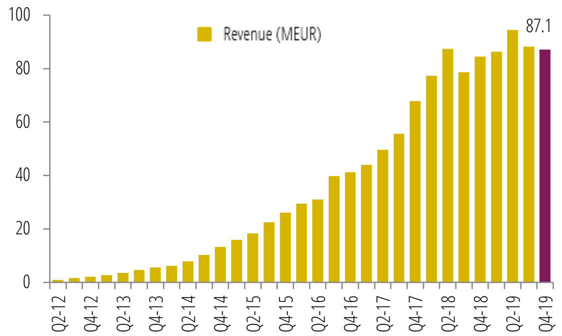
LeoVegas' passion is "Leading the way into the mobile future". LeoVegas is the premier GameTech company and is at the forefront of using state-of-the-art technology for mobile gaming. A large part of this success can be credited to an extreme product and technology focus coupled with effective, data-driven marketing. Technology development is conducted in Sweden, while operations are based in Malta. LeoVegas offers casino, live casino and sports betting, and operates two global and scalable brands – LeoVegas and Royal Panda – as well as a number of local brands. LeoVegas is a global group in which LeoVegas AB (publ.) is the Parent Company. LeoVegas AB (publ.) does not conduct any gaming activities; the operational activities are conducted by subsidiaries within the Group. The company's shares are listed on Nasdaq Stockholm.

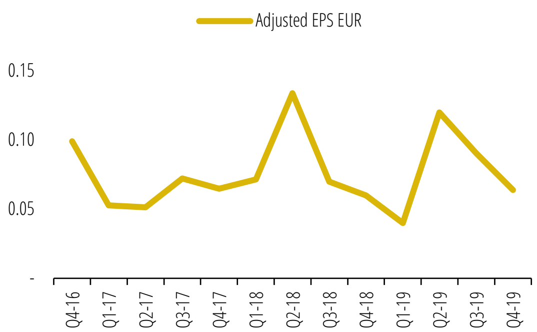
For more information about LeoVegas, visit www.leovegasgroup.com

QUARTERLY REPORT 1 OCTOBER – 31 DECEMBER 2019

FOURTH QUARTER 2019: 1 OCTOBER – 31 DECEMBER

- Revenue increased by 3% to EUR 87.1 m (84.5). Organic growth in local currencies was 3%.
- The number of depositing customers was 351,613 (327,156), an increase of 7%.
- Net Gaming Revenue (NGR) from locally regulated markets was 55% (33%) of total NGR.
- EBITDA was EUR 14.5 m (8.1), corresponding to an EBITDA margin of 16.7% (9.6%), while adjusted EBITDA was EUR 9.2 m (8.1), corresponding to a margin of 10.6% (9.6%).
- Operating profit (EBIT) was EUR -2.5 m (2.6), while adjusted EBIT was EUR 6.5 m (6.7), corresponding to an adjusted EBIT margin of 7.5% (8.0%).
- Earnings per share were EUR -0.03 (0.22) before and after dilution.
- Adjusted earnings per share were EUR 0.06 (0.06).





FULL YEAR 2019

- Revenue increased by 9% to EUR 356.0 m (327.8). Organic growth in local currencies was 7% for the full year.
- EBITDA was EUR 49.5 m (41.6). Adjusted EBITDA was EUR 44.2 m (41.1), corresponding to an adjusted EBITDA margin of 12.4% (12.5%).
- Operating profit (EBIT) was EUR 12.7 m (19.2), while adjusted EBIT was EUR 34.0 m (36.2).
- Earnings per share were EUR 0.09 (0.43). Adjusted earnings per share were EUR 0.30 (0.33).

EVENTS DURING THE QUARTER

- LeoVegas investment company LeoVentures sold the subsidiary Authentic Gaming to Genting. The sales price was EUR 15.0 m on a debt-free basis and generated a capital gain of EUR 11.4 m. The capital gain is reported under items affecting comparability for the fourth quarter.
- LeoVegas carried out strategic measures in the UK and has called off a planned move to new offices in Malta. These initiatives will lead to annual cost savings of approximately EUR 3.7 m. Restructuring costs of EUR 6.1 m are reported under items affecting comparability for the fourth quarter. At the same time, an impairment loss of EUR 10.2 m has been recognised for the Royal Panda investment, which is reported under items affecting comparability.
- LeoVegas was issued a fine by the Netherlands Gambling Authority, in line with the fines previously assessed to a number of other gaming companies.
- LeoVegas' gaming licence in Sweden was expanded from two to five years following an administrative court ruling.

EVENTS AFTER THE END OF THE QUARTER

- Preliminary revenue of EUR 30.1 m in January (28.7), representing growth of 5%.
- LeoVegas has decided to remove the financial targets to reach sales of EUR 600 m and EBITDA of EUR 100 m by 2021. At the same time, LeoVegas reaffirms its long-term financial targets to achieve organic growth that outperforms the online gaming market and an EBITDA margin of no less than 15%.
- LeoVegas' current Chairman, Mårten Forste, has been appointed as new COO in Malta.
- The Board of Directors proposes a dividend of SEK 1.40 per share (1.20), an increase of 17%, to be paid out – as in the preceding year – on two occasions during the year.

CEO'S COMMENTS

"We have entered 2020 with good underlying growth and profitability, and an ever-stronger balance sheet"

SUSTAINABILITY AND LONG-TERM GROWTH

During 2019 we worked hard to reduce complexity in the Group, be more efficient and adapt to the changes taking place in the gaming industry. In parallel with this we have enhanced the attraction of our product through new functionality and greater personalisation. We have launched new brands, focused more on Casino, and expanded to new markets. Towards the end of the year we intensified the integration of our previous acquisitions, which is expected to contribute to cost savings and increased economies of scale.

Our investments in sustainability have been particularly meaningful, where LeoVegas is one of the leading operators. For example, today we have some 70 employees who work exclusively with responsible gaming and compliance.

AN INDUSTRY IN CHANGE

2019 was a year characterised by change in our industry, with external challenges coupled to higher demands for compliance, higher gambling taxes and undertainty surrounding future regulation. In the near term this is presenting challenges to navigate in an increasingly complex world, but it also presents long term competitive advantages for a company like LeoVegas, which has a scalable organisation, proprietary technology and focus on sustainable growth along with an increasingly broader revenue base spread across several markets and brands.

We have entered 2020 with a good starting point, with an increasingly efficient organisation and many ongoing initiatives surrounding product innovation and brand expansion. Owing to the increasingly dynamic business environment and a more pronounced focus on profitability, we have decided to remove our financial targets for 2021 while we reiterate our long-term financial targets of organic growth in excess of the market and an EBITDA margin of at least 15%.

At the same time, our underlying profitable growth and favourable financial position have created the foundation for the Board's proposal to raise the dividend for 2019 by 17% to SEK 1.40 per share.

FOURTH QUARTER 2019

Revenue for the fourth quarter amounted to EUR 87.1 m (84.5), representing organic growth of 3%. Growth during the period remained good in most of our markets. Excluding the UK market, organic growth in local currencies was 11%. We are especially pleased with our performance in Sweden, where we continue to take market shares.

EBITDA for the fourth quarter adjusted for items affecting comparability during the period totalled EUR 9.2 m (8.1), corresponding to an EBITDA margin of 10.6% (9.6%). We thereby improved our underlying profit by 13% compared with a year ago despite a higher burden from gambling taxes and increased regulatory complexity, which confirms that our focus on efficiency and cost control is yielding the desired result.

A couple of weeks ago we communicated a number of strategic decisions coupled mainly to the UK and our ambitions to create a less complex and more scalable organisation. These initiatives gave rise to one-off restructuring costs that affected fourth quarter earnings by a total of EUR 6.1 m and are expected to lead to annual cost savings of approximately EUR 3.7 m. The savings consist mainly of platform and product costs, a more efficient organisation and more optimized premises.

During the fourth quarter we recognised a capital gain on the sale of Authentic Gaming, which was sold in October. The capital gain was EUR 11.4 m. EBIT for the fourth quarter was also affected by an impairment loss of EUR 10.2 m related to goodwill in Royal Panda.

MARKETS

We had favourable performance in most of our markets during the full year 2019. Three of our major markets, Sweden, the UK and Germany, underwent major changes during the past year. In Germany, the removal of a key payment services provider affected our revenue during the fourth quarter. Development improved gradually during the quarter in pace with customers finding alternative payment methods. We are now growing again sequentially month-on-month in Germany. We are confidently waiting for clarity regarding what future regulation will look like in Germany. Based on the most recent information, the German federal states are now in agreement to regulate the market at the national level at the end of 2021.

As previously communicated, we are addressing the challenges in the UK by migrating all of our brands in the UK to our proprietary technical platform. In parallel with this we are refining our brand portfolio and closing Royal Panda in the UK. Altogether these measures are leading to a more focused and efficient operation and opening up economies of scale within the Group. Revenue for the remaining operations in the UK, consisting of 13 brands, grew 15% over the third quarter and showed good profitability. Royal Panda will now focus entirely on fast-growing markets outside the UK.

In the Swedish market we are stronger than ever. It is clear that we are benefiting from our strong brand, focus on responsible gaming and experience from regulated markets. In addition, GoGoCasino has exceeded our expectations and was successful in the strategy of filling an empty space in the Swedish casino market. December was record-strong and we ended the year with revenue as well as the number of customers at record high levels. During 2020 we expect to see the authorities taking a harder line against unlicensed actors, which will improve channelisation and consumer protection in the Swedish market.

COMMENTS ON FIRST QUARTER 2020

Revenue for the month of January amounted to EUR 30.1 m (28.7), representing growth of 5%.

Royal Panda in the UK, which was closed in January, is not expected to generate any significant revenue during the first quarter. During the fourth quarter Royal Panda generated revenue of EUR 1.1 m in the UK.

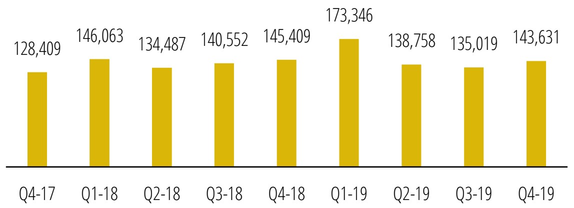
With good momentum in many of our markets and a number of growth initiatives, we are looking forward to the remainder of 2020. We continue to work hard to deliver profitable growth at the same time as we are working to live up to our vision, to be "King of Casino".

Gustaf Hagman, President and CEO, LeoVegas Mobile Gaming Group, Stockholm, February 14, 2020

KEY PERFORMANCE INDICATORS

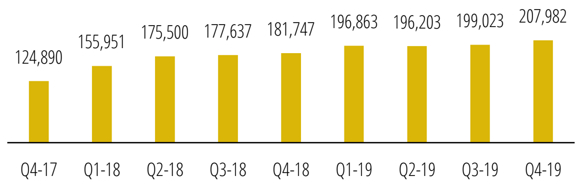
For more KPIs and comments, see the related presentation file at LeoVegasgroup.com. See also the section "Definitions of Alternative Performance Measures".

NEW DEPOSITING CUSTOMERS (NDCs)



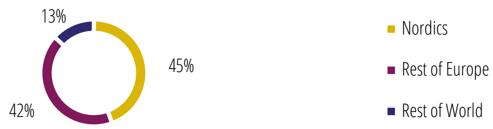
NDCs decreased by 1% compared with the same period a year ago and increased by 6% sequentially over the third quarter.

RETURNING DEPOSITING CUSTOMERS (RDCs)



RDCs increased by 14% compared with the same period a year ago and by 5% compared with the third quarter. The number of returning depositing customers reached a new record high during the fourth quarter.

NGR PER REGION, Q4 2019

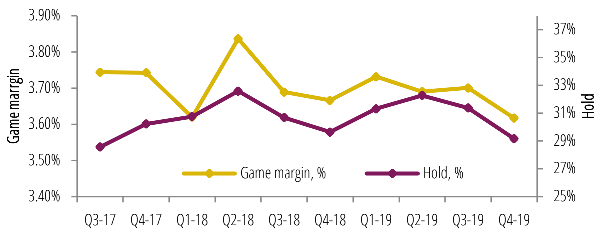


The Nordic countries made up the largest region during the fourth quarter and accounted for 45% of the Group's NGR. Rest of Europe accounted for 42% and Rest of World for 13%. The share for the Nordic countries grew sequentially compared with the third quarter.

GGR PER PRODUCT, Q4 2019

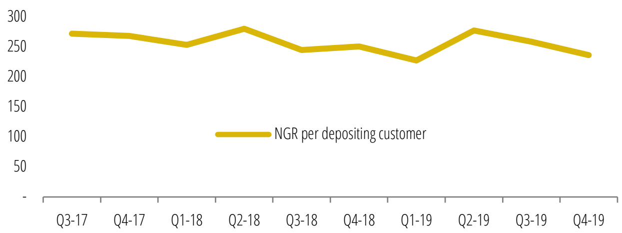
Casino accounted for 72% of the Group's GGR, Live Casino accounted for 19%, and the sports book accounted for 9%. Live Casino is currently the fastest growing product for the Group and increased its share of GGR during the quarter.

GAMING MARGIN AND HOLD



The relation between NGR and deposits ("Hold") decreased compared with the preceding quarter to 29.2%, which is significantly lower than the historical average. One factor that has historically had a strong bearing on hold is the gaming margin. The gaming margin during the quarter was 3.62%, which is also below the historical average.

PLAYER VALUE (EUR)



The average player value per depositing customer was EUR 236, which is a decrease of 9% compared with the preceding quarter and of 6% compared with the same period a year ago. The lower player value compared with the preceding quarter is mainly explained by a changed geographical mix in the player base and a lower gaming margin than during the comparison periods.

GROUP PERFORMANCE Q4

REVENUE, DEPOSITS AND NGR

Revenue totalled EUR 87.1 m (84.5) during the fourth quarter, an increase of 3%. Organic growth in local currencies was also 3%.

Deposits totalled EUR 284.5 m (276.6) during the quarter, an increase of 3%. On a sequential basis, deposits increased by 3% compared with the preceding quarter. Mobile deposits accounted for 74% (72%) of total.

Net Gaming Revenue (NGR) increased by 1% compared with the same period a year ago, but decreased sequentially by 4% compared with the third quarter. The lower increase in NGR compared with deposits is explained by a lower gaming margin and hold than normal during the fourth quarter.

In the Nordic region, NGR decreased by 1% compared with the same period a year ago. Revenue in Sweden continued to develop in a positive direction since implementation of the new market regulation in January 2019, and a new record high level was noted in December.

For the Rest of Europe region, NGR decreased by 6% compared with the same period a year ago. Development was favourable in most markets. The UK was affected by weak development for Royal Panda, while the other Group brands in the UK generated unchanged revenue compared with the same period a year ago and grew by 15% sequentially compared with the third quarter. Germany was negatively affected by the removal of a key payment solution in September, but generated gradually improved revenue during the fourth quarter.

The Rest of World region had strong growth during the fourth quarter, with annual growth of 43%. However, revenue decreased by 12% compared with the preceding quarter owing to an abnormally low gaming margin.

For the Group as a whole, revenue from locally regulated markets accounted for 55% (33%) of total revenue, which is the highest share ever.

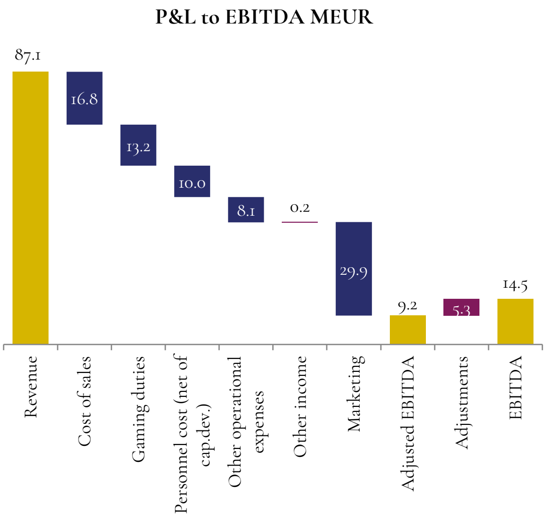
EARNINGS

Gross profit amounted to EUR 57.0 m (59.7) during the fourth quarter, corresponding to a gross margin of 65.5% (70.7%). Gambling taxes totalled EUR 13.2 m, corresponding to 15.1% of revenue, which is significantly higher than the corresponding period a year ago, when gambling taxes totalled EUR 7.2 m. The increase is explained by a considerably higher share of revenue from markets with local gambling taxes, including Sweden. The cost of sales was 19.3% of revenue (20.8%) and consisted mainly of costs for external game and payment service providers. Cost of sales in relation to the Group's revenue decreased during the fourth quarter compared with the same period a year ago and the preceding quarter, which is mainly attributable to gradually improved vendor agreements.

Marketing costs during the quarter totalled EUR 29.9 m (32.0). Marketing costs in relation to revenue was 34.4%, which is an increase compared with the third quarter share of 31.4% but a decrease compared with the same period a year ago (37.9%). Marketing costs generally tend to be higher during the fourth quarter than in the rest of the year.

Personnel costs in relation to revenue increased during the quarter compared with the preceding quarter and same period a year ago, to 14.1% (13.6%). The Group's total personnel force decreased in number during the year, while the share of highly qualified staff increased.

Other operating expenses amounted to 9.3% of revenue (13.7%), which is a decrease compared with the preceding quarter as well as the same period a year ago, both in absolute figures and in relation to revenue. The Group's focus on higher efficiency continued to have positive effects during the period. As a result of implementation of IFRS 16, rental costs and other lease payments are no longer reported under other operating expenses. During the fourth quarter, the positive effect on EBITDA from the implementation of IFRS 16 was EUR 0.8 m.



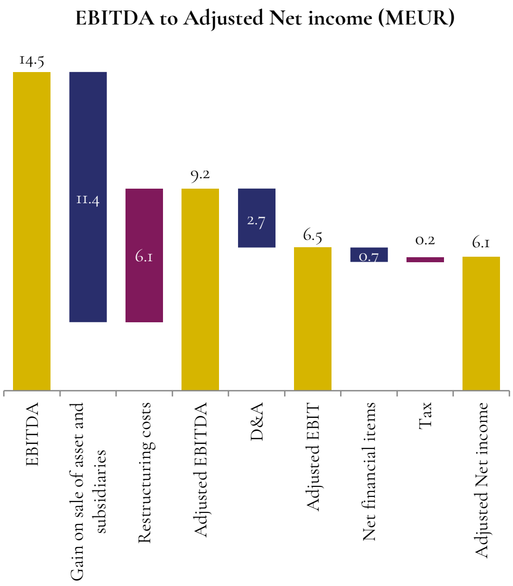
EBITDA for the fourth quarter was EUR 14.5 m (8.1), corresponding to an EBITDA margin of 16.7% (9.6%). EBITDA included EUR 5.3 m in items affecting comparability. These pertain to a total of EUR 6.1 m in restructuring costs coupled to the UK and Malta, and a capital gain of EUR 11.4 m from the sale of the subsidiary Authentic Gaming in October. Adjusted EBITDA, stripped for these items affecting comparability, was EUR 9.2 m (8.1), corresponding to an adjusted EBITDA margin of 10.6% (9.6%).

The Group's depreciation and amortisation excluding acquisition-related depreciation and amortisation amounted to EUR 2.7 m (1.4). Amortisation related to acquired intangible assets totalled EUR 4.1 m (4.1). Depreciation related to IFRS 16 totalled EUR 0.9 m (0.0) during the quarter.

At the end of the quarter the Group had acquisition-related goodwill totalling EUR 94.7 m. In connection with the close of the reporting period, impairment testing was conducted of goodwill to identify any need to recognise impairment, which was performed for every cash-generating unit. After completion of the impairment tests, a need to recognise impairment of goodwill in Royal Panda was identified, and an impairment loss of EUR 10.2 m (0.0) was recognised. The impairment loss is coupled to development in the UK for Royal Panda. No need to recognise impairment was identified for other cash-generating units.

Operating profit for the quarter (EBIT) was EUR -2.5 m (2.6), corresponding to an EBIT margin of -2.9% (3.1%). Adjusted EBIT excluding the above-mentioned items affecting comparability was EUR 6.5 m (6.7) for the fourth quarter, corresponding to an adjusted EBIT margin of 7.5% (8.0%). Adjusted EBIT more accurately reflects the Group's underlying earnings capacity.

Recurring financial expenses are mainly coupled to the company's bank loan facilities and amounted to EUR 0.7 m (0.5) during the quarter. The liability pertaining to Royal Panda's earn-out payment is measured in accordance with IFRS 3. Valuation of the earn-out has been done according to Level 3 of the fair value hierarchy. No transfers between fair value levels have been made during the year. During the quarter the liability was left unchanged, and remains at EUR 9.0 m. The matter will be resolved through arbitration, which is expected to be concluded by Q3 2020 at the earliest. Thus no earnings effect arose in net financial items as a result of this item during the period.



Income tax for the quarter totalled EUR 0.2 m (-0.1). The Group has remeasured deferred tax at the end of the quarter related to loss-carry forwards for which it is likely that these can be used against future, taxable profits.

Net profit for the quarter was EUR -3.0 m (22.1), corresponding to a net margin of -3.4% (26.2%). Net profit for the same period a year ago was affected by a non-cash remeasurement item of EUR 20.2 m, while net profit for the year was affected by several items affecting comparability. Earnings per share were EUR -0.03 (0.22) both before and after dilution.

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

BALANCE SHEET AND FINANCING

The Group's financial position is good. Cash and cash equivalents at the end of the quarter amounted to EUR 50.7 m (56.7). Cash and cash equivalents excluding customer balances amounted to EUR 37.4 m (44.8). LeoVegas has combined, available credit facilities of EUR 110 m, of which EUR 70 m was utilised as per the end of the quarter.

The Group had intangible assets worth EUR 16.9 m at the end of the quarter (14.0). Intangible assets attributable to identified surplus value from acquisitions amounted to EUR 45.0 m (61.5). Goodwill related to all acquisitions amounted to EUR 94.7 m (103.0). At the end of the quarter, goodwill was affected by recognition of an impairment loss of EUR 10.2 m (0.0) related to the subsidiary Royal Panda.

Total liabilities decreased during the fourth quarter, mainly owing to the Group's amortisation of EUR 10.0 m of its bank facilities. In other respects, non-current and current liabilities were relatively unchanged compared with the preceding quarter.

At the end of the quarter the Group's equity amounted to EUR 98.2 m (99.9). Non-controlling interests make up EUR 4.8 m (5.7) of equity. The equity/assets ratio was 37.4% (35.8%). Total assets at the end of the quarter amounted to EUR 262.2 m (279.3).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities totalled EUR 4.6 m (7.9) during the quarter. The decrease is mainly attributable to changes in working capital during the quarter. Working capital can be volatile from quarter to quarter and is affected by factors such as jackpot provisions, incoming and outgoing payments between LeoVegas and various product and payment service providers, and advance payments for licences.

Investments in property, plant and equipment amounted EUR 0.2 m (0.3). Investments in intangible non-current assets amounted to EUR 2.0 m (3.1) and pertain mainly to capitalised development costs. Cash flow from investing activities was also affected by the sale of the subsidiary Authentic Gaming. The sales price was EUR 15.0 m, of which EUR 11.2 m affected cash flow during the quarter.

Cash flow from financing activities during the quarter was affected by EUR -10.0 m in amortisation of the Group's loan facility. Amortisation of the lease liability, i.e., rents for the Group's leased assets, affected cash flow by EUR 0.8 m (0.0). In the preceding year, under the previous accounting policy, payment of rents was recognised entirely in operating activities.

The company also paid out EUR 5.8 m in the bi-yearly dividend to its shareholders during the fourth quarter.

GROUP PERFORMANCE, FULL YEAR 2019

REVENUE AND EARNINGS

Consolidated revenue for the full year amounted to EUR 356.0 m (327.8), an increase of 9%.

Gross profit grew 1% to EUR 237.1 m (235.5). The gross margin was 66.6% (71.9%).

Marketing costs as a share of revenue decreased to 33.3% (36.8%).

EBITDA amounted to EUR 49.5 m (41.6), and the EBITDA margin was 13.9% (12.7%). EBITDA adjusted for items affecting comparability was EUR 44.2 m (41.1), corresponding to a margin of 12.4% (12.5%).

Operating profit (EBIT) was EUR 12.7 m (19.2), for an operating margin of 3.6% (5.8%). Operating profit adjusted for items affecting comparability was EUR 34.0 m (36.2), corresponding to a margin of 9.6% (11.0%).

Profit for the period was EUR 9.5 m (43.2). Adjusted profit for the period was EUR 31.0 m (33.2), for an adjusted margin of 8.7% (10.1%).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities was relatively unchanged for the full year and amounted to EUR 37.0 m (36.5). Cash flow pertains mainly to EBITDA for the period and changes in working capital. Payment of income tax also affected cash flow during the period, by EUR -4.5 m (-1.1).

Investments in non-current assets amounted to EUR 1.1 m (2.5). Investments in intangible assets amounted to EUR 8.1 m (8.6) and consisted mainly of capitalised development costs. Cash flow related to acquisitions and sales of assets and subsidiaries totalled EUR 11.2 m (-92.2). The company has received the proceeds from the sale of Authentic Gaming. The sales price was EUR 15.0 m, of which EUR 11.2 m had a cash flow effect during the fourth quarter.

Cash flow from financing activities amounted to EUR -44.5 m (71.6). The negative cash flow during the period is explained by amortisation of EUR -30.0 m of the company's loan facility during the period. In the preceding year the loan facility was instead utilised, resulting in a positive cash flow of EUR 79.5 m. Cash flow for the year was also affected by payment of EUR 11.5 m (11.7) in dividends to the Parent Company's shareholders. Amortisation of the lease liability, i.e., rents for the Group's leased assets, affected cash flow by EUR 3.2 m (0.0). In the preceding year, under the previous accounting policy, payment of rents was recognised entirely in operating activities.

The proceeds from an issue of warrants relating to an incentive program for employees had a positive effect on cash flow by EUR 0.2 m (3.8).

OTHER INFORMATION

OUTLOOK AND FINANCIAL TARGETS

The company has removed the previous short-term targets for 2021 pertaining to revenue and profit. LeoVegas long-term financial targets are unchanged and consist of the following:

Long-term financial targets:

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

LeoVegas sees continued strong demand for gaming services and believes that the opportunities for continued expansion in existing and new markets are favourable. Online gaming today accounts for approximately 20% of total real money gaming in Europe. The structural trend alone, whereby more and more consumer-oriented services are provided online, points to favourable growth going forward.

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

PARENT COMPANY

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

The Parent Company's revenue for the full year 2019 amounted to EUR 0.6 m (1.0), and profit after tax was EUR 28.8 m (5.1). During 2019 the Parent Company received dividends of EUR 32.0 m (8.0) from subsidiaries. The result is steered essentially by invoiced management services and other operating expenses. Cash and cash equivalents amounted to EUR 0.4 m (0.3).

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 fourth quarter, changes in the euro exchange rate had a negative effect on revenue of approximately EUR 42 thousand compared with the same period a year ago and a positive effect of approximately EUR 636 thousand compared with the preceding quarter.

SEASONAL VARIATIONS

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

PERSONNEL

The number of full-time employees at the end of the quarter was 794 (888), of whom 34 are employed in LeoVentures. The average number of employees during the quarter was 823 (888). LeoVegas was using the services of 25 (33) full-time consultants at the end of the quarter.

MANAGEMENT AND BOARD OF DIRECTORS

Mårten Forste, currently Chairman of the Board of LeoVegas, has been hired as new Chief Operating Officer (COO) with overarching responsibility for operations at the company's offices in Malta. Forste is staying on in his role as Chairman through the Annual General Meeting in May 2020, where a new chairman will be proposed by the Nomination Committee. Mårten Forste assumed his new role on 3 February. LeoVegas' former COO, Richard Woodbridge, has accepted an offer in another industry and will leave the company at the end of May. Mårten Forste has been involved in LeoVegas at the board level since the company's start in 2012 and has more than 20 years of experience from fast-growing tech companies. His most recent operational assignment was as COO of Match.com and Meetic in Europe.

Caroline Palm, Chief Human Resources Officer with responsibility for overarching HR work in the Group, has decided to seek new challenges outside of LeoVegas. Her position will not be filled.

RELATED-PARTY TRANSACTIONS

LeoVegas has related-party relationships for rents of company flats. In addition to these related-party relationships, Chairman of the Board Mårten Forste performed consulting services for the company for a total value of EUR 15 thousand (64) during the full year 2019. In other respects, no material changes have taken place for the Group or Parent Company in relationships or transactions with related parties compared with the description provided in the 2018 Annual Report.

SHARES AND OWNERSHIP STRUCTURE

LeoVegas AB was listed on Nasdaq Stockholm on 5 February 2018 (and prior to this was listed on Nasdaq First North since 17 March 2016). The total number of shares and votes in LeoVegas AB is 101,652,970. As per 31 December 2019 the company had 15,865 shareholders. The five largest shareholders were Gustaf Hagman, with 8.2%; Avanza Pension, with 6.0%; Robin Ramm-Ericson, with 5.3%; Investment AB Öresund, with 4.4%, and Torsten Söderberg and family, with 4.4%.

ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IAS/IFRS, as endorsed by the European Union) issued by the International Accounting Standards Board, interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), the Swedish Annual Accounts Act, and Swedish Financial Reporting Board (RFR) standard RFR 1 "Supplementary Accounting Rules for Groups". This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 "Accounting for Legal Entities". Disclosures in accordance with IAS 34.16A are provided – in addition to in the financial statements – in other parts of the interim report.

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

The most important accounting policies under IFRS, which are the accounting policies applied in the preparation of this interim report, are described in Note 2, pages 89–94, of the 2018 Annual Report. The accounting policies are unchanged since the most recently published annual report for the 2018 financial year, except for with respect to IFRS 16, which the Group began applying for the first time on 1 January 2019.

IFRS 16 – effect on the financial reporting

IFRS 16 has introduced a "right-of-use model", which replaces the previous standard IAS 17 Leases. Since 1 January 2019 the Group has not reported any operating leases, which means that rental costs and other lease payments are recognised on the balance sheet, corresponding to a finance lease. The simplified transitional method has been used for the transition, entailing that no adjustments for comparative figures are presented. Excluded from IFRS 16 are leases that are shorter than 12 months and leases with a low value (USD <5,000).

Upon adoption of IFRS 16 the Group's assets increased initially by EUR 10.9 m, which corresponds in all essential respects to the value of the lease liability at the start of the financial year. Leasing consists essentially of rents for the Group's office premises. Rental costs are paid in advance, which means that that lease liability was lower than the leased assets upon adoption. Present value discounting of future, contracted cash flows has been done using an incremental borrowing rate, since the implicit rate has not been available. The lease asset is depreciated on a straight-line basis over the lease term.

Earnings for the quarter were charged with EUR 0.9 m in depreciation. At the end of the quarter lease assets amounted to EUR 8.2 m. The total lease liability amounted to EUR 7.6 m at the end of the quarter. Profit for the period was charged with an interest expense of EUR 0.1 m.

After adoption of IFRS 16, the Group's EBITDA margin has been positively affected by approximately 1%. Remeasurement of the initially valued lease assets and liabilities may take place, and an addition has been made for new lease contracts, which could thus affect future periods. For further information about financial effects, please refer to the 2018 Annual Report, page 90.

The table below shows the difference between operating leases recognised in accordance with IAS 17 in the 2018 Annual Report and lease liabilities as per 1 January 2019 recognised in accordance with IFRS 16.

IFRS 16 reconciliation ingoing balances	MEUR
Commitment for operational leases as disclosed December 31, 2018	**10,7**
Discounting with the Group's incremental borrowing rate	0,2
Deduct: Adjustment of prepaid rent	- 0,9
Deduct: Leases for which the asset is of low value and expensed	- 0,1
Lease liabilities reported as of January 1, 2019	9,9
Of which are current lease liabilities 1 Jan 2019	3,5
Of which are non-current lease liabilities 1 Jan 2019	6,4

The change after implementation of IFRS 16 has affected the opening balance as per 1 January 2019 as follows.

IFRS 16 impact on the balance sheet January 1, 2019	MEUR
Right of use assets (+)	10,9
Prepayments (-)	- 1,0
Lease liabilities reported as of January 1, 2019	**9,9**

As per the end of the respective quarters, after adoption of IFRS 16, the effect on the balance sheet is as follows.

Balance sheet	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Right of use assets	10,0	9,5	8,6	8,2
Lease liabilities	9,1	8,7	7,9	7,6
Of which are current lease liabilities	3,4	3,5	3,4	3,4
Of which are non-current lease liabilities	5,7	5,2	4,5	4,2

To increase comparability, the following tables show the effect during the quarters in 2019 after adoption of IFRS 16.

MEUR	Q1 2019	Q2 2019	Q3 2019	Q4 2019
EBITDA as previously disclosed (IAS 17)	**6,3**	**14,2**	**11,9**	**13,7**
Adjustment of leasing costs according to previous accounting principles (IAS 17)	0,9	0,9	0,9	0,8
EBITDA recalculated under IFRS 16	**7,2**	**15,1**	**12,7**	**14,5**

	Q1 2019	Q2 2019	Q3 2019	Q4 2019
EBITDA margin % as previously disclosed (IAS 17)	**7,3%**	**15,0%**	**13,4%**	**15,7%**
Adjustment of leasing costs according to previous accounting principles (IAS 17)	1,0%	1,0%	1,0%	1,0%
EBITDA margin % recalculated under IFRS 16	**8,3%**	**16,0%**	**14,4%**	**16,7%**

MEUR	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Cash flow from operating activities as previously disclosed (IAS 17)	**5,1**	**8,6**	**16,4**	**3,8**
Adjustment of leasing costs according to previous accounting principles (IAS 17)	0,8	0,8	0,8	0,8
Cash flow from operating activities recalculated under IFRS 16	**5,9**	**9,4**	**17,2**	**4,6**

ALTERNATIVE PERFORMANCE MEASURES

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

ADJUSTED PERFORMANCE MEASURES

LeoVegas presents adjusted performance measures to provide a more fundamental picture to readers of reports by showing earnings that more closely reflect the Group's underlying earnings capacity. Adjusted items include costs associated with the listings on Nasdaq Stockholm, costs related to consulting for acquisitions, amortisation of intangible assets related to acquisitions, and remeasurement and discounting of earn-out payments for acquisitions (which do not have a cash flow effect). Divestment of subsidiaries and assets is also adjusted as well as costs for restructuring of the existing organization.

Earnings-related items affecting comparability have entailed recalculation of the performance measure adjusted EBIT and the adjusted EBIT margin for earlier historical periods. This is because amortisation of acquired intangible assets is included as an item affecting comparability since the first quarter of 2018.

FINANCIAL CALENDAR

LeoVegas' financial calendar is outlined below:

- May 6, 2020 – Q1 interim report
- May 8, 2020 – Annual General Meeting
- Aug 13, 2020 – Q2 interim report
- Nov 5, 2020 – Q3 interim report

LEGAL UPDATE

The legal situation for online gaming is changing continuously both at the EU level and in individual geographic markets. Countries within the EU are under pressure to adapt their respective national legislation to applicable EU laws, especially regarding the free movement of products and services. LeoVegas' expansion strategy is primarily to work in locally regulated markets or markets that are in the process of implementing local regulation. Most countries in the EU have adopted or are holding discussions to introduce so-called local regulation in order to adapt to the prevailing market climate. Examples of countries that have adopted local regulation include the UK, Denmark and Italy. Since 2019 Sweden has also had local regulation. This trend is spreading outside of the EU, and most markets in Latin America, for example, are engaged in discussions to regulate their gaming markets, and Colombia has already taken that step.

Sweden's new gambling law took effect on 1 January 2019. LeoVegas was one of the first companies to receive a licence for online gaming and betting at the time the law came into force. The gambling tax rate is 18%, and the regulations include a number of requirements to promote responsible gaming and consumer protection. Among other things, a central register has been created called Spelpaus ("pause play"), the aim and purpose of which is to enable people with gambling problems to block themselves from playing and registering with all licensed operators.

In the UK, the UK Gambling Commission (UKGC) is working to create a sustainable and uniform market where the same rules apply for all licensed operators. During the past two years the UKGC has implemented higher demands on gaming operators. For example, a more rigorous know-your-customer (KYC) process has been adopted, and guidelines have been established for marketing material and games that can be presumed to be targeted at minors, etc. In addition to its annual monitoring, the UKGC is working on following up all operators to ensure that they are in compliance with the updated rules and regulations. This means that over time all operators will be working according to the same conditions, with customer welfare taking top priority. The most recent change in the UK is that credit cards will no longer be allowed as payment for gaming. The ban applies to all product categories except for national lotteries and takes effect in April 2020.

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

In Italy the new government introduced legislation that bans most advertising for gambling as from July 2019. Thus far LeoVegas has not been adversely affected by these advertising restrictions, and business in Italy is developing according to plan.

In Germany the federal states have agreed to adopt national regulation, which is expected to be implemented towards the end of 2021. The regulations will cover both Casino and sports betting. Thus far there are still many details that need to be worked out before an evaluation can be made of how this will affect LeoVegas. In general, regulation is positive from a long-term perspective. LeoVegas is watching the development closely and is working actively to share its experiences from other regulated markets, all in an effort to contribute to a sound and sustainable gaming market with a high level of consumer protection.

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

In Canada, the authorities in Ontario have initiated discussions on introducing local regulation in that province. LeoVegas has participated in roundtable discussions to share its experience from regulated markets in hopes of creating the best possible regulatory environment.

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

RISKS AND UNCERTAINTIES

The main risk and uncertainty facing LeoVegas is the general legal status of online gaming. Decisions and changes in laws and rules may affect LeoVegas' business activities and expansion opportunities. Since most of LeoVegas' customers are active in Europe, the legal status in the EU-related jurisdictions has most significance for the company's existing operations. However, developments outside the EU are also of interest, partly because parts of LeoVegas' existing operations may be affected, but mainly as they may affect the company's expansion and future plans. Developments in the legal area are monitored and assessed on a continuous basis within LeoVegas.

Part of LeoVegas' marketing entails cooperating with partners in advertising networks, so-called affiliates. In connection with this, it may happen that the LeoVegas brand is exposed in undesirable contexts. On account of the complexity and volume of traffic sources, it is not possible for LeoVegas to control each and every one of these traffic sources. LeoVegas conducts a thorough review of new partners before a cooperation can begin. In the event of a violation of our affiliation terms, LeoVegas has the opportunity to withhold payment and terminate its cooperation with the affiliate in question. In Sweden LeoVegas is working together with the Swedish Trade Association for Online Gambling (BOS) to address this problem.

LeoVegas' offering is based on gaming as a fun and attractive form of entertainment. However, certain people are at risk of developing gaming-related problems. LeoVegas takes this very seriously, and responsible gaming is a fundamental principle in the company's offering and customer contacts. All LeoVegas employees, regardless of their position, must be certified in responsible gaming. LeoVegas has employees who work exclusively with promoting responsible gaming and related issues. LeoVegas has implemented a number of functions designed to identify and help potential problem gamers. These include tools for helping customers control their gaming, including Loss limits, Time limits, Time alerts, Pause account and Account closure. In addition, a Self Assessment is offered to enable early identification if a customer's gaming is at risk of becoming a problem. In addition to these tools for customers and internal training for employees, LeoVegas works internally with responsible gaming as part of its company culture. LeoVegas works with commitment and knowledge to continuously promote a positive and sound gaming experience for everyone. Another Group-wide platform for responsible gaming is LeoSafePlay. The ambition for LeoSafePlay is that it will develop to become one of the industry's most comprehensive tools for player protection.

In the addition to the above are risks associated with significant estimates and assessments in the financial reporting. The consolidated financial statements are based partly on assumptions and estimations in connection with the preparation of the Group's accounting. Estimations and assessments are based on historical experience and other factors, including expectations about future events that are deemed to be reasonable given the prevailing circumstances. If an initial assessment deviates from the final outcome, it could have a material effect on the Group's earnings. In the 2018 Annual Report, page 94, further information is provided about the significant estimates and assessments used in the preparation of the Group's financial reports.

Other risks that could affect LeoVegas are market-related risks and financial risks, such as currency and liquidity risks. Market risks and financial risks are monitored and followed up as a continuous part of operations. A detailed description of financial risks is provided in the 2018 Annual Report.

SUSTAINABILITY – RESPONSIBLE GAMING

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

LeoVegas is active in an industry in which companies that cannot create and offer sustainable and long-term customer value, good service, fair pricing and high trust will not survive in the long run. Investments and focus on sustainability are imperative for the ability to act in compliance with the company's gaming licences in the various markets. Today the bigger and serious gaming operators have implemented tools for responsible gaming. Online gaming operators have also learned to accommodate strict compliance requirements that often differ from one market to the next. LeoVegas is also seeing greater interest from many investors in sustainability issues as awareness of the gaming industry increases. All this strengthens the company's focus on being a reliable operator. LeoVegas welcomes this development, as it creates opportunities for professional and innovative companies to make changes for the better both for society and for customers. LeoVegas is taking market shares from competitors by being a data-driven company that knows what drives the customer experience.

LeoVegas aspires to retain customers over a long period of time and build sustainable relationships with them. This leads to stability in the average revenue per customer over time while increasing the number of active customers who view their gaming as entertainment. This is a sustainable and responsible growth strategy for LeoVegas as a Group.

BOARD OF DIRECTORS' AND PRESIDENT'S ASSURANCE

This is a translation of the Swedish original. In the event of any discrepancies between the original Swedish version and the English translated version, the Swedish version shall govern. The Board of Directors assures that the interim report for the fourth quarter gives a fair overview of the Parent Company's and Group's operations, position and result of operations, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, February 14, 2020

Mårten Forste Chairman of the Board	**Robin Ramm-Ericson** Director	**Tuva Palm** Director
Fredrik Rüdén Director	**Anna Frick** Director	**Gustaf Hagman** President and CEO

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

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

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CONSOLIDATED INCOME STATEMENT

EUR'000s	Oct-Dec 2019	Oct-Dec 2018	2019	2018
Revenue	**87 068**	**84 485**	**356 039**	**327 817**
Cost of sales	(16 835)	(17 548)	(69 225)	(62 588)
Gaming Duties	(13 185)	(7 199)	(49 700)	(29 686)
Gross profit	**57 048**	**59 738**	**237 114**	**235 543**
Personnel costs	(12 265)	(11 509)	(49 359)	(40 980)
Capitalised development costs	2 247	3 589	8 654	7 192
Other operating expenses	(8 078)	(11 592)	(34 496)	(41 204)
Marketing expenses	(29 929)	(32 019)	(118 517)	(120 752)
Other income and expenses	5 500	(72)	6 135	1 806
EBITDA	**14 523**	**8 135**	**49 531**	**41 605**
Depreciation and amortisation	(2 679)	(1 417)	(10 152)	(4 925)
Amortisation and Impairment of acquired intangible assets incl. goodwill	(14 362)	(4 127)	(26 707)	(17 505)
Operating profit (EBIT)	**(2 518)**	**2 591**	**12 672**	**19 175**
Financial income	3	3	6	10
Financial costs	(662)	(502)	(2 405)	(1 746)
Financial liability fair value gains/(losses)	-	20 163	-	27 022
Profit before tax	**(3 177)**	**22 255**	**10 273**	**44 461**
Income tax	222	(147)	(730)	(1 221)
Net profit for the period	**(2 955)**	**22 108**	**9 543**	**43 240**
Net profit attributable to owners of the parent company	(2 820)	22 071	10 439	43 150
Net profit attributable to non-controlling interests	(135)	37	(896)	90
Exchange differences on translation of foreign operations	(3)	(3)	7	(3)
Other comprehensive income	**(3)**	**(3)**	**7**	**(3)**
Total comprehensive income	**(2 958)**	**22 105**	**9 550**	**43 237**
Total comprehensive income attributable to owners of the parent company	(2 823)	22 068	10 446	43 147
Total comprehensive income attributable to non-controlling interests	(135)	37	(896)	90
Earnings per share (EUR)	**(0,03)**	**0,22**	**0,09**	**0,43**
Earnings per share after dilution (EUR)	**(0,03)**	**0,22**	**0,09**	**0,43**
No. of shares outstanding adj. for share split (millions)	101,65	101,65	101,65	101,65
No. of shares outstanding after dilution adj. for share split (millions)	101,65	101,65	101,65	101,65
Key ratios				
Cost of sales as a % of revenue	19,3%	20,8%	19,4%	19,1%
Gaming duties as a % of revenue	15,1%	8,5%	14,0%	9,1%
Gross margin, %	65,5%	70,7%	66,6%	71,9%
Personnel costs as % of revenue	14,1%	13,6%	13,9%	12,5%
Operating expenses as % of revenue	9,3%	13,7%	9,7%	12,6%
Marketing expenses as % of revenue	34,4%	37,9%	33,3%	36,8%
EBITDA margin %	16,7%	9,6%	13,9%	12,7%
EBIT margin %	(2,9%)	3,1%	3,6%	5,8%
Net margin, %	(3,4%)	26,2%	2,7%	13,2%

Adjusted profit measures EUR'000s	Oct-Dec 2019	Oct-Dec 2018	2019	2018
EBITDA	**14 523**	**8 135**	**49 531**	**41 605**
Costs pertaining to listing	-	-	-	62
Costs pertaining to acquisition-related consulting	-	-	-	466
Provision for fine from UKGC	-	-	-	453
Gain on sale of subsidiaries and assets	(11 403)	-	(11 403)	(1 500)
Restructuring costs	6 084	-	6 065	-
Adjusted EBITDA	**9 204**	**8 135**	**44 193**	**41 086**
Depreciation and amortisation	(2 679)	(1 417)	(10 152)	(4 925)
Adjusted EBIT	**6 525**	**6 718**	**34 041**	**36 161**
Net financial items	(659)	(499)	(2 399)	(1 736)
Tax	222	(147)	(730)	(1 221)
Adjusted net income	**6 088**	**6 072**	**30 912**	**33 204**
Adjusted EPS	**0,06**	**0,06**	**0,30**	**0,33**
Adjusted EBITDA margin %	10,6%	9,6%	12,4%	12,5%
Adjusted EBIT margin %	7,5%	8,0%	9,6%	11,0%
Adjusted net margin %	7,0%	7,2%	8,7%	10,1%

CONSOLIDATED BALANCE SHEET, CONDENSED

EUR'000s	31 Dec 2019	31 Dec 2018
ASSETS		
Non-current assets		
Property, plant and equipment	3 347	4 141
Lease assets (right of use assets)	8 222	-
Intangible assets	16 943	14 032
Intangible assets related to surplus values from acquisitions	45 018	61 467
Goodwill	94 657	102 958
Deferred tax assets	2 682	2 975
Total non-current assets	**170 869**	**185 573**
Current assets		
Trade receivables	35 307	29 268
Other current receivables	5 329	7 768
Cash and cash equivalents	50 738	56 738
of which restricted cash (player funds)	13 352	*11 922*
Total current assets	**91 374**	**93 774**
TOTAL ASSETS	**262 243**	**279 347**
EQUITY AND LIABILITIES		
Share capital	1 220	1 220
Additional paid-in capital	40 615	40 409
Translation reserve	830	485
Retained earnings including profit for the period	50 683	52 116
Equity attributable to owners of the Parent Company	**93 348**	**94 230**
Non-controlling interest	4 804	5 700
Total Equity	**98 152**	**99 930**
Bank loan	39 924	69 642
Other non-current liabilities	-	961
Lease liabilities	4 169	-
Deferred tax liability	2 088	2 765
Total non-current liabilities	**46 181**	**73 368**
Current liabilities		
Trade and other payables	21 344	18 022
Player liabilities	13 352	11 922
Tax liability	4 997	5 111
Accrued expenses and deferred income	35 811	31 994
Bank loan	30 000	30 000
Short-term lease liabilities	3 406	-
Provision for conditional purchase price (earn-out)	9 000	9 000
Total current liabilities	**117 910**	**106 049**
Total liabilities	**164 091**	**179 417**
TOTAL EQUITY AND LIABILITIES	**262 243**	**279 347**

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED

EUR'000s	Oct-Dec 2019	Oct-Dec 2018	2019	2018
Operating profit	(2 518)	2 591	12 672	19 175
Adjustments for non-cash items	12 913	4 682	30 761	20 193
Cash flow from changes in working capital	(5 789)	621	(1 871)	(1 796)
Net income taxes paid	(41)	-	(4 538)	(1 078)
Cash flow from operating activities	**4 565**	**7 894**	**37 024**	**36 494**
Acquisition of property, plant and equipment	(184)	(339)	(1 117)	(2 475)
Acquisition of intangible assets	(2 020)	(3 129)	(8 080)	(8 633)
Acquisition of subsidiaries	-	-	-	(20 213)
Transfer of assets on acquisition	-	-	-	(73 472)
Proceeds on sale of subsidiaries and assets	11 150	-	11 150	1 500
Cash flow from investing activities	**8 946**	**(3 468)**	**1 953**	**(103 293)**
Loan financing	(10 000)	4 735	(30 000)	79 475
Lease liabilities	(775)	-	(3 175)	-
Proceeds from share issue/other equity securities	-	34	186	3 832
Cash dividends paid out to shareholders	(5 808)	-	(11 534)	(11 669)
Cash flow from financing activities	**(16 583)**	**4 769**	**(44 523)**	**71 638**
Net increase/(decrease) in cash and cash equivalents	(3 072)	9 195	(5 546)	4 839
Cash and cash equivalents at start of the period	53 710	47 555	56 738	52 758
Currency effects on cash and cash equivalents	100	(12)	(454)	(859)
Cash and cash equivalents at end of period	**50 738**	**56 738**	**50 738**	**56 738**
of which restricted cash (player funds)	*13 352*	*11 922*	*13 352*	*11 922*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

EUR'000s	Share Capital	Other capital contribution	Translation reserve	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
Balance at 1 January 2018	**1 196**	**36 588**	**-**	**21 122**	**58 906**	**-**	**58 906**
Profit for the period	-	-	-	43 150	43 150	90	43 240
Other comprehensive income *(exchange differences of foreign operations)*	-	-	(3)	-	(3)	-	(3)
Total comprehensive income for the period	**-**	**-**	**(3)**	**43 150**	**43 147**	**90**	**43 237**
Transactions with shareholders in their capacity as owners:							
Share issue from options program	24	3 402	-	-	3 426	-	3 426
Dividends	-	-	488	(12 156)	(11 669)	-	(11 669)
Options Premium	-	419	-	-	419	-	419
Transactions with non-controlling interests:							
Acquisition of NCI	-	-	-	-	-	5 610	5 610
Balance at 31 December 2018	**1 220**	**40 409**	**485**	**52 116**	**94 230**	**5 700**	**99 930**
Balance at 1 January 2019	**1 220**	**40 409**	**485**	**52 116**	**94 230**	**5 700**	**99 930**
Profit for the period	-	-	-	10 439	10 439	(896)	9 543
Other comprehensive income *(exchange differences of foreign operations)*	-	-	7	-	7	-	7
Total comprehensive income for the period	**-**	**-**	**7**	**10 439**	**10 446**	**(896)**	**9 550**
Transactions with shareholders in their capacity as owners:							
Dividends	-	-	338	(11 872)	(11 534)	-	(11 534)
Options Premium	-	206	-	-	206	-	206
Balance at 31 December 2019	**1 220**	**40 615**	**830**	**50 683**	**93 348**	**4 804**	**98 152**

PARENT COMPANY INCOME STATEMENT, CONDENSED

EUR'000s	Oct - Dec 2019	Oct - Dec 2018	2019	2018
Revenue	**100**	**146**	**555**	**988**
Operating expenses	(962)	(1 062)	(4 586)	(4 474)
Other income and expenses	-	-	-	-
Operating profit (EBIT)	**(862)**	**(916)**	**(4 031)**	**(3 486)**
Net financial income	28 445	113	32 075	8 144
Profit before tax	**27 583**	**(803)**	**28 044**	**4 658**
Appropriation	33	-	33	-
Tax cost	746	507	746	454
Profit / Loss for the period*	**28 362**	**(296)**	**28 823**	**5 111**

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

PARENT COMPANY BALANCE SHEET, CONDENSED

EUR'000s	31 Dec 2019	31 Dec 2018
ASSETS		
Total non-current assets	**17 879**	**17 682**
Current assets	30 399	12 883
Cash and cash equivalents	372	326
Total current assets	**30 771**	**13 209**
TOTAL ASSETS	**48 650**	**30 891**
EQUITY AND LIABILITIES		
Total equity	**37 537**	**19 986**
Total long term liabilities	10 000	10 000
Total current liabilities	1 113	905
Total liabilities	**11 113**	**10 905**
TOTAL EQUITY AND LIABILITIES	**48 650**	**30 891**

KPI'S PER QUARTER

Amounts in EUR'000s unless otherwise stated	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Deposits	284 528	275 227	287 826	268 465	276 604
Growth, Deposits, y-y %	3%	9%	8%	8%	23%
Growth, Deposits, q-q %	3%	-4%	7%	-3%	9%
Deposits per region					
Nordics, % Deposits	53%	54%	51%	47%	54%
Rest of Europe, % Deposits	39%	38%	41%	45%	41%
Rest of World, % Deposits	8%	8%	8%	7%	6%
Net Gaming Revenue (NGR)	82 989	86 374	92 906	84 103	81 992
Growth Net Gaming Revenue, y-y %	1%	11%	7%	10%	21%
Growth Net Gaming Revenue, q-q %	-4%	-7%	10%	3%	5%
Net Gaming Revenue (NGR) per region					
Nordics, % Net Gaming Revenue	45%	44%	40%	39%	45%
Rest of Europe, % Net Gaming Revenue	42%	42%	47%	49%	45%
Rest of World, % Net Gaming Revenue	13%	14%	13%	12%	9%
Growth in NGR per region					
Nordics, y-y %	-1%	14%	2%	-5%	-2%
Rest of Europe, y-y %	-6%	-4%	1%	17%	42%
Rest of World, y-y %	43%	80%	63%	52%	93%
Regulated revenue as a % of total	55%	50%	48%	50%	33%
Growth in regulated revenues, y-y %	70%	58%	33%	55%	36%
Growth in regulated revenues, q-q %	5%	-3%	7%	57%	-3%
Hold (NGR/Deposits) %	29,2%	31,4%	32,3%	31,3%	29,6%
Game margin %	3,62%	3,70%	3,69%	3,73%	3,67%
Number of active customers	504 075	521 096	549 324	694 925	587 712
Growth active customers, y-y %	-14%	-5%	1%	27%	50%
Growth active customers, q-q %	-3%	-5%	-21%	18%	7%
Number of depositing customers	351 613	334 042	334 961	370 209	327 156
Growth depositing customers, y-y %	7%	5%	8%	23%	29%
Growth depositing customers, q-q %	5%	0%	-10%	13%	3%
Number of new depositing customers	143 631	135 019	138 758	173 346	145 409
Growth new depositing customers, y-y %	-1%	-4%	3%	19%	13%
Growth new depositing customers, q-q %	6%	-3%	-20%	19%	3%
Number of returning depositing customers	207 982	199 023	196 203	196 863	181 747
Growth returning depositing customers, y-y %	14%	12%	12%	26%	46%
Growth returning depositing customers, q-q %	5%	1%	0%	8%	2%

CONSOLIDATED INCOME STATEMENT PER QUARTER

EUR'000s	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Revenue	**87 068**	**88 237**	**94 431**	**86 303**	**84 485**
Cost of sales	(16 835)	(17 525)	(17 909)	(16 956)	(17 548)
Gaming Duties	(13 185)	(12 293)	(12 765)	(11 457)	(7 199)
Gross profit	**57 048**	**58 419**	**63 757**	**57 890**	**59 738**
Personnel costs	(12 265)	(11 259)	(13 262)	(12 574)	(11 509)
Capitalised development costs	2 247	1 842	2 122	2 443	3 589
Other operating expenses	(8 078)	(8 711)	(9 600)	(8 107)	(11 592)
Marketing expenses	(29 929)	(27 696)	(28 093)	(32 799)	(32 019)
Other income and expenses	5 500	154	138	343	(72)
EBITDA	**14 523**	**12 749**	**15 062**	**7 196**	**8 135**
Depreciation and amortisation	(2 679)	(2 597)	(2 475)	(2 401)	(1 417)
Amortisation and Impairment of acquired intangible assets incl. goodwill	(14 362)	(4 106)	(4 093)	(4 146)	(4 127)
Operating profit (EBIT)	**(2 518)**	**6 046**	**8 494**	**649**	**2 591**
Financial income	3	3	-	-	3
Financial costs	(662)	(553)	(510)	(680)	(502)
Financial liability fair value gains/(losses)	-	-	-	-	20 163
Profit before tax	**(3 177)**	**5 496**	**7 984**	**(31)**	**22 255**
Income tax	222	(396)	(556)	-	(147)
Net profit for the period	**(2 955)**	**5 100**	**7 428**	**(31)**	**22 108**
Net profit attributable to owners of the parent company	(2 820)	5 419	7 710	129	22 071
Net profit attributable to non-controlling interests	(135)	(319)	(282)	(160)	37
Exchange differences on translation of foreign operations	(3)	6	(7)	11	(3)
Other comprehensive income	**(3)**	**6**	**(7)**	**11**	**(3)**
Total comprehensive income	**(2 958)**	**5 106**	**7 421**	**(20)**	**22 105**
Total comprehensive income attributable to owners of the parent company	(2 823)	5 425	7 703	140	22 068
Total comprehensive income attributable to non-controlling interests	(135)	(319)	(282)	(160)	37
Earnings per share (EUR)	**(0,03)**	**0,05**	**0,07**	**(0,00)**	**0,22**
Earnings per share after dilution (EUR)	**(0,03)**	**0,05**	**0,07**	**(0,00)**	**0,22**
No. of shares outstanding adj. for share split (millions)	101,65	101,65	101,65	101,65	101,65
No. of shares outstanding after dilution adj. for share split (millions)	101,65	101,65	101,65	101,65	101,65

Key ratios					
Cost of sales as a % of revenue	19,3%	19,9%	19,0%	19,6%	20,8%
Gaming duties as a % of revenue	15,1%	13,9%	13,5%	13,3%	8,5%
Gross margin, %	65,5%	66,2%	67,5%	67,1%	70,7%
Personnel costs as % of revenue	14,1%	12,8%	14,0%	14,6%	13,6%
Operating expenses as % of revenue	9,3%	9,9%	10,2%	9,4%	13,7%
Marketing expenses as % of revenue	34,4%	31,4%	29,7%	38,0%	37,9%
EBITDA, margin %	16,7%	14,4%	16,0%	8,3%	9,6%
EBIT, margin %	-2,9%	6,9%	9,0%	0,8%	3,1%
Net margin, %	-3,4%	5,8%	7,9%	0,0%	26,2%

Adjusted profit measures EUR'000s	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
EBITDA	**14 523**	**12 749**	**15 062**	**7 196**	**8 135**
Gain on sale of subsidiaries and assets	(11 403)	-	-	-	-
Restructuring costs	6 084	-	-	-	-
Adjusted EBITDA	**9 204**	**12 749**	**15 062**	**7 196**	**8 135**
Depreciation and amortisation	(2 679)	(2 597)	(2 475)	(2 401)	(1 417)
Adjusted EBIT	**6 525**	**10 152**	**12 587**	**4 795**	**6 718**
Net financial items	(659)	(550)	(510)	(680)	(499)
Tax	222	(396)	(556)	-	(147)
Adjusted net income	**6 088**	**9 206**	**11 521**	**4 115**	**6 072**
Adjusted EPS	**0,06**	**0,09**	**0,11**	**0,04**	**0,06**
Adjusted EBITDA margin %	10,6%	14,4%	16,0%	8,3%	9,6%
Adjusted EBIT margin %	7,5%	11,5%	13,3%	5,6%	8,0%
Adjusted net margin %	7,0%	10,4%	12,2%	4,8%	7,2%

CONSOLIDATED BALANCE SHEET PER QUARTER, CONDENSED

EUR'000s	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
ASSETS					
Non-current assets					
Property, plant and equipment	3 347	3 914	4 107	4 161	4 141
Lease assets (right of use assets)	8 222	8 642	9 484	9 963	-
Intangible assets	16 943	17 147	16 414	15 449	14 032
Intangible assets surplus values from acquisitions	45 018	49 124	53 228	57 321	61 467
Goodwill	94 657	102 958	102 958	102 958	102 958
Deferred tax assets	2 682	2 975	2 975	2 975	2 975
Total non-current assets	**170 869**	**184 760**	**189 166**	**192 827**	**185 573**
Current assets					
Trade receivables	35 307	30 985	31 009	30 332	29 268
Other current receivables	5 329	6 601	7 970	6 679	7 768
Cash and cash equivalents	50 738	53 710	49 290	59 251	56 738
of which restricted cash (player funds)	*13 352*	*12 841*	*10 691*	*10 566*	*11 922*
Total current assets	**91 374**	**91 296**	**88 269**	**96 262**	**93 774**
TOTAL ASSETS	**262 243**	**276 056**	**277 435**	**289 089**	**279 347**
EQUITY AND LIABILITIES					
Share capital	1 220	1 220	1 220	1 220	1 220
Additional paid-in capital	40 615	40 615	40 409	40 409	40 409
Translation reserve	830	705	699	496	485
Retained earnings including profit for the period	50 683	53 503	48 084	52 245	52 116
Equity attributable to owners of the Parent Company	**93 348**	**96 043**	**90 412**	**94 370**	**94 230**
Non-controlling interest	4 804	4 939	5 258	5 540	5 700
Total Equity	**98 152**	**100 982**	**95 670**	**99 910**	**99 930**
Bank loan	39 924	39 809	49 740	59 717	69 642
Other non-current liabilities	-	1 000	971	966	961
Lease liabilities	4 169	4 492	5 221	5 701	-
Deferred tax liability	2 088	2 254	2 414	2 583	2 765
Total non-current liabilities	**46 181**	**47 555**	**58 346**	**68 967**	**73 368**
Current liabilities					
Trade and other payables	21 344	25 398	23 295	18 330	18 022
Player liabilities	13 352	12 841	10 691	10 566	11 922
Tax liability	4 997	1 706	1 378	5 194	5 111
Accrued expenses and deferred income	35 811	35 144	35 575	33 679	31 994
Bank loan	30 000	40 000	40 000	40 000	30 000
Short-term lease liabilities	3 406	3 430	3 480	3 443	-
Provision for conditional purchase price (earn-out)	9 000	9 000	9 000	9 000	9 000
Total current liabilities	**117 910**	**127 519**	**123 419**	**120 212**	**106 049**
Total liabilities	**164 091**	**175 074**	**181 765**	**189 179**	**179 417**
TOTAL EQUITY AND LIABILITIES	**262 243**	**276 056**	**277 435**	**289 089**	**279 347**

CONSOLIDATED STATEMENT OF CASH FLOWS PER QUARTER, CONDENSED

EUR'000s	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Operating profit	(2 518)	6 046	8 494	649	2 591
Adjustments for non-cash items	12 913	6 059	6 324	5 466	4 682
Cash flow from changes in working capital	(5 789)	5 113	(957)	(238)	621
Net income taxes paid	(41)	-	(4 497)	-	-
Cash flow from operating activities	**4 565**	**17 218**	**9 364**	**5 877**	**7 894**
Acquisition of property, plant and equipment	(184)	(221)	(316)	(396)	(339)
Acquisition of intangible assets	(2 020)	(1 856)	(2 018)	(2 186)	(3 129)
Acquisition of subsidiaries	-	-	-	-	-
Transfer of assets on acquisition	-	-	-	-	-
Proceeds on sale of subsidiaries and assets	11 150	-	-	-	-
Cash flow from investing activities	**8 946**	**(2 077)**	**(2 334)**	**(2 582)**	**(3 468)**
Loan financing	(10 000)	(10 000)	(10 000)	-	4 735
Lease liabilities	(775)	(806)	(802)	(792)	-
Proceeds from share issue/other equity securities	-	186	-	-	34
Cash dividends paid out to shareholders	(5 808)	-	(5 726)	-	-
Cash flow from financing activities	**(16 583)**	**(10 620)**	**(16 528)**	**(792)**	**4 769**
Net increase/(decrease) in cash and cash equivalents	(3 072)	4 521	(9 498)	2 503	9 195
Cash and cash equivalents at start of the period	53 710	49 290	59 251	56 738	47 555
Currency effects on cash and cash equivalents	100	(101)	(463)	10	(12)
Cash and cash equivalents at end of period	**50 738**	**53 710**	**49 290**	**59 251**	**56 738**
of which restricted cash (player funds)	*13 352*	*12 841*	*10 691*	*10 566*	*11 922*

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 than once, such as a customer who has made a deposit with Royal Panda and LeoVegas during the period

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

DIVIDEND PER SHARE
The dividend paid or proposed per share

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

EARNINGS PER SHARE AFTER DILUTION
Profit after tax divided by the weighted average number of shares outstanding during the period, adjusted for additional shares for warrants with a dilutive effect

EBIT
Operating profit

EBIT MARGIN, %
EBIT in relation to revenue

EBITDA
Operating profit before depreciation, amortisation and impairment losses

EBITDA MARGIN, %
EBITDA in relation to revenue

EQUITY/ASSETS RATIO, %
Shareholders' equity divided by total assets

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

GROSS GAMING REVENUE (GGR)
The sum of all wagers (cash and bonuses) less all wins payable to customers (referred to as GGR in the industry)

GROSS PROFIT
Revenue less direct, variable costs, which include costs for third-party gaming vendors, fees paid to payment service providers, and gambling taxes

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

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

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

NEW DEPOSITING CUSTOMER
A customer who has made his or her first cash deposit during the period

OPERATING PROFIT (EBIT)
Profit before interest and tax

ORGANIC GROWTH
Growth excluding acquisitions, adjusted for currency effects

PROFIT MARGIN
Net profit divided by revenue

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

SHAREHOLDERS' EQUITY PER COMMON SHARE

Shareholders' equity attributable to owners of the Parent Company divided by the number of shares outstanding at the end of the period after redemptions, repurchases and new issues

SHARES OUTSTANDING AFTER DILUTION

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

WORKING CAPITAL

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

OTHER DEFINITIONS

GAMBLING TAX
A tax that is calculated on a measure of revenue that operators of gambling activities pay in a regulated market, such as in Denmark, Italy, the UK or Sweden. In certain cases, it also pertains to the cost for VAT in regulated markets (Germany, Malta, Ireland)

LOCALLY REGULATED MARKETS
Markets that have regulated online gambling and that have issued licences that operators can apply for

MOBILE DEVICES
Smartphones and tablets

NET PROFIT
Profit less all expenses, including interest and tax

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

REGULATED REVENUE
Revenue from locally regulated markets

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