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

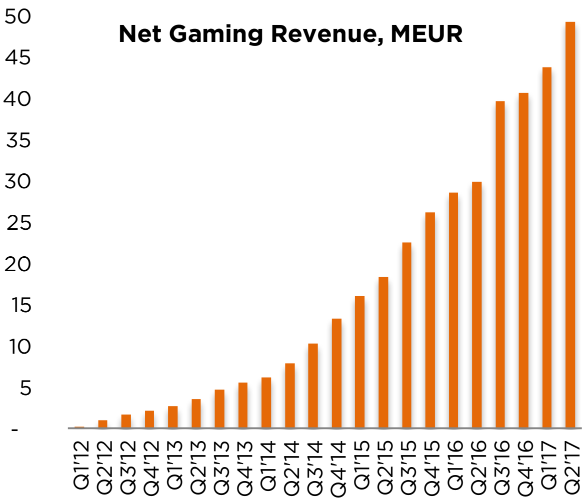
Steady growth with profitability

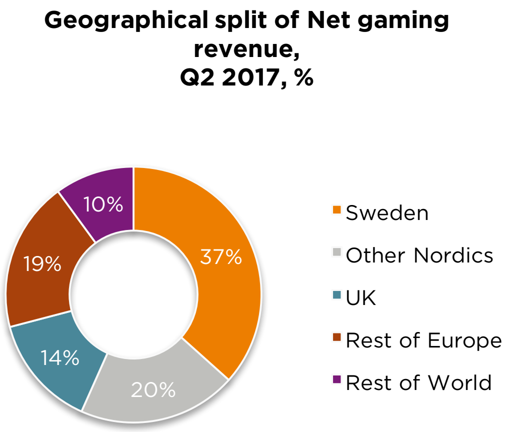
Second quarter: 1 April–30 June 2017*

- Revenue increased by 60% to EUR 49.7 m (31.0). Organic growth was 53%.
- Revenue from regulated markets accounted for 25.1% (12.8%) of total revenue.
- Mobile deposits accounted for 67% (65%) to total deposits, which increased by 67% to EUR 167.9 m (100.6).
- The number of depositing customers was 173,034 (176,635), a decrease of 2%. The number of new depositing customers was 73,014 (109,718), a decrease of 33%. The number of returning depositing customers was 100,020 (66,917), an increase of 49%.
- EBITDA was EUR 6.1 m (-2.5), corresponding to an EBITDA margin of 12.4% (-7.9%). EBITDA adjusted for items affecting comparability was EUR 6.2 m (-2.5), corresponding to an adjusted EBITDA margin of 12.6% (-7.9%).
- Operating profit (EBIT) was EUR 5.5 m (-2.8). EBIT adjusted for items affecting comparability was EUR 5.6 m (-2.8), corresponding to an adjusted EBIT margin of 11.2% (-9.0%).
- Earnings per share before and after dilution were EUR 0.05 (-0.03).

Half-year period: 1 January–30 June 2017

- Revenue increased by 55% to EUR 93.6 m (60.5). Organic growth was 49%.
- Operating profit (EBIT) was SEK 11.0 m (-4.3). Operating profit adjusted for items affecting comparability was EUR 11.2 m (0.9), corresponding to an adjusted EBIT margin of 12.0% (1.5%).
- Earnings per share were EUR 0.10 (-0.04).





Events during the quarter

- LeoVegas AB held its Annual General Meeting on the 17th of May.

Events after the end of the quarter

- Net Gaming Revenue (NGR) totalled EUR 18.3 m in July (12.9), representing growth of 42%.
- LeoVegas Sport was launched in the Danish market on the 7th of July.
- The Company has convened an Extraordinary General Meeting to be held on 23 August to decide on an incentive programme.
- LeoVegas launched its app in Google Play in the UK.
- LiveCasino.com was launched as a stand-alone site within the Group.
- Australia has voted through an amendment to its existing gaming legislation which will adversely affect LeoVegas's revenues from the geographic area Rest of World.

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

CEO's comments

"LeoVegas is leading the way into the mobile future"

The mobile future
More than five years have now passed since we launched the mobile gaming company LeoVegas. The vision we laid out then is more relevant than ever before – that LeoVegas will lead the industry into the mobile future. LeoVegas has clearly taken the position as the most innovative and mobile-focused company – something we have gained attention for with countless accolades in industry publications and which can be seen in our figures of mobile gaming.

Transparency
Transparency is one of our guiding principles. We believe that transparency promotes trust. It makes it easier for our customers and the stock market to understand what we do. We have therefore now decided, as the first gaming company, to show separately how large our revenues in Sweden are. LeoVegas was launched first in Sweden and the other Nordic countries, so it is natural that these markets account for a large share of our business. Sweden alone accounted for 37% of our revenue during the second quarter – something we are very proud of.

Second quarter
Revenue totalled EUR 49.7 m (31.0) during the second quarter, an increase of 60%. Organic growth was 53%. EBITDA adjusted for items affecting comparability increased to EUR 6.2 m (-2.5), corresponding to an adjusted EBITDA margin of 12.6% (-7.9%). Revenue from regulated markets accounted for 25.1% (12.8%) of total revenue during the quarter.

The number of new depositing customers decreased during the second quarter of 2017 compared with the 2016. This is explained by the record number of new customers in the second quarter last year in connection with the launch of LeoVegas Sport, LeoVegas Live Casino, and the UEFA European Championship.

During the second quarter of 2017 a number of large trials were conducted of new marketing channels, including an effort to market our Live Casino. As a result, we brought in a fewer number of customers, but higher deposits from these customers. In July, we see once again a favourable trend in the number of new depositing customers.

LeoVegas a growth company
LeoVegas continues to be one of the fastest growing gaming companies and is growing considerably faster than the market as a whole. LeoVegas' growth is proof that we are positioned right with our mobile focus. As an example, LeoVegas was one of the first gaming companies to launch an app on Google Play in the UK.

During the quarter, we continued to work with our company culture and values, and we aspire to create the best company culture in the industry. LeoVegas has a very good reputation today as an employer, and we believe that a good company culture is important to maintain a high pace of activity and growth.

Leo Safe Play
LeoVegas continues to be an industry leader with respect to responsible gaming. During the quarter, we launched a specially developed self-assessment tool for our customers along with an internal e-learning tool. This, combined with other tools designed to detect and manage problem gambling, makes the Leo Safe Play programme an industry vanguard.

Authentic Gaming
Our Group company Authentic Gaming has been further developed and now streams from four different land-based casinos. More than 20 operators now include Authentic Gaming's streamed games in their offerings, and more are waiting for integration. We are experiencing a high demand for its products.

LiveCasino.com
LeoVegas saw early that the mobile phone will create growth and new business opportunities within Live Casino. We are well positioned to take advantage of that potential. www.LiveCasino.com has now been launched as a stand-alone affiliate site within the Group.

Denmark
Our success in Denmark continues, and during the quarter Denmark accounted for 6% of the Company's revenue. We estimate that LeoVegas had an approximate 5% share of the Danish casino market in Q2. In early July, we launched LeoVegas Sport and exclusive live casino tables. In July Denmark accounted for a full 9% of the Company's revenue. This is outstanding performance for a market that was launched roughly six months ago is a prime example of what can be achieved when products, marketing, branding and a strong team work in concert.

Comments on the third quarter
July got off to very strong start, with Net Gaming Revenue (NGR) of EUR 18.3 m (12.9), representing growth of 42%. During the third quarter, we do not expect marketing in relation to revenue to deviate meaningfully from the level in earlier quarters this year.

In Australia, it has been decided to amend its current gaming legislation, which will adversely affect LeoVegas's revenues from Australia when the law comes into force. In the second quarter, Australia accounted for 7.6% of our total revenue.

A notice of an EGM was published on 24 July and can be viewed at leovegasgroup.com. The EGM will be held on 23 August.

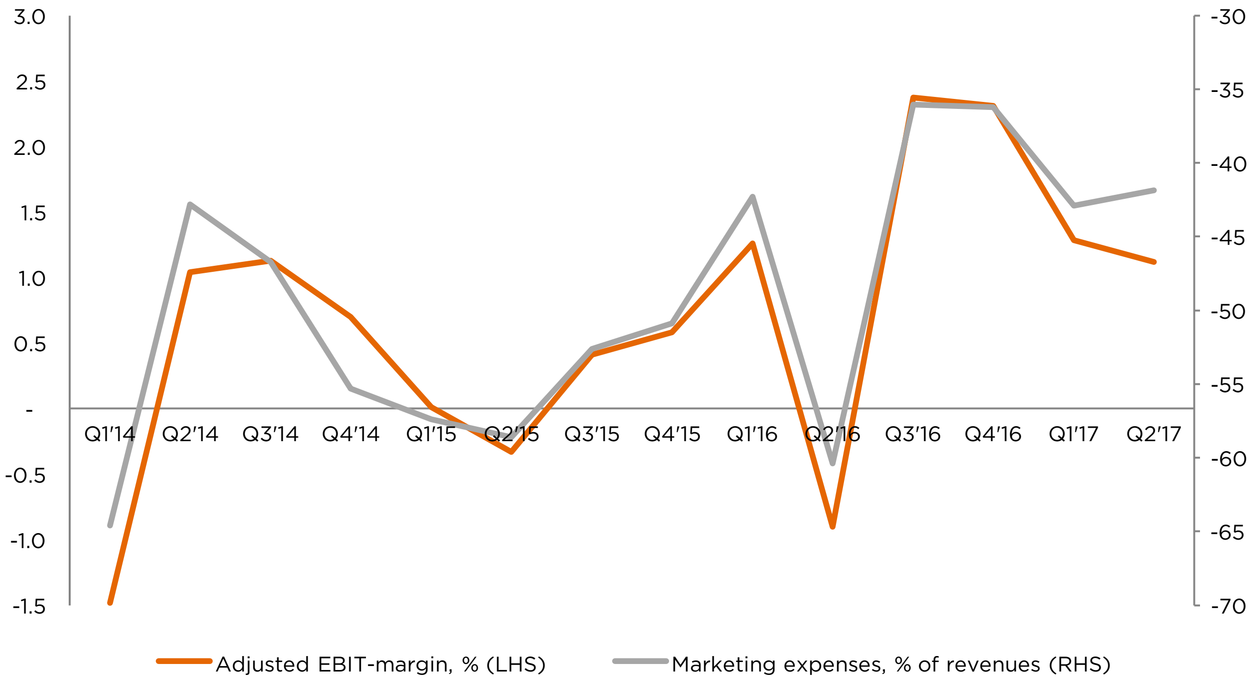
LeoVegas has a strong cash position of approximately EUR 60 m and no debt in the Company. This means that we have resources to carry out acquisitions and investments going forward and that we see favourable opportunities in the market.

Gustaf Hagman, Group CEO and co-founder
LeoVegas AB, Stockholm, 16 August 2017

Key quarterly performance figures

EUR '000s unless otherwise stated	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Number of depositing customers	**173 034**	**172 338**	**176 306**	**156 389**	**176 635**
Growth, y-y %	-2%	42%	75%	77%	147%
Growth, q-q %	0%	-2%	13%	-11%	45%
Deposits	**167 933**	**149 628**	**139 072**	**123 720**	**100 577**
Growth, y-y %	67%	86%	87%	87%	79%
Growth, q-q %	12%	8%	12%	23%	25%
Revenue	**49 652**	**43 916**	**41 165**	**39 713**	**30 980**
Growth, y-y %	60%	49%	58%	76%	67%
Growth, q-q %	13%	7%	4%	28%	5%
Adjusted EBITDA	**6 244**	**6 168**	**9 951**	**9 802**	**(2 454)**
Adjusted EBITDA margin, %	12.6%	14.0%	24.2%	24.7%	-7.9%
Adjusted EBIT	**5 552**	**5 650**	**9 517**	**9 436**	**(2 777)**
Adjusted EBIT margin, %	11.2%	12.9%	23.1%	23.8%	-9.0%
Marketing expenses	**20 787**	**18 833**	**14 912**	**14 317**	**18 708**
Marketing expenses as % of revenue	41.9%	42.9%	36.2%	36.1%	60.4%

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



LeoVegas' EBIT margin is to a large extent a function of the amount spent on marketing in a given period. When investments in marketing as a percentage of revenue are higher (e.g., Q2 15, Q2 16), the EBIT margin decreases, while when it is lower (e.g., Q3 16-Q4 16) the EBIT margin increases. Historically LeoVegas has had a higher marketing-to-revenue ratio than its industry peers. This is because the return on marketing investments has been high, which justifies a continued focus on investments in growth. The reason why the time series have moved slightly differently in the last two quarters is due to a certain increase in staff and other operating expenses and due to the acquisition of Winga.

Group performance Q2

Revenue, deposits and number of depositing customers

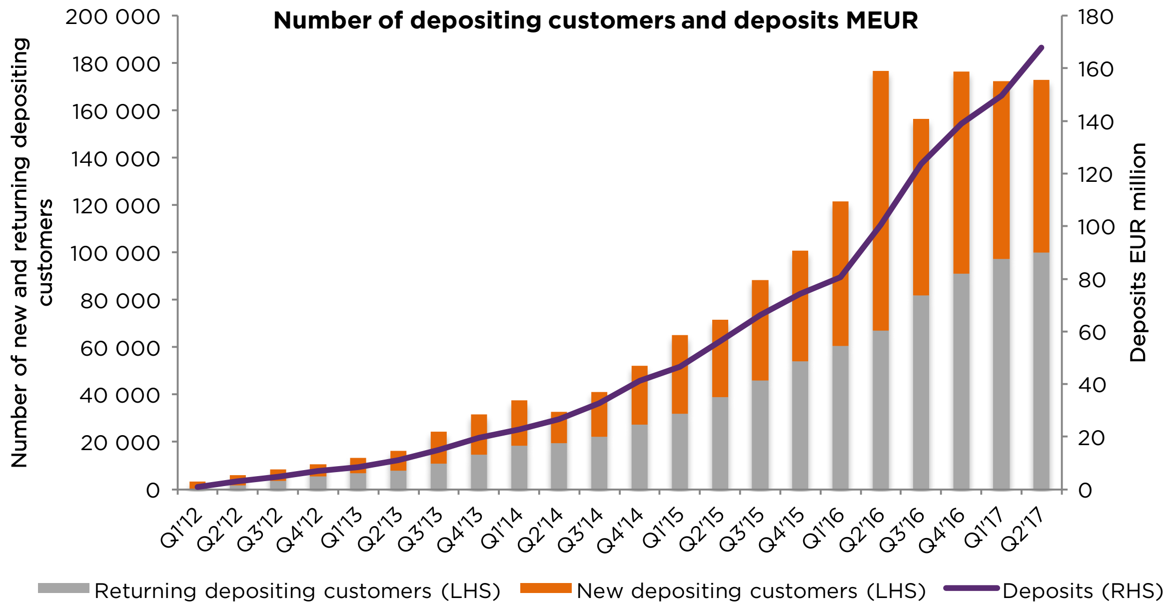
Revenue amounted to EUR 49.7 m (31.0) during the second quarter, and increase of 60%. Organic growth was 53%.

Deposits totalled EUR 167.9 m (100.6) during the quarter, an increase of 67%. Sequential growth in deposits was 12%. Mobile deposits accounted for 67% (65%) of total. Starting with this report Sweden is presented separately from the Nordic countries for deposits and Net Gaming Revenue (NGR). The increase in deposits in absolute figures can be credited in roughly equally proportions to Sweden, Other Nordics and Rest of World. These three regions accounted for 86% of the increase. Rest of Europe has had the fastest percentage growth due to the acquisition of Winga. Rest of Europe grew 167%. Excluding the acquisition of Winga, deposits in Rest of Europe grew 114%. Other Nordics has grown nearly as much, 157%, driven by the launch in Denmark. In Rest of World, the rate of growth was lower on account of the fact that LeoVegas has not accepted new customers in Australia since December 2016. The rate of growth for Rest of World was 27%. In Sweden and the UK, deposits increased by 38% and 37%, respectively.

Net Gaming Revenue (NGR) increased by 12% from the first to the second quarter, which is the same rate of growth as for deposits. The ratio between NGR and deposits ("hold") has thus been stable since the fourth quarter of 2016 through the second quarter of 2017 at 29.3%. One factor that has historically had a strong impact on hold is the gaming margin. The gaming margin for the second quarter was 3.75% (3.59%), which is slightly higher than the historical average of 3.66%.

The number of depositing customers during the second quarter was 173,034 (176,635), a decrease of 2%. Of the depositing customer base, the number of returning depositing customers was 100,020 (66,917), an increase of 49%. The number of new depositing customers decreased by 33% to 73,014 (109,718). This decrease is explained by the record number of new customers during the second quarter of 2016 as a result of the launches of LeoVegas Sport and LeoVegas Casino, the UEFA European Championship, and several large trials of new marketing channels. The number of returning depositing customers grew sequentially by 3% during the second quarter. One reason why the increase in returning depositing customers was lower than the increase in deposits was the closure of the Czech market in January, where a number of customers managed to be active during the first days of January. This resulted in an increase in the number of returning depositing customers, while deposits did not increase to a significant degree.

The number of active customers during the quarter, which includes customers who only play using bonus money, was 284,387 (540,276), a decrease of 47%. The decrease is explained by an unusually large number of customers who played only with bonus money during the second quarter of 2016 in connection with the launch of LeoVegas Sport.



Earnings

Gross profit for the quarter increased by 61% to EUR 37.9 m (23.6), corresponding to a gross margin of 76.3% (76.1%). The slightly higher margin was driven by a slightly lower cost of goods sold in relation to revenue, at the same time that gambling taxes moved in the opposite direction, increasing to 5.8% of revenue (3.9%) during the quarter.

Marketing costs totalled EUR 20.8 m (18.7) during the quarter, which is the highest level in LeoVegas' history. Investments in marketing in relation to revenue were 41.9%, which is a marginal decrease from the first quarter, when they were 42.9%. When the preceding quarter was presented, the expectation was that marketing costs in relation to revenue would increase slightly. That the outcome was instead slightly lower during the second quarter is due to the fact that marketing costs were lower than what was anticipated a quarter earlier. The level during the second quarter was close to the average level for the full year 2016, which was 42.8%. The level is higher than the industry average, as LeoVegas reinvests a larger share of its potential profit in marketing in order to drive growth. The mix of marketing among countries during the second quarter was in line with the first quarter. The opportunities to make substantial marketing investments will vary over time, entailing that profitability may be volatile from quarter to quarter.

The average cost for a new depositing customer increased slightly compared with the first quarter. This development was driven by normal factors, such as a decrease in volume for certain channels that were strong during the first quarter, at the same time that several new channels were tested.

Personnel costs rose sequentially at a slightly faster rate than revenue during the quarter, which is mainly due to the consolidation of Winga. Personnel costs during the quarter corresponded to 14.2% (14.3%) of revenue.

Other operating expenses amounted to 10.0% of revenue (11.9%). Adjusted for costs associated with change in listing to Nasdaq Stockholm during the second quarter of 2017, other operating expenses amounted to 9.8% (11.9%) of revenue. Compared with the preceding quarter, other operating expenses in relation to revenue were slightly higher owing the addition of several smaller expense items.

EBITDA for the second quarter increased to EUR 6.1 m (-2.5), corresponding to an EBITDA margin of 12.4% (-7.9%). Adjusted EBITDA was EUR 6.2 m (-2.5), corresponding to an adjusted EBITDA margin of 12.6% (-7.9%). Operating profit (EBIT) was EUR 5.5 m (-2.8), corresponding to an EBIT margin of 11.0% (-9.0%). Adjusted EBIT was EUR 5.6 m (-2.8), corresponding to an adjusted EBIT margin of 11.2% (-9.0%). The main reason for the higher EBITDA margin during the second quarter of this year than in the second quarter a year ago was the unusually high marketing costs a year ago in connection with the launch of LeoVegas Sport and the UEFA European Championships. The slightly lower EBITDA margin during the second quarter compared with the first quarter is attributable to slightly higher costs for personnel, other operating expenses and gambling taxes, all in relation to revenue.

Tax for the quarter accounted for EUR -0.4 m (0.1).

Net profit for the quarter was EUR 5.0 m (-2.7), corresponding to a net margin of 10.1% (-8.6%). Earnings per share were EUR 0.05 (-0.03) both before and after dilution.

Events during the quarter

- LeoVegas AB held its Annual General Meeting on the 17th of May.

Balance sheet and financing

At the end of June 2017, the Group's equity amounted to EUR 50.8 m (32.0), or EUR 0.51 per share. The Group's financial position is strong, and LeoVegas has no interest-bearing loans from credit institutions. The equity/assets ratio was 58% (61%). Total assets as per 30 June 2017 were EUR 87.7 m (52.2).

The Group has intangible assets with a value of EUR 13.9 m (4.9) at the end of the quarter. At the end of the 2016 financial year, intangible assets amounted to EUR 5.9 m. The increase of EUR 8.0 m since year-end 2016 is mainly explained by the Group's acquisition of the Italian gaming operator Winga S.r.l. The fair value of acquired, identifiable intangible assets was EUR 1.8 m. In addition to this, Group goodwill amounted to SEK 3.6 m. The rest of the increase is explained by continued investments in technology development of the gaming portal and the technical platform Rhino.

The consolidated balance sheet includes customer deposits. Customer balances at the end of the second quarter amounted to EUR 5.2 m (3.3). Provisions for potential local jackpot wins and bonus costs amounted to EUR 3.2 m at the end of the quarter (1.8).

Cash and cash equivalents amounted to EUR 59.7 m (39.3). Cash and cash equivalents excluding customer balances amounted to EUR 54.6 m (36.0).

During the period EUR 10.2 m was distributed to owners of the Parent Company. A dividend of SEK 1 per share was paid out, for a total of SEK 99,695,470, corresponding to EUR 0.103 per share.

During the second quarter additional items in working capital increased compared with a year ago. This is due in large part to higher trade payables related to marketing, which results in a lower level of tied-up capital.

Cash flow and investments

Cash flow from operating activities during the quarter was EUR 8.3 m (-4.7). The increase is attributable to profit and changes in working capital. Dividends paid to Parent Company shareholders totalled EUR 10.2 m (0) has affected the cash flow from financing activities.

Investments in property, plant and equipment amounted to EUR 0.2 m (0.4) and consisted mainly of IT hardware. Investments in intangible assets amounted to EUR 1.7 m (0.8) and consisted mainly of capitalised development costs.

Group performance during first half of 2017

Revenue and profit

Consolidated revenue amounted to EUR 93.6 m (60.5), an increase of 55%.

During the half-year period, mobile deposits accounted for 67% (64%) of total deposits.

Gross profit increased 55% to EUR 71.9 (46.2). The gross margin for the half-year period was 76.8% (76.4%).

Marketing costs as a share of revenue decreased to 42.3% (51.6%). The level during the first half of 2017 was very close to the average for 2016.

Operating expenses increased compared with the same period a year ago, which is explained by listing costs and high personnel costs.

EBITDA increased to EUR 12.2 m (-3.8), and the EBITDA margin was 13.0% (-6.2%). EBITDA adjusted for items affecting comparability was EUR 12.4 m (1.5), corresponding to a margin of 13.3%.

Operating profit (EBIT) increased to EUR 11.0 m (-4.3), for an operating margin of 11.7% (-7.2%). The increase is mainly explained by costs in the preceding period for the listing on Nasdaq First North Premier and for the launches of LeoVegas Sport and LeoVegas Live Casino, which had a significant, negative effect on earnings. Operating profit adjusted for items affecting comparability amounted to EUR 11.2 m (0.9), corresponding to a margin of 12.0% (1.5%). Items affecting comparability consist of costs for the listing on Nasdaq First North Premier in 2016 and the forthcoming listing on Nasdaq Stockholm. Listing costs in 2016 amounted to EUR 5.3 m. These costs during the first half of 2017 amounted to EUR 0.2 m. All listing costs have been charged against operating profit.

Profit increased to EUR 10.2 m (4.5) for the half-year period.

Cash flow and investments

Cash flow from operating activities increased during the first half of the year to EUR 14.2 m (3.9). The increase is attributable to operating profit and changes in working capital.

Investments in non-current assets amounted to EUR 0.3 m (0.6) and consisted mainly of IT hardware. Investments in intangible assets amounted to EUR 2.6 m (1.4) and consisted mainly of capitalised development costs.

Cash flow from financing activities amounted to EUR -10.2 m (15.3). The decrease during the period is entirely attributable to the payout of the shareholder dividend for the full year 2016. A new issue was carried out during the preceding year, which contributed to the increase in share capital and other contributed share capital.

The acquisition of the subsidiary Winga S.r.l. resulted in a net cash flow of EUR -1.2 m, which consisted of EUR -3.1 m in consideration paid, which was deducted from cash and cash equivalents in Winga. This is the first share of the consideration paid. The remainder will be paid at the end of August 2017.

Other information

Events after the end of the quarter

- Net Gaming Revenue (NGR) totalled EUR 18.3 m in July (12.9), representing growth of 42%.
- LeoVegas Sport was launched in the Danish market on the 7th of July.
- The Company has convened an Extraordinary General Meeting to be held on 23 August to decide on an incentive programme.
- LeoVegas launched its app in Google Play in the UK.
- LiveCasino.com was launched as a stand-alone site within the Group.
- Australia has decided on a supplement to existing gaming legislation which will adversely affect LeoVegas's revenues from the geographic area Rest of World.

Financial effects of the acquisition of Winga S.r.l.

Financial effects of the acquisition

On 21 February 2017, 100% of the shares in Winga S.r.l. were acquired. Winga is an Italian gaming operator with a licence in the Italian market. The acquisition gives LeoVegas an established position in Europe's largest regulated gaming market. The acquisition is being made for cash consideration. The original purchase price of EUR 6.1 m was adjusted by EUR -0.3 m during the second quarter, of which the purchase price amounts to EUR 5.8 m. The purchase price is payable in two parts, of which the first part (EUR 3.1 m) was paid upon transfer of possession. The remainder will be paid six months after the date of possession. Transfer of possession and consolidation in LeoVegas' accounts took place on 1 March 2017. The acquisition was financed with liquidity from own cash holdings. No financing from external credit institutions was utilised.

At the time of acquisition Winga's organisation included 33 employees, and the company had sales of EUR 8.0 m in 2016. A large share of Winga's revenue is generated by Live Casino, both from a studio environment as well as from their unique product, which is broadcast live on Italian TV and Sky TV. The acquired business is reported in the Rest of Europe geographical area. As a result of acquisition and integration costs, the acquisition is expected to have a marginally negative impact on the Group's earnings per share in 2017.

Goodwill is attributable to future revenue synergies, which are based on the opportunity to reach new customers through access to a new market and thus to achieve geographical expansion. The goodwill is to a certain extent also attributable to human capital. None of the recognised goodwill is expected to be deductible from income tax in the event an impairment loss were to be recognised.

Accounting effects

The acquired business contributed EUR 3.2 m to consolidated revenue for the period 1 March–30 June 2017. If the acquisition had been carried out on 1 January 2017, Winga would have contributed EUR 4.8 m to consolidated revenue at the end of the reporting period. Operating profit and profit for the year from the acquisition were not significant for the Group.

The table below sums up the total purchase price of EUR 5.8 m and the fair value of acquired assets and assumed liabilities. Current receivables and liabilities include no derivatives, and the fair value is the same as the carrying amount. Identified surplus value consists of intangible assets in the form of trademarks and domain names, totalling EUR 0.3 m; the licence, totalling EUR 1.2 m; and the acquired customer base, totalling EUR 0.4 m.

Preliminary purchase price allocation* (EUR '000s)

The acquired company's carrying amounts as per the date of acquisition, 1 March 2017	**Measured at fair value**
Intangible assets	2 800
Property, plant and equipment	165
Financial assets	44
Trade receivables and other receivables	501
Cash and cash equivalents	1 894
Trade payables and other payables	(2 771)
Deferred tax assets	(438)
Total acquired, identifiable net assets at fair value	**2 195**
Goodwill	**3 573**
Purchase price	**5 769**
Purchase price	
Consideration paid, cash and cash equivalents as per 1 March 2017	3 050
Consideration payable, cash and cash equivalents as per 28 August 2017	2 719
Total purchase price	**5 769**
Identified surplus value	
Trademarks and domain names	316
Licence	1 153
Acquired customer base	358
Total identified surplus value	**1 827**

*A purchase price allocation is preliminary until it has been finalised. A preliminary purchase price allocation is finalised as soon as necessary information about assets/liabilities at the point of acquisition has been obtained, but not later than one year from the date of acquisition. The purchase price allocation presented above is preliminary, since continued analysis may affect the final purchase price.

Reporting of the surplus values, intangible assets, is measured at fair value as per the date of acquisition, and the amount is amortised on a straight-line basis over the prognosticated useful lives, corresponding to the estimated time they will generate cash flow. Continuing amortisation of acquired trademarks and domain names will be charged against consolidated earnings at an amortisation rate of 2 years. Continuing amortisation of the acquired customer base will be charged against consolidated earnings at an amortisation rate of 3 years. Identified surplus value of the licence entails no annual amortisation, as this is judged to have an indefinite useful life. The licence provides access to the regulated Italian gaming market and is judged to not have a finite useful life. Assets with an infinite useful life are not amortised, but are tested yearly for impairment or whenever an indication of impairment exists.

The fair value of trade receivables is EUR 0.3 m and corresponds to the carrying amount at which all receivables are expected to be received.

Acquisition related costs amounted to EUR 0.2 m and are included in other operating expenses in the income statement and in operating activities in the statement of cash flows.

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 0.6 m.

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, seasonal variations in gaming activity are less apparent.

Personnel

The number of full-time employees at the end of the quarter was 431 (327). The average number of employees during the second quarter was 422 (286). In addition, LeoVegas used the services of 2 (7) full-time consultants at the end of the quarter.

Related-party transactions

No material changes have taken place for the Group or Parent Company in relations or transactions with related parties compared with the description provided in the 2016 Annual Report.

Shares and ownership structure

LeoVegas AB was listed on Nasdaq First North Premier on 17 March 2016. The total number of shares and votes in LeoVegas AB is 99,695,470. As per the end of June 2017 the Company had 9,668 shareholders. The five largest shareholders were Gustaf Hagman, with 8.0%; Swedbank Robur, with 8.0%; Robin Ramm-Ericson, with 6.9%; Handelsbanken Fonder, with 5.0%; and SEB Life International, with 4.8% of the shares and votes.

Accounting policies

The consolidated financial statements are prepared in accordance with the 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 adhered to in the preparation of this interim report, are described in Note 2, pages 68–73, of the 2016 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 in 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 which 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 designed to complement, not replace, financial measures that are presented in accordance with IFRS. For definitions of key ratios, see page 22.

Items affecting comparability pertain to costs associated with the Company's IPO on Nasdaq First North Premier and the forthcoming change in listing to Nasdaq Stockholm. The cost in the first half of 2017 amounted to EUR 0.2 m; listing costs for the first half of 2016 amounted to EUR 5.3 m. All items affecting comparability are charged against other operating expenses.

Non-current liabilities consist of a call option on the remaining shares in the subsidiary Authentic Gaming Ltd. The call option is classified as a financial liability and is consolidated to 100%, which is the reason why no minority interest is reported in the financial statements. The price is set at a predetermined amount of EUR 1 m in 2020. The value of the liability consists of a predetermined purchase price discounted to present value with an interest rate of 2% per year.

LeoVegas AB was listed on Nasdaq First North Premier on 17 March 2016. In connection with the IPO, an issue of EUR 20.2 m was made. The costs for the transaction were EUR 6.3 m, of which EUR 0.4 m was booked directly against equity. The net proceeds from the issue accrued to LeoVegas during the second quarter of 2016 and totalled EUR 15.4 m.

The number of shares after dilution has been changed in all historic periods starting with the interim report for the fourth quarter of 2016, which entails that the number of shares after dilution is calculated according to the Treasury Stock Method. The Company has 500,000 subscription warrants outstanding which carry entitlement to subscribe for 2 million shares. The number of shares after dilution increases with the number of outstanding warrants and decreases with the number of shares that the proceeds from the exercise of the warrants can buy on the market for the average price during the period. Previously the number of shares after dilution was calculated as the number of shares outstanding before dilution plus the outstanding subscription warrants.

Starting with this report, Net Gaming Revenue (NGR) and deposits for Sweden are reported separately from the other Nordic countries. An adjustment for this change has been made in the key quarterly performance tables.

IFRS 15 Revenue from Contracts with Customers

Application of IFRS 15 regulates revenue recognition. IFRS 15 applies for financial years starting on or after 1 January 2018, and early application is permitted. The standard thus replaces the current standard IAS 18 Revenue and IAS 11 Construction Contracts along with accompanying interpretations. The Group has evaluated the potential impact on the financial statements of application of IFRS 15. The Group has performed a qualitative study and is currently of the opinion that no material effects will arise for the Group's revenue recognition from application of IFRS 15. However, the Group's assessment is that the disclosure requirements in the financial statements will need to be further specified at the time of application. No new information has emerged since the disclosures provided in the 2016 Annual Report, or since the preceding quarterly report, regarding the Company's assessment of the effects.

IFRS 9 Financial Instruments

IFRS 9 replaces parts of the current standard for financial instruments, IAS 39. The standard is to be applied for financial years starting on 1 January 2018. Early application is permitted. The standard changes the basis for calculation of the credit loss reserve. From a model that is based on incurred losses, IFRS will require a model that is based on expected losses. At present, an impairment loss is recognised for financial assets in the Group only if there are objective indications of a need to recognise impairment resulting from one or more events that have occurred (a "loss event"). LeoVegas will thus need to review its current model for calculating credit loss provisions and also make provisions for potential expected losses. Since a majority of the Group's financial assets consist of trade receivables from payment service providers, with very limited credit risk, the Group is of the opinion that no material effects of credit losses will arise as a result of application of IFRS 9. Based on history, the Group may determine that all payment service providers have paid their receivables, for which no credit losses have previously arisen. All in all, the Group is of the opinion that adoption of IFRS 9 will have an immaterial effect on the financial reporting. No new information has emerged since the disclosures provided in the 2016 Annual Report, or since the preceding quarterly report, regarding the Company's assessment of the effects.

Legal update

The legal situation for online gaming is changing continuously at the EU level as well as in individual geographical 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 such 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 Sweden, on 31 March a government study led by Håkan Hallstedt, Director General of the Swedish Gambling Authority, was presented, which makes recommendations for how the gambling market in Sweden can be regulated. One of the study's most important recommendations was that the so-called channelisation level (that share of the gambling market that is included in the licensing process) should be as high as possible. This entailed that the study recommended a gambling tax of 18%. The gambling tax is based on revenue, or a closely related revenue measure that is often referred to as Gross Gaming Revenue (GGR). Some other recommendations were that most forms of gambling should be allowed, that Svenska Spel be split up, and that greater consumer protections be enacted. It is expected that this will take effect on 1 January 2019, however, the proposal must go through the political process, which may delay implementation.

In the Netherlands, the authorities have proposed the introduction of a 29% gambling tax. This is the same tax rate paid by land-based operators. Implementation of this appears to be delayed, and the second half of 2019 is now being indicated as the date of implementation. In the Czech Republic, local regulation was enacted on 1 January 2017 with a gambling tax of 35%. LeoVegas has decided to not complete an application for a gaming licence in this market. As a result, LeoVegas has closed its business in the Czech Republic. The Rest of World segment includes geographies with unclear gaming legislation, which over time may affect LeoVegas' revenue, earnings and expansion opportunities, depending on what legal changes may be made. In Australia, a supplement to current gaming legislation has been decided which will adversely affect LeoVegas's revenues from Australia when the law enters into force. The law is expected to come into force from mid-September. In the second quarter, Australia accounted for 7.6 percent of our total revenue. Australia is part of the geographical area of the Rest of world.

Risks and uncertainties

The main risk and uncertainty facing LeoVegas is the general legal status of online gaming. Decisions and changes in laws and rules may affect LeoVegas' business activities and expansion opportunities. 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 affiliates in advertising networks. In connection with this, it may happen that the LeoVegas brand is exposed in contexts that are not desirable. 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 gaming-related problems. LeoVegas takes this very seriously, and responsible gaming is a fundamental principle in the Company's product design and customer contacts. All employees, regardless of their function in the Company, are required to obtain certification in responsible gaming. This training and certification is designed in cooperation with experts from the company Sustainable Interaction AB. LeoVegas has employees who work specifically with promoting responsible gaming and related issues. The Company has implemented a number of functions designed to identify and help potential problem gamers. These include tools for helping customers control their gaming, including Loss limits, Time limits, Time alerts, Pause account and Account closure. In addition, a Self Assessment is offered to enable early identification if a customer's gaming is at risk of becoming a problem. In addition to these tools for customers and internal training for employees, LeoVegas works internally with responsible gaming as part of its company culture. LeoVegas works with commitment and knowledge to continuously promote a positive and sound gaming experience for everyone.

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 2016 Annual Report.

Parent Company

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

During the first half of 2017, revenue amounted to EUR 0.1 m (0.1), and profit after tax was EUR -1.2 m (-6.2). The Parent Company's non-current assets amounted to EUR 14.2 m (8.9). The change is explained by an increase in loan receivables from Group companies. Cash and cash equivalents amounted to EUR 3.9 m (19.5).

Future outlook

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

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

The Company sees continued strong demand for gaming services and believes that the opportunities for continued expansion in new markets are very favourable. External market forecasts indicate that mobile gaming will continue to grow faster than the 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 current core markets is very favourable.

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.

This interim report has not been subject to review by the Company's auditors.

The Board of Directors assures that the interim report for the second 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, 16 August 2017

Mårten Forste
Chairman of the Board

Robin Ramm-Ericson
Director

Barbara Canales Rivera
Director

Per Brilioth
Director

Anna Frick
Director

Patrik Rosén
Director

Gustaf Hagman
President and CEO

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

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

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Financial Calendar 2017/18

Interim Report Jan-Sep	25 Oct. 2017
Year-end Report Jan-Dec 2017	7 Feb. 2018
Interim Report Jan – Mar	2 May 2018

Consolidated income statement

EUR'000s	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	2016
Revenue	**49 652**	**30 980**	**93 568**	**60 521**	**141 398**
Cost of sales	(8 876)	(6 210)	(16 720)	(11 698)	(26 519)
Gaming Duties	(2 870)	(1 207)	(4 955)	(2 587)	(5 673)
Gross profit	**37 906**	**23 563**	**71 893**	**46 236**	**109 206**
Personnel costs	(7 033)	(4 430)	(12 965)	(8 325)	(17 782)
Work performed by the company for its own use and capitalised	872	752	1 667	1 390	2 808
Other operating expenses	(4 946)	(3 682)	(9 031)	(11 818)	(17 914)
Marketing expenses	(20 787)	(18 708)	(39 620)	(31 218)	(60 448)
Other income and expenses	130	51	233	(16)	131
EBITDA	**6 142**	**(2 454)**	**12 177**	**(3 751)**	**16 001**
Depreciation and amortisation	(692)	(323)	(1 210)	(597)	(1 399)
Operating profit (EBIT)	**5 450**	**(2 777)**	**10 967**	**(4 348)**	**14 602**
Financial income	1	3	6	5	20
Financial costs	-	(1)	(1)	(2)	(3)
Profit before tax	**5 451**	**(2 775)**	**10 972**	**(4 345)**	**14 619**
Income tax	(421)	107	(809)	(112)	(193)
Net profit for the period*	**5 030**	**(2 668)**	**10 163**	**(4 457)**	**14 426**
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period*	**5 030**	**(2 668)**	**10 163**	**(4 457)**	**14 426**
Earnings per share (EUR)	**0.05**	**(0.03)**	**0.10**	**(0.04)**	**0.14**
Earnings per share after dilution (EUR)	**0.05**	**(0.03)**	**0.10**	**(0.04)**	**0.14**
Number of shares outstanding adjusted for share split (million)	99.70	99.70	99.70	99.70	99.70
Number of diluted shares outstanding adjusted for share split (million)	101.03	100.76	101.03	100.76	100.71
Key ratios					
Cost of sales as a % of revenue	17.9%	20.0%	17.9%	19.3%	18.8%
Gaming duties as a % of revenue	5.8%	3.9%	5.3%	4.3%	4.0%
Gross margin, %	76.3%	76.1%	76.8%	76.4%	77.2%
Personnel costs as % of revenue	14.2%	14.3%	13.9%	13.8%	12.6%
Operating expenses as % of revenue	10.0%	11.9%	9.7%	19.5%	12.7%
Marketing expenses as % of revenue	41.9%	60.4%	42.3%	51.6%	42.8%
EBITDA margin %	12.4%	(7.9%)	13.0%	(6.2%)	11.3%
EBIT margin %	11.0%	(9.0%)	11.7%	(7.2%)	10.3%
Net margin, %	10.1%	(8.6%)	10.9%	(7.4%)	10.2%

*Total comprehensive income for the year is entirely attributable to shareholders of the Parent Company

EUR'000s	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	2016
EBITDA	**6 142**	**(2 454)**	**12 177**	**(3 751)**	**16 001**
Expenses related to listing	102	-	235	5 283	5 283
Adjusted EBITDA	**6 244**	**(2 454)**	**12 412**	**1 532**	**21 284**
Depreciation and amortisation	(692)	(323)	(1 210)	(597)	(1 399)
Adjusted EBIT	**5 552**	**(2 777)**	**11 202**	**935**	**19 885**
Adjusted EBITDA margin %	12.6%	(7.9%)	13.3%	2.5%	15.1%
Adjusted EBIT margin %	11.2%	(9.0%)	12.0%	1.5%	14.1%

Consolidated balance sheet, condensed

EUR'000s	30 Jun 2017	30 Jun 2016	31 Dec 2016
ASSETS			
Non-current assets			
Property, plant and equipment	1 339	1 093	1 194
Intangible assets	13 877	4 872	5 860
Deferred tax assets	837	7	837
Total non-current assets	**16 053**	**5 972**	**7 891**
Current assets			
Trade receivables	7 224	4 893	6 739
Other current receivables	4 746	2 157	3 098
Cash and cash equivalents	59 718	39 220	60 218
of which restricted cash (player funds)	*5 163*	*3 270*	*4 067*
Total current assets	**71 688**	**46 270**	**70 055**
TOTAL ASSETS	**87 741**	**52 242**	**77 946**
EQUITY AND LIABILITIES			
Share capital	1 196	1 196	1 196
Additional paid-in capital	36 411	36 411	36 411
Retained earnings including profit for the period	13 158	(5 655)	13 228
Equity attributable to owners of the Parent Company	**50 765**	**31 952**	**50 835**
Non-current liabilities	933	915	924
Total non-current liabilities	**933**	**915**	**924**
Current liabilities			
Trade and other payables	13 558	5 748	8 737
Player liabilities	5 163	3 270	4 067
Tax liability	1 891	-	1 033
Accrued expenses and deferred income	15 431	10 357	12 350
Total current liabilities	**36 043**	**19 375**	**26 187**
TOTAL EQUITY AND LIABILITIES	**87 741**	**52 242**	**77 946**

Consolidated statement of cash flows, condensed

EUR'000s	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	2016
Operating profit	5 450	(2 777)	10 967	(4 348)	14 602
Adjustments for non-cash items	1 122	566	1 711	1 104	2 061
Cash flow from changes in working capital	1 727	(2 532)	1 476	7 161	10 488
Cash flow from operating activities	**8 299**	**(4 743)**	**14 154**	**3 917**	**27 151**
Acquisition of property, plant and equipment	(161)	(423)	(271)	(595)	(952)
Acquisition of intangible assets	(1 730)	(756)	(2 560)	(1 402)	(2 935)
Acquisition of subsidiaries	-	-	(1 156)	-	-
Cash flow from investing activities	**(1 891)**	**(1 179)**	**(3 987)**	**(1 997)**	**(3 887)**
Proceeds from share issue/other equity securities	-	15 353	-	15 353	15 353
Cash dividends paid out to shareholders	(10 233)	-	(10 233)	-	-
Cash flow from financing activities	**(10 233)**	**15 353**	**(10 233)**	**15 353**	**15 353**
Net increase/(decrease) in cash and cash equivalents	(3 825)	9 431	(66)	17 273	38 617
Cash and cash equivalents at start of the period	64 024	30 176	60 218	22 605	22 605
Currency effects on cash and cash equivalents	(481)	(387)	(434)	(658)	(1 004)
Cash and cash equivalents at end of period	**59 718**	**39 220**	**59 718**	**39 220**	**60 218**
of which restricted cash (player funds)	*5 163*	*3 270*	*5 163*	*3 270*	*4 067*

Consolidated statement of changes in equity, condensed

EUR'000s	Share Capital	Other capital contribution	Retained earnings incl. profit for the period	Total equity
Balance at 1 January 2016	**57**	**17 689**	**(1 198)**	**16 548**
Profit for the period	-	-	(4 457)	(4 457)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(4 457)	(4 457)
Transactions with shareholders in their capacity as owners:				
New share issue including issue costs	70	19 791	-	19 861
Bonus issue	1 069	(1 069)	-	-
Dividends	-	-	-	-
Balance at 30 June 2016	**1 196**	**36 411**	**(5 655)**	**31 952**
Balance at 1 January 2017	**1 196**	**36 411**	**13 228**	**50 835**
Profit for the period	-	-	10 163	10 163
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	10 163	10 163
Transactions with shareholders in their capacity as owners:				
Dividends	-	-	(10 233)	(10 233)
Balance at 30 June 2017	**1 196**	**36 411**	**13 158**	**50 765**

Parent Company income statement, condensed

EUR'000s	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	2016
Revenue	**70**	**59**	**144**	**91**	**192**
Operating expenses	(1 178)	(824)	(1 691)	(6 482)	(7 600)
Other income and expenses	-	-	-	(99)	(99)
Operating profit (EBIT)	**(1 108)**	**(765)**	**(1 547)**	**(6 490)**	**(7 507)**
Net financial income	163	131	299	251	2 211
Tax on profit for the period	-	-	-	-	834
Profit / Loss for the period*	**(945)**	**(634)**	**(1 248)**	**(6 239)**	**(4 462)**

*There are no items in other comprehensive income.

Parent Company balance sheet, condensed

EUR'000s	30 Jun 2017	30 Jun 2016	31 Dec 2016
ASSETS			
Total non-current assets	14 216	8 897	9 731
Current assets	3 188	2 321	3 425
Cash and cash equivalents	3 852	19 495	19 249
Total current assets	**7 040**	**21 816**	**22 674**
TOTAL ASSETS	**21 256**	**30 713**	**32 405**
EQUITY AND LIABILITIES			
Total equity	**20 656**	**30 359**	**32 137**
Total liabilities	**600**	**354**	**268**
TOTAL EQUITY AND LIABILITIES	**21 256**	**30 713**	**32 405**

KPIs per quarter

Amounts in EUR'000s unless otherwise stated	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Deposits	**167 933**	**149 628**	**139 072**	**123 720**	**100 577**
Growth, Deposits, y-y %	*67%*	*86%*	*87%*	*87%*	*79%*
Growth, Deposits, q-q %	*12%*	*8%*	*12%*	*23%*	*25%*
Deposits per region					
Sweden, % Deposits	40.9%	43.7%	43.9%	47.3%	49.3%
Other Nordics, % Deposits	20.3%	18.1%	16.1%	14.8%	13.2%
UK, % Deposits	15.3%	15.1%	15.3%	15.5%	18.6%
Rest of Europe, % Deposits	17.4%	*15.2%*	*14.6%*	*12.6%*	*10.9%*
Rest of the World, % Deposits	6.2%	*8.0%*	*10.0%*	*9.7%*	*8.1%*
Net Gaming Revenue (NGR)	**49 175**	**43 656**	**40 611**	**39 586**	**29 843**
Growth Net Gaming Revenue, y-y %	*65%*	*53%*	*55%*	*76%*	*63%*
Growth Net Gaming Revenue, q-q %	*13%*	*8%*	*3%*	*33%*	*5%*
Net Gaming Revenue (NGR) per region					
Sweden, % Net Gaming Revenue	36.6%	40.1%	41.2%	44.2%	48.6%
Other Nordics, % Net Gaming Revenue	20.0%	16.0%	15.4%	13.9%	13.5%
UK, % Net Gaming Revenue	14.3%	13.7%	10.6%	13.2%	12.8%
Rest of Europe, % Net Gaming Revenue	19.0%	*17.3%*	*16.8%*	*13.6%*	*12.7%*
Rest of the World, % Net Gaming Revenue	10.1%	*13.0%*	*16.1%*	*15.2%*	*12.5%*
Growth in NGR per region					
Sweden, y-y %	22.7%	27.5%	21.4%	44.7%	44.0%
Other Nordics, y-y %	141.7%	117.5%	110.9%	75.3%	50.2%
UK, y-y %	83.0%	19.4%	-25.6%	26.4%	32.0%
Rest of Europe, y-y %	*143.8%*	*168.0%*	*251.9%*	*355.5%*	*249.4%*
Rest of the World, y-y %	*32.5%*	*60.5%*	*309.4%*	*225.4%*	*165.2%*
Regulated revenue as a % of total	***25.1%***	***18.3%***	***11.0%***	***13.2%***	***12.8%***
Growth in regulated revenues, y-y %	*223%*	*61%*	*-22%*	*26%*	*33%*
Growth in regulated revenues, q-q %	*54%*	*79%*	*-15%*	*37%*	*-23%*
Hold (NGR/Deposits) %	**29.3%**	**29.2%**	**29.2%**	**32.0%**	**29.7%**
Game margin %	**3.7%**	**3.6%**	**3.5%**	**3.7%**	**3.6%**
Number of active customers	**284 387**	**318 529**	**404 773**	**338 861**	**540 276**
Growth active customers, y-y %	*-47%*	*-34%*	*63%*	*43%*	*193%*
Growth active customers, q-q %	*-11%*	*-21%*	*19%*	*-37%*	*12%*
Number of depositing customers	**173 034**	**172 338**	**176 306**	**156 389**	**176 635**
Growth depositing customers, y-y %	*-2%*	42%	75%	*77%*	147%
Growth depositing customers, q-q %	*0%*	*-2%*	*13%*	*-11%*	*45%*
Number of new depositing customers	**73 014**	**75 017**	**85 384**	**74 638**	**109 718**
Growth new depositing customers, y-y %	*-33%*	23%	83%	76%	235%
Growth new depositing customers, q-q %	*-3%*	*-12%*	*14%*	*-32%*	*80%*
Number of returning depositing customers	**100 020**	**97 321**	**90 922**	**81 751**	**66 917**
Growth returning depositing customers, y-y %	*49%*	61%	68%	78%	72%
Growth returning depositing customers, q-q %	*3%*	*7%*	*11%*	*22%*	*10%*

Consolidated income statement per quarter

EUR'000s	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Revenue	**49 652**	**43 916**	**41 165**	**39 713**	**30 980**
Cost of sales	(8 876)	(7 844)	(7 599)	(7 222)	(6 210)
Gaming Duties	(2 870)	(2 085)	(1 677)	(1 409)	(1 207)
Gross profit	**37 906**	**33 987**	**31 889**	**31 082**	**23 563**
Personnel costs	(7 033)	(5 932)	(4 636)	(4 822)	(4 430)
Work performed by the company for its own use and capitalised	872	795	733	686	752
Other operating expenses	(4 946)	(4 085)	(3 197)	(2 899)	(3 682)
Marketing expenses	(20 787)	(18 833)	(14 912)	(14 317)	(18 708)
Other income and expenses	130	103	74	73	51
EBITDA	**6 142**	**6 035**	**9 951**	**9 802**	**(2 454)**
Depreciation and amortisation	(692)	(518)	(434)	(366)	(323)
Operating profit (EBIT)	**5 450**	**5 517**	**9 517**	**9 436**	**(2 777)**
Financial income	1	5	7	8	3
Financial costs	-	(1)	(2)	-	(1)
Profit before tax	**5 451**	**5 521**	**9 522**	**9 444**	**(2 775)**
Income tax	(421)	(388)	368	(450)	107
Net profit for the period	**5 030**	**5 133**	**9 890**	**8 993**	**(2 668)**
Other comprehensive income	-	-	-	-	
Total comprehensive income*	**5 030**	**5 133**	**9 890**	**8 993**	**(2 668)**
Earnings per share (EUR)	**0.05**	**0.05**	**0.10**	**0.09**	**(0.03)**
Earnings per share after dilution (EUR)	**0.05**	**0.05**	**0.10**	**0.09**	**(0.03)**
Number of shares outstanding adjusted for share split (million)	99.70	99.70	99.70	99.70	99.70
Number of diluted shares outstanding adjusted for share split (million)	101.03	100.83	100.74	100.65	100.76
Key ratios					
Cost of sales as a % of revenue	17.9%	17.9%	18.5%	18.2%	20.0%
Gaming duties as a % of revenue	5.8%	4.7%	4.1%	3.5%	3.9%
Gross margin, %	76.3%	77.4%	77.5%	78.3%	76.1%
Personnel costs as % of revenue	14.2%	13.5%	11.3%	12.1%	14.3%
Operating expenses as % of revenue	10.0%	9.3%	7.8%	7.3%	11.9%
Marketing expenses as % of revenue	41.9%	42.9%	36.2%	36.1%	60.4%
EBITDA, margin %	12.4%	13.7%	24.2%	24.7%	(7.9%)
EBIT, margin %	11.0%	12.6%	23.1%	23.8%	(9.0%)
Net margin, %	10.1%	11.7%	24.0%	22.6%	(8.6%)

*Total comprehensive income for the year is entirely attributable to shareholders of the Parent Company

EUR'000s	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
EBITDA	**6 142**	**6 035**	**9 951**	**9 802**	**(2 454)**
Expenses related to listing	102	133	-	-	-
Adjusted EBITDA	**6 244**	**6 168**	**9 951**	**9 802**	**(2 454)**
Depreciation and amortisation	(692)	(518)	(434)	(366)	(323)
Adjusted EBIT	**5 552**	**5 650**	**9 517**	**9 436**	**(2 777)**
Adjusted EBITDA margin %	12.6%	14.0%	24.2%	24.7%	(7.9%)
Adjusted EBIT margin %	11.2%	12.9%	23.1%	23.8%	(9.0%)

Consolidated balance sheet per quarter, condensed

EUR'000s	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
ASSETS					
Non-current assets					
Property, plant and equipment	1 339	1 342	1 194	1 064	1 093
Intangible assets	13 877	13 864	5 860	5 418	4 872
Deferred tax assets	837	837	837	7	7
Total non-current assets	**16 053**	**16 043**	**7 891**	**6 489**	**5 972**
Current assets					
Trade receivables	7 224	6 130	6 739	6 617	4 893
Other current receivables	4 746	4 295	3 098	1 674	2 157
Cash and cash equivalents	59 718	64 024	60 218	48 088	39 220
of which restricted cash (player funds)	*5 163*	*4 575*	*4 067*	*3 085*	*3 270*
Total current assets	**71 688**	**74 449**	**70 055**	**56 379**	**46 270**
TOTAL ASSETS	**87 741**	**90 492**	**77 946**	**62 868**	**52 242**
EQUITY AND LIABILITIES					
Share capital	1 196	1 196	1 196	1 196	1 196
Additional paid-in capital	36 411	36 411	36 411	36 411	36 411
Retained earnings including profit for the period	13 158	18 361	13 228	3 338	(5 655)
Equity attributable to owners of the Parent Company	**50 765**	**55 968**	**50 835**	**40 945**	**31 952**
Non-current liabilities	933	928	924	920	915
Total non-current liabilities	**933**	**928**	**924**	**920**	**915**
Current liabilities					
Trade and other payables	13 558	12 928	8 737	5 408	5 748
Player liabilities	5 163	4 575	4 067	3 085	3 270
Tax liability	1 891	1 823	1 033	416	-
Accrued expenses and deferred income	15 431	14 270	12 350	12 094	10 357
Total current liabilities	**36 043**	**33 596**	**26 187**	**21 003**	**19 375**
TOTAL EQUITY AND LIABILITIES	**87 741**	**90 492**	**77 946**	**62 868**	**52 242**

Consolidated statement of cash flows per quarter, condensed

EUR'000s	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Operating profit	5 450	5 517	9 517	9 436	(2 777)
Adjustments for non-cash items	1 122	589	234	722	566
Cash flow from changes in working capital	1 727	(251)	3 149	177	(2 532)
Cash flow from operating activities	**8 299**	**5 855**	**12 900**	**10 335**	**(4 743)**
Acquisition of property, plant and equipment	(161)	(110)	(261)	(97)	(423)
Acquisition of intangible assets	(1 730)	(830)	(747)	(786)	(756)
Acquisition of subsidiaries	-	(1 156)	-	-	-
Cash flow from investing activities	**(1 891)**	**(2 096)**	**(1 008)**	**(883)**	**(1 179)**
Proceeds from share issue/other equity securities	-	-	-	-	15 353
Cash dividends paid out to shareholders	(10 233)	-	-	-	-
Cash flow from financing activities	**(10 233)**	**-**	**-**	**-**	**15 353**
Net increase/(decrease) in cash and cash equivalents	(3 825)	3 759	11 892	9 452	9 431
Cash and cash equivalents at start of the period	64 024	60 218	48 088	39 220	30 176
Currency effects on cash and cash equivalents	(481)	47	238	(584)	(387)
Cash and cash equivalents at end of period	**59 718**	**64 024**	**60 218**	**48 088**	**39 220**
of which restricted cash (player funds)	*5 163*	*4 575*	*4 067*	*3 085*	*3 270*

Definitions of APMs

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

Adjusted EBIT
EBIT adjusted for items affecting comparability

Adjusted EBITDA
EBITDA adjusted for items affecting comparability

Average number of full-time employees
Average number of employees (full-time equivalents) during the entire period

Cash and cash equivalents
Balances in bank accounts plus e-wallets

Depositing customers
Customers who have made cash deposits during the period

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 by a weighted average number of shares for the period

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

EBIT
Operating profit before interest and tax

EBIT margin, %
EBIT divided by operating 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 profit
Revenue less direct, variable costs, which including costs for third-party gaming vendors, software costs, fees paid to payment service providers, gaming fees and taxes

Hold
Net Gaming Revenue (NGR) in relation to the sum of deposits

Items affecting comparability
Items pertaining to costs for the listing on Nasdaq First North Premier and Nasdaq Stockholm

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

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

Organic growth
Growth excluding acquisitions. Currency effects not excluded

Operating profit (EBIT)
Profit before interest and tax

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

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