive management team has been added, Chief Product Officer (CPO), which is occupied by Jarl Modén who has been Head of Product earlier, who is now acting CPO.

LeoVegas enters into agreement to acquire gaming operator Royal Panda

After the end of the quarter LeoVegas, through its wholly owned subsidiary LeoVegas International Ltd, entered into an agreement to acquire all of the shares in the Maltese gaming operator Web Investments Limited, which holds the Royal Panda trademark ("Royal Panda").

The acquisition is being made for a purchase price of EUR 60 m with a possible earn-out payment of an additional EUR 60 m. The acquisition of Royal Panda strengthens LeoVegas' expansion in regulated gaming markets, especially in the UK, and adds a strong and exciting brand to the LeoVegas Group. Possession is expected to be transferred on 1 December 2017

If certain financial thresholds are met within 12 months after the date of possession, the sellers are entitled to a maximum earn-out payment of EUR 60 m. The total purchase consideration can thus amount to a maximum of EUR 120 m. In order for the sellers to receive the maximum earn-out payment, the company must achieve at least EUR 50 m in Net Gaming Revenue (NGR) and EBITDA of at least EUR 15 m, at least EUR 34 m of NGR must be derived from the UK, and EBITDA from the UK must amount to at least EUR 5 m.

The acquisition is being carried out with existing liquid assets. Also, LeoVegas has arranged debt financing of EUR 100 m that LeoVegas AB has obtained from the bank in connection with the acquisition. Of this EUR 100 m, EUR 40 m consists of a Revolving Credit Facility (RCF). The financing has a term of three years, and amortisation will commence in the second quarter of 2019 in the amount of EUR 10 m quarterly. The loan is subject to customary loan terms with an interest rate around 2%.

Royal Panda has a proprietary technical platform focused on online casino, and the company recently launched the Sport product category. LeoVegas assesses the launch as promising and that the Royal Panda brand works well also with sport gamers. The company today has approximately 60 employees, and its head offices are in Malta.

Royal Panda's main market is the UK, which in the third quarter of 2017 accounted for 50% of revenue. During the same quarter, gaming on mobile devices accounted for 65% of revenue. During the third quarter of 2017 Royal Panda's total revenue grew 61% to EUR 9.8 m, with estimated EBITDA of EUR 3.2 m.

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

Earlier in the year, on 21 February 2017, 100% of the shares in Winga S.r.l. were acquired. Winga is an Italian gaming operator with a licence in the Italian market. The acquisition gives LeoVegas an established position in Europe's largest regulated gaming market. The acquisition was made for cash consideration. The original purchase price of EUR 6.1 m has been adjusted by a total of EUR -0.6 m, of which the purchase price amounts to EUR 5.5 m. The final portion of the purchase price was settled in August. The adjustment during the third quarter amounted to EUR -0.3 m.

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

At the time of acquisition Winga's organisation included 33 employees, and the company had sales of EUR 8.0 m in 2016. A large share of Winga's revenue is generated by Live Casino, both from a studio environment as well as from their unique product, which is broadcast live on Italian TV and Sky TV. The acquired business is reported in the Rest of Europe geographical area. As a result of acquisition and integration costs, the acquisition is expected to have a marginally negative impact on the Group's earnings per share in 2017.

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

Accounting effects
During the year the acquired business contributed EUR 5.6 m to consolidated revenue for the period 1 March–30 September 2017. If the acquisition had been carried out on 1 January 2017, Winga would have contributed EUR 7.2 m to consolidated revenue at the end of the reporting period. Operating profit and profit for the year from the acquisition were not significant for the Group.

The table below sums up the total purchase price of EUR 5.5 m and the fair value of acquired assets and assumed liabilities. Current receivables and liabilities include no derivatives, and the fair value is the same as the carrying amount. Identified surplus value consists of intangible assets in the form of trademarks and domain names, totalling EUR 0.3 m; the licence, totalling EUR 1.2 m; and the acquired customer base, totalling EUR 0.4 m.

Preliminary purchase price allocation* (EUR ’000s)

The acquired company’s carrying amounts as per the date of acquisition, 1 March 2017	**Measured at fair value**
Intangible assets	2 800
Property, plant and equipment	165
Financial assets	44
Trade and other receivables	501
Cash and cash equivalents	1 894
Trade and other payables	(2 771)
Deferred tax assets	(438)
Total acquired, identifiable net assets at fair value	**2 195**
Goodwill	**3 303**
Purchase price	**5 499**
Purchase price	
Consideration paid, cash and cash equivalents as per 1 March 2017	3 050
Consideration payable, cash and cash equivalents as per 28 August 2017	2 449
Total purchase price	**5 499**
Identified surplus value	
Trademarks and domain names	316
Licence	1 153
Acquired customer base	358
Total identified surplus value	**1 827**

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

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

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

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

Currency sensitivity
LeoVegas’ largest markets are the Nordic countries and the UK. The Group’s earnings are thus affected by currency translation effects. During the quarter, changes in the euro exchange rate had a positive effect on revenue of EUR 0.1 m.

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

Personnel
The number of full-time employees at the end of the quarter was 479 (354). The average number of employees during the third quarter was 455 (349). In addition, LeoVegas used the services of 9 (5) full-time consultants at the end of the quarter.

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

Shares and ownership structure
LeoVegas AB was listed on Nasdaq First North Premier on 17 March 2016. The total number of shares and votes in LeoVegas AB is 99,695,470. As per the 30 September 2017 the Company had 9,758 shareholders. The five largest

shareholders were Gustaf Hagman, with 8.0%; Swedbank Robur, with 7.9%; Robin Ramm-Ericson, with 6.9%; Handelsbanken Fonder, with 5.2%; and SEB Life International, with 4.8% of the shares and votes.

Accounting policies

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

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

In this interim report, reference is made to measures that LeoVegas AB and others use in the evaluation of LeoVegas Mobile Gaming Group's performance that are not explicitly defined in IFRS. These measures provide management and investors with important information to analyse trends in the Company's business activities. These Alternative Performance Measures are designed to complement, not replace, financial measures that are presented in accordance with IFRS. For definitions of key ratios, see page 25.

Items affecting comparability pertain to costs associated with the Company's IPO on Nasdaq First North Premier, the forthcoming change in listing to Nasdaq Stockholm, and costs pertaining to the execution of acquisitions. They do not include any costs for integration or restructuring. The cost during the first nine months of 2017 amounted to EUR 1.0 m. Items affecting comparability for the first nine months of 2016 amounted to EUR 5.3 m. All items affecting comparability are charged against other operating expenses.

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

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

The number of shares after dilution has been changed in all historic periods starting with the interim report for the fourth quarter of 2016, which entails that the number of shares after dilution is calculated according to the Treasury Stock Method. The Company has 500,000 subscription warrants outstanding which carry entitlement to subscribe for 2 million shares. The number of shares after dilution increases with the number of outstanding warrants and decreases with the number of shares that the proceeds from the exercise of the warrants can buy on the market for the average price during the period. Previously the number of shares after dilution was calculated as the number of shares outstanding before dilution plus the outstanding subscription warrants. The most recent warrant programme that LeoVegas' employees were able to participate in during the quarter has not generated any dilutive effect. This is because, as per the end of the quarter, the shares had not reached the predetermined strike price.

IFRS 15 Revenue from Contracts with Customers

Application of IFRS 15 regulates revenue recognition. IFRS 15 applies for financial years starting on or after 1 January 2018, and early application is permitted. The standard thus replaces the current standard IAS 18 Revenue and IAS 11 Construction Contracts along with accompanying interpretations. The Group has evaluated the potential impact on the financial statements of application of IFRS 15. The Group has performed a qualitative study and is currently of the opinion that no material effects will arise for the Group's revenue recognition from application of IFRS 15. However, the Group's assessment is that the disclosure requirements in the financial statements will need to be further specified at the time of application. No new information has emerged since the disclosures provided in the 2016 Annual Report, or since the preceding quarterly report, regarding the Company's assessment of the effects.

IFRS 9 Financial Instruments

IFRS 9 replaces parts of the current standard for financial instruments, IAS 39. The standard is to be applied for financial years starting on 1 January 2018. Early application is permitted. The standard changes the basis for calculation of the credit loss reserve. From a model that is based on incurred losses, IFRS will require a model that is based on expected losses. At present, an impairment loss is recognised for financial assets in the Group only if there are objective indications of a need to recognise impairment resulting from one or more events that have occurred (a "loss event"). LeoVegas will thus need to review its current model for calculating credit loss provisions and also make provisions for potential expected losses. Since a majority of the Group's financial assets consist of trade receivables from payment service providers, with very limited credit risk, the Group is of the opinion that no material effects of credit losses will arise as a result of application of IFRS 9. Based on history, the Group may determine that all payment service providers have paid their receivables, for which no credit losses have previously arisen. All in all, the Group is of the opinion that adoption of IFRS 9 will have an immaterial effect on the financial reporting. No new information has emerged since the disclosures provided in the 2016 Annual Report, or since the preceding quarterly report, regarding the Company's assessment of the effects.

Legal update

The legal situation for online gaming is changing continuously at the EU level as well as in individual geographical markets. Countries within the EU are under pressure to adapt their respective national legislation to applicable EU laws, especially regarding the free movement of products and services. Most countries in the EU have had or are currently having discussions to introduce so-called local regulation in order to adapt to the prevailing market climate. Examples of 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 Australia a supplement to current gaming legislation has been decided which, by LeoVegas' interpretation, makes it no longer possible to accept revenue from customers residing in Australia. Starting on 10 September LeoVegas has not accepted any customers from Australia. Australia, which was included in the Rest of World area, accounted for 5.7% of revenue during the quarter.

In Sweden, on 31 March a government study led by Håkan Hallstedt, Director General of the Swedish Gambling Authority, was presented, which makes recommendations for how the gambling market in Sweden can be regulated. One of the study's most important recommendations was that the so-called channelisation level (the share of the gambling market that is included in the licensing process) should be as high as possible. This entailed that the study recommended a gambling tax of 18%. The gambling tax is based on revenue, or a closely related revenue measure that is often referred to as Gross Gaming Revenue (GGR). Some other recommendations were that most forms of gambling should be allowed, that Svenska Spel be split up, and that greater consumer protections be implemented. It is expected that this will take effect on 1 January 2019, however, the proposal must go through the political process, which may delay implementation.

In the Netherlands, the authorities have proposed the introduction of a 29% gambling tax. This is the same tax rate paid by land-based operators. Implementation of this appears to be delayed, and the second half of 2019 is now being indicated as the date of implementation. In the Czech Republic, local regulation was enacted on 1 January 2017 with a gambling tax of 35%. LeoVegas has decided to not complete an application for a gaming licence in this market. As a result, LeoVegas has closed its business in the Czech Republic. The geographical area Rest of World includes geographies with unclear gaming legislation, which over time may affect LeoVegas' revenue, earnings and expansion opportunities, depending on what legal changes may be made.

Risks and uncertainties

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

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

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

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

Parent Company

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

During the first nine months of 2017 revenue amounted to EUR 0.2 m (0.1), and profit after tax was EUR -2.2 m (-6.7). The Parent Company's non-current assets amounted to EUR 16.7 m (8.9). The change is explained by an increase in loan receivables from Group companies. Cash and cash equivalents amounted to EUR 0.8 m (19.2).

Future outlook and financial targets

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

The short-term targets for 2018 have been removed as a result of the acquisition of Royal Panda.

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

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

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

Board of Directors' and CEO's assurance

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

The Board of Directors assures that the interim report for the 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, 25 October 2017

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

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Financial calendar 2018

Year-end Report Jan.-Dec. 2017	7 Feb. 2018
Interim Report Jan.-March	2 May 2018
Interim Report Jan.-June	1 Aug. 2018
Interim Report Jan.-Sept.	7 Nov. 2018

Review report

LeoVegas AB (publ) corporate identity number 556830–4033

Introduction

We have reviewed the condensed interim financial information (interim report) of LeoVegas AB (publ) as of 30 September 2017 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information 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, 25 October 2017

PricewaterhouseCoopers

Aleksander Lyckow
Authorised Public Accountant

Consolidated income statement

EUR '000s	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	2016
Revenue	**55 620**	**39 713**	**149 188**	**100 233**	**141 398**
Cost of sales	(10 389)	(7 222)	(27 109)	(18 919)	(26 519)
Gaming duties	(4 045)	(1 409)	(9 000)	(3 997)	(5 673)
Gross profit	**41 186**	**31 082**	**113 079**	**77 317**	**109 206**
Personnel costs	(5 568)	(4 822)	(18 533)	(13 147)	(17 782)
Capitalised development costs	813	686	2 480	2 075	2 808
Other operating expenses	(6 321)	(2 899)	(15 352)	(14 717)	(17 914)
Marketing expenses	(22 638)	(14 317)	(62 258)	(45 535)	(60 448)
Other income and expenses	170	73	403	57	131
EBITDA	**7 642**	**9 802**	**19 819**	**6 050**	**16 001**
Depreciation and amortisation	(749)	(366)	(1 959)	(964)	(1 399)
Operating profit (EBIT)	**6 893**	**9 436**	**17 860**	**5 086**	**14 602**
Financial income	1	8	7	11	20
Financial costs	-	-	(1)	-	(3)
Profit before tax	**6 894**	**9 444**	**17 866**	**5 097**	**14 619**
Income tax	(442)	(450)	(1 251)	(561)	(193)
Net profit for the period*	**6 452**	**8 994**	**16 615**	**4 536**	**14 426**
Other comprehensive income	-	-	-	-	-
Total comprehensive income*	**6 452**	**8 994**	**16 615**	**4 536**	**14 426**
Earnings per share (EUR)	**0.06**	**0.09**	**0.17**	**0.05**	**0.14**
Earnings per share after dilution (EUR)	**0.06**	**0.09**	**0.16**	**0.04**	**0.14**
No. of shares outstanding adj. for share split (million)	99.70	99.70	99.70	99.70	99.70
No. of diluted shares outstanding adj. for share split (million)	101.18	100.65	101.18	101.70	100.71
Key ratios					
Cost of sales as % of revenue	18.7%	18.2%	18.2%	18.9%	18.8%
Gaming duties as % of revenue	7.3%	3.5%	6.0%	4.0%	4.0%
Gross margin, %	74.0%	78.3%	75.8%	77.1%	77.2%
Personnel costs as % of revenue	10.0%	12.1%	12.4%	13.1%	12.6%
Other operating expenses as % of revenue	11.4%	7.3%	10.3%	14.7%	12.7%
Marketing expenses as % of revenue	40.7%	36.1%	41.7%	45.4%	42.8%
EBITDA margin %	13.7%	24.7%	13.3%	6.0%	11.3%
EBIT margin %	12.4%	23.8%	12.0%	5.1%	10.3%
Net margin, %	11.6%	22.6%	11.1%	4.5%	10.2%

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

EUR '000s	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	2016
EBITDA	**7 642**	**9 802**	**19 819**	**6 050**	**16 001**
Costs pertaining to listing	186	-	421	5 283	5 283
Costs pertaining to acquisition-related consulting	565	-	565	-	-
Adjusted EBITDA	**8 393**	**9 802**	**20 805**	**11 333**	**21 284**
Depreciation and amortisation	(749)	(366)	(1 959)	(964)	(1 399)
Adjusted EBIT	**7 644**	**9 436**	**18 846**	**10 369**	**19 885**
Adjusted EBITDA margin %	15.1%	24.7%	13.9%	11.3%	15.1%
Adjusted EBIT margin %	13.7%	23.8%	12.6%	10.3%	14.1%

Consolidated balance sheet, condensed

EUR'000s	30 Sep 2017	30 Sep 2016	31 Dec 2016
ASSETS			
Non-current assets			
Property, plant and equipment	1 979	1 064	1 194
Intangible assets	13 931	5 418	5 860
Deferred tax assets	837	7	837
Total non-current assets	**16 747**	**6 489**	**7 891**
Current assets			
Trade receivables	9 643	6 617	6 739
Other current receivables	5 117	1 674	3 098
Cash and cash equivalents	66 628	48 088	60 218
of which restricted cash (player funds)	*4 788*	*3 085*	*4 067*
Total current assets	**81 388**	**56 379**	**70 055**
TOTAL ASSETS	**98 135**	**62 868**	**77 946**
EQUITY AND LIABILITIES			
Share capital	1 196	1 196	1 196
Additional paid-in capital	36 588	36 411	36 411
Retained earnings including profit for the period	19 610	3 338	13 228
Equity attributable to owners of the Parent Company	**57 394**	**40 945**	**50 835**
Non-current liabilities	938	920	924
Total non-current liabilities	**938**	**920**	**924**
Current liabilities			
Trade and other payables	11 263	5 408	8 737
Player liabilities	4 788	3 085	4 067
Tax liability	2 320	416	1 033
Accrued expenses and deferred income	21 432	12 094	12 350
Total current liabilities	**39 803**	**21 003**	**26 187**
TOTAL EQUITY AND LIABILITIES	**98 135**	**62 868**	**77 946**

Consolidated statement of cash flows, condensed

EUR'000s	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	2016
Operating profit	6 893	9 436	17 860	5 086	14 602
Adjustments for non-cash items	1 532	722	3 243	1 826	2 061
Cash flow from changes in working capital	3 470	177	4 946	7 339	10 488
Cash flow from operating activities	**11 895**	**10 335**	**26 049**	**14 252**	**27 151**
Acquisition of property, plant and equipment	(824)	(97)	(1 095)	(691)	(952)
Acquisition of intangible assets	(889)	(786)	(3 449)	(2 188)	(2 935)
Acquisition of subsidiaries	(2 449)	-	(3 605)	-	-
Cash flow from investing activities	**(4 162)**	**(883)**	**(8 149)**	**(2 880)**	**(3 887)**
Proceeds from share issue/other equity securities	-	-	-	15 353	15 353
Cash dividends paid out to shareholders	-	-	(10 233)	-	-
Cash flow from financing activities	**-**	**-**	**(10 233)**	**15 353**	**15 353**
Net increase/(decrease) in cash and equivalents	7 733	9 452	7 667	26 725	38 617
Cash and cash equivalents at start of the period	59 718	39 220	60 218	22 605	22 605
Currency effects on cash and cash equivalents	(823)	(584)	(1 257)	(1 242)	(1 004)
Cash and cash equivalents at end of period	**66 628**	**48 088**	**66 628**	**48 088**	**60 218**
of which restricted cash (player funds)	*4 788*	*3 085*	*4 788*	*3 085*	*4 067*

Consolidated statement of changes in equity, condensed

EUR'000s	Share Capital	Other capital contribution	Retained earnings	Total equity
Balance at 1 January 2016	**57**	**17 689**	**(1 198)**	**16 548**
Profit for the period	-	-	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)	-	-
Dividends	-	-	-	-
Balance at 30 September 2016	**1 196**	**36 411**	**3 338**	**40 945**
Balance at 1 January 2017	1 196	36 411	13 228	50 835
Profit for the period	-	-	16 615	16 615
Total comprehensive income for the period	**-**	**-**	**16 615**	**16 615**
Transactions with shareholders in their capacity as owners:				
Dividends	-	-	(10 233)	(10 233)
Premium received from warrants	-	177	-	177
Balance at 30 September 2017	**1 196**	**36 588**	**19 610**	**57 394**

Parent Company income statement, condensed

EUR '000s	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	2016
Revenue	**40**	**26**	**184**	**117**	**192**
Operating expenses	(1 120)	(629)	(2 811)	(7 111)	(7 600)
Other income and expenses	-	-	-	(99)	(99)
Operating profit (EBIT)	**(1 080)**	**(603)**	**(2 627)**	**(7 093)**	**(7 507)**
Net financial income	169	130	468	380	2 211
Tax cost	-	-	-	-	834
Profit / Loss for the period*	**(911)**	**(473)**	**(2 159)**	**(6 713)**	**(4 462)**

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

Parent Company balance sheet, condensed

EUR'000s	30 Sep 2017	30 Sep 2016	31 Dec 2016
ASSETS			
Total non-current assets	16 665	8 897	9 731
Current assets	3 833	1 976	3 425
Cash and cash equivalents	775	19 215	19 249
Total current assets	**4 608**	**21 190**	**22 674**
TOTAL ASSETS	**21 273**	**30 088**	**32 405**
EQUITY AND LIABILITIES			
Total equity	**20 288**	**29 887**	**32 137**
Total liabilities	**985**	**201**	**268**
TOTAL EQUITY AND LIABILITIES	**21 273**	**30 088**	**32 405**

KPIs per quarter

Amounts in EUR'000s unless otherwise stated	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Deposits	**193 081**	**167 933**	**149 628**	**139 072**	**123 720**
Growth in deposits, y-y %	*56%*	*67%*	*86%*	*87%*	*87%*
Growth in deposits, q-q %	*15%*	*12%*	*8%*	*12%*	*23%*
Deposits per region					
Sweden, % of deposits	41.4%	40.9%	43.7%	43.9%	47.3%
Other Nordics, % of deposits	21.5%	20.3%	18.1%	16.1%	14.8%
UK, % of deposits	14.0%	15.3%	15.1%	15.3%	15.5%
Rest of Europe, % of deposits	17.2%	17.4%	15.2%	14.6%	12.6%
Rest of World, % of deposits	5.9%	6.2%	8.0%	10.0%	9.7%
Net Gaming Revenue (NGR)	**55 165**	**49 175**	**43 656**	**40 611**	**39 586**
Growth in NGR, y-y %	*39%*	*65%*	*53%*	*55%*	*76%*
Growth in NGR, q-q %	*12%*	*13%*	*8%*	*3%*	*33%*
Net Gaming Revenue (NGR) per region					
Sweden, % of NGR	37.1%	36.6%	40.1%	41.2%	44.2%
Other Nordics, % of NGR	22.7%	20.0%	16.0%	15.4%	13.9%
UK, % of NGR	12.2%	14.3%	13.7%	10.6%	13.2%
Rest of Europe, % of NGR	17.8%	19.0%	17.3%	16.8%	13.6%
Rest of world, % of NGR	10.1%	10.1%	13.0%	16.1%	15.2%
Net Gaming Revenue (NGR) per region					
Sweden, % growth in NGR, y-y	*16.7%*	*22.7%*	*27.5%*	*21.4%*	*44.7%*
Other Nordics, % growth in NGR, y-y	*127.3%*	*141.7%*	*117.5%*	*110.9%*	*75.3%*
UK, % growth in NGR, y-y	*28.8%*	*83.0%*	*19.4%*	*-25.6%*	*26.4%*
Rest of Europe, % growth in NGR, y-y	*80.7%*	*143.8%*	*168.0%*	*251.9%*	*355.5%*
Rest of world, % growth in NGR, y-y	*-7.5%*	*32.5%*	*60.5%*	*309.4%*	*225.4%*
Revenue from regulated markets as % of total revenue	***25.3%***	***25.1%***	***18.3%***	***11.0%***	***13.2%***
Growth in revenue from regulated markets, y-y %	*167%*	*223%*	*61%*	*-22%*	*26%*
Growth in revenue from regulated markets, q-q %	*11%*	*54%*	*79%*	*-15%*	*37%*
Hold (NGR/Deposits) %	28.6%	29.3%	29.2%	29.2%	32.0%
Gaming margin, %	3.74%	3.75%	3.62%	3.54%	3.70%
Number of active customers	**299 639**	**284 387**	**318 529**	**404 773**	**338 861**
Growth in active customers, y-y %	*-12%*	*-47%*	*-34%*	*63%*	*43%*
Growth in active customers, q-q %	*5%*	*-11%*	*-21%*	*19%*	*-37%*
Number of depositing customers	**202 980**	**173 034**	**172 338**	**176 306**	**156 389**
Growth in no. of depositing customers, y-y %	*30%*	-2%	42%	75%	77%
Growth in no. of depositing customers, q-q %	*17%*	*0%*	*-2%*	*13%*	*-11%*
Number of new depositing customers	**97 210**	**73 014**	**75 017**	**85 384**	**74 638**
Growth in no. of new depositing customers, y-y %	*30%*	*-33%*	*23%*	*83%*	*76%*
Growth in no. of new depositing customers, q-q %	*33%*	*-3%*	*-12%*	*14%*	*-32%*
Number of returning depositing customers	**105 770**	**100 020**	**97 321**	**90 922**	**81 751**
Growth in no. of returning depositing customers, y-y %	*29%*	*49%*	*61%*	*68%*	*78%*
Growth in no. of returning depositing customers, q-q %	*6%*	*3%*	*7%*	*11%*	*22%*

Consolidated income statement per quarter

EUR'000s	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Revenue	**55 620**	**49 652**	**43 916**	**41 165**	**39 713**
Cost of sales	(10 389)	(8 876)	(7 844)	(7 599)	(7 222)
Gaming duties	(4 045)	(2 870)	(2 085)	(1 677)	(1 409)
Gross profit	**41 186**	**37 906**	**33 987**	**31 889**	**31 082**
Personnel costs	(5 568)	(7 033)	(5 932)	(4 636)	(4 822)
Capitalised development costs	813	872	795	733	686
Other operating expenses	(6 321)	(4 946)	(4 085)	(3 197)	(2 899)
Marketing expenses	(22 638)	(20 787)	(18 833)	(14 912)	(14 317)
Other income and expenses	170	130	103	74	73
EBITDA	**7 642**	**6 142**	**6 035**	**9 951**	**9 802**
Depreciation and amortisation	(749)	(692)	(518)	(434)	(366)
Operating profit (EBIT)	**6 893**	**5 450**	**5 517**	**9 517**	**9 436**
Financial income	1	1	5	7	8
Financial expenses	-	-	(1)	(2)	-
Profit before tax	**6 894**	**5 451**	**5 521**	**9 522**	**9 444**
Income tax	(442)	(421)	(388)	368	(450)
Net profit for the period*	**6 452**	**5 030**	**5 133**	**9 890**	**8 994**
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**6 452**	**5 030**	**5 133**	**9 890**	**8 994**
Earnings per share (EUR)	**0.06**	**0.05**	**0.05**	**0.10**	**0.09**
Earnings per share after dilution (EUR)	**0.06**	**0.05**	**0.05**	**0.10**	**0.09**
No. of shares outstanding adj. for share split (million)	99.70	99.70	99.70	99.70	99.70
No. of shares after dilution adj. for share split (million)	101.18	101.03	100.83	100.74	100.65
Key ratios					
Cost of sales as % of revenue	18.7%	17.9%	17.9%	18.5%	18.2%
Gaming duties as % of revenue	7.3%	5.8%	4.7%	4.1%	3.5%
Gross margin, %	74.0%	76.3%	77.4%	77.5%	78.3%
Personnel costs as % of revenue	10.0%	14.2%	13.5%	11.3%	12.1%
Other operating expenses as % of revenue	11.4%	10.0%	9.3%	7.8%	7.3%
Marketing costs as % of revenue	40.7%	41.9%	42.9%	36.2%	36.1%
EBITDA margin %	13.7%	12.4%	13.7%	24.2%	24.7%
EBIT margin %	12.4%	11.0%	12.6%	23.1%	23.8%
Net margin, %	11.6%	10.1%	11.7%	24.0%	22.6%

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

EUR '000s	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
EBITDA	**7 642**	**6 142**	**6 035**	**9 951**	**9 802**
Costs pertaining to listing	186	102	133	-	-
Costs pertaining to acquisition-related consulting	565	-	-	-	-
Adjusted EBITDA	**8 393**	**6 244**	**6 168**	**9 951**	**9 802**
Depreciation and amortisation	(749)	(692)	(518)	(434)	(366)
Adjusted EBIT	**7 644**	**5 552**	**5 650**	**9 517**	**9 436**
Adjusted EBITDA margin %	15.1%	12.6%	14.0%	24.2%	24.7%
Adjusted EBIT margin %	13.7%	11.2%	12.9%	23.1%	23.8%

Consolidated balance sheet per quarter, condensed

EUR'000s	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
ASSETS					
Non-current assets					
Property, plant and equipment	1 979	1 339	1 342	1 194	1 064
Intangible assets	13 931	13 877	13 864	5 860	5 418
Deferred tax assets	837	837	837	837	7
Total non-current assets	**16 747**	**16 053**	**16 043**	**7 891**	**6 489**
Current assets					
Trade receivables	9 643	7 224	6 130	6 739	6 617
Other current receivables	5 117	4 746	4 295	3 098	1 674
Cash and cash equivalents	66 628	59 718	64 024	60 218	48 088
of which restricted cash (player funds)	*4 788*	*5 163*	*4 575*	*4 067*	*3 085*
Total current assets	**81 388**	**71 688**	**74 449**	**70 055**	**56 379**
TOTAL ASSETS	**98 135**	**87 741**	**90 492**	**77 946**	**62 868**
EQUITY AND LIABILITIES					
Share capital	1 196	1 196	1 196	1 196	1 196
Additional paid-in capital	36 588	36 411	36 411	36 411	36 411
Retained earnings including profit for the period	19 610	13 158	18 361	13 228	3 338
Equity attributable to owners of the Parent Company	**57 394**	**50 765**	**55 968**	**50 835**	**40 945**
Non-current liabilities	938	933	928	924	920
Total non-current liabilities	**938**	**933**	**928**	**924**	**920**
Current liabilities					
Trade and other payables	11 263	13 558	12 928	8 737	5 408
Player liabilities	4 788	5 163	4 575	4 067	3 085
Other liabilities	2 320	1 891	1 823	1 033	416
Accrued expenses	21 432	15 431	14 270	12 350	12 094
Total current liabilities	**39 803**	**36 043**	**33 596**	**26 187**	**21 003**
TOTAL EQUITY AND LIABILITIES	**98 135**	**87 741**	**90 492**	**77 946**	**62 868**

Consolidated statement of cash flows per quarter, condensed

EUR'000s	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Operating profit	6 893	5 450	5 517	9 517	9 436
Adjustments for non-cash items	1 532	1 122	589	234	722
Cash flow from changes in working capital	3 470	1 727	(251)	3 149	177
Cash flow from operating activities	**11 895**	**8 299**	**5 855**	**12 900**	**10 335**
Acquisition of property, plant and equipment	(824)	(161)	(110)	(261)	(97)
Acquisition of intangible assets	(889)	(1 730)	(830)	(747)	(786)
Acquisition of subsidiaries	(2 449)	-	(1 156)	-	-
Cash flow from investing activities	**(4 162)**	**(1 891)**	**(2 096)**	**(1 008)**	**(883)**
Proceeds from share issue/other equity securities	-	-	-	-	-
Cash dividends paid out to shareholders	-	(10 233)	-	-	-
Cash flow from financing activities	**-**	**(10 233)**	**-**	**-**	**-**
Net increase/(decrease) in cash and equivalents	7 733	(3 825)	3 759	11 892	9 452
Cash and cash equivalents at start of the period	59 718	64 024	60 218	48 088	39 220
Currency effects on cash and cash equivalents	(823)	(481)	47	238	(584)
Cash and cash equivalents at end of period	**66 628**	**59 718**	**64 024**	**60 218**	**48 088**
of which restricted cash (player funds)	*4 788*	*5 163*	*4 575*	*4 067*	*3 085*

Definitions of APMs

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

Adjusted EBIT
EBIT adjusted for items affecting comparability

Adjusted EBITDA
EBITDA adjusted for items affecting comparability

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

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

Depositing customers
Customers who have made cash deposits during the period

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

Dividend per share
The dividend paid or proposed per share

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

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

EBIT
Operating profit before interest and tax

EBIT margin, %
EBIT divided by operating revenue

EBITDA
Operating profit before depreciation, amortisation and impairment losses

EBITDA margin, %
EBITDA in relation to revenue

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

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

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

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

Items affecting comparability
Items pertaining to costs for the listing on Nasdaq First North Premier and Nasdaq Stockholm, and costs pertaining to acquisition- related consulting. No costs related to integration or restructuring are included.

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

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

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

Organic growth
Growth excluding acquisitions. Currency effects not excluded

Operating profit (EBIT)
Profit before interest and tax

Profit margin
Net profit divided by revenue

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

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

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

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

Other definitions

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

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

Mobile devices
Smartphones and tablets

Net profit
Profit less all expenses, including interest and tax

Regulated revenue
Revenue from locally regulated markets

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