



LeoVegas

MOBILE GAMING GROUP

LeoVegas' vision and position is "King of Casino". The global LeoVegas Mobile Gaming Group offers casino, live casino, bingo and sports betting. 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 2021

FIRST QUARTER 2021: 1 JANUARY–31 MARCH

- Revenue increased by 8% to EUR 96.7 m (89.4). Organic growth in local currencies was 8%. Organic growth when excluding Germany was 19%.
- The number of depositing customers was 462,386 (413,269), an increase of 12%.
- Net Gaming Revenue (NGR) from regulated markets and markets in which the company pays local gaming taxes was 65% (74%) of total NGR.
- Adjusted EBITDA was EUR 10.9 m (9.0), corresponding to an adjusted EBITDA margin of 11.3% (10.0%). Reported EBITDA was EUR 10.4 m (9.0).
- Operating profit (EBIT) was EUR 3.7 m (2.2), while adjusted EBIT was EUR 8.2 m (6.3), corresponding to an adjusted EBIT margin of 8.5% (7.1%).
- Earnings per share were EUR 0.02 (0.02) before and after dilution, while adjusted earnings per share were EUR 0.07 (0.06).

| KEUR | Jan-Mar 2021 | Jan-Mar 2020 | Δ, % | 2020 |
|--|---------------|---------------|------------|----------------|
| Revenue | 96 726 | 89 448 | 8% | 387 464 |
| EBITDA | 10 439 | 8 953 | 17% | 51 865 |
| Adjusted EBITDA | 10 946 | 8 953 | 22% | 55 365 |
| Adjusted EBITDA margin (%) | 11,3% | 10,0% | 13,1% | 14,3% |
| Adjusted EBIT | 8 236 | 6 310 | 31% | 44 576 |
| Adjusted EBIT margin (%) | 8,5% | 7,1% | 20,7% | 11,5% |
| Earnings per share before dilution (EUR) | 0,02 | 0,02 | 3% | 0,18 |
| Adjusted earnings per share before dilution (EUR) | 0,07 | 0,06 | 25% | 0,40 |
| Cash flow from operating activities | 12 744 | 10 472 | 22% | 69 240 |
| New Depositing Customers (NDC) | 186 510 | 193 428 | -4% | 749 344 |
| Returning Depositing Customers (RDC) | 275 876 | 219 841 | 25% | 339 994 |

EVENTS DURING THE QUARTER

- LeoVegas acquired Expekt from Betclio Group for a total purchase price of EUR 5 m. Expekt is one of the most well-known sports betting brands in Sweden and the Nordic markets, and strengthens LeoVegas' brand portfolio ahead of the intensive sport event years in 2021 and 2022. The acquisition of Expekt is expected to be completed in May 2021.
- LeoVegas' shares were taken up for trading in USD on OTCQX Markets in the USA. This is a way for the company to meet a steadily growing interest from US investors.
- Via LeoVentures, LeoVegas invested EUR 1.1 m for 25% of the shares in SharedPlay, a company that makes it possible for players to share their gaming experiences with others through the industry's first multiplayer solution.

EVENTS AFTER THE END OF THE QUARTER

- Preliminary revenue in April amounted to EUR 32.7 m (37.5), representing negative growth of 13%. Excluding Germany, revenue grew 4%.
- The Royal Panda brand has been migrated to the Group's proprietary technical platform, Rhino. All of the Group's wholly owned brands are now run on the Rhino platform.
- LeoVegas has started its own game studio, Blue Guru Games, to develop new and innovative games. The studio will develop exclusive games for LeoVegas as well as for other operators. The first games will be released in late 2021.
- LeoVegas was issued a sanction fee of SEK 2 m by the Swedish Gambling Authority. The company intends to appeal the decision.

CEO'S COMMENTS

FIRST QUARTER

We are pleased with the start of the year and increased our revenue by 8% during the first quarter. Excluding Germany, which has been affected by new restrictions related to the upcoming regulation, revenue increased by 19%. Our growth has been driven mainly by our loyal customer base, which reached a new record level during the period. We have maintained a high pace of investment, and despite this we achieved adjusted EBITDA growth of 22%, driven by our scalability and good cost control.

ACQUISITION OF EXPEKT – INCREASED FOCUS ON SPORTS BETTING

During the first quarter we acquired the well-known sports betting brand Expekt. The acquisition gives us one more leg to grow on and complements the Group's brand portfolio and product offering in a strategically good way. We are looking forward to Expekt once again becoming a leading sports betting brand in Sweden and thereafter also in other markets. The acquisition is expected to be completed in May in connection with our migration of the brand to our own technical platform. The timing of the acquisition is perfect as we are now facing two years filled with major sports events, and we plan to launch Expekt well in advance of the UEFA European Football Championship, which starts in June.

MARKETS

During the first quarter we saw the full effect of the changes taking place in the German market. Operators in the market are acting differently with respect to implementing the new restrictions, which unfortunately has led to a skewed competitive situation. The assessment is that up to 70%-80% of the German market for casino has temporarily been shifted over to operators that have chosen to not adapt to the coming market regulation. Our hope is that this will soon be sorted out by the German authorities, which is a prerequisite for the licence system's success, with a high level of channelisation and consumer protection. Germany generated approximately 6% of the Group's total revenue during the first quarter, compared with 15% a quarter earlier. Despite this development in Germany we delivered good growth at the Group level, which reflects our strong performance in many other key markets, including Italy, Canada and Spain. Our business is more diversified than ever before, and growth at the Group level is proof that our data-driven way of working and allocating marketing investments is effective.

“A good start to the year and increased focus on sports”

I also want to highlight Sweden, where the strength of the LeoVegas brand and our product breadth is appreciated by our customers. Our Swedish customer base set a new record during the quarter, and in March we grew on a yearly basis for the first time since the temporary Covid-19 restrictions were implemented in July 2020.

LEOVENTURES

The first quarter was an intensive period for our investment vehicle LeoVentures. Among other things we invested in SharedPlay, a company that makes it possible for players to share their gaming experiences with others through the industry's first multiplayer solution.

For a long time we have created successful, exclusive games with the help of external providers. We are now taking the next step by starting our own game studio – Blue Guru Games. This venture will give us full control and greater flexibility in developing new games, a unique offering to our players, and also a new revenue stream for the Group.

COMMENTS ON THE SECOND QUARTER

Revenue for the month of April amounted to EUR 32.7 m (37.5), corresponding to negative growth of 13%. Excluding Germany, growth in April was positive at 4%.

Finally I want to urge you to be on the lookout for the new launch of Expekt in Sweden towards the end of May – you won't be disappointed!

Gustaf Hagman, President and CEO, LeoVegas Mobile Gaming Group, Stockholm, 6 May 2021

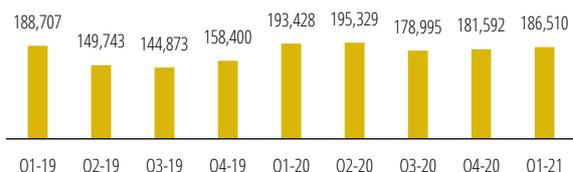




KEY PERFORMANCE INDICATORS

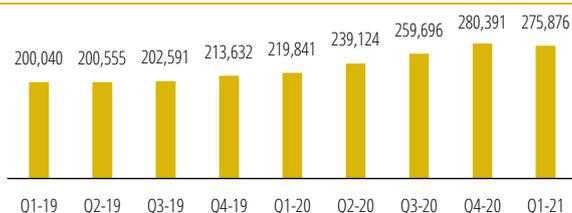
For more KPIs and comments, see the accompanying presentation file at LeoVegasgroup.com. See also the section “Definitions of Alternative Performance Measures”.

NEW DEPOSITING CUSTOMERS (NDCs)



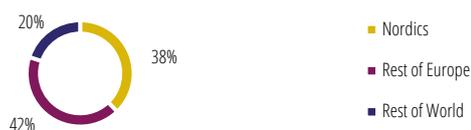
NDCs decreased by 4% compared with the same period a year ago but increased by 3% sequentially compared with the fourth quarter of 2020.

RETURNING DEPOSITING CUSTOMERS (RDCs)



The number of RDCs increased by 25% compared with the same period a year ago but decreased by 2% compared with the fourth quarter of 2020.

NGR PER REGION, Q1 2021



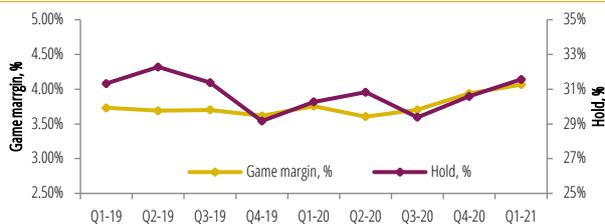
Rest of Europe was the largest region during the first quarter and accounted for 42% of the Group’s Net Gaming Revenue (NGR). The Nordic countries accounted for 38%, and Rest of World for 20%. Rest of Europe’s share decreased sequentially compared with the fourth quarter, owing to the sharp decline in NGR for Germany during the period.

GGR PER PRODUCT, Q1 2021



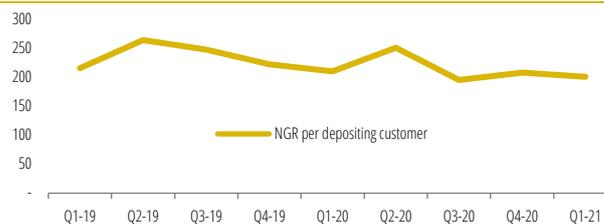
Casino accounted for 74% of the Group’s Gross Gaming Revenue (GGR), Live Casino accounted for 17%, and the sports book is now back at the same level of the Group’s GGR as before the global pandemic started.

GAME MARGIN AND HOLD



The relation between NGR and deposits (“Hold”) increased compared with the preceding quarter to 32%, which is slightly higher than the historic average. One factor that has historically had a strong bearing on hold is the game margin. The game margin during the quarter was 4.1%, which is higher than the historical average.

PLAYER VALUE (EUR)



The average player value per depositing customer was EUR 202, which is a decrease of 3% compared with the preceding quarter and a decrease of 4% compared with the same quarter a year ago. The lower player value compared with a year ago is explained by a larger share of players playing for fun and a changed geographic mix, which is in line with the company’s growth strategy.

GROUP PERFORMANCE Q1

REVENUE, DEPOSITS AND NGR

Revenue totalled EUR 96.7 m (89.4) during the first quarter, an increase of 8%. Organic growth was 8%.

Deposits totalled EUR 295.8 m (287.8) during the quarter, an increase of 3%. Sequentially deposits decreased by 6% compared with the preceding quarter. Net Gaming Revenue (NGR) amounted to EUR 93.4 m (87.1) during the period, an increase of 7% compared with the same period a year ago, but a sequential decrease of 3% compared with the fourth quarter. Owing to a higher hold during the quarter, NGR grew faster than deposits compared with a year ago.

In the Nordics region, NGR decreased by 3% compared with the same period a year ago. The temporary restrictions implemented in Sweden in July 2020, including new deposit limits among other things, have had a negative effect on revenues for the region since then. A gradual recovery has thereafter taken place, where growth in Sweden in March was positive for the first time since the restrictions were introduced. In the Rest of Europe region, NGR decreased by 1% compared with the same period a year ago. Growth was favourable in most markets, where Italy and Spain in particular had very strong development. However, the changes introduced in Germany towards the end of last year, combined with the coming market regulation, had a strongly negative effect on NGR during the quarter. In the Rest of World region, NGR increased by 69% over the same period a year ago, with positive development in most markets. For the Group as a whole, revenue from locally regulated markets in which the Group pays local gaming taxes accounted for 65% (74%) of total revenue during the first quarter. This represents a slight decrease compared with the preceding quarter (67%) and is attributable to the drop in revenue in Germany during the period.

EARNINGS

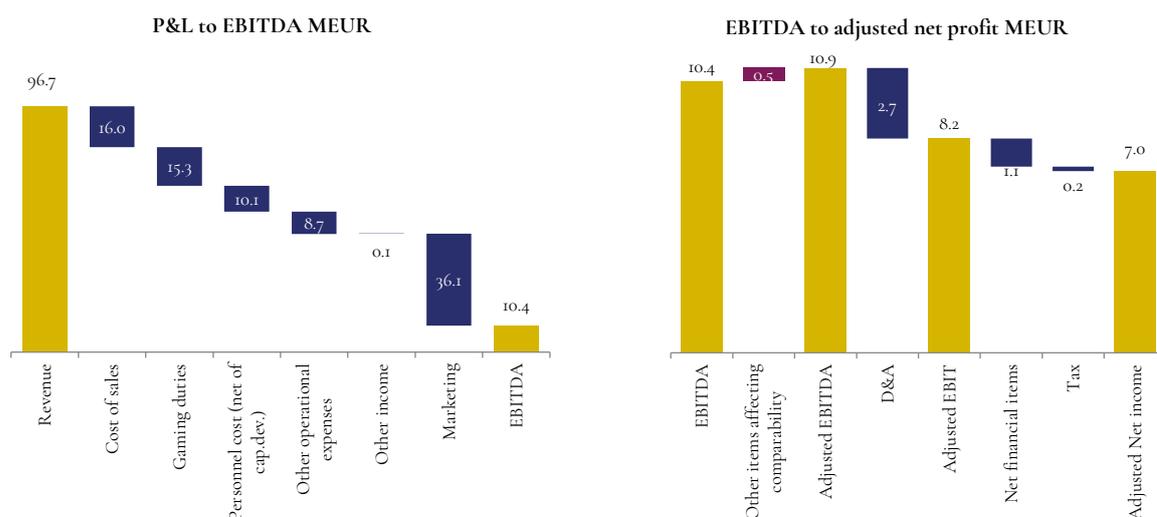
Gross profit amounted to EUR 65.4 m (59.8) during the first quarter, corresponding to a gross margin of 67.6% (66.9%).

Gaming taxes totalled EUR 15.3 m (13.6), corresponding to 15.8% of revenue (15.2%). The cost of sales was 16.6% of revenue (17.9%) and consisted mainly of costs for external game and payment service providers. Cost of sales in relation to the Group's revenue decreased compared with the same period a year ago and the preceding quarter, which is explained by continuous work on improving the Group's supplier terms.

Marketing costs during the quarter totalled EUR 36.1 m (31.3). The company has maintained a high pace of investment, coupled both to launches of new brands and increased investment in several markets with favourable returns. Marketing costs in relation to revenue were 37.4% during the first quarter, which is in line with the preceding quarter (37.3%), but higher than in the corresponding period a year ago (35.0%). Investments in marketing are assessed to have had a good effect, which is reflected in the record-large base of depositing customers at the end of the quarter.

Personnel costs in relation to revenue increased compared with the same period a year ago to 13.8% (13.5%). The total work force decreased slightly during the quarter, while the company has continued to increase the share of employees with high qualifications in technology and product development.

Other operating expenses amounted to 9.0% of revenue (11.3%), which is a decrease in relation to revenue compared with the same period a year ago. The Group continues to work steadily with efficiency improvements and cost control while subsequent effects of the pandemic continue to contribute to temporarily lower operating expenses.



EBITDA for the first quarter was EUR 10.4 m (9.0), corresponding to an EBITDA margin of 10.8% (10.0%). EBITDA was charged with EUR 0.3 m for an additional provision for estimated gaming tax in Denmark for historical periods plus a provision of SEK 2 m for a sanction fee determined by the Swedish Gambling Authority. The company intends to appeal the sanction fee. Adjusted EBITDA was EUR 10.9 m (9.0), corresponding to an adjusted EBITDA margin of 11.3% (10.0%). The adjusted earnings represent an increase of 22% compared with the same period a year ago.

The Group's depreciation and amortisation excluding acquisition-related depreciation and amortisation amounted to EUR 2.7 m (2.6). Amortisation related to acquired intangible assets totalled EUR 4.1 m (4.1).

Operating profit (EBIT) for the quarter was EUR 3.7 m (2.2), corresponding to an EBIT margin of 3.8% (2.5%). Adjusted EBIT for the quarter was EUR 8.2 m (6.3), corresponding to an adjusted EBIT margin of 8.5% (7.1%). Adjusted EBIT provides a more accurate picture of the Group's underlying earnings during the period.

Financial expenses amounted to EUR 1.1 m (0.5) and are mainly related to the company's bond issue. Within net financial items, remeasurement of the bond in SEK and changes in value of currency derivatives, including their interest flows, are reported net. During the quarter, these remeasurement effects had a negative effect on expenses by EUR 0.1 m.

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

Net profit for the quarter was EUR 2.4 m (2.3), corresponding to a net margin of 2.5% (2.5%). Earnings per share were EUR 0.02 (0.02) before and after dilution. Adjusted earnings per share were EUR 0.07 (0.06).

BALANCE SHEET AND FINANCING

Cash and cash equivalents at the end of the quarter amounted to EUR 70.8 m (54.3). Cash and cash equivalents excluding customer balances amounted to EUR 54.2 m (42.2). LeoVegas has combined available bond and loan facilities of approximately EUR 88 m, of which EUR 53 m (70) was utilised at the end of the first quarter. Overall, the Group's financial position is very good. Net debt excluding player liabilities in relation to adjusted EBITDA (rolling 12 months) was 0.0x (zero times).

The Group had intangible assets worth EUR 21.4 m at the end of the quarter (18.0). Intangible assets attributable to identified surplus value from acquisitions amounted to EUR 24.6 m (40.9). Goodwill related to all acquisitions amounted to EUR 94.7 m (94.7).

Total liabilities decreased compared with the corresponding quarter a year ago, mainly owing to a reduction in the Group's utilised borrowing.

At the end of the quarter the Group's equity amounted to EUR 100.6 m (100.4). Non-controlling interests make up EUR 5.6 m (5.0) of equity. Total assets at the end of the quarter amounted to EUR 257.5 m (257.8). The equity/assets ratio was 39% (39%).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities totalled EUR 12.7 m (10.5) during the quarter. Working capital improved during the period but may 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. During the quarter, cash flow was charged with interest payments coupled to the bond, totalling EUR 0.7 m (0.0). Working capital also includes deferred payment of gaming taxes in Austria.

Investments in property, plant and equipment amounted EUR 0.2 m (0.1). Investments in intangible non-current assets amounted to EUR 3.4 m (2.2) and pertain mainly to capitalised development costs. Cash flow from investing activities was affected by a partial payment of EUR 3.0 m toward the earn-out for Royal Panda, an initial payment of EUR 1.5 m toward the acquisition of Expekt, and an investment of EUR 1.1 m in the associated company SharedPlay.

Cash flow from financing activities was positively affected by utilisation of EUR 5.0 m (0.0) from the new revolving credit facility (RCF). Amortisation of the lease liability, i.e., prepayment of rents for the Group's leased assets, had an accounting effect on cash flow from financing activities of EUR 0.9 m (0.8).

OTHER INFORMATION

FINANCIAL TARGETS

LeoVegas' long-term financial targets are:

- *Long-term organic growth that outperforms the online gaming market*
- *Long-term EBITDA margin of at least 15%, under the assumption that 100% of revenue is generated in locally regulated markets where gaming tax is paid*
- *The leverage ratio (net debt in relation to adjusted EBITDA) shall not exceed 1.0x. However, LeoVegas may, under certain circumstances, choose to exceed this level during short time periods in connection with e.g., larger acquisitions or other strategic initiatives*
- *To pay a dividend, over time, of at least 50% of profit after tax*

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 was EUR -0.8 m (-0.9). Apart from dividends from subsidiaries, profit is also steered by interest income from lending to subsidiaries, invoiced management services and other operating expenses. Cash and cash equivalents amounted to EUR 3.8 m (3.9). In December 2020 the Parent Company issued a bond of SEK 500 m that carries a floating interest rate of STIBOR three months plus 550 basis points. As per the balance sheet date the liability for the bond was EUR 48.1 m. Borrowing is initially recognised at fair value, net after transaction costs, and thereafter at amortised cost in accordance with the effective interest method. In connection with the issuance of the bond, a currency derivative was contracted. Financial items during the quarter were charged net with EUR 0.6 m in interest expenses, transaction costs and other costs related to the bond financing. Cash flow was charged with an interest payment of EUR 0.7 m for the bond financing. During the quarter, EUR 5.0 m of the existing RCF was utilised.

CURRENCY SENSITIVITY

LeoVegas' largest markets are the Nordic countries and the UK. The Group's earnings are thus affected by currency translation effects. During the quarter, changes in the euro exchange rate had a negative effect on revenue of approximately EUR 0.9 m compared with the same period a year ago and a positive effect of approximately EUR 0.3 m compared with the preceding quarter.

SEASONAL VARIATIONS

Customers use LeoVegas' gaming services year-round, which means that seasonal variations tend to be relatively 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 817 (833), of whom 44 are employed in LeoVentures (35). The average number of employees during the quarter was 822 (824). LeoVegas was using the services of 35 (27) full-time consultants at the end of the quarter.

RELATED-PARTY TRANSACTIONS

LeoVegas has since previously had a related party relationship for rents of company apartments. In other respects, no transactions with related parties were conducted during the quarter. For more information on previous years, please refer to the company's annual reports.

SHARES AND OWNERSHIP STRUCTURE

LeoVegas AB is listed on Nasdaq Stockholm. As per 31 March 2021 the company had 17,575 shareholders. The five largest shareholders were:

- Gustaf Hagman – 8.3%
- Torsten Söderberg and family – 4.4%
- Avanza Pension – 4.0%
- TT International – 2.4%
- Lombard Odier AM – 2.3%

The total number of shares and votes in LeoVegas AB is 101,652,970. In connection with the share repurchase programme, LeoVegas owned 1.4% of the total number of shares as per the end of the quarter. The total number of shares outstanding and votes amounted to 100,181,626 at the end of the balance sheet date.

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 2021, 2022 and 2023, respectively. These had no dilutive effect during the period, as the exercise price is higher than the price at which the shares were traded on average during the quarter.

Changes in exchange rates for the bond in SEK have been hedged with a financial instrument (OTC derivative). Financial assets and liabilities in the form of derivatives are reported at fair value through profit or loss. All transactions related to the currency derivative are reported under financial items in the consolidated income statement. No hedge accounting has been applied. The currency derivative, which is used for hedging purposes, is valued according to Level 2 of the fair value hierarchy. The fair value of financial assets that are not traded in an active market (e.g., OTC derivatives as mentioned above) is determined using valuation techniques that are based on market information as far as possible, while company-specific information is used as little as possible. All the essential input data required for the actual valuation of an instrument is observable. The bond, which was issued for SEK 500,000,000, had a market value of SEK 511,875,000 as of the balance sheet date. The Parent Company applies the exemption permitted by RFR 2 from application of IFRS 9 Financial Instruments.

Within net financial items, remeasurement of the bond in SEK and changes in value of currency derivatives, including their interest flows, are reported net. The items have an equalising effect and are of the same character. Net recognition creates a clearer picture for readers of the cost of the financing. Total net financial items amount to EUR 1.1 m (0.5), of which EUR 0.1 m pertains to a negative remeasurement effect, shown below.

| Financial items - net (KEUR) | Jan-Mar 2021 |
|--|--------------|
| Revaluation bond loan | 901 |
| Fair value valuation currency derivative | (1 035) |
| Change in value of interest rate flows from currency derivatives | 43 |
| Total net reported financial items | (92) |

LeoVegas’ launch of LeoJackpot during the preceding quarter did not entail any changes from previous accounting policies. A provision for LeoJackpot, which can amount to a maximum of EUR 5 m, has been calculated based on the probability that it will be payable in accordance with IAS 37. The progressive jackpot portion (which is financed by players) is reported in accordance with the previous policy for progressive jackpots.

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 123–127, of the 2020 Annual Report. All of the accounting policies are unchanged since the most recently published annual report for the 2020 financial year.

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. The adjusted earnings measure is

adjusted for items affecting comparability, which are defined in the section “Definitions of Alternative Performance Measures”.

FINANCIAL CALENDAR

LeoVegas’ financial calendar is outlined below:

- 11 May 2021 – Annual General Meeting
- 12 August 2021 – Q2 interim report
- 27 October 2021 – Q3 interim report
- 11 February 2022 – Year-end report

LEGAL UPDATE

The legal situation for online gaming is changing continuously at the EU level as well as in individual geographic markets outside of the EU. LeoVegas’ expansion strategy is to work in locally regulated markets or markets with plans for or in the process of implementing local regulation. Most countries in the EU have adopted or are engaged in discussions to introduce so-called local regulation. Examples of countries that have adopted local regulation include the UK, Denmark, Italy, Spain and Sweden. 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 the step in to a regulated environment. The same applies in the USA, where gaming is regulated by the individual states. Among other states, New Jersey, Pennsylvania and Michigan have introduced local regulation for both casino games and sports betting. The trend in the USA is that more and more states are regulating their local gaming markets.

The authorities in the UK are currently conducting a review of the current gaming laws. The results of this analysis have not yet been compiled, but it may lead to more demanding regulation for the licensed actors, such as for greater consumer protection and stricter requirements concerning customers’ financial situation.

Effective 1 January 2021, Denmark increased its gaming tax from 20% to 28%.

The province of Ontario, Canada, is conducting preparations to regulate its gaming market. Ontario makes up approximately 38% of Canada’s total population. LeoVegas is one of

several operators that is participating in the discussions on how such regulation may be structured.

In the Netherlands the authorities have decided to introduce a local licence system, which is expected to take effect at the end of 2021, but most operators will be launching their services in 2022. The gaming tax has been set at 29% plus an additional 2% fee, which is the same as for land-based operators.

In Germany the federal states have agreed to introduce a licence system, which is set to be implemented on 1 July 2021. Before this takes effect the operators that intend to apply for and receive a gaming licence must align themselves with a number of restrictions. The changes include, among other things, a ban on live casino online, a monthly deposit limit of EUR 1,000 for casino and poker games, a mandatory maximum limit of an EUR 1 wager per spin on slots as well as a five-second rule between spins. The proposed tax on the online poker and casino products is 5.3% of turnover, which would constitute the highest tax in Europe on gaming.

LeoVegas expects to receive nationwide licences once they have been made available. In general, regulation is positive from a long-term perspective. However, there are certain elements and limitations in the German regulations that will affect customer value negatively and also risk leading to low channelisation. Over time this may be compensated by lower competition within the regulated market and greater access to local payment opportunities and marketing channels.

The ongoing global pandemic has given rise to societal concerns over the risk for an increase in unsound gaming under the current circumstances, as people are spending more time in their homes. There are no reliable statistics indicating that unsound gaming has increased, and LeoVegas has not seen any increase attributable to the pandemic in its customer data.

In Sweden, on 2 July 2020 temporary restrictions were introduced for online casino in response to the pandemic. These include new restrictions of bonus offers, a weekly deposit cap of SEK 5,000 and an obligatory time restriction on gaming. A proposal by the government to extend the restrictions until 14 November 2021 is now pending.

The Swedish government has commissioned an investigation to strengthen work on countering unlicensed gaming and

match fixing. The purpose of the investigation is to identify obstacles and recommend solutions to enabling more effective oversight of illegal gaming. The assignment also includes investigating how the work on countering match fixing can be strengthened. The results of the investigation will be reported to the Ministry of Finance on 30 June 2021.

The Rest of World region includes markets with unclear gaming and tax laws, which over time may affect LeoVegas' revenue, earnings and expansion opportunities, depending on what legal changes may take place.

RISKS AND UNCERTAINTIES

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

LeoVegas is active in a large number of regulated markets, and the Group's compliance is reviewed on a regular basis by regulatory bodies, such as local gaming authorities. If it were to be shown that interpretations and measures taken by the company to ensure compliance with a licensing authority's requirements are insufficient, it could lead to costs for the company in the form of sanction fees or other punitive measures. The regulations and requirements are changing continuously, which in turn puts greater demands on the company's internal routines, processes and systems. Higher demands are also being put on LeoVegas' business partners, such as game providers, payment service providers and marketing partners. LeoVegas conducts thorough due diligence of new partners before a cooperation can begin. Existing partners are also reviewed on a regular basis. In the event of a violation of the Group's cooperation terms, LeoVegas has the opportunity to withhold payment and terminate its cooperation with the partner in question.

Developments in the legal area are monitored and assessed on a continuous basis within LeoVegas, and the Group cooperates with the authorities in the licensed markets.

LeoVegas works together with local trade associations to promote sustainability and responsibility in the industry. These include, for example, the Swedish Trade Association for Online Gambling (BOS) in Sweden and The Norwegian Industry Association for Online Gaming (NBO) in Norway.

LeoVegas' offering is based on gaming as a fun and attractive form of entertainment. Consumer protection is therefore an important part of the design of LeoVegas' offerings and in its customer contacts. LeoVegas has technical aids at its disposal and clear routines for countering unsound gaming. Responsible gaming is regulated in all gaming licences that LeoVegas conducts its gaming activities under.

The long-term risks and impacts of the global pandemic are hard to assess, and the conditions are changing continuously. The continuing crisis is having a minor impact on online businesses. Online gaming is part of the entertainment industry, and when people cannot go to a cinema, restaurant or similar to the same extent, they are spending more of their leisure budget on other entertainment, such as games and other digital amusement. There appears to be an accelerated structural shift from offline to online, which is beneficial for LeoVegas, with its strong online position, strong brands and proprietary technical platform that enables rapid development in an increasingly digital world.

In addition to the above there 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. Other risks that could affect LeoVegas include financial risks, such as currency and liquidity risks.

The 2020 Annual Report includes a detailed description of the company's risks as well as more information about the significant estimates and assessments used in the preparation of the Group's financial reports.

SUSTAINABILITY – RESPONSIBLE GAMING

LeoVegas' goal is to offer entertainment in a safe and smart way. Part of the company's sustainability strategy is to strive for long-term and sustainable relationships with LeoVegas' 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 reasonable 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 behaviour.

Investing in and focusing on responsible gaming are imperative for the company to be able to act in accordance with its gaming licences. To proactively counter unsound gaming, the company has a proprietary, automated system that is based on machine learning and algorithms. This is a good complement to the tools that help customers keep their gaming in check. Examples of such functions are Loss limits, Time limits, Time alerts, Pause account and Account closure. All responsible gaming measures are conducted through LeoSafePlay, which is the Group's platform for responsible gaming. The ambition of LeoSafePlay is to develop it into the most comprehensive tool for consumer protection as possible.

LeoVegas works continuously with engagement and knowledge to promote a positive and safe gaming experience for everyone. This work is part of the company culture that all employees adhere to.

LEOVEGAS' SUSTAINABILITY TARGETS

Each year LeoVegas sets ambitions, targets and measures for sustainability in order to transparently, clearly and concretely show what the company aspires to achieve in building a sustainable company and advocating for a sustainable gaming industry.

LeoVegas has set sustainability targets in three areas: Environment, Social Responsibility and Corporate Governance. The responsible gaming targets are included under Social Responsibility. 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 toward and achieves the set targets.

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 2021

Per Norman
Chairman of the Board

Hélène Westholm
Director

Carl Larsson
Director

Fredrik Rüdén
Director

Anna Frick
Director

Mathias Hallberg
Director

Torsten Söderberg
Director

Gustaf Hagman
President and CEO

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

LeoVegas AB, Luntmakargatan 18, SE-111 37 Stockholm
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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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CFO
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Philip Doftvik
Director of Corporate Finance and Investor
Relations
+46 (0)73 512 07 20
philip.doftvik@leovegasgroup.com

CONSOLIDATED INCOME STATEMENT

| EUR'000s | Jan-Mar 2021 | Jan-Mar 2020 | 2020 | 2019 |
|--|---------------------|---------------------|----------------|----------------|
| Revenue | 96 726 | 89 448 | 387 464 | 356 039 |
| Cost of sales | (16 045) | (16 046) | (67 871) | (69 225) |
| Gaming Duties | (15 277) | (13 577) | (57 282) | (49 700) |
| Gross profit | 65 404 | 59 825 | 262 311 | 237 114 |
| Personnel costs | (13 327) | (12 085) | (50 548) | (49 359) |
| Capitalised development costs | 3 181 | 2 358 | 10 504 | 8 654 |
| Other operating expenses | (8 749) | (10 099) | (35 441) | (34 496) |
| Marketing expenses | (36 138) | (31 281) | (132 552) | (118 517) |
| Other income and expenses | 68 | 235 | (2 409) | 6 135 |
| EBITDA | 10 439 | 8 953 | 51 865 | 49 531 |
| Depreciation and amortisation | (2 710) | (2 643) | (10 789) | (10 152) |
| Amortisation of acquired intangible assets and impairment of assets incl. goodwill | (4 076) | (4 096) | (18 300) | (26 707) |
| Operating profit (EBIT) | 3 653 | 2 214 | 22 776 | 12 672 |
| Financial income | - | 3 | 983 | 6 |
| Financial costs | (1 080) | (470) | (2 911) | (2 405) |
| Financial liability fair value gains/(losses) | - | 700 | 700 | - |
| Share of profit after tax from associated companies reported using the equity method | - | - | - | - |
| Profit before tax | 2 573 | 2 447 | 21 548 | 10 273 |
| Income tax | (178) | (171) | (2 215) | (730) |
| Net profit for the period | 2 395 | 2 276 | 19 333 | 9 543 |
| Net profit attributable to owners of the parent company | 2 157 | 2 123 | 18 512 | 10 439 |
| Net profit attributable to non-controlling interests | 238 | 153 | 821 | (896) |
| Other comprehensive income | | | | |
| Items that may be transferred to profit for the year: | | | | |
| Exchange differences on translation of foreign operations | 3 | (4) | (12) | 7 |
| Other comprehensive income for the period, after tax | 3 | (4) | (12) | 7 |
| Total comprehensive income for the period | 2 398 | 2 272 | 19 321 | 9 550 |
| Total comprehensive income attributable to owners of the parent company | 2 160 | 2 119 | 18 500 | 10 446 |
| Total comprehensive income attributable to non-controlling interests | 238 | 153 | 821 | (896) |
| Earnings per share before dilution (EUR) | 0,02 | 0,02 | 0,18 | 0,10 |
| Earnings per share after dilution (EUR) | 0,02 | 0,02 | 0,18 | 0,10 |
| Weighted average number of shares outstanding adj. for share split (millions) | 100,18 | 101,65 | 100,92 | 101,65 |
| Weighted average number of shares outstanding after dilution adj. for share split (millions) | 100,18 | 101,65 | 100,92 | 101,65 |
| Key ratios | | | | |
| Cost of sales as a % of revenue | 16,6% | 17,9% | 17,5% | 19,4% |
| Gaming duties as a % of revenue | 15,8% | 15,2% | 14,8% | 14,0% |
| Gross margin, % | 67,6% | 66,9% | 67,7% | 66,6% |
| Personnel costs as % of revenue | 13,8% | 13,5% | 13,0% | 13,9% |
| Operating expenses as % of revenue | 9,0% | 11,3% | 9,1% | 9,7% |
| Marketing expenses as % of revenue | 37,4% | 35,0% | 34,2% | 33,3% |
| EBITDA margin % | 10,8% | 10,0% | 13,4% | 13,9% |
| EBIT margin % | 3,8% | 2,5% | 5,9% | 3,6% |
| Net margin, % | 2,5% | 2,5% | 5,0% | 2,7% |
| Adjusted profit measures EUR'000s | Jan-Mar 2021 | Jan-Mar 2020 | 2020 | 2019 |
| EBITDA | 10 439 | 8 953 | 51 865 | 49 531 |
| Gain on sale of subsidiaries and assets | - | - | - | (11 403) |
| Restructuring costs | - | - | - | 6 065 |
| Other items affecting comparability | 507 | - | 3 500 | - |
| Adjusted EBITDA | 10 946 | 8 953 | 55 365 | 44 193 |
| Depreciation and amortisation | (2 710) | (2 643) | (10 789) | (10 152) |
| Adjusted EBIT | 8 236 | 6 310 | 44 576 | 34 041 |
| Net financial items | (1 080) | (467) | (1 928) | (2 399) |
| Tax | (178) | (171) | (2 215) | (730) |
| Adjusted net income | 6 978 | 5 672 | 40 433 | 30 912 |
| Adjusted EPS | 0,07 | 0,06 | 0,40 | 0,30 |
| Adjusted EBITDA margin % | 11,3% | 10,0% | 14,3% | 12,4% |
| Adjusted EBIT margin % | 8,5% | 7,1% | 11,5% | 9,6% |
| Adjusted net margin % | 7,2% | 6,3% | 10,4% | 8,7% |

CONSOLIDATED BALANCE SHEET, CONDENSED

| EUR'000s | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 | 31 Dec 2019 |
|---|----------------|----------------|----------------|----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 2 255 | 3 041 | 2 394 | 3 347 |
| Lease assets (right of use assets) | 8 537 | 7 377 | 8 878 | 8 222 |
| Intangible assets | 21 353 | 17 974 | 19 493 | 16 943 |
| Intangible assets related to surplus values from acquisitions | 24 616 | 40 922 | 28 694 | 45 018 |
| Goodwill | 94 657 | 94 657 | 94 657 | 94 657 |
| Financial Fixed Asset | - | - | 314 | - |
| Deferred tax assets | 2 876 | 2 682 | 2 876 | 2 682 |
| Investments in associated accounted for using the equity method | 1 121 | - | - | - |
| Total non-current assets | 155 415 | 166 653 | 157 306 | 170 869 |
| Current assets | | | | |
| Trade receivables and other receivables | 25 194 | 29 851 | 23 160 | 35 307 |
| Prepaid expenses and other accrued income | 6 044 | 7 010 | 5 480 | 5 329 |
| Cash and cash equivalents | 70 809 | 54 326 | 63 340 | 50 738 |
| <i>of which restricted cash (player funds)</i> | <i>16 564</i> | <i>12 120</i> | <i>15 801</i> | <i>13 352</i> |
| Total current assets | 102 047 | 91 187 | 91 981 | 91 374 |
| TOTAL ASSETS | 257 462 | 257 840 | 249 287 | 262 243 |
| EQUITY AND LIABILITIES | | | | |
| Share capital | 1 220 | 1 220 | 1 220 | 1 220 |
| Additional paid-in capital | 36 115 | 40 615 | 36 115 | 40 615 |
| Other reserves | 424 | 799 | 421 | 830 |
| Retained earnings including profit for the period | 57 232 | 52 833 | 55 075 | 50 683 |
| Equity attributable to owners of the Parent Company | 94 991 | 95 467 | 92 831 | 93 348 |
| Non-controlling interest | 5 588 | 4 956 | 5 350 | 4 804 |
| Total Equity | 100 579 | 100 423 | 98 181 | 98 152 |
| Bank loan | 4 748 | 49 962 | - | 39 924 |
| Bond Loan | 48 051 | - | 48 860 | - |
| Lease liabilities | 4 614 | 3 498 | 5 300 | 4 169 |
| Financial liability | 721 | - | - | - |
| Deferred tax liability | 1 223 | 1 918 | 1 435 | 2 088 |
| Total non-current liabilities | 59 357 | 55 378 | 55 595 | 46 181 |
| Current liabilities | | | | |
| Trade and other payables | 20 780 | 19 738 | 20 287 | 21 344 |
| Player liabilities | 16 564 | 12 120 | 15 801 | 13 352 |
| Tax liability | 5 947 | 5 159 | 5 948 | 4 997 |
| Accrued expenses and deferred income | 48 515 | 36 443 | 45 082 | 35 811 |
| Bank loan | - | 20 000 | - | 30 000 |
| Short-term lease liabilities | 3 420 | 3 279 | 3 093 | 3 406 |
| Liability for conditional purchase price (earn-out) | 2 300 | 5 300 | 5 300 | 9 000 |
| Total current liabilities | 97 526 | 102 039 | 95 511 | 117 910 |
| Total liabilities | 156 883 | 157 417 | 151 106 | 164 091 |
| TOTAL EQUITY AND LIABILITIES | 257 462 | 257 840 | 249 287 | 262 243 |

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED

| EUR'000s | Jan-Mar 2021 | Jan-Mar 2020 | 2020 | 2019 |
|---|----------------|----------------|-----------------|-----------------|
| Operating profit | 3 653 | 2 214 | 22 776 | 12 672 |
| Adjustments for non-cash items | 6 195 | 7 139 | 30 052 | 30 761 |
| Cash flow from changes in working capital | 2 896 | 1 119 | 18 107 | (1 871) |
| Net income taxes paid | - | - | (1 695) | (4 538) |
| Cash flow from operating activities | 12 744 | 10 472 | 69 240 | 37 024 |
| Acquisition of property, plant and equipment | (154) | (102) | (399) | (1 117) |
| Acquisition of intangible assets | (3 370) | (2 163) | (10 492) | (8 080) |
| Acquisition of subsidiaries | (4 500) | (3 000) | (3 579) | - |
| Investment of associate accounted for using the equity method | (1 121) | - | - | - |
| Proceeds on sale of subsidiaries and assets | - | - | 2 861 | 11 150 |
| Cash flow from investing activities | (9 145) | (5 265) | (11 609) | 1 953 |
| Bond financing | - | - | 48 298 | - |
| Loan financing | 5 000 | - | (70 343) | (30 000) |
| Lease liabilities | (890) | (800) | (3 244) | (3 175) |
| Share buyback | - | - | (4 891) | - |
| Proceeds from share issue/other equity securities | - | - | 416 | 186 |
| Cash dividends paid out to shareholders | - | - | (14 213) | (11 534) |
| Cash flow from financing activities | 4 110 | (800) | (43 977) | (44 523) |
| Net increase/(decrease) in cash and cash equivalents | 7 709 | 4 407 | 13 654 | (5 546) |
| Cash and cash equivalents at start of the period | 63 340 | 50 738 | 50 738 | 56 738 |
| Currency effects on cash and cash equivalents | (240) | (819) | (1 052) | (454) |
| Cash and cash equivalents at end of period | 70 809 | 54 326 | 63 340 | 50 738 |
| <i>of which restricted cash (player funds)</i> | <i>16 564</i> | <i>12 120</i> | <i>15 801</i> | <i>13 352</i> |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

| | Share Capital | Capital contribution | Other reserves | Retained earnings | Equity attributable to owners of the parent company | Non-controlling interest | Total equity |
|---|---------------|----------------------|----------------|-------------------|---|--------------------------|----------------|
| EUR'000s | | | | | | | |
| 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 items <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 |
| Balance at 1 January 2021 | 1 220 | 36 115 | 421 | 55 075 | 92 831 | 5 350 | 98 181 |
| Profit for the period | - | - | - | 2 157 | 2 157 | 238 | 2 395 |
| Other comprehensive income <i>(exchange differences of foreign operations)</i> | - | - | 3 | - | 3 | - | 3 |
| Total comprehensive income for the period | - | - | 3 | 2 157 | 2 160 | 238 | 2 398 |
| <i>Transactions with shareholders in their capacity as owners:</i> | | | | | | | |
| Dividends | - | - | - | - | - | - | - |
| Options Premium | - | - | - | - | - | - | - |
| Share buyback | - | - | - | - | - | - | - |
| Balance at 31 March 2021 | 1 220 | 36 115 | 424 | 57 232 | 94 991 | 5 588 | 100 579 |

PARENT COMPANY INCOME STATEMENT, CONDENSED

| EUR'000s | Jan - Mar 2021 | Jan - Mar 2020 | 2020 |
|-----------------------------------|----------------|----------------|----------------|
| Revenue | 200 | 157 | 669 |
| Operating expenses | (1 046) | (1 070) | (3 837) |
| Other income and expenses | - | - | - |
| Operating profit (EBIT) | (846) | (913) | (3 168) |
| Net financial income | 15 | 59 | 19 697 |
| Profit before tax | (831) | (854) | 16 529 |
| Apportion | - | - | - |
| Tax cost | - | - | 193 |
| Net Profit for the period* | (831) | (854) | 16 722 |

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

PARENT COMPANY BALANCE SHEET, CONDENSED

| EUR'000s | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|-------------------------------------|---------------|---------------|---------------|
| ASSETS | | | |
| Total non-current assets | 52 943 | 17 010 | 51 944 |
| Current assets | 33 135 | 26 894 | 32 641 |
| Cash and cash equivalents | 3 828 | 3 861 | 1 419 |
| Total current assets | 36 963 | 30 755 | 34 060 |
| TOTAL ASSETS | 89 906 | 47 765 | 86 004 |
| EQUITY AND LIABILITIES | | | |
| Total equity | 35 362 | 36 683 | 36 193 |
| Bank Loan | 4 748 | 10 000 | - |
| Bond Loan | 48 051 | - | 48 860 |
| Financial liability | 721 | - | - |
| Total long term liabilities | 53 520 | 10 000 | 48 860 |
| Total current liabilities | 1 024 | 1 082 | 951 |
| Total liabilities | 54 544 | 11 082 | 49 811 |
| TOTAL EQUITY AND LIABILITIES | 89 906 | 47 765 | 86 004 |

KPI'S PER QUARTER

| Amounts in EUR'000s unless otherwise stated | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 |
|---|----------------|----------------|----------------|----------------|----------------|
| Deposits | 295 763 | 315 130 | 292 856 | 354 997 | 287 824 |
| Growth, Deposits, y-y % | 3% | 11% | 6% | 23% | 7% |
| Growth, Deposits, q-q % | -6% | 8% | -18% | 23% | 1% |
| Deposits per region | | | | | |
| Nordics, % Deposits | 43% | 44% | 44% | 44% | 51% |
| Rest of Europe, % Deposits | 43% | 45% | 44% | 46% | 40% |
| Rest of World, % Deposits | 14% | 11% | 11% | 10% | 8% |
| Net Gaming Revenue (NGR) | 93 354 | 96 383 | 86 047 | 109 449 | 87 117 |
| Growth Net Gaming Revenue, y-y % | 7% | 16% | 0% | 18% | 4% |
| Growth Net Gaming Revenue, q-q % | -3% | 12% | -21% | 26% | 5% |
| Net Gaming Revenue (NGR) per region | | | | | |
| Nordics, % Net Gaming Revenue | 38% | 36% | 35% | 34% | 41% |
| Rest of Europe, % Net Gaming Revenue | 42% | 47% | 47% | 51% | 46% |
| Rest of World, % Net Gaming Revenue | 20% | 17% | 18% | 15% | 13% |
| Growth in NGR per region | | | | | |
| Nordics, y-y % | -3% | -4% | -20% | -2% | 10% |
| Rest of Europe, y-y % | -1% | 28% | 13% | 30% | -3% |
| Rest of World, y-y % | 69% | 46% | 21% | 35% | 12% |
| Locally-taxed revenue as a % of total | 65% | 67% | 68% | 75% | 74% |
| Growth in locally-taxed revenues, y-y % | -7% | 7% | 0% | 32% | 18% |
| Growth in locally-taxed revenues, q-q % | -6% | 9% | -29% | 27% | 8% |
| Hold (NGR/Deposits) % | 31.6% | 30.6% | 29.4% | 30.8% | 30.3% |
| Game margin % | 4.06% | 3.94% | 3.69% | 3.59% | 3.76% |
| Number of active customers | 721 146 | 823 649 | 660 662 | 671 253 | 643 896 |
| Growth active customers, y-y % | 12% | 43% | 15% | 10% | -27% |
| Growth active customers, q-q % | -12% | 25% | -2% | 4% | 12% |
| Number of depositing customers | 462 386 | 461 983 | 438 691 | 434 453 | 413 269 |
| Growth depositing customers, y-y % | 12% | 24% | 26% | 24% | 6% |
| Growth depositing customers, q-q % | 0% | 5% | 1% | 5% | 11% |
| Number of new depositing customers | 186 510 | 181 592 | 178 995 | 195 329 | 193 428 |
| Growth new depositing customers, y-y % | -4% | 15% | 24% | 30% | 3% |
| Growth new depositing customers, q-q % | 3% | 1% | -8% | 1% | 22% |
| Number of returning depositing customers | 275 876 | 280 391 | 259 696 | 239 124 | 219 841 |
| Growth returning depositing customers, y-y % | 25% | 31% | 28% | 19% | 10% |
| Growth returning depositing customers, q-q % | -2% | 8% | 9% | 9% | 3% |

CONSOLIDATED INCOME STATEMENT PER QUARTER

| EUR'000s | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 |
|--|----------------|----------------|----------------|----------------|----------------|
| Revenue | 96 726 | 98 356 | 88 921 | 110 739 | 89 448 |
| Cost of sales | (16 045) | (17 135) | (15 714) | (18 976) | (16 046) |
| Gaming Duties | (15 277) | (14 336) | (12 351) | (17 018) | (13 577) |
| Gross profit | 65 404 | 66 885 | 60 856 | 74 745 | 59 825 |
| Personnel costs | (13 327) | (12 856) | (12 439) | (13 168) | (12 085) |
| Capitalised development costs | 3 181 | 2 926 | 2 408 | 2 812 | 2 358 |
| Other operating expenses | (8 749) | (8 965) | (7 406) | (8 970) | (10 099) |
| Marketing expenses | (36 138) | (36 730) | (31 799) | (32 742) | (31 281) |
| Other income and expenses | 68 | (3 289) | 279 | 366 | 235 |
| EBITDA | 10 439 | 7 971 | 11 898 | 23 043 | 8 953 |
| Depreciation and amortisation | (2 710) | (2 752) | (2 681) | (2 713) | (2 643) |
| Amortisation of acquired intangible assets and impairment of assets incl. goodwill | (4 076) | (6 052) | (4 076) | (4 076) | (4 096) |
| Operating profit (EBIT) | 3 653 | (833) | 5 141 | 16 254 | 2 214 |
| Financial income | - | 980 | - | - | 3 |
| Financial costs | (1 080) | (1 559) | (422) | (460) | (470) |
| Financial liability fair value gains/(losses) | - | - | - | - | 700 |
| Share of profit after tax from associated companies reported using the equity method | - | - | - | - | - |
| Profit before tax | 2 573 | (1 412) | 4 719 | 15 794 | 2 447 |
| Income tax | (178) | (534) | (607) | (903) | (171) |
| Net profit for the period | 2 395 | (1 946) | 4 112 | 14 891 | 2 276 |
| Net profit attributable to owners of the parent company | 2 157 | (1 897) | 3 593 | 14 693 | 2 123 |
| Net profit attributable to non-controlling interests | 238 | (49) | 519 | 198 | 153 |
| Other comprehensive income | | | | | |
| Items that may be transferred to profit for the year: | | | | | |
| Exchange differences on translation of foreign operations | 3 | - | (1) | (7) | (4) |
| Other comprehensive income, after tax | 3 | - | (1) | (7) | (4) |
| Total comprehensive income for the period | 2 398 | (1 946) | 4 111 | 14 884 | 2 272 |
| Total comprehensive income attributable to owners of the parent company | 2 160 | (1 897) | 3 592 | 14 686 | 2 119 |
| Total comprehensive income attributable to non-controlling interests | 238 | (49) | 519 | 198 | 153 |
| Earnings per share (EUR) | 0,02 | (0,02) | 0,04 | 0,14 | 0,02 |
| Earnings per share after dilution (EUR) | 0,02 | (0,02) | 0,04 | 0,14 | 0,02 |
| No. of shares outstanding adj. for share split (millions) | 100,18 | 100,92 | 101,65 | 101,65 | 101,65 |
| No. of shares outstanding after dilution adj. for share split (millions) | 100,18 | 100,92 | 101,65 | 101,65 | 101,65 |
| Key ratios | | | | | |
| Cost of sales as a % of revenue | 16,6% | 17,4% | 17,7% | 17,1% | 17,9% |
| Gaming duties as a % of revenue | 15,8% | 14,6% | 13,9% | 15,4% | 15,2% |
| Gross margin, % | 67,6% | 68,0% | 68,4% | 67,5% | 66,9% |
| Personnel costs as % of revenue | 13,8% | 13,1% | 14,0% | 11,9% | 13,5% |
| Operating expenses as % of revenue | 9,0% | 9,1% | 8,3% | 8,1% | 11,3% |
| Marketing expenses as % of revenue | 37,4% | 37,3% | 35,8% | 29,6% | 35,0% |
| EBITDA, margin % | 10,8% | 8,1% | 13,4% | 20,8% | 10,0% |
| EBIT, margin % | 3,8% | -0,8% | 5,8% | 14,7% | 2,5% |
| Net margin, % | 2,5% | -2,0% | 4,6% | 13,4% | 2,5% |
| Adjusted profit measures EUR'000s | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 |
| EBITDA | 10 439 | 7 971 | 11 898 | 23 043 | 8 953 |
| Gain on sale of subsidiaries and assets | - | - | - | - | - |
| Restructuring costs | - | - | - | - | - |
| Other items affecting comparability | 507 | 3 500 | - | - | - |
| Adjusted EBITDA | 10 946 | 11 471 | 11 898 | 23 043 | 8 953 |
| Depreciation and amortisation | (2 710) | (2 752) | (2 681) | (2 713) | (2 643) |
| Adjusted EBIT | 8 236 | 8 719 | 9 217 | 20 330 | 6 310 |
| Net financial items | (1 080) | (579) | (422) | (460) | (467) |
| Tax | (178) | (534) | (607) | (903) | (171) |
| Adjusted net income | 6 978 | 7 606 | 8 188 | 18 967 | 5 672 |
| Adjusted EPS | 0,07 | 0,08 | 0,08 | 0,19 | 0,06 |
| Adjusted EBITDA margin % | 11,3% | 11,7% | 13,4% | 20,8% | 10,0% |
| Adjusted EBIT margin % | 8,5% | 8,9% | 10,4% | 18,4% | 7,1% |
| Adjusted net margin % | 7,2% | 7,7% | 9,2% | 17,1% | 6,3% |

CONSOLIDATED BALANCE SHEET PER QUARTER, CONDENSED

| EUR'000s | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 |
|---|----------------|----------------|----------------|----------------|----------------|
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 2 255 | 2 394 | 2 462 | 2 745 | 3 041 |
| Lease assets (right of use assets) | 8 537 | 8 878 | 9 205 | 10 054 | 7 377 |
| Intangible assets | 21 353 | 19 493 | 20 290 | 19 331 | 17 974 |
| Intangible assets surplus values from acquisitions | 24 616 | 28 694 | 32 770 | 36 846 | 40 922 |
| Goodwill | 94 657 | 94 657 | 94 657 | 94 657 | 94 657 |
| Financial Fixed Asset | - | 314 | - | - | - |
| Deferred tax assets | 2 876 | 2 876 | 2 682 | 2 682 | 2 682 |
| Investments in associated accounted for using the equity method | 1 121 | - | - | - | - |
| Total non-current assets | 155 415 | 157 306 | 162 065 | 166 315 | 166 653 |
| Current assets | | | | | |
| Trade receivables and other receivables | 25 194 | 23 160 | 32 077 | 39 405 | 29 851 |
| Prepaid expenses and other accrued income | 6 044 | 5 480 | 4 252 | 5 048 | 7 010 |
| Cash and cash equivalents | 70 809 | 63 340 | 59 806 | 55 561 | 54 326 |
| <i>of which restricted cash (player funds)</i> | <i>16 564</i> | <i>15 801</i> | <i>13 491</i> | <i>15 265</i> | <i>12 120</i> |
| Total current assets | 102 047 | 91 981 | 96 135 | 100 014 | 91 187 |
| TOTAL ASSETS | 257 462 | 249 287 | 258 200 | 266 329 | 257 840 |
| EQUITY AND LIABILITIES | | | | | |
| Share capital | 1 220 | 1 220 | 1 220 | 1 220 | 1 220 |
| Additional paid-in capital | 36 115 | 36 115 | 41 006 | 41 006 | 40 615 |
| Other reserves | 424 | 421 | 597 | 902 | 799 |
| Retained earnings including profit for the period | 57 232 | 55 075 | 56 972 | 53 379 | 52 833 |
| Equity attributable to owners of the Parent Company | 94 991 | 92 831 | 99 795 | 96 507 | 95 467 |
| Non-controlling interest | 5 588 | 5 350 | 5 399 | 5 155 | 4 956 |
| Total Equity | 100 579 | 98 181 | 105 194 | 101 662 | 100 423 |
| Bank loan | 4 748 | - | 50 104 | 50 008 | 49 962 |
| Bond loan | 48 051 | 48 860 | - | - | - |
| Lease liabilities | 4 614 | 5 300 | 5 404 | 6 371 | 3 498 |
| Financial liability | 721 | - | - | - | - |
| Deferred tax liability | 1 223 | 1 435 | 1 578 | 1 761 | 1 918 |
| Total non-current liabilities | 59 357 | 55 595 | 57 086 | 58 140 | 55 378 |
| Current liabilities | | | | | |
| Trade and other payables | 20 780 | 20 287 | 28 182 | 26 262 | 19 738 |
| Player liabilities | 16 564 | 15 801 | 13 491 | 15 265 | 12 120 |
| Tax liability | 5 947 | 5 948 | 5 310 | 4 649 | 5 159 |
| Accrued expenses and deferred income | 48 515 | 45 082 | 40 627 | 41 911 | 36 443 |
| Bank loan | - | - | - | 10 000 | 20 000 |
| Short-term lease liabilities | 3 420 | 3 093 | 3 009 | 3 140 | 3 279 |
| Liability for conditional purchase price (earn-out) | 2 300 | 5 300 | 5 300 | 5 300 | 5 300 |
| Total current liabilities | 97 526 | 95 511 | 95 919 | 106 527 | 102 039 |
| Total liabilities | 156 883 | 151 106 | 153 005 | 164 667 | 157 417 |
| TOTAL EQUITY AND LIABILITIES | 257 462 | 249 287 | 258 200 | 266 329 | 257 840 |

CONSOLIDATED STATEMENT OF CASH FLOWS PER QUARTER, CONDENSED

| EUR'000s | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 |
|---|----------------|-----------------|-----------------|-----------------|----------------|
| Operating profit | 3 653 | (833) | 5 141 | 16 254 | 2 214 |
| Adjustments for non-cash items | 6 195 | 8 922 | 6 911 | 7 080 | 7 139 |
| Cash flow from changes in working capital | 2 896 | 6 279 | 2 359 | 8 350 | 1 119 |
| Net income taxes paid | - | 6 469 | 3 214 | (11 378) | - |
| Cash flow from operating activities | 12 744 | 20 837 | 17 625 | 20 306 | 10 472 |
| Acquisition of property, plant and equipment | (154) | (110) | (96) | (92) | (102) |
| Acquisition of intangible assets | (3 370) | (2 908) | (2 408) | (3 013) | (2 163) |
| Acquisition of subsidiaries | (4 500) | - | (579) | - | (3 000) |
| Investment of associate accounted for using the equity method | (1 121) | - | - | - | - |
| Proceeds on sale of subsidiaries and assets | - | - | 861 | 2 000 | - |
| Cash flow from investing activities | (9 145) | (3 018) | (2 222) | (1 105) | (5 265) |
| Bond financing | - | 48 298 | - | - | - |
| Loan financing | 5 000 | (50 343) | (10 000) | (10 000) | - |
| Lease liabilities | (890) | (539) | (1 097) | (807) | (800) |
| Share buyback | - | (4 891) | - | - | - |
| Proceeds from share issue/other equity securities | - | - | 416 | - | - |
| Cash dividends paid out to shareholders | - | (6 955) | - | (7 258) | - |
| Cash flow from financing activities | 4 110 | (14 430) | (10 681) | (18 065) | (800) |
| Net increase/(decrease) in cash and cash equivalents | 7 709 | 3 389 | 4 722 | 1 136 | 4 407 |
| Cash and cash equivalents at start of the period | 63 340 | 59 806 | 55 561 | 54 326 | 50 738 |
| Currency effects on cash and cash equivalents | (240) | 145 | (477) | 99 | (819) |
| Cash and cash equivalents at end of period | 70 809 | 63 340 | 59 806 | 55 561 | 54 326 |
| <i>of which restricted cash (player funds)</i> | <i>16 564</i> | <i>15 801</i> | <i>13 491</i> | <i>15 265</i> | <i>12 120</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 attributable to owners of the Parent Company divided by the weighted average number of shares outstanding during the period

EARNINGS PER SHARE AFTER DILUTION

Total comprehensive income for the period attributable to owners of the Parent Company 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, among others, costs for third-party gaming vendors, fees paid to payment service providers, and gaming taxes

HOLD

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

ITEMS AFFECTING COMPARABILITY

Pertains to 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 defined as items affecting comparability. Gaming taxes that have arisen for historical periods following a revised assessment and one-offs sanction fees are also included in items affecting comparability

NET DEBT EXCLUDING PLAYER LIABILITIES

The company's interest-bearing liabilities less cash and cash equivalents excluding player balances

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 (NDC)

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 (RDC)

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

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 and current assets

OTHER DEFINITIONS

GAMING 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, the UK, Spain 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 gaming and that have issued licences that operators can apply for

LOCALLY TAXED REVENUES

Revenues from locally regulated markets and markets where the company pays gaming tax

MOBILE DEVICES

Smartphones and tablets

NET PROFIT

Profit less all expenses, including interest and tax

PLATFORM

LeoVegas has two technical platforms for its wholly owned brands, both of which are owned, controlled and further developed by the Group

REVENUE

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