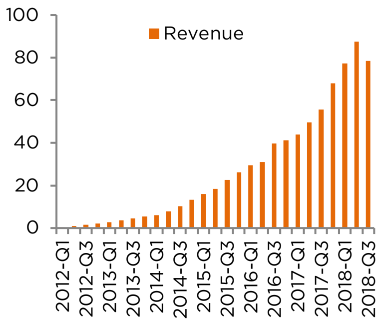
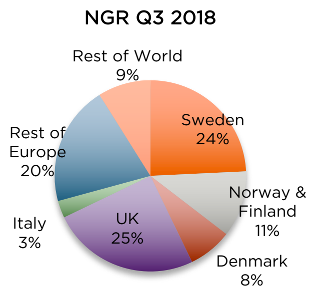
LeoVegas' passion is "Leading the way into the mobile future" The LeoVegas Mobile Gaming Group today has a leading position in mobile casino, sports betting, and live casino. The business is distinguished by award-winning innovation and strong growth. LeoVegas has attracted major international acclaim and has won numerous awards. LeoVegas' operations are based in Malta, while technology development is conducted in Sweden. The Parent Company LeoVegas AB (publ) invests in companies that offer gaming via mobile devices and computers, and companies that develop related technologies. The Group's head office is in Stockholm. LeoVegas AB is listed on Nasdaq Stockholm. *For more information about LeoVegas, visit www.leovegasgroup.com.*

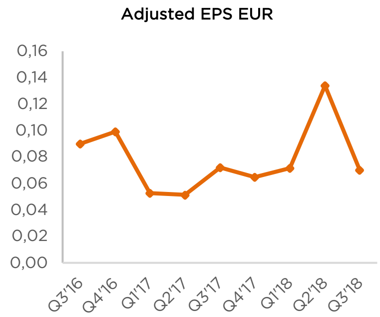
Transitional quarter ensures continued sustainable growth

Third quarter: 1 July–30 September 2018*

- Revenue increased by 41% to EUR 78.6 m (55.6). Organic growth in local currencies was 7.5%. Organic growth in local currencies excluding markets closed in 2017 was 14%.
- Net Gaming Revenue (NGR) from Royal Panda and Rocket X[†] was 14% and 13%, respectively, of total NGR.
- NGR from regulated markets was 35.3% (25.3%) of total NGR.
- The number of depositing customers was 318,189 (202,980), an increase of 57%. The number of new depositing customers was 140,552 (97,210), an increase of 45%. The number of returning depositing customers was 177,637 (105,770), an increase of 68%.
- EBITDA was EUR 9.0 m (7.6), corresponding to an EBITDA margin of 11.4% (13.7%).
- Adjusted[‡] EBITDA was EUR 9.0 m (8.4), corresponding to an adjusted EBITDA margin of 11.4% (15.1%).
- Operating profit (EBIT) was EUR 3.5 m (6.9).
- Adjusted EBIT was EUR 7.7 m (7.7), corresponding to an adjusted EBIT margin of 9.8% (13.9%).
- Earnings per share before and after dilution were EUR 0.13 (0.06).
- Adjusted earnings per share were EUR 0.07 (0.07).







1 January–30 September 2018*

- Revenue increased by 63% to EUR 243.3 m (149.2).
- EBITDA was EUR 33.5 m (19.8), corresponding to an EBITDA margin of 13.8% (13.3%). Adjusted[§] EBITDA was EUR 32.9 m (20.8), corresponding to an adjusted EBITDA margin of 13.5% (13.9%).
- Operating profit (EBIT) was EUR 16.6 m (17.9). Operating profit adjusted for items affecting comparability was EUR 29.4 m (19.0), corresponding to an adjusted EBIT margin of 12.1% (12.7%).
- Earnings per share were EUR 0.21 (0.17).

Events during the quarter

- Sports betting brand BetUK launched in the UK market.
- Log-in and registration via BankID e-identification and immediate payouts.
- LeoVentures acquired 51% of esports betting operator pixel.bet.
- The subsidiary Authentic Gaming signed agreement with the UK's largest land-based casino and was granted a B2B licence for the UK market.

Events after the end of the quarter

- LeoVegas is Sweden's most well-known and most appreciated brand in online casino according to several brand surveys conducted by Mantab Global
- Launch of the legs11.co.uk brand, with focus on bingo, in the UK market.

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

[†] In February 2018, LeoVegas Gaming plc. and Rocket X LV Limited (both part of the LeoVegas Mobile Gaming Group) acquired the business and assets of three separate entities. The acquisition included several top brands in the UK, such as pink casino, 21.co.uk, Slotboss, Bet UK and UK Casino (collectively called the "*Rocket X brands*"). In the acquisition, all Rocket X brands were transferred to LeoVegas Gaming plc., who owns and operates them under its UK license, whereas the employees of the sellers' business were transferred to Rocket X LV Limited. The latter is not a stand-alone operator, but manages the Rocket X brands for LeoVegas Gaming plc. The collective name of the brands is just used to, in an easy way, name the multibrands that are facing the UK market. Rocket X is consolidated as from 1 March 2018, and Royal Panda is consolidated as from 1 November 2017.
[‡] Adjusted items are stripped of items affecting comparability related to acquisitions, the listings, sales of assets and non-cash items related to acquisitions. For a complete definition, see the section *"Definitions of Alternative Performance Measures"*.
[§] Adjusted items are stripped of items affecting comparability related to acquisitions, the listings, sales of assets and non-cash items related to acquisitions. For a complete definition, see the section *"Definitions of Alternative Performance Measures"*.

- Date of LeoVegas' AGM for the fiscal year of 2018 is set for 29 May 2019.
- Decision to raise gambling tax for online casino in the UK to 21%, to take effect in October 2019. The gambling tax for sports betting to remain at 15%.
- Net Gaming Revenue (NGR) in October amounted to EUR 26.6 m (20.6), corresponding to growth of 29%.

CEO's comments

"A challenging quarter for our two largest markets, with greater focus on compliance and sustainability. It is satisfying to note that LeoVegas is the most well-known online casino brand in Sweden – our position ahead of regulation is strong!"

The third quarter was a quarter of transition for LeoVegas as a Group, during which we have focused on compliance measures, completion of platform development projects and other long-term investments to enable the next major steps in the Company's development. The work on meeting compliance requirements in the best way possible has been necessary and will give us a major competitive advantage. We are now at the forefront in this area, ensuring long-term sustainable and profitable growth for the Group.

Despite the important improvement efforts, we are not satisfied with our growth or profitability during the third quarter. Our work with compliance has mainly affected our near-term growth in our two largest markets, the UK and Sweden. As a consequence of this shift we saw a drop in the average player value, which we have not been able to mitigate in the short term by a new record number of depositing customers during the quarter. The second factor that has made a significant impact is the large projects we began during the second quarter. We will see the effects of these first in the longer term, while they have also locked up resources that we have not been able to use for other growth initiatives. In parallel with the progress of certain long-term technical projects that are still ongoing, the organisation has now been able to return to more growth-focused projects. We have also launched a number of new initiatives during the autumn focusing on products and the customer experience which are expected to gradually generate positive effects. The results of this work have been confirmed by positive customer KPIs during the start of the fourth quarter. This, in turn, bodes well for a return to higher growth figures going forward.

At the forefront in sustainability and compliance
As we communicated in our report on the second quarter, we have seen a rise in external requirements on operators for responsible gaming and compliance. We believe that we as a Group have made great progress in this area. We have introduced controls and processes that we believe go far beyond the average for the industry, especially in the Swedish market. For example, we have carried out proactive measures in responsible gaming and anti-money laundering and have implemented extended SOI (source of income) routines, which entail a more in-depth review of a customer's financial situation. We have gradually implemented these measures over a longer period. We began to see the effects of our proactive measures during the second quarter, and they have now borne full effect during the third quarter. On the whole, a picture has emerged in which our work in this area has had an adverse effect on growth during the third quarter, but at the same time entails that we are even better positioned for long-term growth. With these newly implemented routines we will have the best opportunity to work effectively and sustainably in a regulated environment – something that will only be possible for operators that have invested in the routines and processes required. We see this as a major competitive advantage.

We have high aspirations in all markets, but all markets must also be addressed according to their unique features. In certain markets we believe that our work with compliance has had a negative impact on the customer experience, such as with respect to information routines and internal processes. This is a very difficult balance to maintain, and we are now fine-tuning our operations in an effort to comply with the various regulations through a high level of gaming responsibility while at the same time offering an attractive and smooth customer experience.

Development during the quarter
Revenue totalled EUR 78.6 m (55.6) during the third quarter, an increase of 41%. Organic growth in local currency was 7.5%. Organic growth excluding markets that were closed in 2017 was 14%. EBITDA totalled EUR 9.0 m (7.6), corresponding to an EBITDA margin of 11.4% (13.7%).

The main explanation for the slower growth is the weak performance we had in the UK during the period. Organic growth for LeoVegas.com in the UK was negative, by 32%. Royal Panda and Rocket X also noted lower revenue from the UK.

For LeoVegas, EBITDA has fluctuated from quarter to quarter. However, on a yearly basis we have a steady trend with respect to our margin. The lower EBITDA margin for the third quarter compared with the second quarter is explained by two main factors. The first is that we have grown our workforce in relation to revenue at a faster pace than previously. Most of our new employees are on the responsible gaming and compliance team, which has doubled in size since the start of the year, and in technology development. The second, major factor is the investments being made by Rocket X in several major marketing initiatives, including the launch of the BetUK brand. These investments are weighing down earnings in the near term but are expected to lead to higher growth in coming quarters.

Focus on casino and the customer experience
LeoVegas has since start focusing being “No 1 in mobile” and have a unique strength as a casino brand. Sports betting, which we added in 2016, is important for LeoVegas’ total customer offering and growth. We have invested in the product and have now succeeded in building up an established sports betting brand. We intend to continue with the strategy we adopted after the FIFA World Cup, namely, to channel our focus back to the casino vertical.

Technology
During the second quarter we launched our new front-end platform, which was necessary to support our continued rapid growth and uphold our market leadership in products. One of many advantages is the improvements in search engine optimisation (SEO). The value of improved SEO is that customers find their way directly to Leovegas.com via search engines instead of going via external affiliates. During the third quarter we already saw an increase and improvement in organic traffic to LeoVegas.com. For example, the number of new customers via organic traffic has grown by 50% since the new platform was implemented. It is very gratifying to see a positive effect in such a short time. Over time this will make us less dependent on external market channels, which in turn will lead to growth with higher profitability.

Regulated markets
NGR from locally regulated markets accounted for 35.3% of total during the third quarter. Starting in Q1 next year, when the Swedish market will be regulated, we expect that about 60% of our revenue will be derived from regulated markets. This is in line with our expansion strategy to grow in locally regulated markets and markets that are expected to become regulated.

Sweden - very strong position ahead of regulation
Sweden is one of our core markets, and we are approaching the 1st of January, at which time the market will become regulated after many years of anticipation. We look forward to a fruitful cooperation with the Swedish Gambling Authority, with which we filed our licence application in August. We are highly confident that Sweden’s new regulation structure, under which all active operators will work according to the same rules, will lead to a sound gaming market with a high level of channelisation in which the focus is on the customer experience and responsible gaming.

In Sweden we have had a need in recent quarters to update our product to meet the ever-fierce competition. During the third quarter we launched a log-in and registration process via BankID e-identification and immediate payouts. This was implemented though direct integration with BankID and not via a third-party solution. This reduces the number of clicks and improves the customer experience. With these improvements we believe that we continue to offer Sweden’s best customer experience in mobile casino along with the broadest offering.

Naturally, our absolute ambition is to uphold our position as the most well-known and most highly appreciated casino brand in the Swedish market following regulation of the market. Moreover, we have many exciting campaigns left to carry out before year-end. One such initiative highlights our new ambassador, Hollywood star Dolph Lundgren, who we will be seeing a lot of in the media. This, along with LeoVegas being the most well-known and appreciated online casino brand gives us a very strong position ahead of regulation!

UK – a new level to grow from
The UK market is presently challenging, but as the fourth quarter gets under way, we have begun to see a return to positive trends for the group and have thus found a new level to grow from. This is a result of the enormous work we have done in compliance.

Having an open dialogue with a cooperative regulator is important for creating a good business climate with the shared goal to create a sound and sustainable gaming market. In this work the UK Gambling Commission (UKGC) has led as a good example, and our cooperation and understanding are very positive.

The adjustments we have made to how we conduct business have been necessary in order for us to deliver sustainable and strong growth over the long term. The operators that maintain high standards of compliance with the customer in focus will have a very strong position going forward in the UK, but in other jurisdictions as well, since more and more countries are regulating their markets, and knowledge is thereby being built up about compliance in regulated markets. The work on automating and streamlining these processes has already begun.

As a result of the transition that is taking place in the UK, the general player value has dropped to a lower level, but the customer acquisition cost offered by certain marketing partners has not yet decreased to a corresponding degree. Historically, however, customer acquisition costs have always become aligned with the new conditions created by market changes.

“Scale-up markets” - continued strong growth
In addition to Sweden and the UK, which today are our largest markets, we have what we call our “scale-up markets”. These include Canada, Denmark, Germany and Italy, among others. We are investing heavily in these markets and see that our KPIs are pointing in the right direction. Germany, in particular, delivered a strong third quarter with growth well above 100%, but markets like Denmark and Canada are also growing fast and increasing in importance for the Group’s total growth.

Our brands
Rocket X
LeoVegas Gamings brands in the UK, under the collective name Rocket X, had a challenging quarter. These brands are active only in the UK market, and player value has therefore been hit extra hard in the short term by the increased compliance requirements. However, we now see a very positive development of the customer base for these brands, which we expect will contribute to renewed growth from the current revenue level. There are many growth-driving initiatives for the UK market. Among others, we launched the BetUK brand with sports betting as the main focus, with

very good initial results. In addition, after the end of the quarter, the bingo brand legs11.co.uk was launched.

Royal Panda
Royal Panda derives nearly half of its revenue from the UK and has also been affected by the increased regulatory requirements. In other markets we see a considerably stronger growth trend. The earn-out period for Royal Panda ends on 1 December, and integration of Royal Panda has entered a more intensive phase. The earn-out payment is now expected to be lower than we had previously anticipated, which is coupled to the weaker performance in the UK during the earn-out measurement period. Our revised assessment is that it will end up at around EUR 30 m, which will be paid out early next year.

LeoVentures – eventful quarter
The third quarter was yet another eventful period for LeoVentures. During the quarter our subsidiary Authentic Gaming signed an agreement with Aspers, the UK's largest land-based casino, to provide its roulette games via live streaming from Aspers' prestigious casino in London. Authentic Gaming was also granted a B2B licence for the UK market. During the quarter LeoVentures also invested in the esports betting operator pixel.bet. The ambition over time is to position itself as the leading brand in esports community. Important within esports are Twitch streaming and streamers as influencers, which closely ties to LeoVentures investment in the CasinoGrounds streaming community, which is developing very well.

Financial targets 2020
Even though one of our core markets is currently undergoing a change that is weighing down growth in the near term, I want to reiterate our financial targets for 2020 of at least EUR 600 m in revenue and EBITDA of at least EUR 100 m. These targets are obviously more challenging today than when we communicated them this past spring, but we see good opportunities to reach them. Among other things, we still have a very strong position in the UK, with several compelling brands, and we have good opportunities to begin growing again sequentially following the recent quarters' focus on compliance. We expect to be able to grow our market share in Sweden following the market's regulation, as the overall customer experience and responsible gaming aspect will grow in significance. At the same time we have a number of markets in which we are now gaining a bigger presence and growing strongly in – all with potential over time to be LeoVegas' largest market.

Our expansion plan remains ambitious, and we are looking at a number of new markets in which to expend in the coming years. We are not ruling out new acquisitions as long as they fit with the Group's strategic agenda. At LeoVegas we are working hard to ensure our long-term sustainable growth and continue building the leading Gametech company.

Comments on the fourth quarter
October started out with Net Gaming Revenue (NGR) of EUR 26.6 m (20.6), representing growth of 29%.

The UK has had a significant impact on our figures for the third quarter as well as for the month of October while most of our other core markets continue to show solid growth. In regards to Sweden, the combination of increased marketing and an upgraded product has had a good initial effect, with 25% higher revenue in October over September and with good profitability.

Historically, performance during the fourth quarter has been stronger toward the end of the period, as December is typically the month with the highest level of customer activity.

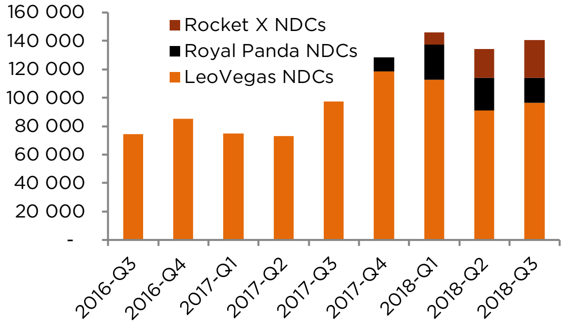
I am convinced that the growth initiatives we have begun, and our renewed casino focus will take us back to the strong growth we have historically had. They give us good opportunities to create long-term sustainable value for our shareholders.

Gustaf Hagman, Group CEO and co-founder
LeoVegas AB, Stockholm, 7 November 2018

Key Performance Indicators

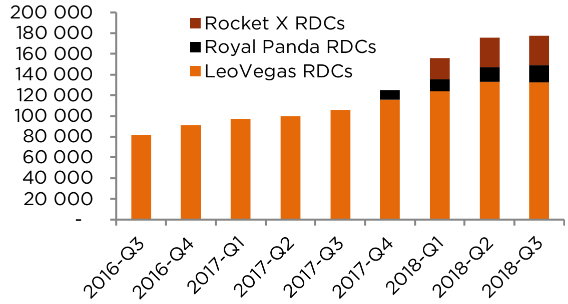
For more KPIs and comments, see the accompanying presentation file on LeoVegasgroup.com. See also the section "Definitions of Alternative Performance Measures".

New depositing customers (NDCs) per platform/brand



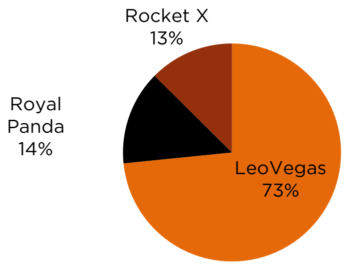
The Group's NDCs increased by 5% over the preceding quarter, which is mainly attributable to more effective marketing and a higher share of organic customer acquisition. NDCs for the LeoVegas brand increased by 6% over the preceding quarter and were unchanged compared with the same quarter a year ago.

Returning depositing customers (RDCs) per platform



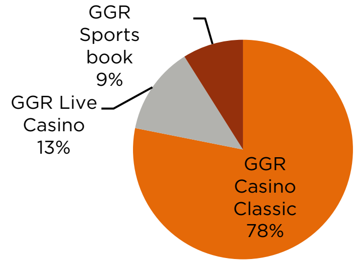
RDCs reached a new record high during the quarter, with a smaller gain compared with the preceding quarter and a 68% rise compared with the same period a year ago. RDCs for the LeoVegas brand were unchanged compared with the preceding quarter, but grew 25% compared with the same quarter a year ago.

Net Gaming Revenue (NGR) per platform/brand Q3 2018



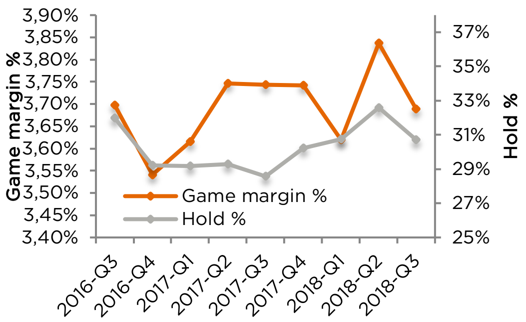
The LeoVegas brand accounted for 73% of the Group's NGR during the quarter. Royal Panda and Rocket X account for roughly equal shares of the Group's total NGR.

Gross Gaming Revenue (GGR) per product Q3 2018



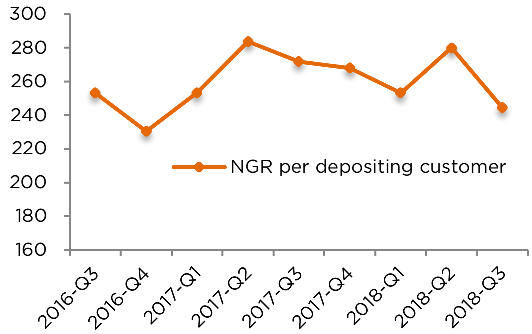
Casino contributed 78% to GGR, Live Casino contributed 13%, and the sports book contributed 9%. Live Casino is offered in all brands in the Group. Following the launch of sports betting by the Rocket X brand BetUK during the third quarter, sports betting is now offered by all brands in the Group.

Gaming margin and hold



The relation between NGR and deposits (hold) decreased by two percentage points from the preceding quarter, to 30.7%. Hold for the LeoVegas brand was 28.3%, which is slightly below the historical average. One factor that has historically had a strong bearing on hold is the gaming margin. The gaming margin during the third quarter was 3.7%, which is slightly below average.

Player value (EUR)



The average player value per depositing customer was EUR 244, which is a decrease of 13% compared with the preceding quarter and 10% compared with the same period a year ago. The player value is thereby at its lowest level since Q4 2016, which is explained by a changed mix in the player base and the Company's focus on compliance and responsible gaming.

Group performance Q3

Revenue, deposits and NGR

Revenue amounted to EUR 78.6 m (55.6) during the third quarter, an increase of 41%. Royal Panda contributed EUR 10.8 m in revenue during the quarter, while Rocket X contributed EUR 9.5 m. Organic growth in local currency was 7.5%. Excluding markets that were closed in 2017 (Australia, the Czech Republic and Slovakia) and acquisitions, growth in local currency would have been 14% compared with the same period a year ago.

Deposits totalled EUR 253.4 m (193.1) during the quarter, an increase of 31%. On a sequential basis, deposits decreased by 5% compared with the preceding quarter. Excluding the acquisitions of Royal Panda and Rocket X, deposits increased by 5% compared with the same period a year ago. Mobile deposits accounted for 71% (70%) of total, which is the highest share ever.

Net Gaming Revenue (NGR) increased by 41% compared with the same period a year ago but decreased by 10% sequentially from the second to the third quarter. The decrease in NGR was larger than for deposits, which is explained by a slightly lower hold and gaming margin than normal during the period.

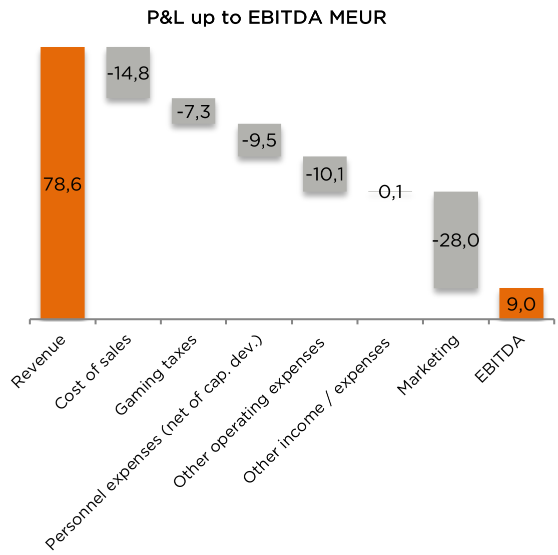
Earnings

Gross profit increased by 37% compared with the same quarter a year ago, to EUR 56.6 m (41.2), corresponding to a gross margin of 71.9% (74.0%). Gambling taxes amounted to 9.3% of revenue, which is marginally higher than the second quarter, but significantly higher than for the third quarter a year ago (7.3%). The increase is attributable to a higher share of revenue from markets with gambling taxes, such as Denmark, the UK and Italy. The cost of sales was 18.7% of revenue (18.7%) and pertains mainly to costs to external game and payment service providers.

Marketing costs during the quarter totalled EUR 28.0 m (22.6), which is lower than in the preceding quarter but sharply higher compared with the same period a year ago, partly owing to the consolidation of Royal Panda and Rocket X. Marketing in relation to revenue was 35.6%, which is in line with the level communicated in connection with the preceding quarterly report and represents a slight increase compared with the second quarter, when it was 34.9%. At the same time, the share is lower than the corresponding quarter a year ago, when it was 40.7%. The LeoVegas and Royal Panda brands had lower marketing costs compared with the preceding quarter. However, Rocket X showed a sharp increase in its marketing costs during the third quarter over the preceding quarter, which is partly explained by the launch of the BetUK brand and sports betting during the period.

The lower level of marketing during the most recent two quarters is partly due to compliance-related issues. In the UK it has become more difficult to work with affiliates temporarily due to stricter regulations, and at the same time LeoVegas actively implemented new requirements for its affiliate partners in a number of other markets. In addition, during the spring marketing investments were carried out to strengthen brand recognition in the sports betting segment in certain key markets, which was a strategic investment with a longer recovery period than normal. During the third quarter LeoVegas decreased its sports book-related marketing and changed the mix back to more casino-based marketing, as the return on the marketing investment is judged to be higher in the casino segment.

As previously, marketing costs in the Group are steered by a data-driven marketing model that ensures a continuous high return over time on investments in various marketing channels, including direct marketing on TV and in print, affiliate channels, and investments in social media. The opportunities to make substantial marketing investments vary over time, which in turn entails that profitability may be volatile from quarter to quarter.



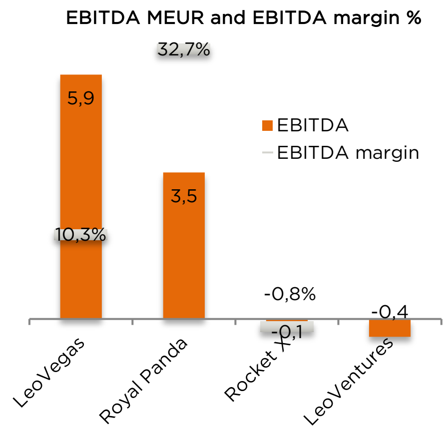
The average acquisition cost for a new depositing customer decreased by 12% compared with the preceding quarter, resulting in the lowest average acquisition cost in seven quarters and reflects ever-greater efficiency in the Company's marketing. The lower cost is also attributable to a higher share of sports betting customers, for whom the customer acquisition cost is generally lower.

Personnel costs in relation to revenue increased during the third quarter compared with the preceding quarter and same period a year ago, to 13.4% (10.0%). The increase is mainly attributable to the Company's compliance work, where the number of employees increased sharply during the past year, and an increase in products and technology, where the Company has gradually transitioned away from external consultants and instead employed its own personnel. The Company now believes that a considerably lower staffing increase will be needed to support continued revenue growth in the quarters immediately ahead.

Other operating expenses amounted to 12.9% of revenue (11.4%).

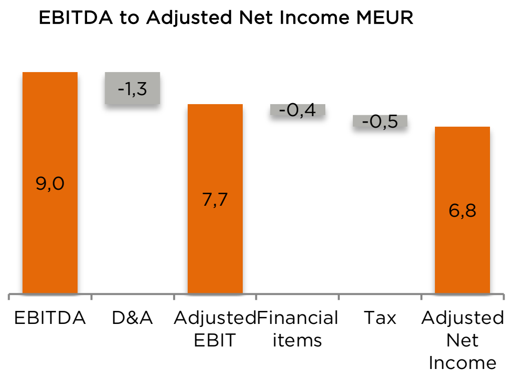
EBITDA for the third quarter was EUR 9.0 m (7.6), corresponding to an EBITDA margin of 11.4% (13.7%). Adjusted EBITDA was the same as EBITDA for the quarter as there were no items affecting comparability. EBITDA per platform/brand is presented in the chart at right.

EBITDA for the LeoVegas brand was EUR 5.9 m during the quarter, while EBITDA for the Royal Panda brand was EUR 3.5 m. Rocket X had negative EBITDA of EUR -0.1 m for the quarter, which is partly owing to higher investments in marketing associated with the launch of the BetUK brand in the UK market and partly to investments in compliance. LeoVentures had negative EBITDA of EUR -0.4 m, as several companies in LeoVentures are in investment phases.



Operating profit (EBIT) for the quarter was EUR 3.5 m (6.9), corresponding to an EBIT margin of 4.5% (12.4%).

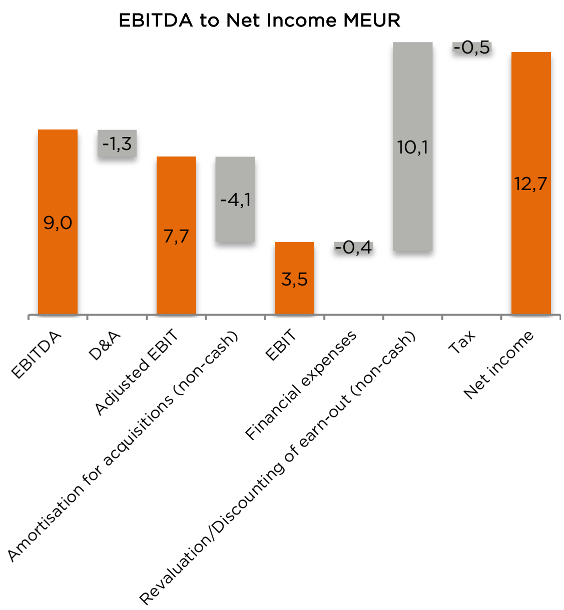
Adjusted EBIT was EUR 7.7 m (7.7), corresponding to an adjusted EBIT margin of 9.8% (13.9%). Adjusted EBIT more closely reflects the Group's underlying earnings capacity, as items affecting comparability related to acquisitions, the listings, amortisation of acquired intangible assets and any items of a clearly one-off character are excluded.



The Group's depreciation and amortisation excluding acquisition-related depreciation and amortisation amounted to EUR 1.3 m (0.7). Amortisation of acquired intangible assets totalled EUR 4.1 m (0.07). For more detailed information on amortisation of acquired intangible assets, see the press release dated 13 April 2018.

Regular financial expenses are mainly related to the loan facility that was secured in connection with previous acquisitions. During the third quarter, financial expenses amounted to EUR 0.4 m (0.0).

The acquisition of Royal Panda includes a potential, maximum earn-out payment (contingent consideration) of EUR 60.0 m. LeoVegas has determined that it is likely that part of this earn-out will be paid out. As per the end of the third quarter the estimated outcome is expected to be EUR 30.0 m (undiscounted), compared with a previously estimated value of EUR 42.0 m (undiscounted) at the end of the second quarter. The changed, estimated value gives rise to a one-off effect of EUR 10.1 m, which affects the Company's net financial items during the third quarter. The remeasurement had no cash flow effect for the period. The measurement period for the earn-out for Royal Panda ends on 1 December. The earn-out is expected to be paid to the sellers during the first quarter of 2019.



The tax cost for the quarter was EUR 0.5 m (0.4).

Net profit for the quarter was EUR 12.7 m (6.5), corresponding to a net margin of 16.2% (11.6%). Earnings per share were EUR 0.13 (0.06) before and after dilution.

Adjusted earnings per share were EUR 0.07 (0.05). 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. The remeasurement and discounting effect of earn-out payments is also excluded, as it does not affect cash flow.

Balance sheet and financing

At the end of the quarter the Group's equity amounted to EUR 77.8 m (57.4), or EUR 0.8 per share. Non-controlling interests make up EUR 5.7 m (0.0) of equity. Non-controlling interests pertain to CasinoGrounds, in which 51% of the shares were acquired in January 2018, and to Pixel.bet, in which 51% of the shares were acquired in September 2018.

The Group's financial position is good. Cash and cash equivalents amounted to EUR 47.6 m (66.6). Cash and cash equivalents excluding customer balances amounted EUR 35.7 m (61.8). LeoVegas has taken out an interest-bearing bank loan of EUR 95 m out of a total opportunity to use up to EUR 100 m of the existing loan facility.

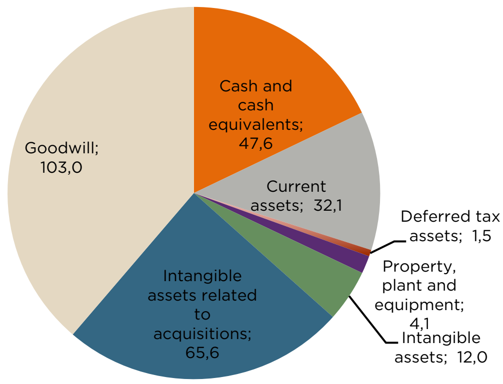
The equity/assets ratio was 29% (58%). Total assets at the end of the quarter were EUR 265.8 m (98.1).

The Group had intangible assets valued at EUR 180.6 m (13.9) at the end of the quarter. Intangible assets attributable to identified surplus value from acquisitions amounted to EUR 65.6 m (1.7). The increase is mainly attributable to the acquisitions of Royal Panda and Rocket X. Goodwill related to all acquisitions amounted to EUR 103.0 m (4.4). The acquisition of Rocket X is an asset/liability acquisition, whereby no shares were acquired. Other acquisitions involved purchases of shares. LeoVegas' holding of non-controlling interests pertain to the 51% of the shares in CasinoGrounds and 51% of the shares in Pixel.bet, which are presented as non-controlling interests on the consolidated balance sheet and in the consolidated income statement.

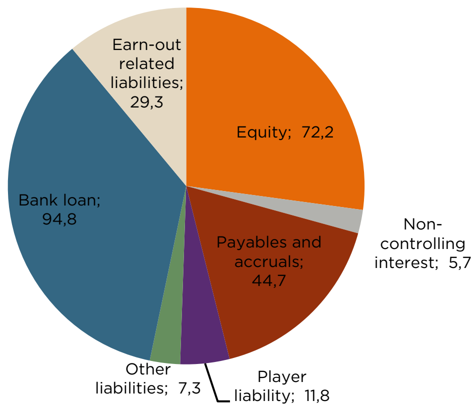
Non-current liabilities decreased by EUR 20 m during the quarter, since part of the current bank facility is to be amortised within 12 months and is thereby reported as a current liability. During the quarter a deferred tax liability on acquired surplus value arose in connection with a reclassification carried out within the Group. Historical figures have thereby been recalculated for the deferred tax liability to maintain comparability between periods.

Several current liability items have increased during the year, owing to consolidation of acquisitions and underlying growth. As a result of a remeasurement, the liability for the earn-out payment for Royal Panda has decreased and now amounts to EUR 29.3 m as per the end of the quarter, compared with EUR 40.8 m at the end of the preceding quarter (discounted values).

Balance sheet Assets MEUR



Balance sheet Equity and Liabilities MEUR



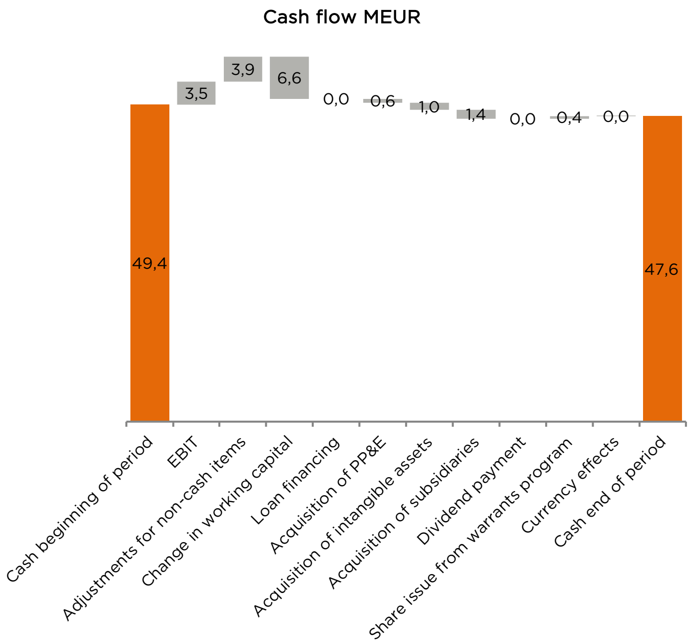
Cash flow and investments

Cash flow from operating activities totalled EUR 0.9 m (11.9) during the quarter. The change is partly explained by a build-up of working capital during the period. Working capital may be volatile from period to period 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 to EUR 0.6 m (0.8). Investments in intangible non-current assets amounted to SEK 1.0 m (0.9) and pertain to acquired intangible assets and capitalised development costs.

An additional EUR 1.4 m of cash flow from investing activities affected the outflow and pertains to the acquisition of 51% of the shares in Pixel.bet during the period. In total, investing activities generated an outflow of EUR 3.0 m (4.2).

Cash flow from financing activities includes the issue proceeds related to the Company's warrant programme for employees.



Group performance during first nine months of 2018

Revenue and earnings

Consolidated revenue amounted to EUR 243.3 m (149.2), an increase of 63%.

Gross profit increased 55% to EUR 175.8 m (113.1). The gross margin for the interim period was 72.2% (75.8%).

Marketing costs as a share of revenue decreased to 36.5% (41.7%).

EBITDA increased to EUR 33.5 m (19.8), and the EBITDA margin was 13.8% (13.3%). EBITDA adjusted for items affecting comparability was EUR 32.9 m (20.8), corresponding to a margin of 13.5% (13.9%).

Operating profit (EBIT) increased to EUR 16.6 m (17.9), for an operating margin of 6.8% (12.0%). Operating profit adjusted for items affecting comparability was EUR 29.4 m (19.0), corresponding to a margin of 12.1% (12.7%).

Profit for the interim period increased to EUR 21.1 m (16.6). The increase in profit for the period is attributable to higher EBITDA and non-cash items related to acquisitions, such as depreciation and amortisation, and remeasurement of the liability for the earn-out payment for Royal Panda. Adjusted profit for the period increased to EUR 27.1 m (17.7), for an adjusted margin of 11.1% (11.9%).

Cash flow and investments

Cash flow from operating activities increased to EUR 28.6 m (26.0) during the interim period. The increase is mainly attributable to higher EBITDA, which was partly countered by changes in working capital during the interim period.

Investments in non-current assets amounted to EUR 2.1 m (1.1) and consisted mainly of IT hardware and investments in new office premises. Investments in intangible assets amounted to EUR 5.5 m (3.4) and consisted mainly of capitalised development costs. Cash flow pertaining to acquisitions and divestments of subsidiaries totalled EUR 92.2 m (3.6).

Cash flow from financing activities amounted to EUR 66.8 m (-10.2). The increase during the period is attributable to utilisation of the loan facility. In addition, during the period a dividend of EUR 11.7 m (10.2) was paid out to the Parent Company's shareholders.

Other information

Events after the end of the quarter

- LeoVegas is Sweden's most well-known and most appreciated brand in online casino according to several brand surveys conducted by Mantab Global
- The legs11.co.uk brand, with focus on bingo, was launched in the UK market.
- Date of LeoVegas' AGM for the fiscal year of 2018 is set for 29 May 2019.
- Decision to raise gambling tax for online casino in the UK to 21%, to take effect in October 2019. The gambling tax for sports betting is to remain at 15%.
- Net Gaming Revenue (NGR) in October amounted to EUR 26.6 m (20.6), corresponding to growth of 29%.

Outlook and financial targets**

In 2018 the Board of Directors of LeoVegas adopted new financial targets for the Group, which are presented below:

Growth and revenue:

- LeoVegas' target is to achieve at least EUR 600 m in revenue by 2020.

Profit:

- LeoVegas' target is to achieve at least EUR 100 m in EBITDA by 2020.

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 of at least 50% of profit after tax

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

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 period January-September 2018, revenue amounted to EUR 0.9 m (0.2), and profit after tax was EUR -2.6 m (-2.2). Cash and cash equivalents amounted to EUR 0.1 m (0.8).

** LeoVegas' financial targets provided above are based on a number of assumptions about the business environment that the Group works in. Over time this may vary, whereby the outcome may deviate considerably from these assumptions. The outcome may therefore be worse than what LeoVegas initially estimated when the financial targets were adopted. As a result, LeoVegas' ability to achieve the financial targets is subject to uncertainties and eventualities, of which some are outside of the Group's control. There is no guarantee that LeoVegas can achieve the targets or that LeoVegas' financial position or operating profit will not differ significantly from the financial targets.

Acquisition – Rocket X (1 March 2018)

LeoVegas acquired assets from Intellectual Property & Software Limited ("IPS") and European Domain Management Ltd ("EDM"), and the assets and operations of Rocket 9 Ltd (collectively referred to as "Rocket X")

On 12 January 2018 it was announced that LeoVegas – through its wholly owned subsidiary LeoVegas Gaming Ltd – entered into an agreement to acquire assets from the gaming operator Intellectual Property & Software Limited ("IPS") and related assets from European Domain Management Ltd ("EDM"), both based in Alderney, Channel Islands. In addition, LeoVegas – through a wholly owned British subsidiary – also reached an agreement to acquire the assets and operations of Rocket 9 Ltd ("Rocket 9"). Rocket 9 is a marketing business based in Newcastle, England, where all 85 of the company's employees were based at the time of acquisition. These assets are collectively named Rocket X going forward.

Transfer of possession and consolidation took place on 1 March 2018. The total purchase price was GBP 65 m (EUR 73.6 m). The acquisition was financed with existing cash holdings and debt financing. The Group has used EUR 60 m of existing credit that is included in a total loan facility of EUR 100 m.

Rocket X's strategy focuses on digital and data-driven customer acquisition that incorporates search engine optimisation with multiple brands and customer acquisition sites. As a result, Rocket X has one of the market's most effective customer acquisition models. Rocket X has shown strong growth and profitability, which gives LeoVegas a firm footing in the UK with local expertise. In connection with the acquisition, LeoVegas has also gained a strong company culture with a technology and product focus. The acquisition further strengthens LeoVegas' presence in the UK and its position as the leading mobile gaming company.

Accounting effects

The acquisition consisted of an asset/liability transfer, and no shares were taken over. During the year to date Rocket X has contributed EUR 24.4 m to the Group's revenue and EUR 3.1 m to operating profit (corresponding to four months). If LeoVegas had owned Rocket X from 1 January 2018, it would have contributed EUR 32.9 m to the Group's revenue and EUR 5.9 m to operating profit at the end of the quarter.

The table at right shows a preliminary purchase price allocation and summarises the total purchase price of EUR 73.6 m, measured at fair value, as well as the fair value of acquired assets and liabilities taken over. Current receivables and liabilities include no derivatives, and fair value is the same as the carrying amount.

Identified surplus value pertains to intangible assets in the form of trademarks and domain names, valued at EUR 7.1 m, and the acquired customer database, valued at EUR 12.2 m. The intangible assets are measured at fair value as per the date of acquisition and are amortised over the estimated useful life, which corresponds to the estimated time they will generate cash flow. Continuing amortisation of the acquired trademarks and domain names will be charged against consolidated profit at a straight-line amortisation rate of five years. Amortisation of the acquired customer database has been charged against consolidated profit at an amortisation rate of two years for the first three months and will be charged at a rate of four years for the remaining 45 months.

Preliminary purchase price allocation Rocket X* (EUR, ´000s)

Amounts per the date of acquisition, 2018-03-01	Measured at fair value
Property, plant and equipment	149
Intangible assets	19 350
Financial assets	-
Trade and other receivables	1 770
Cash and cash equivalents	3 973
Trade and other payables	- 5 743
Deferred tax liabilities	-
Total acquired, identifiable net assets at fair value	**19 499**
Goodwill	**54 149**
Purchase price:	**73 648**

Purchase price	
Consideration paid	73 648
Total purchase price	**73 648**

Identified surplus values	
Brand and domains	7 125
Acquired customer database	12 225
Total identified surplus values	**19 350**

Goodwill is attributable to future revenue synergies, which are based on the potential to reach new customers through access to new markets and thus geographic expansion. Goodwill is to some extent also attributable to human capital.

For 2018 the acquisition is expected to have a positive effect on the Group's EBITDA, but a marginally negative effect on EBIT and earnings per share due to higher amortisation attributable to surplus value in the Group.

Acquisition – CasinoGrounds (1 January 2018)

LeoVegas has acquired 51% of CasinoGrounds through its wholly owned subsidiary LeoVentures

Through its wholly owned subsidiary LeoVentures Ltd, the Group signed an agreement to acquire 51% of the shares in GameGrounds United AB (CasinoGrounds), which is the company behind the streaming network casinogrounds.com. CasinoGrounds is the leading live streaming site for casino games via YouTube and Twitch and has carved out a new niche with its live streaming and social platform, which are very popular among players. The combination of proprietary content and moving picture format creates interesting opportunities going forward and is in line with LeoVegas' strategy to be an innovative and entrepreneur-driven company.

Transfer of possession and consolidation took place on 1 January 2018. The purchase price was SEK 30 m, with a potential, maximum earn-out payment of SEK 15 m. During the second quarter the milestones for payment of the full earn-out were reached – something that LeoVegas had counted on from the start. The earn-out was paid out during the third quarter. In addition, the agreement includes an option to purchase an additional 29% of the shares in 2021 or 2022 at 5 times operating profit (EBIT multiple). The acquisition was paid for with own cash.

Accounting effects

The table at right shows a preliminary purchase price allocation and summarises the total purchase price of EUR 8.5 m (adjusted for minority share), measured at fair value, as well as the fair value of acquired assets and liabilities taken over. Identified surplus value pertains to intangible assets in the form of the acquired customer database, valued at EUR 3.7 m. The intangible assets are measured at fair value as per the date of acquisition and are amortised over the estimated useful life, which corresponds to the estimated time they will generate cash flow. Amortisation of the acquired customer database has been charged against consolidated profit at an amortisation rate of two years for the first three months and will be charged at a rate of four years for the remaining 45 months. Goodwill is attributable to future revenue synergies, which are based on the potential to use existing knowledge to scale up the acquired business and thereby achieve expansion. Goodwill is to some extent also attributable to human capital. The acquisition is not expected to have any material effect on the Group's EBITDA or earnings per share in 2018.

Preliminary purchase price allocation CasinoGrounds* (EUR, ´000s)

Amounts per the date of acquisition, 2018-01-01	**Measured at fair value**
Property, plant and equipment	-
Intangible assets	5 540
Financial assets	-
Trade and other receivables	368
Cash and cash equivalents	347
Trade and other payables	- 126
Deferred tax liabilities	- 553
Total acquired, identifiable net assets at fair value	**5 575**
Goodwill	**2 907**
Purchase price, adjusted for non-controlling interest (100 %):	**8 482**
Purchase price	
Purchase consideration paid at acquisition date	3 054
Estimated additional purchase price	1 272
Total Purchase price 51 %	4 326
Purchase price, adjusted 100 %:	**8 482**
Identified surplus values	
Acquired customer database	3 690
Total identified surplus values	**3 690**

Acquisition – Pixel.bet (September 2018)

LeoVegas, through its wholly owned subsidiary LeoVentures, has invested in esports betting – Pixel.bet

The LeoVegas Group, through its wholly owned investment company LeoVentures Ltd, has acquired Pixel Holding Group Ltd, which runs the esports betting operator Pixel.bet. With this investment in Pixel.bet, LeoVegas gains unique insight into a new and fast-growing segment. In its next phase Pixel.bet is gearing up for a broader launch of its business. Sweden and the Nordics are initial focus markets, with clear potential to grow further internationally. Pixel.bet has the ambition to position itself as the leading brand in esports betting. The investment amounts to EUR 1.5 m for 51% of the company and was carried out through a new share issue. Pixel.bet's vision is to create the greatest gaming experience in esports via www.pixel.bet. Transfer of possession and consolidation took place on 5 September 2018.

Accounting effects

The table at right shows a preliminary purchase price allocation and the total purchase price (adjusted for non-controlling interests) of EUR 2.9 m measured at fair value as well as the fair value of acquired assets and liabilities taken over. Identified surplus value pertains to intangible assets in the form of a technical platform, valued at EUR 0.4 m. The intangible assets are measured at fair value as per the date of acquisition and are amortised over the estimated useful life, which corresponds to the estimated time they will generate cash flow. Amortisation of the technical platform will be charged against consolidated profit at an amortisation rate of five years. Goodwill is attributable to future revenue synergies, which are based on the potential to use existing knowledge to scale up the acquired business and thereby achieve expansion. Goodwill is to some extent also attributable to human capital. The acquisition is not expected to have any material effect on the Group's EBITDA or earnings per share in 2018.

Preliminary purchase price allocation, Pixel.bet* (EUR, ´000s)

Amounts per the date of acquisition	**Measured at fair value**
Property, plant and equipment	-
Intangible assets	372
Financial assets	-
Trade and other receivables	1 505
Cash and cash equivalents	9
Trade and other payables	- 45
Deferred tax liabilities	- 19
Total acquired, identifiable net assets at fair value	**1 823**
Goodwill	**1 118**
Purchase price, adjusted for non-controlling interest (100%)	**2 941**
Purchase price	
Purchase price 51 %	1 500
Purchase price, adjusted 100 %	**2 941**
Identified surplus values	
Technical platform	372
Total identified surplus values	**372**

Currency sensitivity
LeoVegas' largest markets are the Nordic countries and the UK. The Group's earnings are thus affected by currency translation effects. During the quarter, changes in the euro exchange rate had a negative effect on revenue of EUR 1.9 m compared with the same period a year ago and of EUR 0.2 m compared with the preceding quarter.

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

Personnel
The number of full-time employees at the end of the quarter was 855 (479), of whom 54 are employed in the Royal Panda Group, 127 in Rocket X and 64 in LeoVentures. The average number of employees during the quarter was 825 (455). In addition, LeoVegas was using the services of 28 (9) full-time consultants at the end of the quarter.

Related-party transactions
Since December 2017 LeoVegas no longer has a related-party relationship with the lessor regarding rents for office premises in Stockholm. LeoVegas continues to have a related-party relationship for rent of company flats. In addition to the related-party relationship above, Chairman of the Board Mårten Forste has performed consulting services for the Company for a total value of EUR 0.04 m in 2018. In other respects, 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 2017 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 30 September 2018 the Company had 18,105 shareholders. The five largest shareholders were Swedbank Robur, with 8.6%; Gustaf Hagman, with 8.1%; Robin Ramm-Ericson, with 7.0%; Skandia Mutual Life Insurance Company, with 5.5%; and Torsten Söderberg, with 3.7% of the shares and votes.

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 First North Premier and Nasdaq Stockholm, costs related to consulting for acquisitions, sales of assets that affect earnings, amortisation of intangible assets related to acquisitions, and remeasurement and discounting of earn-out payments for acquisitions (that do not have a cash flow effect). Earnings-related items affecting comparability have entailed the 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 now included as an item affecting comparability starting with the first quarter of 2018.

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 is prepared in accordance with IAS 34 Interim Financial Reporting. 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 82–87, of the 2017 Annual Report. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 "Accounting for Legal Entities".

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

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

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

IFRS 16 Leasing
IFRS 16 introduces a "right of use model" and entails for the lessee that all lease contracts, with a few exceptions, are to be recognised on the balance sheet. Exceptions are made for leases with lease terms that are 12 months or shorter and for leases with low values. The classification of operating and finance leases disappears. IFRS 16 Leases will replace IAS 17 Leases and is to be applied for financial years beginning on or after 1 January 2019, and early application is permitted under the condition that IFRS 15 is applied at the same time.

The Group has evaluated the potential effects on the financial statements of application of IFRS 16. The new standard will entail that new assets and liabilities are to be recognised on the balance sheet, which will affect reported profit or loss and key ratios such as EBITDA, capex, and the debt-equity ratio. LeoVegas leases offices with lease fees (rents), which currently are reported as an operating expense. Upon application of IFRS 16, LeoVegas will instead recognise a tangible asset on the balance sheet, consisting of the lease contract, whereby depreciation of the asset will arise. Depreciation, instead of operating expenses, will thereby primarily affect EBITDA. LeoVegas also has an obligation to pay for this right, whereby a liability will be recognised on the balance sheet. Interest expenses related to the liability to the lessor will be classified as financial expenses. This entails a change compared with IAS 17, where LeoVegas' leasing costs are charged against operating profit on a separate line. IFRS 16 will entail recognition of higher costs at the start of a lease term and lower costs towards the end. This is because the interest expense will decrease in pace with amortisation of the leasing liability. Previously, under IAS 17, LeoVegas' operating leases affected earnings with an equally high cost every year during the lease term. Classification in the statement of cash flows will also be affected by application of IFRS 16. In the statement of cash flows, payments, i.e., amortisation of the liability, will be recognised under financing activities. This thus differs from the current standard, where lease payments are recognised in their entirety under operating activities. The interest component of payments will be reported under operating activities, since this is in accordance with the Group's classification of interest.

Legal update

The legal situation for online gaming is changing continuously at the EU level as well as 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. Most countries in the EU have had or are currently having discussions to introduce so-called local regulation in order to adapt to the prevailing market climate. Examples of countries that have adopted local regulation include the UK, Denmark and Italy. LeoVegas' expansion strategy is primarily to work in regulated markets or markets that are in the process of being regulated.

In Australia a supplement to current gaming legislation has been decided which, by LeoVegas' interpretation, makes it no longer possible to accept revenue from customers residing in Australia. LeoVegas has not accepted any revenue from Australia since 10 September 2017. Australia, which was included in the Rest of World geographic area, accounted for around 6% of revenue during the third quarter of 2017.

The new Swedish gambling legislation takes effect on 1 January 2019, and LeoVegas looks forward to working in a regulated market in Sweden. The company filed its application on 17 August 2018 and expects to be licensed to conduct online gaming and wagers at the time the new legislation comes into force. The gambling tax rate will be 18%. The gambling tax is based on revenue, or a closely related revenue measure that is often referred to as Gross Gaming Revenue (GGR).

In the UK a new budget proposal has been submitted in which an increase in gambling tax has been proposed. The proposal calls for an increase in the gambling tax for online casino from 15% at present to 21%. The gambling tax for sports betting is to remain at 15%. Talks about a tax increase have been in progress for quite some time, and this is something that LeoVegas has taken into account in its forecasts.

In the Netherlands, the authorities have proposed the introduction of a 29% gambling tax, which is the same tax rate paid by land-based operators. Implementation of this appears to be delayed and will most likely take place in 2020.

In Italy the new government has introduced legislation that would ban most advertising for gambling starting in June 2019. LeoVegas feels this is unfortunate for the market, since it will benefit unserious actors and undermine consumer protection, since actors that do not follow the rules will gain more exposure in a relative sense. However, it is unclear if the proposed legislation is compatible with EU law, and it is expected that the situation may change further by June 2019.

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

Part of LeoVegas' marketing entails collaborating with 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. In the event of a conflict with our affiliation terms, LeoVegas has the opportunity to withhold payment and terminate its collaboration with the affiliate in question. LeoVegas is working together with the Swedish Trade Association for Online Gambling (BOS) to address this problem together with BOS and its members.

LeoVegas' offering is based on gaming as a fun and attractive form of entertainment. However, some people are at risk of developing gambling-related problems. LeoVegas takes this very seriously, and responsible gambling is a fundamental principle in the Company's product design and customer contacts. All LeoVegas employees, regardless of their function in the Company, are required to obtain certification in responsible gambling. LeoVegas has employees who work specifically with promoting responsible gambling 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 gambling as part of its company culture. LeoVegas works with commitment and knowledge to continuously promote a positive and sound gaming experience for everyone. During the fourth quarter of 2017 LeoSafePlay.com was launched, which is a website dedicated to promoting responsible gambling. LeoSafePlay is an area of great focus and will continue to be developed with the aim of being the industry's strongest tool for player protection.

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 2017 Annual Report.

Board of Directors' and CEO's assurance

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

The Board of Directors assures that the interim report for the third quarter gives a fair overview of the Parent Company's and Group's operations, position and result of operations, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 7 November 2018

Mårten Forste
Chairman of the Board

Robin Ramm-Ericson
Director

Barbara Canales Rivera
Director

Per Brilioth
Director

Anna Frick
Director

Patrik Rosén
Director

Tuva Palm
Director

Gustaf Hagman
President and CEO

LeoVegas AB
Luntmakargatan 18, SE-111 37 Stockholm
Main office: Stockholm
Corporate identity number: 556830-4033

All information in this report belongs to the Group of companies, which are ultimately owned by LeoVegas AB, also known as LeoVegas.
The interim report has been reviewed by the Company's auditor.

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Financial calendar 2018/19

Full-year report Jan.-Dec.	12 Feb. 2019
Interim report Jan.-March	2 May 2019
Annual general meeting 2019	29 May 2019
Interim report Jan.-June	23 July 2019

Review report

LeoVegas AB (publ) corporate identity number 556830–4033
Report on the review of financial information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Financial Statements. Annual law.

Introduction
We have reviewed the condensed interim financial information (interim report) of LeoVegas AB (publ) as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410*, Review of Interim Report Performed by the Independent Auditor of the Entity.* A review consists of making inquiries, primarily of persons responsible for financial and accounting mattersand applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 7 November 2018

PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant

Consolidated income statement

EUR'000s	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	2017
Revenue	**78 552**	**55 620**	**243 332**	**149 188**	**217 014**
Cost of sales	(14 720)	(10 389)	(45 040)	(27 109)	(39 195)
Gaming Duties	(7 338)	(4 045)	(22 487)	(9 000)	(15 144)
Gross profit	**56 494**	**41 186**	**175 805**	**113 079**	**162 675**
Personnel costs	(10 509)	(5 568)	(29 471)	(18 533)	(26 402)
Capitalised development costs	1 002	813	3 603	2 480	3 713
Other operating expenses	(10 118)	(6 321)	(29 612)	(15 352)	(22 878)
Marketing expenses	(27 991)	(22 638)	(88 733)	(62 258)	(91 727)
Other income and expenses	86	170	1 878	403	566
EBITDA	**8 964**	**7 642**	**33 470**	**19 819**	**25 947**
Depreciation and amortisation	(1 302)	(680)	(3 508)	(1 798)	(3 165)
Amortisation of acquired intangible assets	(4 125)	(69)	(13 378)	(161)	(2 868)
Operating profit (EBIT)	**3 537**	**6 893**	**16 584**	**17 860**	**19 914**
Financial income	-	1	8	7	13
Financial costs	(449)	-	(1 245)	(1)	(130)
Financial liability fair value gains/(losses)	10 109	-	6 859	-	(993)
Profit before tax	**13 197**	**6 894**	**22 206**	**17 866**	**18 804**
Income tax	(444)	(442)	(1 074)	(1 251)	(676)
Net profit for the period	**12 753**	**6 452**	**21 132**	**16 615**	**18 128**
Net profit attributable to owners of the parent company	12 817	-	21 078	16 615	18 128
Net profit attributable to non-controlling interests	(64)	-	54	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-
Other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**12 753**	**6 452**	**21 132**	**16 615**	**18 128**
Earnings per share (EUR)	**0,13**	**0,06**	**0,21**	**0,17**	**0,18**
Earnings per share after dilution (EUR)	**0,13**	**0,06**	**0,21**	**0,16**	**0,18**
No. of shares outstanding adj. for share split (millions)	101,65	99,70	101,65	99,70	99,70
No. of shares after dilution adj. for share split (millions)	101,65	101,18	101,65	101,18	101,25
Key ratios					
Cost of sales as a % of revenue	18,7%	18,7%	18,5%	18,2%	18,1%
Gaming duties as a % of revenue	9,3%	7,3%	9,2%	6,0%	7,0%
Gross margin, %	71,9%	74,0%	72,2%	75,8%	75,0%
Personnel costs as % of revenue	13,4%	10,0%	12,1%	12,4%	12,2%
Operating expenses as % of revenue	12,9%	11,4%	12,2%	10,3%	10,5%
Marketing expenses as % of revenue	35,6%	40,7%	36,5%	41,7%	42,3%
EBITDA margin %	11,4%	13,7%	13,8%	13,3%	12,0%
EBIT margin %	4,5%	12,4%	6,8%	12,0%	9,2%
Net margin, %	16,2%	11,6%	8,7%	11,1%	8,4%

Adjusted profit measures EUR'000s	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	2017
EBITDA	**8 964**	**7 642**	**33 470**	**19 819**	**25 947**
Costs pertaining to listing	-	186	62	421	594
Costs pertaining to acquisition-related consulting	-	565	464	565	1 353
Provision for fine from UKGC	-	-	453	-	-
Gain on sale of asset	-	-	(1 500)	-	-
Adjusted EBITDA	**8 964**	**8 393**	**32 949**	**20 805**	**27 894**
Depreciation and amortisation	(1 302)	(680)	(3 508)	(1 798)	(3 165)
Adjusted EBIT	**7 662**	**7 713**	**29 441**	**19 007**	**24 729**
Net financial items	(449)	1	(1 237)	6	(117)
Tax	(444)	(442)	(1 074)	(1 251)	(676)
Adjusted net income	**6 769**	**7 272**	**27 130**	**17 762**	**23 936**
Adjusted EPS	**0,07**	**0,07**	**0,27**	**0,18**	**0,24**
Adjusted EBITDA margin %	11,4%	15,1%	13,5%	13,9%	12,9%
Adjusted EBIT margin %	9,8%	13,9%	12,1%	12,7%	11,4%
Adjusted net margin %	8,6%	13,1%	11,1%	11,9%	11,0%

Consolidated balance sheet, condensed

EUR'000s	30 Sep 2018	30 Sep 2017	31 Dec 2017	31 Dec 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4 114	1 979	2 870	1 194
Intangible assets	12 046	7 906	9 948	4 804
Intangible assets surplus values from acquisitions	65 585	1 665	51 018	-
Goodwill	102 958	4 360	44 604	1 056
Deferred tax assets	1 489	837	1 541	837
Total non-current assets	**186 192**	**16 747**	**109 981**	**7 891**
Current assets				
Trade receivables	22 973	9 643	15 178	6 739
Other current receivables	9 090	5 117	7 074	3 098
Cash and cash equivalents	47 555	66 628	52 758	60 218
of which restricted cash (player funds)	*11 849*	*4 788*	*7 097*	*4 067*
Total current assets	**79 618**	**81 388**	**75 010**	**70 055**
TOTAL ASSETS	**265 810**	**98 135**	**184 991**	**77 946**
EQUITY AND LIABILITIES				
Share capital	1 220	1 196	1 196	1 196
Additional paid-in capital	40 409	36 588	36 588	36 411
Translation reserve	488	-	-	-
Retained earnings including profit for the period	30 044	19 610	21 122	13 228
Equity attributable to owners of the Parent Company	**72 161**	**57 394**	**58 906**	**50 835**
Non-controlling interest	5 662	-	-	-
Total Equity	**77 823**	**57 394**	**58 906**	**50 835**
Bank loan	74 849	-	20 015	-
Other non-current liabilities	947	938	942	924
Deferred tax liability	2 945	400	2 854	-
Total non-current liabilities	**78 741**	**1 338**	**23 811**	**924**
Current liabilities				
Trade and other payables	14 116	11 263	14 818	8 737
Player liabilities	11 849	4 788	7 097	4 067
Tax liability	3 387	1 920	3 032	1 033
Accrued expenses and deferred income	30 563	21 432	27 302	12 350
Short-term liability in respect of acquisition	-	-	13 644	-
Bank loan	20 000	-	-	-
Provision for conditional purchase price (earn-out)	29 331	-	36 381	-
Total current liabilities	**109 246**	**39 403**	**102 274**	**26 187**
TOTAL EQUITY AND LIABILITIES	**265 810**	**98 135**	**184 991**	**77 946**

Consolidated statement of cash flows, condensed

EUR'000s	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	2017
Operating profit	3 537	6 893	16 584	17 860	19 914
Adjustments for non-cash items	3 916	1532	15 511	3 243	6 135
Cash flow from changes in working capital	(6 570)	3 470	(3 494)	4 946	8 026
Cash flow from operating activities	**883**	**11 895**	**28 601**	**26 049**	**34 075**
Acquisition of property, plant and equipment	(626)	(824)	(2 136)	(1095)	(1855)
Acquisition of intangible assets	(1018)	(889)	(5 530)	(3 449)	(4 312)
Acquisition of subsidiaries	(1409)	(2 449)	(20 187)	(3 605)	(43 935)
Transfer of assets on acquisition	-	-	(73 472)	-	-
Proceeds on sale of assets	-	-	1500	-	-
Cash flow from investing activities	**(3 053)**	**(4 162)**	**(99 825)**	**(8 149)**	**(50 102)**
Loan financing	-	-	74 740	-	20 000
Proceeds from share issue/other equity securities	372	-	3 798	-	170
Cash dividends paid out to shareholders	-	-	(11 669)	(10 233)	(10 233)
Cash flow from financing activities	**372**	**-**	**66 869**	**(10 233)**	**9 937**
Net increase/(decrease) in cash and cash equivalent	(1798)	7 733	(4 355)	7 667	(6 090)
Cash and cash equivalents at start of the period	49 377	59 718	52 758	60 218	60 218
Currency effects on cash and cash equivalents	(24)	(823)	(848)	(1257)	(1370)
Cash and cash equivalents at end of period	**47 555**	**66 628**	**47 555**	**66 628**	**52 758**
of which restricted cash (player funds)	*11 849*	*4 788*	*11 849*	*4 788*	*7 097*

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 2017	**1 196**	**36 411**	**-**	**13 228**	**50 835**	**-**	**50 835**
Profit for the period	-	-	-	16 615	16 615	-	16 615
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**16 615**	**16 615**	**-**	**16 615**
Transactions with shareholders in their capacity as owners:							
Dividends	-	-	-	(10 233)	(10 233)	-	(10 233)
Premium received from warrants	-	177	-	-	177	-	177
Balance at 30 September 2017	**1 196**	**36 588**	**-**	**19 610**	**57 394**	**-**	**57 394**
Balance at 1 January 2018	**1 196**	**36 588**	**-**	**21 122**	**58 906**	**-**	**58 906**
Profit for the period	-	-	-	21078	21078	54	21 132
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**21 078**	**21 078**	**54**	**21 132**
Transactions with shareholders in their capacity as owners:							
Share issue from warrants program	24	3 402	-	-	3 426	-	3 426
Dividends	-	-	488	(12 156)	(11 669)	-	(11 669)
Premium received from warrants	-	419	-	-	419	-	419
Transactions with non-controlling interests:							
Acquisition of NCI	-	-	-	-	-	5 608	5 608
Balance at 30 September 2018	**1 220**	**40 409**	**488**	**30 044**	**72 161**	**5 662**	**77 823**

Parent Company income statement, condensed

EUR'000s	Jul - Sep 2018	Jul-Sep 2017	Jan - Sep 2018	Jan - Sep 2017	2017
Revenue	**117**	**40**	**842**	**184**	**1 411**
Operating expenses	(860)	(1 120)	(3 412)	(2 811)	(4 374)
Other income and expenses	-	-	-	-	-
Operating profit (EBIT)	**(743)**	**(1 080)**	**(2 570)**	**(2 627)**	**(2 963)**
Net financial income	118	169	30	468	2 073
Tax cost	-	-	(53)	-	668
Profit / Loss for the period*	**(625)**	**(911)**	**(2 593)**	**(2 159)**	**(222)**

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

Parent Company balance sheet, condensed

EUR'000s	30 Sep 2018	30 Sep 2017	31 Dec 2017
ASSETS			
Total non-current assets	18 193	16 665	14 275
Current assets	4 845	3 833	5 830
Cash and cash equivalents	125	775	2 975
Total current assets	**4 970**	**4 608**	**8 805**
TOTAL ASSETS	**23 163**	**21 273**	**23 080**
EQUITY AND LIABILITIES			
Total equity	**12 282**	**20 288**	**22 225**
Total liabilities	**881**	**985**	**855**
Total long term liabilities	**10 000**	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**23 163**	**21 273**	**23 080**

KPIs per quarter

Amounts in EUR'000s unless otherwise stated	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Deposits	**253 399**	**266 259**	**248 567**	**224 610**	**193 081**
Growth, Deposits, y-y %	*31%*	*59%*	*66%*	*62%*	*56%*
Growth, Deposits, q-q %	*-5%*	*7%*	*11%*	*16%*	*15%*
Deposits per region					
Sweden, % Deposits	31,7%	30,6%	32,0%	36,6%	41,4%
Other Nordics, % Deposits	20,3%	20,1%	21,0%	23,0%	21,5%
UK, % Deposits	23,9%	26,5%	24,1%	18,5%	14,0%
Rest of Europe, % Deposits	18,9%	17,8%	18,1%	18,5%	17,2%
Rest of the World, % Deposits	5,2%	5,0%	4,7%	3,4%	5,9%
Net Gaming Revenue (NGR)	**77 781**	**86 782**	**76 467**	**67 901**	**55 165**
Growth Net Gaming Revenue, y-y %	*41%*	*76%*	*75%*	*67%*	*39%*
Growth Net Gaming Revenue, q-q %	*-10%*	*13%*	*13%*	*23%*	*12%*
Net Gaming Revenue (NGR) per region					
Sweden, % Net Gaming Revenue	24,2%	24,3%	26,3%	33,5%	37,1%
Other Nordics, % Net Gaming Revenue	18,6%	18,0%	19,0%	22,2%	22,7%
UK, % Net Gaming Revenue	25,0%	28,3%	25,6%	16,6%	12,2%
Rest of Europe, % Net Gaming Revenue	23,2%	20,8%	20,5%	21,8%	17,8%
Rest of the World, % Net Gaming Revenue	8,9%	8,6%	8,6%	5,8%	10,1%
Growth in NGR per region					
Sweden, y-y %	*-8,0%*	*16,8%*	*15,0%*	*35,3%*	*16,7%*
Other Nordics, y-y %	*15,3%*	*58,9%*	*108,1%*	*140,1%*	*127,3%*
UK, y-y %	*188,4%*	*250,6%*	*228,3%*	*162,9%*	*28,8%*
Rest of Europe, y-y %	*90,9%*	*92,9%*	*107,5%*	*115,6%*	*80,7%*
Rest of the World, y-y %	*24,6%*	*50,9%*	*15,9%*	*-39,3%*	*-7,5%*
Regulated revenue as a % of total	**35,3%**	**38,8%**	**35,4%**	**29,0%**	**25,3%**
Growth in regulated revenues, y-y %	*102%*	*173%*	*238%*	*340%*	*167%*
Growth in regulated revenues, q-q %	*-18%*	*24%*	*38%*	*44%*	*11%*
Hold (NGR/Deposits) %	**30,7%**	**32,6%**	**30,8%**	**30,2%**	**28,6%**
Game margin %	**3,69%**	**3,84%**	**3,62%**	**3,74%**	**3,74%**
Number of active customers	**547 526**	**544 013**	**547 959**	**391 705**	**299 639**
Growth active customers, y-y %	*83%*	*91%*	*72%*	*-3%*	*-12%*
Growth active customers, q-q %	*1%*	*-1%*	*40%*	*31%*	*5%*
Number of depositing customers	**318 189**	**309 987**	**302 014**	**253 299**	**202 980**
Growth depositing customers, y-y %	*57%*	*79%*	*75%*	*44%*	*30%*
Growth depositing customers, q-q %	*3%*	*3%*	*19%*	*25%*	*17%*
Number of new depositing customers	**140 552**	**134 487**	**146 063**	**128 409**	**97 210**
Growth new depositing customers, y-y %	*45%*	*84%*	*95%*	*50%*	*30%*
Growth new depositing customers, q-q %	*5%*	*-8%*	*14%*	*32%*	*33%*
Number of returning depositing customers	**177 637**	**175 500**	**155 951**	**124 890**	**105 770**
Growth returning depositing customers, y-y %	*68%*	*75%*	*60%*	*37%*	*29%*
Growth returning depositing customers, q-q %	*1%*	*13%*	*25%*	*18%*	*6%*

Consolidated income statement per quarter

EUR'000s	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Revenue	**78 552**	**87 413**	**77 367**	**67 826**	**55 620**
Cost of sales	(14 720)	(15 702)	(14 618)	(12 086)	(10 389)
Gaming Duties	(7 338)	(8 076)	(7 073)	(6 144)	(4 045)
Gross profit	**56 494**	**63 635**	**55 676**	**49 596**	**41 186**
Personnel costs	(10 509)	(10 354)	(8 608)	(7 869)	(5 568)
Capitalised development costs	1 002	1 560	1 041	1 233	813
Other operating expenses	(10 118)	(9 482)	(10 012)	(7 526)	(6 321)
Marketing expenses	(27 991)	(30 537)	(30 205)	(29 469)	(22 638)
Other income and expenses	86	177	1 615	163	170
EBITDA	**8 964**	**14 999**	**9 507**	**6 128**	**7 642**
Depreciation and amortisation	(1 302)	(1 100)	(1 106)	(1 006)	(680)
Amortisation of acquired intangible assets	(4 125)	(4 636)	(4 617)	(3 068)	(69)
Operating profit (EBIT)	**3 537**	**9 263**	**3 784**	**2 054**	**6 893**
Financial income	-	-	7	6	1
Financial costs	(449)	(491)	(304)	(129)	-
Financial liability fair value gains/(losses)	10 109	(1 634)	(1 616)	(993)	-
Profit before tax	**13 197**	**7 138**	**1 871**	**938**	**6 894**
Income tax	(444)	(499)	(131)	575	(442)
Net profit for the period	**12 753**	**6 639**	**1 740**	**1 513**	**6 452**
Net profit attributable to owners of the parent company	12 817	6 724	1 538	1 513	6 452
Net profit attributable to non-controlling interests	(64)	(85)	202	-	-
Exchange differences on translation of foreign operations	-	1	(1)	-	-
Other comprehensive income	**-**	**1**	**(1)**	**-**	**-**
Total comprehensive income	**12 753**	**6 640**	**1 739**	**1 513**	**6 452**
Earnings per share (EUR)	**0,13**	**0,07**	**0,02**	**0,02**	**0,06**
Earnings per share after dilution (EUR)	**0,13**	**0,07**	**0,02**	**0,01**	**0,06**
No. of shares outstanding adj. for share split (millions)	101,65	100,34	99,70	99,70	99,70
No. of shares after dilution adj. for share split (millions)	101,65	101,37	101,33	101,25	101,18
Key ratios					
Cost of sales as a % of revenue	18,7%	18,0%	18,9%	17,8%	18,7%
Gaming duties as a % of revenue	9,3%	9,2%	9,1%	9,1%	7,3%
Gross margin, %	71,9%	72,8%	72,0%	73,1%	74,0%
Personnel costs as % of revenue	13,4%	11,8%	11,1%	11,6%	10,0%
Operating expenses as % of revenue	12,9%	10,8%	12,9%	11,1%	11,4%
Marketing expenses as % of revenue	35,6%	34,9%	39,0%	43,4%	40,7%
EBITDA, margin %	11,4%	17,2%	12,3%	9,0%	13,7%
EBIT, margin %	4,5%	10,6%	4,9%	3,0%	12,4%
Net margin, %	16,2%	7,6%	2,2%	2,2%	11,6%

EUR'000s	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
EBITDA	**8 964**	**14 999**	**9 507**	**6 128**	**7 642**
Costs pertaining to listing	-	-	62	172	186
Costs pertaining to acquisition-related consulting	-	-	466	788	565
Provision for fine from UKGC	-	-	453	-	-
Gain on sale of asset	-	-	(1 500)	-	-
Adjusted EBITDA	**8 964**	**14 999**	**8 988**	**7 088**	**8 393**
Depreciation and amortisation	(1 302)	(1 100)	(1 106)	(1 006)	(680)
Adjusted EBIT	**7 662**	**13 899**	**7 882**	**6 082**	**7 713**
Net financial items	(449)	(491)	(297)	(1 116)	1
Tax	(444)	(499)	(131)	575	(442)
Adjusted net income	**6 769**	**12 909**	**7 454**	**5 541**	**7 272**
Adjusted EPS	**0,07**	**0,13**	**0,07**	**0,06**	**0,07**
Adjusted EBITDA margin %	11,4%	17,2%	11,6%	10,5%	15,1%
Adjusted EBIT margin %	9,8%	15,9%	10,2%	9,0%	13,9%
Adjusted net margin %	8,6%	14,8%	9,6%	8,2%	13,1%

Consolidated balance sheet per quarter, condensed

EUR'000s	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
ASSETS					
Non-current assets					
Property, plant and equipment	4 114	3 851	3 714	2 870	1 979
Intangible assets	12 046	11 630	12 410	9 948	7 906
Intangible assets surplus values from acquisitions	65 585	69 345	72 035	51 018	1 665
Goodwill	102 958	101 840	101 840	44 604	4 360
Deferred tax assets	1 489	1 488	1 541	1 541	837
Total non-current assets	**186 192**	**188 154**	**191 540**	**109 981**	**16 747**
Current assets					
Trade receivables	22 973	19 806	23 796	15 178	9 643
Other current receivables	9 090	10 232	7 706	7 074	5 117
Cash and cash equivalents	47 555	49 377	44 368	52 758	66 628
of which restricted cash (player funds)	*11 849*	*11 697*	*10 662*	*7 097*	*4 788*
Total current assets	**79 618**	**79 415**	**75 870**	**75 010**	**81 388**
TOTAL ASSETS	**265 810**	**267 569**	**267 410**	**184 991**	**98 135**
EQUITY AND LIABILITIES					
Share capital	1 220	1 220	1 196	1 196	1 196
Additional paid-in capital	40 409	40 289	36 588	36 588	36 588
Translation reserve	488	487	(1)	-	-
Retained earnings including profit for the period	30 044	17 228	22 660	21 122	19 610
Equity attributable to owners of the Parent Company	**72 161**	**59 224**	**60 443**	**58 906**	**57 394**
Non-controlling interest	5 662	4 285	4 370	-	-
Total Equity	**77 823**	**63 509**	**64 813**	**58 906**	**57 394**
Bank loan	74 849	94 803	84 761	20 015	-
Other non-current liabilities	947	952	951	942	938
Deferred tax liability	2 945	3 108	3 284	2 854	400
Total non-current liabilities	**78 741**	**98 863**	**88 996**	**23 811**	**1 338**
Current liabilities					
Trade and other payables	14 116	17 257	17 920	14 818	11 263
Player liabilities	11 849	11 697	10 662	7 097	4 788
Tax liability	3 387	3 867	3 341	3 032	1 920
Accrued expenses and deferred income	30 563	31 409	32 357	27 302	21 432
Short-term liability in respect of acquisition	-	168	10 131	13 644	-
Bank loan	20 000	-	-	-	-
Provision for conditional purchase price (earn-out)	29 331	40 799	39 190	36 381	-
Total current liabilities	**109 246**	**105 197**	**113 601**	**102 274**	**39 403**
TOTAL EQUITY AND LIABILITIES	**265 810**	**267 569**	**267 410**	**184 991**	**98 135**

Consolidated statement of cash flows per quarter, condensed

EUR'000s	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Operating profit	3 537	9 263	3 784	2 054	6 893
Adjustments for non-cash items	3 916	5 962	5 633	2 892	1 532
Cash flow from changes in working capital	(6 570)	647	2 429	3 080	3 470
Cash flow from operating activities	**883**	**15 872**	**11 846**	**8 026**	**11 895**
Acquisition of property, plant and equipment	(626)	(476)	(1 034)	(760)	(824)
Acquisition of intangible assets	(1 018)	(1 761)	(2 751)	(863)	(889)
Acquisition of subsidiaries	(1 409)	(10 092)	(8 686)	(40 330)	(2 449)
Transfer of assets on acquisition	-	-	(73 472)	-	-
Proceeds on sale of assets	-	-	1 500	-	-
Cash flow from investing activities	**(3 053)**	**(12 329)**	**(84 443)**	**(41 953)**	**(4 162)**
Loan financing	-	10 000	64 740	20 000	-
Proceeds from share issue/other equity securities	372	3 426	-	170	-
Cash dividends paid out to shareholders	-	(11 669)	-	-	-
Cash flow from financing activities	**372**	**1 757**	**64 740**	**20 170**	**-**
Net increase/(decrease) in cash and cash equivalents	(1 798)	5 300	(7 857)	(13 757)	7 733
Cash and cash equivalents at start of the period	49 377	44 368	52 758	66 628	59 718
Currency effects on cash and cash equivalents	(24)	(291)	(532)	(113)	(823)
Cash and cash equivalents at end of period	**47 555**	**49 377**	**44 368**	**52 758**	**66 628**
of which restricted cash (player funds)	*11 849*	*11 697*	*10 662*	*7 097*	*4 788*

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 associated with the listings on Nasdaq First North Premier and Nasdaq Stockholm, costs pertaining to acquisition-related consulting, sales of assets that affect earnings, amortisation of intangible assets related to acquisitions, and remeasurement of earn-out payments for acquisitions.

Adjusted EBIT
EBIT adjusted for items associated with the listings on Nasdaq First North Premier and Nasdaq Stockholm, costs pertaining to acquisition-related consulting, sales of assets that affect earnings, and amortisation of intangible assets related to acquisitions.

Adjusted EBITDA
EBITDA adjusted for items associated with the listings on Nasdaq First North Premier and Nasdaq Stockholm, costs pertaining to acquisition-related consulting, and sales of assets that affect earnings

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

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

Dividend per share
The dividend paid or proposed per share

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

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

EBIT
Operating profit before interest and tax

EBIT margin, %
EBIT 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 including costs for third-party gaming vendors, software costs, fees paid to payment service providers, and gambling taxes

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

Items affecting comparability
Items pertaining to costs for the listings on Nasdaq First North Premier and Nasdaq Stockholm, and costs pertaining to acquisition-related consulting. No costs related to integration or restructuring are included. Sales of assets that affect earnings are eliminated by adjustment. This also includes amortisation related to acquired intangible assets and remeasurement of earn-out payments for acquisitions.

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

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)

Operating profit (EBIT)4
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 weighted average number of shares outstanding during the period after redemptions, repurchases and new issues

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

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

Other definitions

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

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

Mobile devices
Smartphones and tablets

Net profit
Profit less all expenses, including interest and tax

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