



# LeoVegas

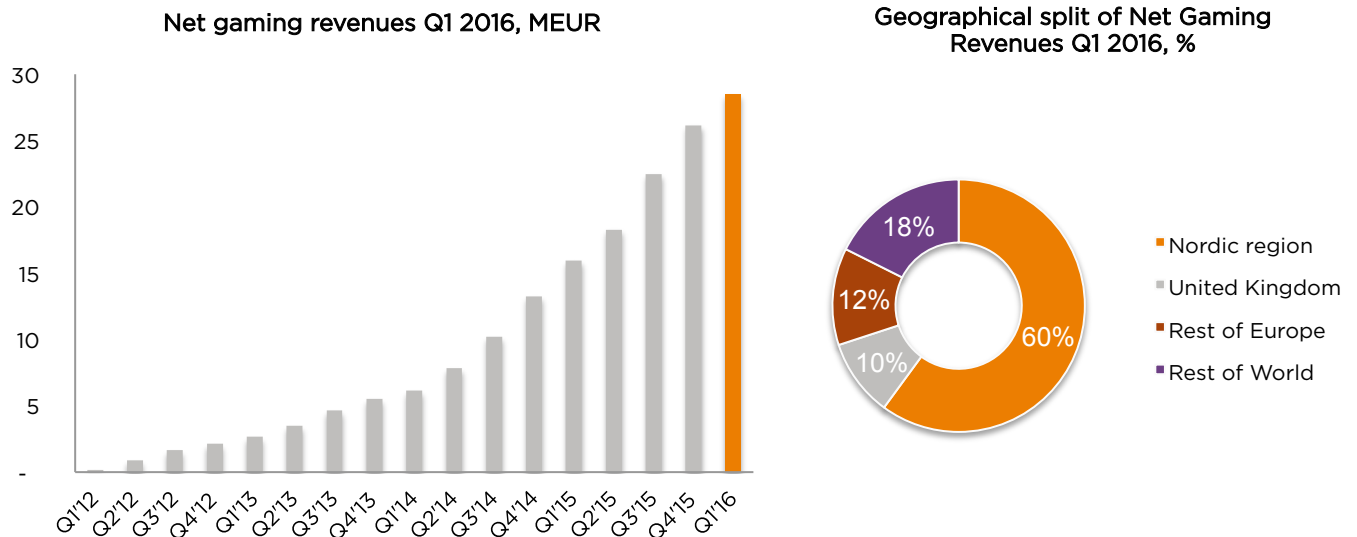
## MOBILE GAMING GROUP

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

## Stock market introduction, strong growth and good profitability

### First quarter: 1 January–31 March 2016

- Revenue grew 85.9% to EUR 29.5 m (15.9). Revenue was negatively affected by currency effects totalling EUR 0.5 m. Growth was entirely organic.
- Mobile deposits accounted for 61% (54%) of total.
- Customer deposits increased by 73% to EUR 80.5 m (46.5). The number of depositing customers was 121,615 (65,122), an increase of 87%.
- EBITDA amounted to EUR -1.3 m (0.2), corresponding to an EBITDA margin of -4.4% (1.0%). Earnings were charged with costs of SEK 5.3 m in connection with the company's Initial Public Offering. Adjusted for items affecting comparability of EUR 5.3 m, EBITDA was EUR 4.0 m (0.2), corresponding to an adjusted EBITDA margin of 13.5% (1.0%).
- Operating profit (EBIT) was EUR -1.6 m (0.0). Adjusted for items affecting comparability, operating profit was EUR 3.7 m (0.0), corresponding to an adjusted EBIT margin of 12.6%.
- Earnings per share were EUR -0.02 (-0.00).



### Events during the first quarter

- LeoVegas was listed on Nasdaq First North Premier on 17 March 2016. The IPO gave rise to non-recurring items affecting comparability of EUR 5.3 m in first quarter earnings.
- Development of LeoVegas Sport with a view to attaining a leading product for mobile sports betting.
- Development of LeoVegas Live Casino, with a leading mobile offering for gaming.
- LeoVegas was launched in Canada, Slovakia and the Czechia.
- On 4 February 2016 an Extraordinary General Meeting was held in Stockholm, at which a number of resolutions were passed to prepare LeoVegas for its Initial Public Offering.
- At the International Gaming Awards, LeoVegas was named as Online Casino Operator of the Year. In addition, LeoVegas won another six, prestigious distinctions during the quarter, including Mobile Operator of the Year at the EGR Nordics Awards.

### Events after the end of the quarter

- LeoVegas Sport was launched during May in selected markets.

## CEO's comments

***“The first quarter was very exciting and productive, with a successful listing of the company on Nasdaq First North Premier, preparations ahead of the launch of LeoVegas Sport and strong growth combined with good profitability.”***



The first quarter of 2016 was very exciting and productive. The stock market introduction of LeoVegas on Nasdaq First North Premier on 17 March, with the ticker symbol “LEO”, was very successful, and we are happy to welcome the new shareholders to LeoVegas. The stock market listing provides a platform for continued strong growth. During the process, LeoVegas made a good footprint in Sweden and internationally. Our cash position is strong, and our future outlook is favourable.

Financially, as well, performance during the first quarter was favourable. We continued to show strong organic growth and good profitability during a quarter in which most of management's time was focused on ensuring a successful Initial Public Offering. The fact that we reported strong growth during the first quarter with good profitability shows the long-term strength of our business model and of the organisation as a whole.

Product development work during the quarter was very intense. I would like to begin by mentioning that our work on LeoVegas Sport is on track, with the launch now slated for mid-May. LeoVegas Sport will offer a new mobile gaming experience for everyone interested in sports betting. The goal has been to combine LeoVegas' leading technology that offers speed on mobile devices – which was originally developed for mobile casino – with Kambi's latest sports betting technology. The ambition is to offer the market's fastest and most engaging mobile sports betting. Special emphasis is being put on betting during live matches with betting on events as they unfold. The trend is moving fast towards the increasingly central role that mobiles will play in our overall spectator experience.

The opportunity to launch the product in advance of a major sporting event such as the UEFA European Championship is extra exciting. In parallel with our work on LeoVegas Sport we have continued to further develop our Live Casino offering. LeoVegas' will thanks to several new game providers offer more tables and gaming opportunities via mobile devices than any other operator, along with a gaming experience that is

streamed live from a studio environment or directly from land based casinos. LeoVegas' product strategy, to achieve a leading, integrated mobile gaming experience, will thereby be continued with the rolling out of LeoVegas Sport and LeoVegas Live Casino as fully integrated parts of LeoVegas' award-winning gaming experience mid-way into the second quarter.

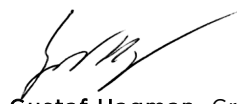
LeoVegas has continued to develop in line with our vision: to create the ultimate gaming experience and be number one in mobile gaming. Mobile devices accounted for 61% of deposits during the quarter, which is considerably higher than the industry as a whole and solidifies the mobile gaming group LeoVegas' leading position. Owing to our focus on offering the best mobile gaming experience, in early 2016 we won seven awards, including as Mobile Operator of the Year at the EGR Nordic Awards and as Casino Operator of the Year at the International Gaming Awards.

Revenue grew 86% during the first quarter, and EBITDA adjusted for non-recurring costs amounted to EUR 4.0 m (0.2), corresponding to a margin of 13.5%. The adjusted EBITDA margin grew significantly as a result of lower marketing costs in relation to revenue. In connection with the launch of LeoVegas Sport, marketing costs relative to revenue will increase. The number of new and returning customers continued to rise during the quarter. The number of customers who made a deposit with LeoVegas rose 87% during the first quarter, to 121,615. In absolute terms, the Nordic countries and the UK together accounted for 74% of the increase in total deposits during the quarter. Our smaller markets showed the highest percentage growth during the quarter. In Other Europe total deposits grew 196% and in Rest of World and as much as 282%. We also launched operations in Canada, the Czechia and Slovakia, which contributed to growth during the quarter.

LeoVegas' strategy is to prioritise growth. In connection with the launch of LeoVegas Sport, we will increase our investments in marketing and act upon the new opportunities during this major year in the world of sport. This venture represents an exciting growth opportunity and the addition of new customers, even though we will likely see a decrease in profitability in the near term. Our investments in LeoVegas Sport and Live Casino should be viewed from a long-term perspective.

With strong growth, good profitability and our successful stock market introduction behind us, we are looking forward to an exciting and eventful summer.

Stockholm, 11 May 2016

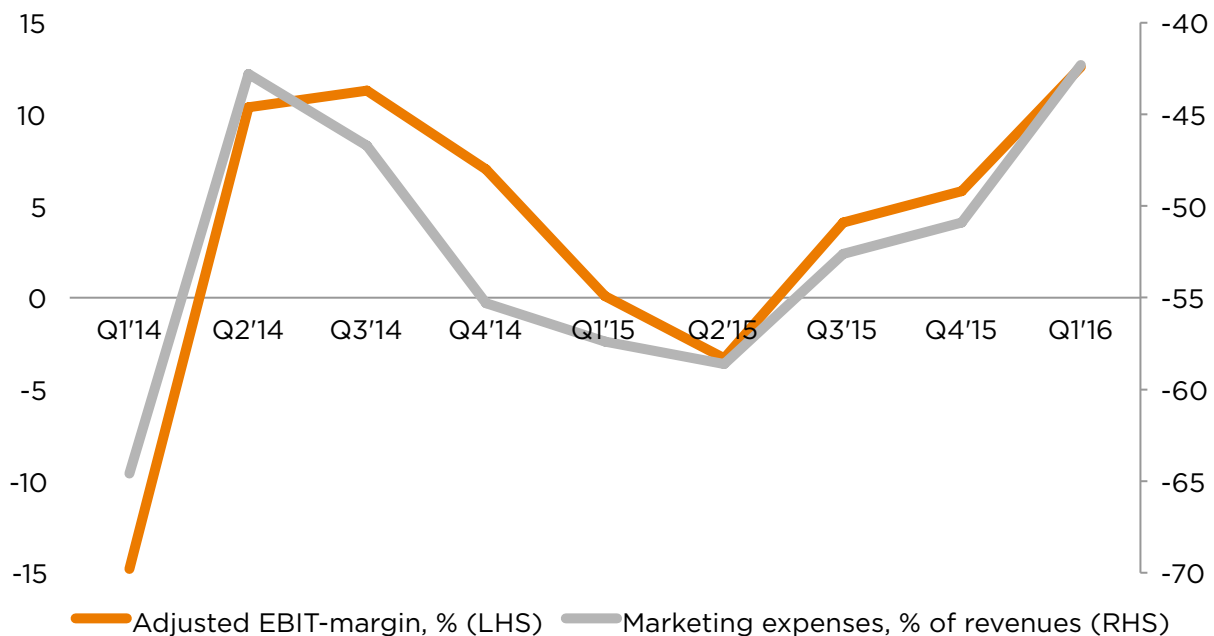


**Gustaf Hagman**, Group CEO, Co-founder  
LeoVegas AB

## Key quarterly performance figures

EUR '000s unless otherwise stated	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<b>Number of depositing customers</b>	<b>121 615</b>	<b>100 852</b>	<b>88 290</b>	<b>71 632</b>	<b>65 122</b>
<i>Growth, y-y %</i>	87%	93%	115%	119%	73%
<i>Growth, q-q %</i>	21%	14%	23%	10%	25%
<b>Deposits</b>	<b>80 495</b>	<b>74 216</b>	<b>66 333</b>	<b>56 292</b>	<b>46 546</b>
<i>Growth, y-y %</i>	73%	80%	103%	111%	105%
<i>Growth, q-q %</i>	8%	12%	18%	21%	13%
<b>Revenue</b>	<b>29 541</b>	<b>26 041</b>	<b>22 586</b>	<b>18 504</b>	<b>15 887</b>
<i>Growth, y-y %</i>	86%	100%	124%	140%	157%
<i>Growth, q-q %</i>	13%	15%	22%	16%	22%
<b>Adjusted EBITDA</b>	<b>3 986</b>	<b>1 739</b>	<b>1 115</b>	<b>(475)</b>	<b>152</b>
<i>Adjusted EBITDA margin, %</i>	13,5%	6,7%	4,9%	-2,6%	1,0%
<b>Adjusted EBIT</b>	<b>3 712</b>	<b>1 508</b>	<b>931</b>	<b>(611)</b>	<b>15</b>
<i>Adjusted EBIT margin, %</i>	12,6%	5,8%	4,1%	-3,3%	0,1%
<b>Marketing expenses</b>	<b>12 510</b>	<b>13 250</b>	<b>11 886</b>	<b>10 846</b>	<b>9 124</b>
<i>Marketing expenses as % of revenue</i>	42%	51%	53%	59%	57%

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



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

## Group performance Q1

### Revenue, deposits and number of depositing customers

Revenue amounted to EUR 29.5 m (15.9) during the first quarter, an increase of 85.9%. Growth was entirely organic. Sequentially compared with the fourth quarter of 2015, revenue growth was 13.4%. As per the end of March 2016, LeoVegas offered 728 games, of which 473 on mobile devices. At the end of the quarter LeoVegas had 40 game providers.

Total deposits amounted to EUR 80.5 m (46.5) during the quarter, an increase of 73%. Deposits from mobile devices accounted for 61% (54%) of total. In absolute terms, the Nordic countries and the UK together accounted for 74% of the increase in total deposits during the quarter. Our smaller markets showed the highest percentage growth during the quarter. In Other Europe total deposits grew 196% and in Rest of World and as much as 282%. In the Nordic countries and the UK, deposits grew by 48% and 123%, respectively. However, compared with the preceding quarter, deposits in the UK decreased marginally. The main explanation for the decrease was a decision to end a marketing channel that did not reach the required rate of return. The discontinued channel accounted for approximately 15% of deposits in the UK during the fourth quarter. Excluding this marketing channel and currency effects, deposits in the UK increased by 16% sequentially compared with the fourth quarter of 2015.

The number of depositing customers during the first quarter was 121,615 (65,122), which corresponds to an increase of 87%, of which new depositing customers grew by 84% to 60,989 (33,206). The number of returning depositing customers was 60,626 (31,916), an increase of 90%. The number of active customers, which includes customers who only play using bonus funds, was 480,320 (155,371) during the quarter, an increase of 209%.

### Earnings

Gross profit for the quarter increased to EUR 22.7 m (12.1), corresponding to a gross margin of 76.8% (76.0%). The gross margin decreased somewhat compared with the previous quarter due to higher costs for chargebacks. Excluding gaming taxes, the gross margin was 81.4%.

Investments in marketing decreased in relation to revenue during the first quarter but were just about flat in absolute terms. Changes compared to the fourth quarter are mainly attributable to a decrease in marketing via affiliates. Marketing expenses amounted to 42.3% (57.4%) of revenue, compared with 50.9% during the fourth quarter of 2015.

Personnel costs rose at a faster pace than revenue during the quarter as a result of a large number of new hires. LeoVegas' focus on growth requires that the Group can recruit key competencies at a high pace. During a quarter with a high share of new hires, personnel costs in relation to revenue will rise faster. Personnel costs during the quarter corresponded to 13.2% (10.3%) of revenue and 27.5% (9.0%) of operating expenses. The increase in overheads both in terms of personnel, but also with respect to operating expenses, is explained by the need to create a solid platform for future growth. Operating expenses included EUR 5.3 m (0.0) in items affecting comparability, which decreased the operating margin by 17.9 percentage points (0.0). Non-recurring items affecting comparability charged against earnings are attributable to the Initial Public Offering that was carried out during the first quarter of 2016.

EBITDA for the first quarter decreased to EUR -1.3 m (0.2), corresponding to an EBITDA margin of -4.4% (1.0%). Adjusted EBITDA was EUR 4.0 m (0.2), corresponding to an adjusted EBITDA margin of 13.5% (1.0%). Earnings in the underlying business thus increased by EUR 3.6 m compared with the fourth quarter of 2015. The profitability improvement can be credited to a high pace of revenue growth and lower marketing costs in relation to revenues.

Operating profit (EBIT) was EUR -1.6 m (0.0), corresponding to an EBIT margin of -5.3% (0.1%). The outcome represented an earnings decrease compared with the corresponding period a year ago, but an improvement compared with the preceding quarter. Profit for the quarter was charged with EUR 5.3 m in non-recurring items affecting comparability attributable to the IPO. Adjusted EBIT for the quarter was EUR 3.7 m (0.0). The adjusted EBIT margin was 12.6% (0.1%). The earnings increase is a function of a lower marketing investment in relation to revenue (see chart on preceding page).

The tax expense for the quarter was EUR 0.2 m (0.1).

Profit for the period was EUR -1.8 m (-0.1), corresponding to a net margin of -6.1% (-0.3%). Earnings per share were EUR -0.02 (-0.00) before and after dilution.

### Activities during the first quarter

LeoVegas was introduced on Nasdaq First North Premier on 17 March 2016. The work ahead of the stock market listing as well as the outcome on the day of the IPO and in the aftermarket was successful.

During the first quarter LeoVegas launched operations in Canada, Czechia and Slovakia. All three markets contributed to growth during the first quarter.

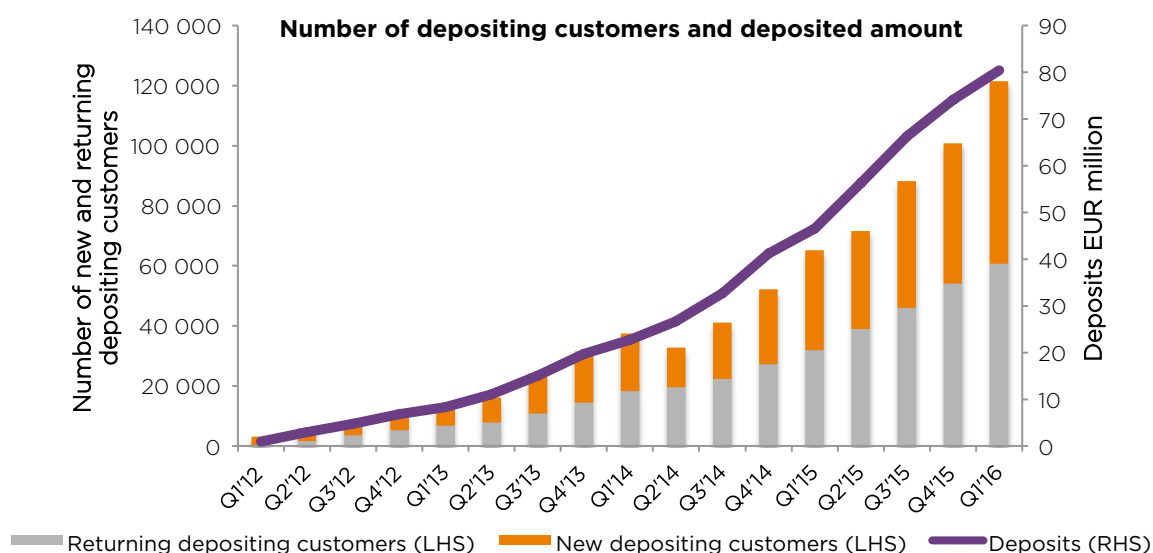
During the quarter LeoVegas decided to expand its mobile casino offering to also include sports betting. The development of LeoVegas Sport was conducted with the aim to attaining a leading position in mobile sports betting. Parallel with this, substantial further development is being conducted of LeoVegas Live Casino. Marketing will begin in mid-May 2016.

LeoVegas' product strategy for attaining a leading, integrated mobile gaming experience includes the launches during the second quarter of LeoVegas Sport and Live Casino as fully integrated parts of LeoVegas' award-winning gaming experience.

LeoVegas won three prestigious awards at the EGR Nordics Awards: Mobile Operator of the Year, Casino Operator of the Year and Nordic Operator of the Year 2016. At the iGaming Business Affiliate Gala, LeoVegas was named as Best Casino Affiliate Program of the Year and Best Casino Affiliate Manager of the Year. Gaming Intelligence Magazine named LeoVegas as Casino Operator of the Year, and also at the International Gaming Awards, LeoVegas earned the distinction as Casino Operator of the Year.

On 4 February an Extraordinary General Meeting was held in Stockholm. The EGM resolved in favour of the following proposals submitted by the Board:

- the Board shall no longer have any deputy members
- to carry out a bonus issue, increasing the share capital by EUR 1.1 m
- to carry out a 1:4 stock split, whereby each existing share is converted to four new shares
- to establish a nomination committee consisting of Robin Ramm-Ericson, Erik Åfors and Anders Fast (committee chair)
- to authorise the Board of Directors, on one occasion before the next Annual General Meeting, to decide on a new issue of a maximum of 20,000,000 shares (after the split)



### Balance sheet and financing

At the end of March 2016 the Group's equity amounted to EUR 34.6 m (15.0 at 31 March 2015 and 16.5 at 31 December 2015), or EUR 0.37 per share. The Group's financial position is strong, and LeoVegas has no interest-bearing loan liabilities to credit institutions. The equity/assets ratio was 60% (61%). Total assets as per 31 March 2016 were EUR 57.4 m (24.5). The consolidated balance sheet includes customer deposits. Customer balances at the end of the first quarter amounted to EUR 2.9 m (0.9). Provisions for potential jackpot wins and bonus costs amounted to EUR 0.4 m at the end of the quarter (0.9).

Cash and cash equivalents amounted to EUR 30.2 m (18.3). Cash and cash equivalents excluding for customer balances amounted to 27.3 m (17.4). As per 31 March 2016 the company had not received the proceeds from the Initial Public Offering. The proceeds have been booked as a receivable on the balance sheet under trade receivables and other receivables.

### Cash flow and investments

Cash flow from operating activities increased during the first quarter to EUR 8.7 m (1.1). The increase is attributable to the earnings and to a lower level of working capital during the period. The change in working capital during the first quarter was EUR 9.7 m (1.1). The change is mainly attributable to costs for the company's IPO, EUR 5.3 m in higher trade payables and that current liabilities increased as a result of a jackpot win which happened at the end of the quarter but which had not yet been fully paid out.

Investments in non-current assets amounted to EUR 0.2 m (0.1). Investments consisted primarily of new office premises. Investments in intangible assets during the quarter amounted to EUR 0.6 m (0.3) and consisted primarily of capitalised development costs.



## Other information

### Events after the end of the quarter

- LeoVegas Sport was launched in the month of May in selected markets.

### 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, primarily against pounds sterling and the Swedish krona, had a negative effect on revenue by EUR 0.5 m, of which about half pertained to movements in pounds sterling.

### Seasonal variations

Customers use LeoVegas' gaming services year-round, which mean that seasonal variations tend to be rather low. The company's fast growth will help smooth any temporary downturns in gaming activity.

### Personnel

The number of full-time employees at the end of the quarter was 280 (125). The average number of employees during the first quarter was 254 (115). In addition, LeoVegas used the services of 8 (12) full-time consultants at the end of the quarter.

### Related-party transactions

No material changes have taken place for the Group or Parent Company in relations or transactions with related parties compared with the description provided in the 2015 Annual Report.

### Shares and ownership structure

LeoVegas AB was listed on Nasdaq First North Premier on 17 March 2016. The total number of shares and votes in LeoVegas AB is 99,659,470. As per the end of April 2016 the company had 10,731 shareholders. The six largest shareholders were Gustaf Hagman, with 8.0%, Robin Ramm-Ericson, with 6.9%, Peak AM Securities, with 5.5%, SBH Group AB, with 4.7%, Danica Pension Försäkrings AB, with 4.2%, and Aggregate Media Fund V KB, with 3.6% of the shares and votes.

### Annual General Meeting 2016

LeoVegas will hold its Annual General Meeting at 12:00 (CET) on 26 May 2016 at the Stockholm Grand theatre, Sveavägen 45, in Stockholm. Doors will open at 11:00. To notify attendance, please call +46-(0)8-402 90 97 or notify attendance on LeoVegas' website: [www.leovegasgroup.com](http://www.leovegasgroup.com).

### Accounting policies

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IAS/IFRS, as endorsed by the European Union), as issued by the International Accounting Standards Board, interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), the Swedish Annual Accounts Act and Swedish Financial Reporting Board (RFR) standard RFR 1 "Supplementary Accounting Rules for Groups". This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The most important accounting policies under IFRS, which are the accounting policies adhered to in the preparation of this interim report, are described in Note 2, pages 60-64, of the 2015 Annual Report. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 "Accounting for Legal Entities".

During the first quarter of 2016 the company identified a non-recurring expense item affecting comparability that affects the profitability ratios. This pertains to costs associated with the company's preparations ahead of its Initial Public Offering. The cost in the first quarter amounted to SEK 5.3 m and is recognised as an operating expense. IPO-related costs recognised during the fourth quarter of 2015 amounted to EUR 0.6 m. The total cost for listing was EUR 6.3 m, of which EUR 0.4 m is recognized against the proceeds in equity.

### Risks and uncertainties

The main risk and uncertainty facing LeoVegas is the general legal status for online gaming. Decisions and changes in laws and rules may affect LeoVegas' business activities and expansion opportunities. An ongoing debate is focusing attention on the fact that the EU countries should adapt their local laws to EU law governing free movement of products and services. Since most of LeoVegas' customers are active in Europe, the legal status in the EU has most significance for the company's existing operations, however, developments outside of the EU are also of interest, in part because of LeoVegas' existing operations, but primarily as they may affect the company's expansion and future plans. Developments in the legal area are monitored and addressed on a continuous basis within LeoVegas. Other risks that could affect LeoVegas are market-related risks and financial risks, such as currency and liquidity risks. Market risks and financial risks are monitored and followed up as a continuous part of operations. A detailed description of financial risks is provided in the 2015 Annual Report.

### Parent Company

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

During the first quarter, revenue amounted to EUR 0.03 m (0.01), and profit after tax was EUR -5.6 m (0.02). Cash and cash equivalents amounted to EUR 5.8 m (8.4).

### Future outlook

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

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

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



## Board of Directors' and CEO's assurance

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

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 earnings, and describes the significant risks and uncertainties facing the parent company and the companies included in the Group.

Stockholm, 11 May 2016

**Robin Ramm-Ericson**  
Chairman of the Board  
Audit Committee Chair

**Per Brilioth**  
Director  
Audit Committee member

**Barbara Canales Rivera**  
Director  
Remuneration Committee member

**Mårten Forste**  
Director  
Remuneration Committee Chair

**Anna Frick**  
Director  
Remuneration Committee member

**Patrik Rosén**  
Director  
Audit Committee member

**Gustaf Hagman**  
President and CEO

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

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

### For further information, please contact:

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### Financial calendar 2016/2017

<u>Interim report Jan.-Jun. 2016</u>	<u>10 Aug. 2016</u>
<u>Interim report Jan.-Sep. 2016</u>	<u>9 Nov. 2016</u>
<u>Year-end report Jan.-Dec. 2016</u>	<u>15 Feb. 2017</u>

## Consolidated income statement

EUR'000s	Jan-Mar 2016	Jan-Mar 2015	2015	2014
<b>Revenue</b>	<b>29 541</b>	<b>15 887</b>	<b>83 018</b>	<b>36 992</b>
Cost of sales	(6 868)	(3 809)	(18 628)	(8 604)
<b>Gross profit</b>	<b>22 673</b>	<b>12 078</b>	<b>64 390</b>	<b>28 388</b>
Personnel costs	(3 895)	(1 631)	(9 183)	(4 345)
Capitalised development costs	638	228	1 433	646
Operating expenses	(8 136)	(1 433)	(9 776)	(3 497)
Marketing expenses	(12 510)	(9 124)	(45 106)	(19 211)
Other income and expenses	(67)	34	(565)	236
<b>EBITDA</b>	<b>(1 297)</b>	<b>152</b>	<b>1 193</b>	<b>2 217</b>
Depreciation and amortisation	(274)	(137)	(688)	(292)
<b>Operating profit (EBIT)</b>	<b>(1 571)</b>	<b>15</b>	<b>505</b>	<b>1 925</b>
Net financial income	1	0	7	1
<b>Profit before tax</b>	<b>(1 570)</b>	<b>15</b>	<b>512</b>	<b>1 926</b>
Income tax	(219)	(68)	(82)	(207)
<b>Net profit for the period*</b>	<b>(1 789)</b>	<b>(53)</b>	<b>429</b>	<b>1 719</b>
<b>Earnings per share</b>	<b>(0,02)</b>	<b>(0,00)</b>	<b>0,02</b>	<b>0,08</b>
<b>Earnings per share after dilution</b>	<b>(0,02)</b>	<b>(0,00)</b>	<b>0,02</b>	<b>0,07</b>
Number of shares outstanding adjusted for share split (million)	99,66	22,44	23,46	22,44
Number of diluted shares outstanding adjusted for share split (million)	101,66	23,64	23,96	23,64
<b>Key ratios</b>				
Gross margin, %	76,8%	76,0%	77,6%	76,7%
Personnel costs as % of revenue	13,2%	10,3%	11,1%	11,7%
Operating expenses as % of revenue	27,5%	9,0%	11,8%	9,5%
Marketing expenses as % of revenue	42,3%	57,4%	54,3%	51,9%
EBITDA, margin %	(4,4%)	1,0%	1,4%	6,0%
EBIT, margin %	(5,3%)	0,1%	0,6%	5,2%
Net margin, %	(6,1%)	(0,3%)	0,5%	4,6%

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

## Consolidated balance sheet, condensed

EUR '000s	31 Mar 2016	31 Mar 2015	31 Dec 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	777	595	694
Intangible assets	4 333	1 761	3 872
Deferred tax assets	7	0	7
<b>Total non-current assets</b>	<b>5 117</b>	<b>2 356</b>	<b>4 573</b>
<b>Current assets</b>			
Trade receivables	19 667	2 953	4 045
Other current receivables	2 465	916	1 813
Cash and cash equivalents	30 176	18 328	22 605
<b>Total current assets</b>	<b>52 308</b>	<b>22 197</b>	<b>28 464</b>
<b>TOTAL ASSETS</b>	<b>57 425</b>	<b>24 553</b>	<b>33 036</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	1 196	25	57
Additional paid-in capital	36 411	16 682	17 689
Retained earnings /(Accumulated losses)	(2 987)	(1 680)	(1 198)
<b>Equity attributable to owners of the Parent Company</b>	<b>34 620</b>	<b>15 027</b>	<b>16 548</b>
Non-current liabilities	906	0	906
<b>Total non-current liabilities</b>	<b>906</b>	<b>0</b>	<b>906</b>
<b>Current liabilities</b>			
Trade and other payables	10 400	3 781	4 748
Player liabilities	2 879	879	3 246
Other liabilities	446	659	621
Accrued expenses	8 174	4 207	6 968
<b>Total current liabilities</b>	<b>21 899</b>	<b>9 526</b>	<b>15 583</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57 425</b>	<b>24 553</b>	<b>33 036</b>

## Consolidated statement of cash flows, condensed

EUR '000s	Jan-Mar 2016	Jan-Mar 2015	2015
Operating profit	(1 571)	15	505
Adjustments for non-cash items	538	(16)	680
Cash flow from changes in working capital	9 693	1 101	5 206
<b>Cash flow from operating activities</b>	<b>8 660</b>	<b>1 100</b>	<b>6 393</b>
Acquisition of property, plant and equipment	(172)	(132)	(600)
Acquisition of intangible assets	(646)	(300)	(1 533)
Acquisition of subsidiaries	0	0	(156)
<b>Cash flow from investing activities</b>	<b>(818)</b>	<b>(431)</b>	<b>(2 289)</b>
Proceeds from share issue/other equity securities	0	25	1 004
<b>Cash flow from financing activities</b>	<b>0</b>	<b>25</b>	<b>1 004</b>
Net increase in cash and cash equivalents	7 842	693	5 107
Cash and cash equivalents at start of period	22 605	17 483	17 483
Currency effects on cash and cash equivalents	(271)	152	15
<b>Cash and cash equivalents at end of period</b>	<b>30 176</b>	<b>18 328</b>	<b>22 605</b>

## Consolidated statement of changes in equity\*

EUR'000s	Share Capital	Share capital not yet registered	Other capital contribution	Retained earnings	Total equity
<b>Balance at 1 January 2015</b>	<b>24</b>	<b>1</b>	<b>16 682</b>	<b>(1 627)</b>	<b>15 080</b>
Profit for the year	-	-	-	(53)	(53)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(53)</b>	<b>(53)</b>
<b>Transactions with shareholders in their capacity as owners:</b>					
New share issue through exercise of warrants	1	(1)	-	-	-
<b>Balance at 31 March 2015</b>	<b>25</b>	<b>-</b>	<b>16 682</b>	<b>(1 680)</b>	<b>15 027</b>
<b>Balance at 1 January 2016</b>	<b>57</b>	<b>-</b>	<b>17 689</b>	<b>(1 198)</b>	<b>16 548</b>
Profit for the year	-	-	-	(1 789)	(1 789)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 789)</b>	<b>(1 789)</b>
<b>Transactions with shareholders in their capacity as owners:</b>					
New share issue incl. issue costs	70	-	19 791	-	19 861
Bonus issue	1 069	-	(1 069)	-	-
<b>Balance at 31 March 2016</b>	<b>1 196</b>	<b>-</b>	<b>36 411</b>	<b>(2 987)</b>	<b>34 620</b>

\* There are no non-controlling interests (minority interests) in the Group; all equity is therefore attributed to owners of the Parent Company.

## Parent company income statement, condensed

EUR '000s	Jan-Mar 2016	Jan-Mar 2015	2015
<b>Revenue</b>	<b>32</b>	<b>12</b>	69
Operating expenses	(5 658)	(84)	(1 135)
Other income and expenses	(99)	-	-
<b>Operating profit (EBIT)</b>	<b>(5 725)</b>	<b>(72)</b>	<b>(1 066)</b>
Net financial income	120	94	493
Tax cost	-	-	-
<b>Loss for the period</b>	<b>(5 605)</b>	<b>22</b>	<b>(573)</b>

## Parent company balance sheet

EUR '000s	31 Mar 2016	31 Mar 2015	31 Dec 2015
<b>ASSETS</b>			
Total non-current assets	8 897	7 735	8 318
Current assets	17 386	333	1 584
Cash and cash equivalents	5 754	8 425	7 321
<b>Total current assets</b>	<b>23 140</b>	<b>8 758</b>	<b>8 905</b>
<b>TOTAL ASSETS</b>	<b>32 037</b>	<b>16 494</b>	<b>17 223</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>	<b>30 994</b>	<b>16 292</b>	<b>16 738</b>
<b>Total liabilities</b>	<b>1 043</b>	<b>201</b>	<b>485</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32 037</b>	<b>16 494</b>	<b>17 223</b>
Pledged assets/contingent liabilities	10 233	8 061	9 531

## KPIs per quarter

Amounts in EUR '000s unless otherwise stated	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<b>Deposits</b>	<b>80 495</b>	<b>74 216</b>	<b>66 333</b>	<b>56 292</b>	<b>46 546</b>
<i>Growth, Deposits, y-y %</i>	73%	80%	103%	111%	105%
<i>Growth, Deposits, q-q %</i>	8%	12%	18%	21%	13%
<b>Deposits per geography</b>					
<i>Nordic region, % Deposits</i>	66,4%	68,3%	71,0%	73,4%	77,8%
<i>UK, % Deposits</i>	18,1%	19,8%	18,2%	16,9%	14,0%
<i>Rest of Europe, % Deposits</i>	8,7%	6,3%	5,5%	4,9%	5,1%
<i>Rest of the World, % Deposits</i>	6,8%	5,6%	5,3%	4,8%	3,1%
<b>Net Gaming Revenue (NGR)</b>	<b>28 497</b>	<b>26 124</b>	<b>22 461</b>	<b>18 285</b>	<b>15 943</b>
<i>Growth Net Gaming Revenue, y-y %</i>	115%	97%	120%	133%	159%
<i>Growth Net Gaming Revenue, q-q %</i>	9%	16%	23%	15%	20%
<b>Net Gaming Revenue (NGR) per geography</b>					
<i>Nordic region, % Net Gaming Revenue</i>	60,1%	64,4%	68,1%	70,6%	77,7%
<i>UK, % Net Gaming Revenue</i>	17,6%	22,1%	18,5%	15,8%	12,9%
<i>Rest of Europe, % Net Gaming Revenue</i>	9,9%	7,4%	5,3%	5,9%	5,7%
<i>Rest of the World, % Net Gaming Revenue</i>	12,4%	6,1%	8,2%	7,7%	3,7%
<b>Number of active customers</b>	<b>480 320</b>	<b>247 971</b>	<b>236 156</b>	<b>184 158</b>	<b>155 371</b>
<i>Growth active customers, y-y %</i>	209%	130%	176%	298%	52%
<i>Growth active customers, q-q %</i>	94%	5%	28%	19%	44%
<b>Number of depositing customers</b>	<b>121 615</b>	<b>100 852</b>	<b>88 290</b>	<b>71 632</b>	<b>65 122</b>
<i>Growth depositing customers, y-y %</i>	87%	93%	115%	119%	73%
<i>Growth depositing customers, q-q %</i>	21%	14%	23%	10%	25%
<b>Number of new depositing customers</b>	<b>60 989</b>	<b>46 690</b>	<b>42 378</b>	<b>32 733</b>	<b>33 206</b>
<i>Growth new depositing customers, y-y %</i>	84%	87%	125%	149%	73%
<i>Growth new depositing customers, q-q %</i>	31%	10%	29%	-1%	33%
<b>Number of returning depositing customers</b>	<b>60 626</b>	<b>54 162</b>	<b>45 912</b>	<b>38 899</b>	<b>31 916</b>
<i>Growth returning depositing customers, y-y %</i>	90%	99%	106%	99%	74%
<i>Growth returning depositing customers, q-q %</i>	12%	18%	18%	22%	17%



## Consolidated income statement per quarter

EUR'000s	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<b>Revenue</b>	<b>29 541</b>	<b>26 041</b>	<b>22 586</b>	<b>18 504</b>	<b>15 887</b>
Cost of sales	(6 868)	(5 618)	(4 672)	(4 529)	(3 809)
<b>Gross profit</b>	<b>22 673</b>	<b>20 422</b>	<b>17 914</b>	<b>13 975</b>	<b>12 078</b>
Personnel costs	(3 895)	(3 047)	(2 471)	(2 034)	(1 631)
Capitalised development costs	638	675	275	255	228
Operating expenses	(8 136)	(3 722)	(2 766)	(1 855)	(1 433)
Marketing expenses	(12 510)	(13 250)	(11 886)	(10 846)	(9 124)
Other income and expenses	(67)	(678)	49	30	34
<b>EBITDA</b>	<b>(1 297)</b>	<b>401</b>	<b>1 115</b>	<b>(475)</b>	<b>152</b>
Depreciation and amortisation	(274)	(231)	(184)	(135)	(137)
<b>Operating profit (EBIT)</b>	<b>(1 571)</b>	<b>170</b>	<b>931</b>	<b>(611)</b>	<b>15</b>
Net financial income	1	6	1	0	0
<b>Profit before tax</b>	<b>(1 570)</b>	<b>176</b>	<b>932</b>	<b>(610)</b>	<b>15</b>
Income tax	0	(219)	(20)	(12)	(68)
<b>Net profit for the period*</b>	<b>(1 789)</b>	<b>156</b>	<b>919</b>	<b>(593)</b>	<b>(53)</b>
<b>Earnings per share</b>	<b>(0,02)</b>	<b>0,01</b>	<b>0,04</b>	<b>0,03</b>	<b>(0,00)</b>
<b>Earnings per share after dilution</b>	<b>(0,02)</b>	<b>0,01</b>	<b>0,04</b>	<b>0,03</b>	<b>(0,00)</b>
Number of shares outstanding adjusted for share split (million)	99,66	23,46	23,46	22,67	22,44
Number of diluted shares outstanding adjusted for share split (million)	101,66	23,96	23,96	23,17	23,64
<b>Key ratios</b>					
Gross margin, %	76,8%	78,4%	79,3%	75,5%	76,0%
Personnel costs as % of revenue	13,2%	11,7%	10,9%	11,0%	10,3%
Operating expenses as % of revenue	27,5%	14,3%	12,2%	10,0%	9,0%
Marketing expenses as % of revenue	42,3%	50,9%	52,6%	58,6%	57,4%
EBITDA, margin %	(4,4%)	1,5%	4,9%	(2,6%)	1,0%
EBIT, margin %	(5,3%)	0,7%	4,1%	(3,3%)	0,1%
Net margin, %	(6,1%)	0,6%	4,1%	(3,2%)	(0,3%)

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

## Consolidated balance sheet per quarter, condensed

EUR '000s	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	777	694	738	663	595
Intangible assets	4 333	3 872	2 027	1 918	1 761
Deferred tax assets	7	7	0	0	0
<b>Total non-current assets</b>	<b>5 117</b>	<b>4 573</b>	<b>2 765</b>	<b>2 581</b>	<b>2 356</b>
<b>Current assets</b>					
Trade receivables	19 667	4 045	3 780	4 476	2 953
Other current receivables	2 465	1 813	1 668	1 147	916
Cash and cash equivalents	30 176	22 605	19 065	17 654	18 328
<b>Total current assets</b>	<b>52 308</b>	<b>28 464</b>	<b>24 513</b>	<b>23 278</b>	<b>22 197</b>
<b>TOTAL ASSETS</b>	<b>57 425</b>	<b>33 036</b>	<b>27 278</b>	<b>25 858</b>	<b>24 553</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	1 196	57	57	55	25
Additional paid-in capital	36 411	17 689	17 553	17 555	16 682
Retained earnings /(Accumulated losses)	(2 987)	(1 198)	(1 352)	(2 271)	(1 680)
<b>Equity attributable to owners of the Parent Company</b>	<b>34 620</b>	<b>16 548</b>	<b>16 528</b>	<b>15 339</b>	<b>15 027</b>
Non-current liabilities	906	906	0	0	0
<b>Total non-current liabilities</b>	<b>906</b>	<b>906</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>					
Trade and other payables	10 400	4 748	3 705	4 211	3 781
Player liabilities	2 879	3 246	1 204	1 243	879
Other liabilities	446	621	970	864	659
Accrued expenses	8 174	6 968	5 141	4 201	4 207
<b>Total current liabilities</b>	<b>21 899</b>	<b>15 583</b>	<b>11 020</b>	<b>10 519</b>	<b>9 526</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57 425</b>	<b>33 036</b>	<b>27 278</b>	<b>25 858</b>	<b>24 553</b>

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

## Consolidated statement of cash flows per quarter

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

## Definitions

### Active customers

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

### Average number of full-time employees

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

### Cash and cash equivalents

Balances in bank accounts plus e-wallet balances

### Depositing customers

Customers who have made a cash deposit during the period

### Deposits

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

### Earnings per share

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

### EBIT

Earnings before interest and tax

### EBIT margin %

EBIT in relation to revenue

### EBITDA

Earnings before interest, tax, depreciation and amortisation

### EBITDA margin %

EBITDA in relation to revenue

### Equity/assets ratio %

Shareholders' equity divided by total assets, multiplied by 100

### Gross profit

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

### Locally regulated markets

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

### Mobile devices

Smartphones and tablets

### Net gaming revenue (NGR)

Total cash bets placed less all winnings payable to customers after bonus costs and pooled jackpot contributions

### Net profit

Profit after all costs including interest and tax

### New depositing customer (NDC)

A customer that has made his/her first cash deposit during the period

### Number of outstanding shares

Number of shares outstanding at the end of the period

### Operating cash flow

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

### Organic growth

Growth not including acquisitions. Currency effects are not excluded.

### Operating profit

Profit before interest and tax

### Returning depositing customer (RDC)

A customer that has made a cash deposit during the period but made his/her first deposit in an earlier period

### Revenue

Net gaming revenue plus adjustments for corrections, changes in local jackpot provisions and unconverted bonus provisions