



LeoVegas

MOBILE GAMING GROUP

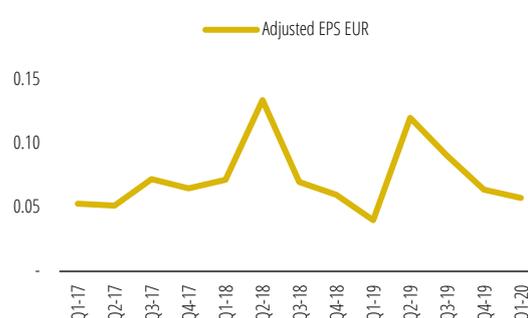
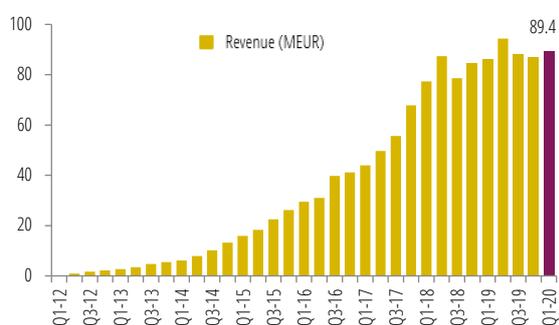
LeoVegas' vision and position is "King of Casino". The global LeoVegas Mobile Gaming Group offers casino, live casino and sports betting games. The Parent Company LeoVegas AB (publ.) is domiciled in Sweden, and operations are based primarily in Malta. The company's shares are listed on Nasdaq Stockholm.

For more about LeoVegas, visit www.leovegasgroup.com.

QUARTERLY REPORT 1 JANUARY–31 MARCH 2020

FIRST QUARTER 2020: 1 JANUARY–31 MARCH

- Revenue increased by 4% to EUR 89.4 m (86.3). Organic growth in local currencies was 4%.
- The number of depositing customers was 413,269 (388,747), an increase of 6%.
- Net Gaming Revenue (NGR) from locally regulated markets was 53% (50%) of total NGR.
- EBITDA and adjusted EBITDA was EUR 9.0 m (7.2), corresponding to an EBITDA margin of 10.0% (8.3%).
- Operating profit (EBIT) was EUR 2.2 m (0.6), while adjusted EBIT was EUR 6.3 m (4.8), corresponding to an adjusted EBIT margin of 7.1% (5.6%).
- Earnings per share were EUR 0.02 (0.00) before and after dilution, while adjusted earnings per share were EUR 0.06 (0.04).



EVENTS DURING THE QUARTER

- LeoVegas' Chairman, Mårten Forste, hired as new Chief Operating Officer (COO) in Malta.
- The Nomination Committee presented its proposal for a new board.
- The Board of Directors proposed a dividend of SEK 1.40 per share, to be paid on two occasions during the year.
- LeoVegas reached an agreement with the sellers of Royal Panda on the earn-out payment for the acquisition.
- Following the COVID-19 outbreak, operations are continuing without significant disruptions. LeoVegas' employees are working from home, and a travel ban has been issued for employees.

EVENTS AFTER THE END OF THE QUARTER

- Preliminary revenue in April amounted to EUR 37.6 m (30.5), representing growth of 23%. Growth was positively affected in markets where LeoVegas has carried out product improvements and in markets where the land-based gambling industry is currently shut down. At the same time, the dramatic decrease in sporting events had a negative impact on growth in April.
- The assessment is that thus far COVID-19 has had a neutral to slightly negative revenue impact for LeoVegas on the Swedish market. Moreover, the assessment is that international revenues have increased somewhat relating to market shares moving from land-based to online gaming.
- LeoVegas completed the migration of 12 brands in the UK to its proprietary technical platform.
- The LiveCasino.com brand was launched on 4 May 2020.
- LeoVegas' 2019 Annual Report published on www.leovegasgroup.com.
- LeoVegas has summoned its Annual General Meeting to be held on 8 May 2020. Shareholders who are ill are urged to not attend, but can vote via proxy.

CEO'S COMMENTS

OPERATIONS AND COVID-19

The effects of the COVID-19 crisis are hard to assess, and the conditions are changing constantly. As an entrepreneur I have great empathy for other businesses that have been forced to fight for their survival. For us, the health of our employees and their families is of utmost importance right now. I am incredibly proud of how our employees have handled this difficult situation, which has required that we conduct our operations without significant disruptions even though most of our offices have been closed since mid-March.

The ongoing crisis has had a minor impact on online-based businesses. Gaming online is part of the entertainment industry, and when people can no longer go to cinemas, restaurants and similar, more of their leisure budget can be spent on other entertainment, such as gaming. For LeoVegas, cancelled and postponed sporting events have resulted in a sharp drop in revenue from sports betting, which accounted for 9% of revenue before the crisis. At the same time, LeoVegas has likely taken market shares in casino mainly from the land-based industry as well as from competitors that are more sports book oriented. Our assessment is that the COVID-19 crisis thus far has had a neutral to slightly negative impact on the Group's Swedish revenues. Moreover, the assessment is that international revenues have increased somewhat relating to market shares moving from land-based to online gaming. At the same time, we are cognizant of the risk for a global recession, during which people's leisure budgets would likely decrease, in turn affecting the company.

Regardless of the situation in our external operating environment or the economy, we put our customers' safety first. We are sympathetic to concerns about the risk for problem gaming during the current crisis. We have customer tools that can be used to set deposit and loss limits, for example, and we are actively helping and informing our customers about how to play responsibly. In a digital world, everything is measurable, and we are working proactively with the help of our algorithms to detect tendencies for unsound behaviour at an early stage. This allows us to act before a customer's gaming becomes a problem. In addition, we are exercising extra restraint in our advertising. Thus far we have not seen signs from our data that problem gaming

“LeoVegas advocates for a sustainable gaming industry, responsible gaming and positive social development”

among our established and new customers has risen, and we are paying great attention at the individual level to ensure that this remains the case.

We therefore feel it is unfortunate that the Swedish government on weak grounds recently proposed a number of new, temporary restrictions in the Swedish market, including new deposit limits. If the proposal goes through, the new limits will undermine the existing legislation and drive the most vulnerable players to the black market, where there is no consumer protection. According to the independent research consultancy Copenhagen Economics, channelisation in Sweden today is only approximately 75% for online casino, compared with the Swedish government's goal of above 90%, and the trend is declining. Our hope is that the government and authorities focus their work instead on improving channelisation, so that we and other licensed operators can contribute to high consumer protection and help reduce problem gaming. Otherwise there is a risk that the state will once again lose control over the Swedish gaming market.

SUSTAINABILITY TARGETS

LeoVegas has decided to set clear ambitions, targets and measures for sustainability based on Environmental, Social and Governance factors. We have done this to show in a transparent, clear and concrete way what LeoVegas aims to achieve in building a sustainable company and advocating for a sound gaming industry. Today approximately 10% of the Group's employees work in specific roles in compliance and responsible gaming.

FIRST QUARTER 2020

Revenue during the first quarter amounted to EUR 89.4 m (86.3), representing organic growth of 4%. EBITDA was EUR 9.0 m (7.2), corresponding to an EBITDA margin of 10.0% (8.3%). Unfavourable currency movements resulting from turbulence in our operating environment had a negative earnings impact of EUR 1.4 m. Our operating profit grew 24% compared with the same period a year ago despite negative currency effects and a high level of

investment, which confirms that our focus on operational efficiency and cost control is generating the desired results.

TECHNOLOGY

At the end of the quarter we completed the platform migration of 12 brands in the UK. Now all of LeoVegas' brands in the UK are run on the Group's proprietary technical platform. The migration has contributed to an improved customer experience through a dramatically expanded game offering, payment opportunities, faster functionality and loading times, and significantly reduced complexity in the daily activities. Owning and controlling our own technology is a major competitive advantage that eliminates complexity, offers faster speed, and provides necessary control and flexibility in the face of the rapidly changing demands for compliance. Our proprietary technology also enables a scalable multibrand strategy, where we launched LiveCasino.com in a number of English-speaking countries in the second quarter.

MARKETS

We have a solid performance with profitable growth in most of our markets. Above all, we are proud that we succeeded at attracting a record-large depositing customer base during the quarter, with sequential growth of 11% versus Q4.

We are now beginning to see a clear effect of the measures we have taken in the UK, and the remaining brands grew in total compared with both the same period a year ago and with the fourth quarter. With all brands now operating on the same platform, we have created a good position to grow in the UK.

Germany continues to grow and is nearly back to the same levels as in September last year, when we were negatively affected by the decision by a key payment services provider to put restrictions on gaming payments. After many years, the German federal states have now agreed to regulate the online gaming market at the national level at the end of 2021. This is a positive development and something that we have long looked forward to. However, there are certain elements and restrictions in the draft regulation that may have a negative impact on the attractiveness for the players and on the player value. Over time this may be compensated by lower competition and greater access to payment options and marketing channels. We are waiting with confidence for all of the details surrounding future regulation in the market

and hope that Germany draws from the experiences of other regulated markets to ensure successful regulation with a high level of channelisation. On the whole, the Nordics region had a slightly weaker quarter, which was partly affected by a decrease in sports betting activity at the end of the period and greater restrictions on bonus and deposit limits in the Danish market. In Sweden we continued to gain market share during the quarter. Following the successes in Sweden, a launch of the GoGoCasino brand is planned for the Finnish market during the second quarter.

COMMENTS ON SECOND QUARTER 2020

Revenue for the month of April amounted to EUR37.6 m (30.5), representing annualised growth of 23%. LeoVegas' favourable performance in April was driven by the successful migration in the UK, a number of improvements in the payment flow in a number of markets, and by a record-large customer base at the start of the period. Moreover, LeoVegas' assessment is that the company has taken market shares from the land-based gambling industry, mainly in markets where the land-based industry has been totally shut down due to the COVID-19 crisis, as well as from competitors with primary focus on sports betting. Sweden, which has been in the spotlight recently, generated flat revenue growth in April versus the first quarter average monthly revenue and has thus not been a driver of growth at the beginning of the second quarter. At the same time, the assessment is that the total gaming market in Europe has contracted as a result of the ongoing COVID-19 crisis.

It is hard to predict the long-term effects for LeoVegas, but the longer the crisis continues, the greater the risk is that revenue will be negatively impacted by consumers' reduced purchasing power. At the same time, an accelerated structural shift is expected from land-based to online gaming, which makes LeoVegas well-positioned for the future.

Finally, I would also like to thank my co-founder Robin Ramm-Ericson, who has declined re-election to the Board of Directors, for his superb work and partnership in building LeoVegas.

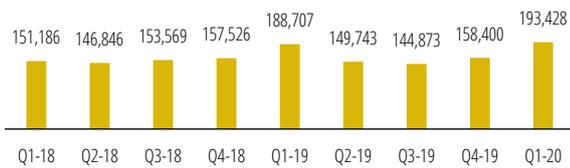


Gustaf Hagman, President and CEO, LeoVegas Mobile Gaming Group, Stockholm, 6 May 2020

KEY PERFORMANCE INDICATORS

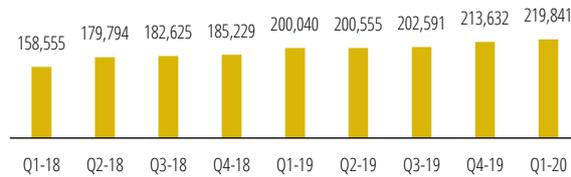
For more KPIs and comments, see the accompanying presentation file at LeoVegasgroup.com. See also the section “Definitions of Alternative Performance Measures”.

NEW DEPOSITING CUSTOMERS (NDCs)



NDCs increased by 3% compared with the same period a year ago and by 22% sequentially compared with the fourth quarter of 2019. The number of NDCs reached a new record level during the first quarter. The number of NDCs for historical periods has been recalculated to adapt all brands in the Group to a uniform reporting methodology.

RETURNING DEPOSITING CUSTOMERS (RDCs)



RDCs increased by 10% compared with the same period a year ago and by 3% compared with the fourth quarter of 2019. The number of RDCs reached a new record level during the first quarter. The number of RDCs for historical periods has been recalculated to adapt all brands in the Group to a uniform reporting methodology.

NGR PER REGION, Q1 2020



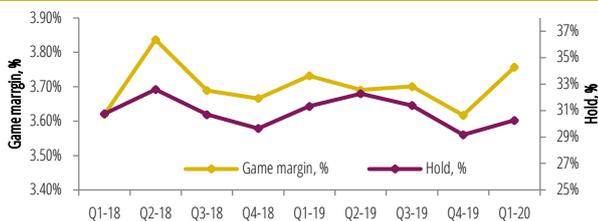
Rest of Europe was the largest region during the first quarter and accounted for 46% of the Group’s Net Gaming Revenue (NGR). The Nordic countries accounted for 41%, and Rest of World for 13%. Rest of Europe increased sequentially compared with the fourth quarter of 2019.

GGR PER PRODUKT, Q1 2020



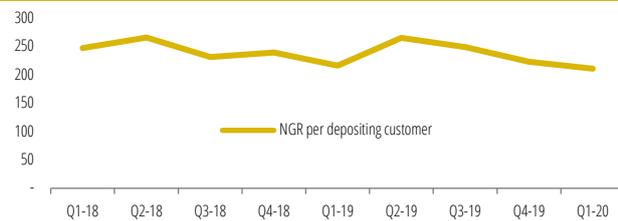
Casino accounted for 74% of the Group’s Gross Gaming Revenue (GGR), Live Casino accounted for 17%, and the sports book accounted for 9%. The sports book was negatively affected during the end of the quarter by the absence of sporting events related to the current COVID-19 crisis, but despite this maintained an unchanged share of the Group’s GGR compared with the fourth quarter of 2019.

GAMING MARGIN AND HOLD



The relation between NGR and deposits (“Hold”) increased to 30% over the preceding quarter, which is in line with the historical average. One factor that has historically had a strong bearing on the Hold level is the game margin. The game margin during the quarter was 3.76%, which is slightly higher than the historical average.

PLAYER VALUE (EUR)



The average player value per depositing customer was EUR 211, which is a decrease of 6% compared with the preceding quarter and 3% compared with the same quarter a year ago. The lower player value compared with the preceding quarter is mainly explained by a changed geographical mix in the player base and a higher share of new customers.

GROUP PERFORMANCE Q1

REVENUE, DEPOSITS AND NGR

Revenue totalled EUR 89.4 m (86.3) during the first quarter, an increase of 4%. Organic growth in local currencies was also 4%.

Deposits totalled EUR 287.8 m (268.5) during the quarter, an increase of 7%. On a sequential basis, deposits increased marginally by 1% compared with the preceding quarter. Mobile deposits accounted for 74% (72%) of total.

Net Gaming Revenue (NGR) increased by 4% over the same period a year ago and by 5% sequentially over the fourth quarter of 2019. The increase in NGR was slightly higher than the increase in deposits, which is explained by the slightly higher gaming margin and hold compared with the preceding quarter.

In the Nordics region, NGR increased by 10% over the same period a year ago, but decreased sequentially by 2% compared with the fourth quarter of 2019. A decrease in sports betting toward the end of the period and higher restrictions on bonus and deposit limits in the Danish market had a negative impact on revenue during the quarter. Revenue in Sweden continued to develop in a positive direction since the new regulations were implemented in January 2019.

For the Rest of Europe region, NGR decreased by 3% compared with the same period a year ago but increased sequentially by 14% over the fourth quarter of 2019. Performance was favourable in most markets. The UK grew sequentially despite Royal Panda's exit from the market in January, and the Group's remaining brands in the UK grew both sequentially and compared with the same period a year ago. At the same time, Germany continued to recover after being negatively affected by the loss of a key payment solution in September last year.

For the Rest of World region, NGR grew 12% over the same period a year ago. NGR decreased in Canada during the period, while in most other markets in the region it increased compared with the corresponding period a year ago.

For the Group as a whole, revenue from locally regulated markets accounted for 53% (50%) of total, which is a slight decrease compared with the preceding quarter (55%).

EARNINGS

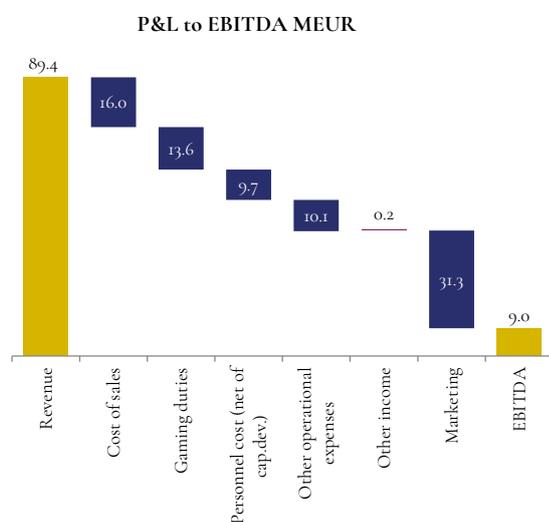
Gross profit amounted to EUR 59.8 m (57.9) during the first quarter, corresponding to a gross margin of 66.9% (67.1%). Gambling taxes totalled EUR 13.6 m, corresponding to 15.2% of revenue, entailing an increase over the corresponding period a year ago (13.3%). The increase is explained by a considerably higher share of revenue from markets with local gambling taxes, including Sweden. The cost of sales was 17.9% of revenue (19.6%) and consisted mainly of costs for external game and payment service providers. Cost of sales in relation to the Group's revenue decreased during the first quarter compared with the same period a year ago and the preceding quarter, mainly owing to improved supplier agreements. A changed allocation of certain sport-related costs to Other operating expenses also made a positive contribution to the gross margin of approximately 0.6%.

Marketing costs during the quarter totalled EUR 31.3 m (32.8). Marketing costs in relation to revenue was 35.0%, which is an increase compared with the fourth quarter share of 34.4% but a decrease compared with the same period a year ago (38.0%).

Personnel costs in relation to revenue decreased compared with the same period a year ago, to 13.5% (14.6%). The Group's total personnel force has decreased in size during the past year, while the share of highly qualified staff has increased.

Other operating expenses amounted to 11.3% of revenue (9.4%), which is an increase compared with the same period a year ago, both in absolute figures and in relation to revenue. The Group's focus on higher efficiency continued to have positive effects during the period. However, unfavourable currency movements gave rise to a cost of EUR 1.4 m during the quarter, consisting mainly of translation effects of the company's assets in other currencies. The aforementioned reallocation of certain sport-related costs also resulted in an increase in Other operating expenses during the first quarter.

The positive EBITDA effect of IFRS 16 during the first quarter was EUR 0.9 m (0.9).



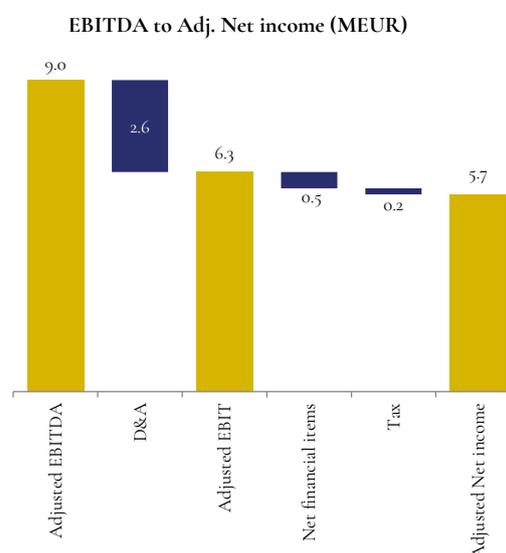
EBITDA for the first quarter was EUR 9.0 m (7.2), corresponding to an EBITDA margin of 10.0% (8.3%). Adjusted EBITDA was the same as EBITDA during the quarter, as there were no items affecting comparability.

The Group's depreciation and amortisation excluding acquisition-related depreciation and amortisation amounted to EUR 2.6 m (2.4). Amortisation related to acquired intangible assets totalled EUR 4.1 m (4.1).

Operating profit for the quarter (EBIT) was EUR 2.2 m (0.6), corresponding to an EBIT margin of 2.5% (0.8%). Adjusted EBIT for the quarter was EUR 6.3 m (4.8), corresponding to an adjusted EBIT margin of 7.1% (5.6%). Adjusted EBIT more accurately reflects the Group's underlying earnings capacity, as it excludes items affecting comparability related to acquisitions, divestments, depreciation of acquired assets and any other items affecting comparability.

Recurring financial expenses are mainly coupled to the company's bank loan facilities and amounted to EUR 0.5 m (0.7) during the quarter. The liability pertaining to Royal Panda's earn-out payment is measured in accordance with IFRS 3. During the quarter an agreement was reached between the company and the sellers of Royal Panda on the amount of the earn-out payment. The accounting remeasurement as a result of this has entailed a positive effect

of EUR 0.7 m in the company's net financial items. The company made a first partial payment of the earn-out during the quarter, for EUR 3.0 m. The remainder of the earn-out will be fully paid out by the third quarter of 2021 at the latest.



Income tax for the quarter totalled EUR 0.2 m (0.0).

Net profit for the quarter was EUR 2.3 m (-0.0), corresponding to a net margin of 2.5% (-0.0). Earnings per share were EUR 0.02 (-0.00) before and after dilution.

Adjusted earnings per share were EUR 0.06 (0.04). Adjusted earnings per share reflect the Group's underlying earnings capacity, as items affecting comparability related to acquisitions, divestments, provisions and amortisation of acquired intangible assets are excluded. Remeasurement and discounting effects of earn-out payments are also excluded, as these do not affect cash flow.

BALANCE SHEET AND FINANCING

The Group's financial position is good. Cash and cash equivalents at the end of the quarter amounted to EUR 54.3 m (59.3). Cash and cash equivalents excluding customer balances amounted to EUR 42.2 m (48.7). LeoVegas has combined, available credit facilities of EUR 100 m, of which EUR 70 m was utilised as per the end of the quarter.

The Group had intangible assets worth EUR 18.0 m at the end of the quarter (15.4). Intangible assets attributable to identified surplus value from acquisitions amounted to EUR

40.9 m (57.3). Goodwill related to all acquisitions amounted to EUR 94.7 m (103.0).

In total, non-current and current liabilities decreased compared with the preceding quarter owing to changes in working capital and partial payment of the earn-out to the sellers of Royal Panda.

At the end of the quarter the Group's equity amounted to EUR 100.4 m (99.9). Non-controlling interests make up EUR 5.0 m (5.5) of equity. The equity/assets ratio was 38.9% (34.6%). Total assets at the end of the quarter amounted to EUR 257.8 m (289.1).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities totalled EUR 10.5 m (5.9) during the quarter. Working capital improved during the period but can be volatile from quarter to quarter and is affected by factors such as jackpot provisions, incoming and outgoing payments between LeoVegas and product and payment service providers, and advance payments for licences and marketing.

Investments in property, plant and equipment amounted EUR 0.1 m (0.4). Investments in intangible non-current assets amounted to EUR 2.2 m (2.2) and pertain mainly to capitalised development costs. Cash flow from investing activities was also affected by a partial payment of the earn-out to Royal Panda, for EUR 3.0 m. Amortisation of the lease liability, i.e., rents for the Group's leased assets, affected cash flow from financing activities by EUR 0.8 m (0.8).

OTHER INFORMATION

OUTLOOK AND FINANCIAL TARGETS

LeoVegas' long-term financial targets are unchanged and consist of the following:

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 total market for offline and online gaming is estimated to be worth approximately EUR 423 bn and is expected to grow by an average of 2.9% per year by 2024. Globally the online gaming market is expected to be worth EUR 53 bn this year and grow by an average of 7.4% during the coming four years (Source: H2GC, April 2020).

LeoVegas sees continued strong demand for gaming services and believes that the opportunities for continued expansion in existing and new markets are favourable. The structural trend alone, with more and more consumer-oriented services being provided online, bodes for favourable growth going forward. In the wake of COVID-19 there is the possibility that the shift from land-based gambling to the online environment will take place at a faster pace. Online gaming in LeoVegas' main market, Europe, today accounts for 23% of the total market and is expected to increase to 31% by 2024 (Source: H2GC, April 2020).

The trend in which more and more markets are adopting local regulation is increasing the entry barriers and favours companies like LeoVegas, which has a scalable organisation, strong brands and an attractive customer offering.

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.

The Parent Company's revenue for the quarter totalled EUR 0.2 m (0.2), and profit after tax EUR -0.9 m (-0.9). Apart from dividends from subsidiaries, the result is steered essentially by invoiced management services and other operating expenses. Cash and cash equivalents amounted to EUR 3.9 m (0.1).

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 first quarter, changes in the euro exchange rate had a negative effect on revenue of approximately EUR 375 thousand compared with the same period a year ago and a negative effect of approximately EUR 329 thousand compared with the preceding quarter.

SEASONAL VARIATIONS

Customers use LeoVegas' gaming services year-round, which means that seasonal variations tend to be rather low. Activity during the summer period June–September is normally slightly lower than the rest of the year on account of vacations and a smaller number of sporting events.

PERSONNEL

The number of full-time employees at the end of the quarter was 833 (902), of whom 35 are employed in LeoVentures. The average number of employees during the quarter was 824 (901). LeoVegas was using the services of 27 (17) full-time consultants at the end of the quarter.

MANAGEMENT AND BOARD OF DIRECTORS

Mårten Forste, currently Chairman of the Board of LeoVegas, has been hired as new Chief Operating Officer (COO) at the company's offices in Malta. In this new role Forste has overarching responsibility for operations and assumed his position on 3 February. He is staying on as Chairman through the Annual General Meeting in May 2020. The Nomination Committee has proposed that Per Norman thereafter takes over as new Chairman of the Board in connection with the Annual General Meeting. Additionally, the Nomination Committee has proposed the re-election of the current directors Anna Frick and Fredrik Rūden, and that Hélène Westholm, Mathias Hallberg, Carl Larsson and Torsten Söderberg be elected as new directors. Robin Ramm-Ericson, Mårten Forste and Tuva Palm have declined re-election.

PROPOSED DIVIDEND

The Board of Directors proposes a dividend to the Parent Company's shareholders for the full-year 2019 of SEK 1.40 per share, or SEK 142,314,158 in total. Payment of the dividend is proposed to be made on two occasions during the year in the amount of SEK 0.70 per share.

RELATED-PARTY TRANSACTIONS

LeoVegas has related-party relationships for rents of company flats. In addition to these related-party relationships, in previous periods Chairman of the Board Mårten Forste performed consulting services for the company. During the first quarter a year ago the amount invoiced for these services was EUR 14 thousand. The contract was terminated in the preceding year, and no remuneration was paid out during the period. In other respects, no material changes have taken place for the Group or Parent Company in relationships or transactions with related parties compared with the description provided in the 2019 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 March 2020 the company had 16,901 shareholders. The five largest shareholders were Gustaf Hagman, with 8.3%; Avanza Pension, with 6.6%; Torsten Söderberg and family, with 4.4%; Robin Ramm-Ericson, with 3.7%; and Investment AB Öresund, with 3.5%.

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 has been prepared in accordance with IAS 34 Interim Financial Reporting.

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". Disclosures in accordance with IAS 34.16A are provided – in addition to in the financial statements – in other parts of the interim report.

The number of shares after dilution is calculated using the Treasury Stock method. At the end of the reporting period three warrant programmes were in effect, which expire in 2020, 2021 and 2022, respectively. These had no dilutive effect during the period, as the exercise price is higher than the price at which the shares were traded during the quarter.

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 108–112, of the 2019 Annual Report. The accounting policies are unchanged since the most recently published annual report for the 2019 financial year. In 2019, IFRS 16 was adopted for the first time. After adoption of IFRS 16, the Group's EBITDA margin was positively affected by approximately 1%. For further disclosures of financial effects, please refer to the 2019 Annual Report, pages 108 and 116–117.

ALTERNATIVE PERFORMANCE MEASURES

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".

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 change in listing to Nasdaq Stockholm, costs related to consulting for acquisitions, amortisation of acquired intangible assets related to acquisitions, and remeasurement of an earn-out (with no cash flow effect). The measures are also adjusted to exclude sales of subsidiaries and

assets as well as costs for restructuring of the existing organisation.

Items affecting comparability have also entailed that adjusted EBIT and the adjusted EBIT marginal have been recalculated for earlier historical periods. This is because amortisation of acquired intangible assets has been included as an item affecting comparability since the first quarter of 2018.

FINANCIAL CALENDAR

LeoVegas' financial calendar is outlined below:

- 8 May 2020 – Annual General Meeting
- 13 Aug. 2020 – Q2 interim report
- 5 Nov. 2020 – Q3 interim report
- 11 Feb. 2021 – Q4 interim report

LEGAL UPDATE

The legal situation for online gaming is changing continuously both at the EU level and 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 locally regulated markets or markets that are in the process of implementing local regulation. Most countries in the EU have adopted or are holding 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. Since 2019 Sweden has also had local regulation. This trend is also spreading outside of the EU, and most markets in Latin America, for example, are engaged in discussions to regulate their gaming markets. Colombia is an example of a country that has already taken that step.

In April 2020 the UK Gambling Commission (UKGC) banned the use of credit cards as a form of payment for gaming. The ban applies for all product categories except for national lotteries.

In the Netherlands the authorities have decided to introduce a local licensing system, which is planned to be in effect in the latter half of 2021. The gambling tax has been set at 29%, which is the same as for land-based operators.

In Germany the federal states have agreed to adopt national regulation, which is expected to be implemented towards the end of 2021. The regulations will cover both Casino and sports betting. A number of details still need to be decided on before an evaluation can be made of how this will affect LeoVegas. In general, regulation is positive from a long-term perspective. However, there are certain elements and restrictions in the German draft regulation that could have a negative impact on customer value. Over time this may be compensated by lower competition and greater access to local payment opportunities and marketing channels.

Denmark has decided to raise its gambling tax from 20% to 28%, effective January 2021. The authorities in Denmark have introduced obligatory deposit limits as well as limitations on bonuses. These changes took effect at the start of 2020.

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.

The current crisis resulting from the COVID-19 outbreak has given rise to societal concerns over the risk for an increase in unsound gaming under the current circumstances. Even though it is not possible to confirm this with reliable statistics, authorities in a few countries have introduced various types of temporary restrictions. In Spain, for example, the authorities have introduced a temporary ban on advertising for gaming, and in the UK a trade association – The Betting and Gaming Council (BGC) – decided on behalf of its members to remove all gaming advertising until 5 June. Also, in markets where no restrictions have been imposed by the authorities, LeoVegas has adopted a more restrained level in its marketing.

In Sweden the government recently announced a proposal for certain temporary restrictions on gaming. The measures under the proposal include new restrictions on bonus offers, a lowering of the deposit limit and an obligatory time restriction on gaming. LeoVegas sees a risk that additional restrictions in the regulations will hamper sustainability in the Swedish gaming market as a growing number of people will instead be driven to playing in the black market, where consumer protection is non-existent.

In all markets that are of interest for LeoVegas, the company is closely monitoring developments and is working actively to share its experiences from other regulated markets, all in an effort to contribute to a sound and sustainable gaming market with a high level of consumer protection.

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. Since most of LeoVegas' customers are active in Europe, the legal status in the EU-related jurisdictions 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 mainly as they may affect the company's expansion and future plans. Developments in the

legal area are monitored and assessed on a continuous basis within LeoVegas.

Part of LeoVegas' marketing entails cooperating 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. LeoVegas conducts a thorough review of new partners before a cooperation can begin. In the event of a violation of our affiliation terms, LeoVegas has the opportunity to withhold payment and terminate its cooperation with the affiliate in question. In Sweden 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, certain 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 offering and customer contacts. All LeoVegas employees, regardless of their position, must be certified in responsible gaming. LeoVegas has employees who work exclusively with promoting responsible gaming and related issues. LeoVegas has implemented a number of functions designed to identify and help potential problem gamers. These include tools for helping customers control their gaming, including Loss limits, Time limits, Time alerts, Pause account and Account closure. In addition, a Self Assessment is offered to enable early identification if a customer's gaming is at risk of becoming a problem. In addition to these tools for customers and internal training for employees, LeoVegas works internally with responsible gaming as part of its company culture. LeoVegas works with commitment and knowledge to continuously promote a positive and sound gaming experience for everyone. Another Group-wide platform for responsible gaming is LeoSafePlay. The ambition for LeoSafePlay is that it will develop to become one of the industry's most comprehensive tools for player protection.

The risks and effects of COVID-19 are hard to assess, and the conditions are changing continuously. The current crisis is having a minor impact on operations online, as the services

are consumed in the home, where most people are currently spending most of their time. Online gaming is part of the entertainment industry, and when people can no longer go to a cinema, restaurant or similar, they can spend more of their leisure budget on other entertainment, such as games. For LeoVegas' part, the cancelled and postponed sporting events have resulted in a sharp drop in revenue from sports betting, which accounted for roughly 9% of the Group's revenue before the crisis. At the same time, LeoVegas has likely taken market shares in casino mainly from the land-based industry as well as from competitors that are more sports book-oriented. LeoVegas' assessment is that the COVID-19 crisis thus far has had a neutral to slightly positive effect on the Group's business as a whole. A prolonged economic recession will likely have a negative impact on business over time.

In the addition to the above are risks associated with significant estimates and assessments in the financial reporting. The consolidated financial statements are based partly on assumptions and estimations in connection with the preparation of the Group's accounting. Estimations and assessments are evaluated on a continuous basis and are based on historical experience and other factors, including expectations about future events that are deemed to be reasonable given the prevailing circumstances. If an initial assessment deviates from the final outcome, it could have a material effect on the Group's earnings. The 2019 Annual Report provides more detailed information about the significant estimates and assessments used in the preparation of the Group's financial reports.

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 these risks is provided in the 2019 Annual Report.

SUSTAINABILITY – RESPONSIBLE GAMING

LeoVegas' goal is to offer entertainment in a safe and secure way. Part of the company's sustainability strategy is to strive for long-term and sustainable relationships with the company's customers and partners. What's most important for the company is that the customers view their gaming as entertainment and that they play in a safe and responsible way. There is a risk for certain individuals that their gaming can go beyond entertainment to instead cause financial

and/or social problems. LeoVegas takes this with utmost seriousness and dedicates extensive resources to responsible gaming, both when it comes to proactively protecting customers and providing support to individuals who develop unsound gaming behavior. To counter the risk of unsound gaming, within the framework of LeoSafePlay the company has launched a tool based on machine learning and internally developed algorithms. This helps create risk profiles for customers who may show signs of gambling addiction. These algorithms can detect at an early stage if a certain customer behavior could potentially indicate signs of a future addiction. Through this proprietary technology LeoVegas can act early and quickly to mitigate any problems that could arise if the behaviors were to continue. The company's ambition is to be best in the industry at responsible gaming and to use state-of-the-art technology to build the next generation system of responsible gaming.

LeoVegas is active in an industry in which companies that cannot create and offer sustainable and long-term customer value, good service, fair pricing and high trust will not survive in the long run. Investments and focus on sustainability are imperative for the ability to act in compliance with the company's gambling licences in the various markets. Today the bigger and serious gaming operators have implemented tools for responsible gaming. 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 gaming industry increases. All this strengthens the company's focus on being a reliable operator. 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 aspires to retain customers over a long period of time and build 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.

LEOVEGAS' SUSTAINABILITY TARGETS

LeoVegas has decided to set ambitions, targets and measures for sustainability to transparently, clearly and concretely show what LeoVegas is trying to achieve in its work on building a sustainable company and advocate for a sustainable gaming industry. Sustainability is often discussed in terms of "ESG", or Environmental, Social and Governance factors. It is within these three pillars that LeoVegas has set concrete targets. It is in the area of responsible gaming where the company can make the greatest difference, and it is also in this area where the greatest efforts are focused. The targets are followed up and reported in LeoVegas' sustainability report on a yearly basis. Group Management and the Board of Directors are responsible for ensuring that the company works with and achieves the set targets. Today approximately 10% of LeoVegas' employees work specifically in roles coupled to compliance and responsible gaming. A complete account of the targets is provided in the company's 2019 Sustainability Report.

The company's overarching vision in sustainability is:

"LeoVegas advocates for a sustainable gaming industry, responsible gaming and positive social development"

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 first quarter gives a fair overview of the Parent Company's and Group's operations, position and result of operations, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 6 May 2020

Mårten Forste
Chairman of the Board

Robin Ramm-Ericson
Director

Tuva Palm
Director

Fredrik Rüdén
Director

Anna Frick
Director

Gustaf Hagman
President and CEO

This interim report has not been reviewed by the company's auditor.

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Main office: Stockholm, corporate identity number: 556830-4033

All information in this report belongs to the group companies that are ultimately owned by LeoVegas AB, also known as LeoVegas.

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Investor Relations

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CONSOLIDATED INCOME STATEMENT

EUR'000s	Jan-Mar 2020	Jan-Mar 2019	2019	2018
Revenue	89 448	86 303	356 039	327 817
Cost of sales	(16 046)	(16 956)	(69 225)	(62 588)
Gaming Duties	(13 577)	(11 457)	(49 700)	(29 686)
Gross profit	59 825	57 890	237 114	235 543
Personnel costs	(12 085)	(12 574)	(49 359)	(40 980)
Capitalised development costs	2 358	2 443	8 654	7 192
Other operating expenses	(10 099)	(8 107)	(34 496)	(41 204)
Marketing expenses	(31 281)	(32 799)	(118 517)	(120 752)
Other income and expenses	235	343	6 135	1 806
EBITDA	8 953	7 196	49 531	41 605
Depreciation and amortisation	(2 643)	(2 401)	(10 152)	(4 925)
Amortisation and Impairment of acquired intangible assets incl. goodwill	(4 096)	(4 146)	(26 707)	(17 505)
Operating profit (EBIT)	2 214	649	12 672	19 175
Financial income	3	-	6	10
Financial costs	(470)	(680)	(2 405)	(1 746)
Financial liability fair value gains/(losses)	700	-	-	27 022
Profit before tax	2 447	(31)	10 273	44 461
Income tax	(171)	-	(730)	(1 221)
Net profit for the period	2 276	(31)	9 543	43 240
Net profit attributable to owners of the parent company	2 123	129	10 439	43 150
Net profit attributable to non-controlling interests	153	(160)	(896)	90
Exchange differences on translation of foreign operations	(4)	11	7	(3)
Other comprehensive income	(4)	11	7	(3)
Total comprehensive income	2 272	(20)	9 550	43 237
Total comprehensive income attributable to owners of the parent company	2 119	140	10 446	43 147
Total comprehensive income attributable to non-controlling interests	153	(160)	(896)	90
Earnings per share (EUR)	0,02	(0,00)	0,09	0,43
Earnings per share after dilution (EUR)	0,02	(0,00)	0,09	0,43
No. of shares outstanding adj. for share split (millions)	101,65	101,65	101,65	101,65
No. of shares outstanding after dilution adj. for share split (millions)	101,65	101,65	101,65	101,65
Key ratios				
Cost of sales as a % of revenue	17,9%	19,6%	19,4%	19,1%
Gaming duties as a % of revenue	15,2%	13,3%	14,0%	9,1%
Gross margin, %	66,9%	67,1%	66,6%	71,9%
Personnel costs as % of revenue	13,5%	14,6%	13,9%	12,5%
Operating expenses as % of revenue	11,3%	9,4%	9,7%	12,6%
Marketing expenses as % of revenue	35,0%	38,0%	33,3%	36,8%
EBITDA margin %	10,0%	8,3%	13,9%	12,7%
EBIT margin %	2,5%	0,8%	3,6%	5,8%
Net margin, %	2,5%	(0,0%)	2,7%	13,2%
Adjusted profit measures EUR'000s	Jan-Mar 2020	Jan-Mar 2019	2019	2018
EBITDA	8 953	7 196	49 531	41 605
Costs pertaining to listing	-	-	-	62
Costs pertaining to acquisition-related consulting	-	-	-	466
Provision for fine from UKGC	-	-	-	453
Gain on sale of subsidiaries and assets	-	-	(11 403)	(1 500)
Restructuring costs	-	-	6 065	-
Adjusted EBITDA	8 953	7 196	44 193	41 086
Depreciation and amortisation	(2 643)	(2 401)	(10 152)	(4 925)
Adjusted EBIT	6 310	4 795	34 041	36 161
Net financial items	(467)	(680)	(2 399)	(1 736)
Tax	(171)	-	(730)	(1 221)
Adjusted net income	5 672	4 115	30 912	33 204
Adjusted EPS	0,06	0,04	0,30	0,33
Adjusted EBITDA margin %	10,0%	8,3%	12,4%	12,5%
Adjusted EBIT margin %	7,1%	5,6%	9,6%	11,0%
Adjusted net margin %	6,3%	4,8%	8,7%	10,1%

CONSOLIDATED BALANCE SHEET, CONDENSED

EUR'000s	31 Mar 2020	31 Mar 2019	31 Dec 2019	31 Dec 2018
ASSETS				
Non-current assets				
Property, plant and equipment	3 041	4 161	3 347	4 141
Lease assets (right of use assets)	7 377	9 963	8 222	-
Intangible assets	17 974	15 449	16 943	14 032
Intangible assets related to surplus values from acquisitions	40 922	57 321	45 018	61 467
Goodwill	94 657	102 958	94 657	102 958
Deferred tax assets	2 682	2 975	2 682	2 975
Total non-current assets	166 653	192 827	170 869	185 573
Current assets				
Trade receivables	29 851	30 332	35 307	29 268
Other current receivables	7 010	6 679	5 329	7 768
Cash and cash equivalents	54 326	59 251	50 738	56 738
<i>of which restricted cash (player funds)</i>	12 120	10 566	13 352	11 922
Total current assets	91 187	96 262	91 374	93 774
TOTAL ASSETS	257 840	289 089	262 243	279 347
EQUITY AND LIABILITIES				
Share capital	1 220	1 220	1 220	1 220
Additional paid-in capital	40 615	40 409	40 615	40 409
Translation reserve	799	496	830	485
Retained earnings including profit for the period	52 833	52 245	50 683	52 116
Equity attributable to owners of the Parent Company	95 467	94 370	93 348	94 230
Non-controlling interest	4 956	5 540	4 804	5 700
Total Equity	100 423	99 910	98 152	99 930
Bank loan	49 962	59 717	39 924	69 642
Other non-current liabilities	-	966	-	961
Lease liabilities	3 498	5 701	4 169	-
Deferred tax liability	1 918	2 583	2 088	2 765
Total non-current liabilities	55 378	68 967	46 181	73 368
Current liabilities				
Trade and other payables	19 738	18 330	21 344	18 022
Player liabilities	12 120	10 566	13 352	11 922
Tax liability	5 159	5 194	4 997	5 111
Accrued expenses and deferred income	36 443	33 679	35 811	31 994
Bank loan	20 000	40 000	30 000	30 000
Short-term lease liabilities	3 279	3 443	3 406	-
Liability/provision for conditional purchase price (earn-out)	5 300	9 000	9 000	9 000
Total current liabilities	102 039	120 212	117 910	106 049
Total liabilities	157 417	189 179	164 091	179 417
TOTAL EQUITY AND LIABILITIES	257 840	289 089	262 243	279 347

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED

EUR'000s	Jan-Mar 2020	Jan-Mar 2019	2019	2018
Operating profit	2 214	649	12 672	19 175
Adjustments for non-cash items	7 139	5 466	30 761	20 193
Cash flow from changes in working capital	1 119	(238)	(1 871)	(1 796)
Net income taxes paid	-	-	(4 538)	(1 078)
Cash flow from operating activities	10 472	5 877	37 024	36 494
Acquisition of property, plant and equipment	(102)	(396)	(1 117)	(2 475)
Acquisition of intangible assets	(2 163)	(2 186)	(8 080)	(8 633)
Acquisition of subsidiaries	(3 000)	-	-	(20 213)
Transfer of assets on acquisition	-	-	-	(73 472)
Proceeds on sale of subsidiaries and assets	-	-	11 150	1 500
Cash flow from investing activities	(5 265)	(2 582)	1 953	(103 293)
Loan financing	-	-	(30 000)	79 475
Lease liabilities	(800)	(792)	(3 175)	-
Proceeds from share issue/other equity securities	-	-	186	3 832
Cash dividends paid out to shareholders	-	-	(11 534)	(11 669)
Cash flow from financing activities	(800)	(792)	(44 523)	71 638
Net increase/(decrease) in cash and cash equivalents	4 407	2 503	(5 546)	4 839
Cash and cash equivalents at start of the period	50 738	56 738	56 738	52 758
Currency effects on cash and cash equivalents	(819)	10	(454)	(859)
Cash and cash equivalents at end of period	54 326	59 251	50 738	56 738
<i>of which restricted cash (player funds)</i>	<i>12 120</i>	<i>10 566</i>	<i>13 352</i>	<i>11 922</i>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

	Share Capital	Other capital contribution	Translation reserve	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
EUR'000s							
Balance at 1 January 2019	1 220	40 409	485	52 116	94 230	5 700	99 930
Profit for the period	-	-	-	129	129	(160)	(31)
Other comprehensive income <i>(exchange differences of foreign operations)</i>	-	-	11	-	11	-	11
Total comprehensive income for the period	-	-	11	129	140	(160)	(20)
<i>Transactions with shareholders in their capacity as owners:</i>							
Share issue from options program	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Options Premium	-	-	-	-	-	-	-
<i>Transactions with non-controlling interests:</i>							
Acquisition of NCI	-	-	-	-	-	-	-
Balance at 31 March 2019	1 220	40 409	496	52 245	94 370	5 540	99 910
Balance at 1 January 2020	1 220	40 615	830	50 683	93 348	4 804	98 152
Profit for the period	-	-	-	2 123	2 123	152	2 275
Other comprehensive income <i>(exchange differences of foreign operations)</i>	-	-	(31)	27	(4)	-	(4)
Total comprehensive income for the period	-	-	(31)	2 150	2 119	152	2 271
<i>Transactions with shareholders in their capacity as owners:</i>							
Dividends	-	-	-	-	-	-	-
Options Premium	-	-	-	-	-	-	-
Balance at 31 March 2020	1 220	40 615	799	52 833	95 467	4 956	100 423

PARENT COMPANY INCOME STATEMENT, CONDENSED

EUR'000s	Jan - Mar 2020	Jan - Mar 2019	2019
Revenue	157	219	555
Operating expenses	(1 070)	(1 139)	(4 586)
Other income and expenses	-	-	-
Operating profit (EBIT)	(913)	(920)	(4 031)
Net financial income	59	58	32 075
Profit before tax	(854)	(862)	28 044
Apportion	-	-	33
Tax cost	-	-	746
Net Profit for the period*	(854)	(862)	28 823

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

PARENT COMPANY BALANCE SHEET, CONDENSED

EUR'000s	31 Mar 2020	31 Mar 2019	31 Dec 2019
ASSETS			
Total non-current assets	17 010	17 011	17 879
Current assets	26 894	13 011	30 399
Cash and cash equivalents	3 861	116	372
Total current assets	30 755	13 127	30 771
TOTAL ASSETS	47 765	30 138	48 650
EQUITY AND LIABILITIES			
Total equity	36 683	19 124	37 537
Total long term liabilities	1 082	10 000	10 000
Total current liabilities	10 000	1 014	1 113
Total liabilities	11 082	11 014	11 113
TOTAL EQUITY AND LIABILITIES	47 765	30 138	48 650

KPI'S PER QUARTER

Amounts in EUR'000s unless otherwise stated	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Deposits	287 824	284 528	275 227	287 826	268 465
Growth, Deposits, y-y %	7%	3%	9%	8%	8%
Growth, Deposits, q-q %	1%	3%	-4%	7%	-3%
Deposits per region					
Nordics, % Deposits	51%	53%	54%	51%	47%
Rest of Europe, % Deposits	40%	39%	38%	41%	45%
Rest of World, % Deposits	8%	8%	8%	8%	7%
Net Gaming Revenue (NGR)	87 117	82 989	86 374	92 906	84 103
Growth Net Gaming Revenue, y-y %	4%	1%	11%	7%	10%
Growth Net Gaming Revenue, q-q %	5%	-4%	-7%	10%	3%
Net Gaming Revenue (NGR) per region					
Nordics, % Net Gaming Revenue	41%	45%	44%	40%	39%
Rest of Europe, % Net Gaming Revenue	46%	42%	42%	47%	49%
Rest of World, % Net Gaming Revenue	13%	13%	14%	13%	12%
Growth in NGR per region					
Nordics, y-y %	10%	-1%	14%	2%	-5%
Rest of Europe, y-y %	-3%	-6%	-4%	1%	17%
Rest of World, y-y %	12%	43%	80%	63%	52%
Regulated revenue as a % of total	53%	55%	50%	48%	50%
Growth in regulated revenues, y-y %	11%	70%	58%	33%	55%
Growth in regulated revenues, q-q %	2%	5%	-3%	7%	57%
Hold (NGR/Deposits) %	30.3%	29.2%	31.4%	32.3%	31.3%
Game margin %	3.76%	3.62%	3.70%	3.69%	3.73%
Number of active customers	561 355	504 075	521 096	549 324	694 925
Growth active customers, y-y %	-19%	-14%	-5%	1%	27%
Growth active customers, q-q %	11%	-3%	-5%	-21%	18%
Number of depositing customers*	413 269	372 032	347 464	350 298	388 747
Growth depositing customers, y-y %	6%	14%	5%	8%	23%
Growth depositing customers, q-q %	11%	7%	0%	-10%	13%
Number of new depositing customers*	193 428	158 400	144 873	149 743	188 707
Growth new depositing customers, y-y %	3%	9%	-4%	3%	19%
Growth new depositing customers, q-q %	22%	9%	-3%	-20%	19%
Number of returning depositing customers*	219 841	213 632	202 591	200 555	200 040
Growth returning depositing customers, y-y %	10%	18%	12%	12%	26%
Growth returning depositing customers, q-q %	3%	5%	1%	0%	8%

* The historical periods have been restated for the adaptation of all brands in the Group in accordance with a uniform reporting methodology.

CONSOLIDATED INCOME STATEMENT PER QUARTER

EUR'000s	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Revenue	89 448	87 068	88 237	94 431	86 303
Cost of sales	(16 046)	(16 835)	(17 525)	(17 909)	(16 956)
Gaming Duties	(13 577)	(13 185)	(12 293)	(12 765)	(11 457)
Gross profit	59 825	57 048	58 419	63 757	57 890
Personnel costs	(12 085)	(12 265)	(11 259)	(13 262)	(12 574)
Capitalised development costs	2 358	2 247	1 842	2 122	2 443
Other operating expenses	(10 099)	(8 078)	(8 711)	(9 600)	(8 107)
Marketing expenses	(31 281)	(29 929)	(27 696)	(28 093)	(32 799)
Other income and expenses	235	5 500	154	138	343
EBITDA	8 953	14 523	12 749	15 062	7 196
Depreciation and amortisation	(2 643)	(2 679)	(2 597)	(2 475)	(2 401)
Amortisation of acquired intangible assets	(4 096)	(14 362)	(4 106)	(4 093)	(4 146)
Operating profit (EBIT)	2 214	(2 518)	6 046	8 494	649
Financial income	3	3	3	-	-
Financial costs	(470)	(662)	(553)	(510)	(680)
Financial liability fair value gains/(losses)	700	-	-	-	-
Profit before tax	2 447	(3 177)	5 496	7 984	(31)
Income tax	(171)	222	(396)	(556)	-
Net profit for the period	2 276	(2 955)	5 100	7 428	(31)
Net profit attributable to owners of the parent company	2 123	(2 820)	5 419	7 710	129
Net profit attributable to non-controlling interests	153	(135)	(319)	(282)	(160)
Exchange differences on translation of foreign operations	(4)	(3)	6	(7)	11
Other comprehensive income	(4)	(3)	6	(7)	11
Total comprehensive income	2 272	(2 958)	5 106	7 421	(20)
Total comprehensive income attributable to owners of the parent company	2 119	(2 823)	5 425	7 703	140
Total comprehensive income attributable to non-controlling interests	153	(135)	(319)	(282)	(160)
Earnings per share (EUR)	0,02	(0,03)	0,05	0,07	(0,00)
Earnings per share after dilution (EUR)	0,02	(0,03)	0,05	0,07	(0,00)
No. of shares outstanding adj. for share split (millions)	101,65	101,65	101,65	101,65	101,65
No. of shares outstanding after dilution adj. for share split (millions)	101,65	101,65	101,65	101,65	101,65
Key ratios					
Cost of sales as a % of revenue	17,9%	19,3%	19,9%	19,0%	19,6%
Gaming duties as a % of revenue	15,2%	15,1%	13,9%	13,5%	13,3%
Gross margin, %	66,9%	65,5%	66,2%	67,5%	67,1%
Personnel costs as % of revenue	13,5%	14,1%	12,8%	14,0%	14,6%
Operating expenses as % of revenue	11,3%	9,3%	9,9%	10,2%	9,4%
Marketing expenses as % of revenue	35,0%	34,4%	31,4%	29,7%	38,0%
EBITDA, margin %	10,0%	16,7%	14,4%	16,0%	8,3%
EBIT, margin %	2,5%	-2,9%	6,9%	9,0%	0,8%
Net margin, %	2,5%	-3,4%	5,8%	7,9%	0,0%
Adjusted profit measures EUR'000s	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
EBITDA	8 953	14 523	12 749	15 062	7 196
Gain on sale of subsidiaries and assets	-	(11 403)	-	-	-
Restructuring costs	-	6 084	-	-	-
Adjusted EBITDA	8 953	9 204	12 749	15 062	7 196
Depreciation and amortisation	(2 643)	(2 679)	(2 597)	(2 475)	(2 401)
Adjusted EBIT	6 310	6 525	10 152	12 587	4 795
Net financial items	(467)	(659)	(550)	(510)	(680)
Tax	(171)	222	(396)	(556)	-
Adjusted net income	5 672	6 088	9 206	11 521	4 115
Adjusted EPS	0,06	0,06	0,09	0,11	0,04
Adjusted EBITDA margin %	10,0%	10,6%	14,4%	16,0%	8,3%
Adjusted EBIT margin %	7,1%	7,5%	11,5%	13,3%	5,6%
Adjusted net margin %	6,3%	7,0%	10,4%	12,2%	4,8%

CONSOLIDATED BALANCE SHEET PER QUARTER, CONDENSED

EUR'000s	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
ASSETS					
Non-current assets					
Property, plant and equipment	3 041	3 347	3 914	4 107	4 161
Lease assets (right of use assets)	7 377	8 222	8 642	9 484	9 963
Intangible assets	17 974	16 943	17 147	16 414	15 449
Intangible assets surplus values from acquisitions	40 922	45 018	49 124	53 228	57 321
Goodwill	94 657	94 657	102 958	102 958	102 958
Deferred tax assets	2 682	2 682	2 975	2 975	2 975
Total non-current assets	166 653	170 869	184 760	189 166	192 827
Current assets					
Trade receivables	29 851	35 307	30 985	31 009	30 332
Other current receivables	7 010	5 329	6 601	7 970	6 679
Cash and cash equivalents	54 326	50 738	53 710	49 290	59 251
<i>of which restricted cash (player funds)</i>	<i>12 120</i>	<i>13 352</i>	<i>12 841</i>	<i>10 691</i>	<i>10 566</i>
Total current assets	91 187	91 374	91 296	88 269	96 262
TOTAL ASSETS	257 840	262 243	276 056	277 435	289 089
EQUITY AND LIABILITIES					
Share capital	1 220	1 220	1 220	1 220	1 220
Additional paid-in capital	40 615	40 615	40 615	40 409	40 409
Translation reserve	799	830	705	699	496
Retained earnings including profit for the period	52 833	50 683	53 503	48 084	52 245
Equity attributable to owners of the Parent Company	95 467	93 348	96 043	90 412	94 370
Non-controlling interest	4 956	4 804	4 939	5 258	5 540
Total Equity	100 423	98 152	100 982	95 670	99 910
Bank loan	49 962	39 924	39 809	49 740	59 717
Other non-current liabilities	-	-	1 000	971	966
Lease liabilities	3 498	4 169	4 492	5 221	5 701
Deferred tax liability	1 918	2 088	2 254	2 414	2 583
Total non-current liabilities	55 378	46 181	47 555	58 346	68 967
Current liabilities					
Trade and other payables	19 738	21 344	25 398	23 295	18 330
Player liabilities	12 120	13 352	12 841	10 691	10 566
Tax liability	5 159	4 997	1 706	1 378	5 194
Accrued expenses and deferred income	36 443	35 811	35 144	35 575	33 679
Bank loan	20 000	30 000	40 000	40 000	40 000
Short-term lease liabilities	3 279	3 406	3 430	3 480	3 443
Liability/provision for conditional purchase price (earn-out)	5 300	9 000	9 000	9 000	9 000
Total current liabilities	102 039	117 910	127 519	123 419	120 212
Total liabilities	157 417	164 091	175 074	181 765	189 179
TOTAL EQUITY AND LIABILITIES	257 840	262 243	276 056	277 435	289 089

CONSOLIDATED STATEMENT OF CASH FLOWS PER QUARTER, CONDENSED

EUR'000s	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Operating profit	2 214	(2 518)	6 046	8 494	649
Adjustments for non-cash items	7 139	12 913	6 059	6 324	5 466
Cash flow from changes in working capital	1 119	(5 789)	5 113	(957)	(238)
Net income taxes paid	-	(41)	-	(4 497)	-
Cash flow from operating activities	10 472	4 565	17 218	9 364	5 877
Acquisition of property, plant and equipment	(102)	(184)	(221)	(316)	(396)
Acquisition of intangible assets	(2 163)	(2 020)	(1 856)	(2 018)	(2 186)
Acquisition of subsidiaries	(3 000)	-	-	-	-
Transfer of assets on acquisition	-	-	-	-	-
Proceeds on sale of subsidiaries and assets	-	11 150	-	-	-
Cash flow from investing activities	(5 265)	8 946	(2 077)	(2 334)	(2 582)
Loan financing	-	(10 000)	(10 000)	(10 000)	-
Lease liabilities	(800)	(775)	(806)	(802)	(792)
Proceeds from share issue/other equity securities	-	-	186	-	-
Cash dividends paid out to shareholders	-	(5 808)	-	(5 726)	-
Cash flow from financing activities	(800)	(16 583)	(10 620)	(16 528)	(792)
Net increase/(decrease) in cash and cash equivalents	4 407	(3 072)	4 521	(9 498)	2 503
Cash and cash equivalents at start of the period	50 738	53 710	49 290	59 251	56 738
Currency effects on cash and cash equivalents	(819)	100	(101)	(463)	10
Cash and cash equivalents at end of period	54 326	50 738	53 710	49 290	59 251
<i>of which restricted cash (player funds)</i>	<i>12 120</i>	<i>13 352</i>	<i>12 841</i>	<i>10 691</i>	<i>10 566</i>

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 affecting comparability

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

DEPOSITS

Includes all cash deposited for gaming by customers during a given period

DIVIDEND PER SHARE

The dividend paid or proposed per share

EARNINGS PER SHARE

Total comprehensive income for the period divided by the weighted average number of shares outstanding during the period

EARNINGS PER SHARE AFTER DILUTION

Profit after tax divided by the weighted average number of shares outstanding during the period, 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 include costs for third-party gaming vendors, fees paid to payment service providers, and gambling taxes

HOLD

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

ITEMS AFFECTING COMPARABILITY

Costs for the listing change to Nasdaq Stockholm, costs related to acquisition-related consulting, amortisation of acquired intangible assets and remeasurement of earn-out payments for acquisitions. Sales of subsidiaries and assets that affect earnings are also eliminated. Costs related to restructuring of the existing organisation are also defined as items affecting comparability

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 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 number of shares outstanding at

the end of 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, the UK or Sweden. 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