



LeoVegas

MOBILE GAMING GROUP

LeoVegas' vision and position is "King of Casino". The global LeoVegas Mobile Gaming Group offers casino, live casino, bingo and sports betting. The Parent Company LeoVegas AB (publ.) is domiciled in Sweden, and operations are based primarily in Malta. The company's shares are listed on Nasdaq Stockholm.

For more about LeoVegas, visit www.lovegasgroup.com

QUARTERLY REPORT 1 JANUARY–31 MARCH 2022

FIRST QUARTER 2022: 1 JANUARY–31 MARCH

- Revenue increased 2% to EUR 98.5 m (96.7). Organic growth in local currencies was 0%. Excluding the Netherlands, revenue increased 9%.
- The number of depositing customers was 455,843 (462,386), a decrease of 1%.
- Net Gaming Revenue (NGR) from regulated markets and markets in which the company pays local gaming taxes was 71% (65%) of total NGR. Including Ontario, which was regulated after the end of the quarter, the share was 74%.
- EBITDA was EUR 14.1 m (10.4), corresponding to an EBITDA margin of 14.4% (10.8%).
- Adjusted EBIT was EUR 10.9 m (8.2), corresponding to an adjusted EBIT margin of 11.0% (8.5%). Reported EBIT was EUR 9.6 m (3.7).
- Earnings per share were EUR -0.07 (0.02) before and after dilution, while adjusted earnings per share were EUR 0.09 (0.07).

EUR'000s	Jan-Mar 2022	Jan-Mar 2021	Δ, %	2021
Revenue	98,510	96,726	2%	391,171
EBITDA	14,144	10,439	35%	43,351
Adjusted EBITDA	14,144	10,946	29%	44,614
Adjusted EBITDA margin (%)	14.4%	11.3%	27%	11.4%
Adjusted EBIT	10,870	8,236	32%	32,868
Adjusted EBIT margin (%)	11.0%	8.5%	30%	8.4%
Earnings per share before dilution (EUR)	(0.07)	0.02	-438%	0.11
Adjusted earnings per share before dilution (EUR)	0.09	0.07	34%	0.27
Cash flow from operating activities	15,132	12,744	19%	45,856
New Depositing Customers (NDC)	174,751	186,510	-6%	724,990
Returning Depositing Customers (RDC)	281,092	275,876	2%	405,917

EVENTS DURING THE QUARTER

- LeoVegas has registered as a gaming operator in the Canadian province of Ontario, which is a step in the licence process to be able to conduct gaming in the regulated environment in Ontario. On 4 April, the gaming market was re-regulated and the LeoVegas and Royal Panda brands were re-launched on the same day that the market opened.
- LeoVegas is opening two new tech hubs; one in Warsaw and one in Malaga. The plan is to recruit up to 100 developers to these offices in the coming two years.
- In January, LeoVegas distributed the fourth dividend (EUR 3.8 m) of a total of four to the Parent Company's shareholders.

EVENTS AFTER THE END OF THE QUARTER

- Preliminary revenue in April amounted to EUR 34.0 m (32.6), which corresponds to growth of 4% and of 12% when excluding the Netherlands.
- During the quarter, income tax for previous years of EUR 14.9 m was recorded. The tax is attributable to the Group's subsidiary Royal Panda during the years 2015–2018 and is a result of the tax audit that was previously communicated. The amount was established with reasonable assurance at the end of the reporting period, and this has been recognised as income tax during the quarter.
- The subsidiary Blue Guru Games launched its first game, The Nemean Lion, on 21 April. The game is available through several well-known operators. During the year, the studio will also launch games in the US market.
- LeoVegas won the award "Online Casino of the Year" at the Global Gaming Awards and "Online Gaming Operator" at the International Gaming Awards.

- LeoVegas has, through LeoVentures, chosen to exercise its option to increase its ownership in CasinoGrounds from 51% to 80%. The transaction is expected to be completed in the second quarter.
- Through LeoVentures, LeoVegas has increased its ownership in the esports betting operator Pixel.bet from 85% to 90%.
- In the notice of the annual general meeting to be held on 19 May, a raised dividend was proposed totalling SEK 1.68 per share (1.60), to be distributed in four tranches over the course of the next 12 months. The full notice is available on the company's website.

CEO'S COMMENTS *“High profitability and 44% growth in sport”*

FIRST QUARTER

LeoVegas began the year in solid fashion with revenue growing 2% in the first quarter. Excluding the Netherlands, growth was 9%. Growth in the sport vertical was a full 44% during the quarter, mainly driven by the Expekt brand. At the same time, we are reporting high profitability with EBITDA increasing 35% compared with the year-earlier period. The improved EBITDA margin of 14.4% was mainly the result of improved payment and supplier terms and lower marketing investments. These factors more than offset increased personnel costs mainly in product and technology, as well as costs related to strategic projects such as the US launch. Overall, these results demonstrate the scalability of our business model.

Marketing costs in relation to revenue amounted to 30.3% during the quarter, which is the lowest figure since the second quarter of 2020. Our marketing strategy is to consistently work with optimising our marketing investments based on data-driven decisions. We expect an increase to our marketing investments during the second quarter as the result of such factors as the recently regulated Canadian province of Ontario where we maintain high growth ambitions.

PRODUCTS AND TECHNOLOGY

Investing and continuous innovation in the area of products and technology is necessary for us to remain at the forefront of the gaming industry. Confirmation that we are making the right moves came in April when we won the award “Online Casino of the Year” at the Global Gaming Awards and “Online Gaming Operator” at the International Gaming Awards. Quite simply, we continue to deliver a world-class gaming experience.

To ensure that we possess the necessary resources to continue to deliver on our ambitious growth plans, we are opening two new tech hubs, one in Warsaw and one in Malaga, where we plan to recruit up to 100 new developers in the coming two years. These investments ensure that the Group will continue to offer the best gaming experience moving forward with the latest innovations in areas such as casino, sport, payments and personalisation.

Something that must be discussed is Russia's unacceptable invasion of Ukraine. Following the news, we immediately decided to cease offering betting on Russian and Belarusian sport. This is a particularly sensitive situation for the company especially given that we have some forty colleagues in Ukraine. We have taken measures to support those affected and their families through, for example, relocation to Sweden or other countries. I would like to take this opportunity to highlight these colleagues who, despite this terrible situation, have incredibly managed to continue to work and deliver daily value to LeoVegas.

MARKETS

The majority of our markets continue to perform well. Once again, Sweden sticks out having reached new record levels and we are entrenching our position as the largest private company in our home market.

On 4 April, the gaming market was re-regulated in Ontario and we relaunched the LeoVegas and Royal Panda brands on the same day that the market opened. This has begun successfully, and Ontario is the Group's ninth locally regulated market. During the quarter, we submitted our licence application in the Netherlands while LeoVegas' expansion to the US, with New Jersey as its first state, is proceeding according to plan. In the US, the portfolio company Blue Guru Games will also launch its slot game portfolio in the second half of the year, providing additional growth opportunities for the Group. We have positive experiences from operating in regulated markets and have high growth ambitions both in North America and in Europe for the years ahead.

COMMENTS ON THE SECOND QUARTER

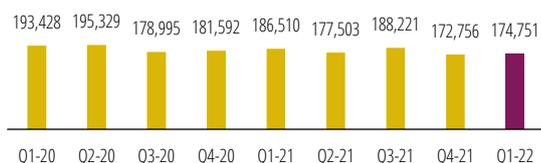
Revenue in April amounted to EUR 34.0 m (32.6), which corresponds to growth of 4% and of 12% when excluding the Netherlands.

Gustaf Hagman, President and CEO, LeoVegas Mobile Gaming Group, Stockholm, 2 May 2022

KEY PERFORMANCE INDICATORS

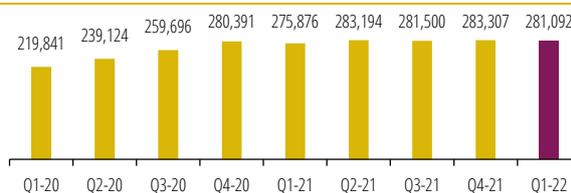
For more KPIs and comments, see the accompanying presentation file at LeoVegasgroup.com. See also the section “Definitions of Alternative Performance Measures”.

NEW DEPOSITING CUSTOMERS (NDCs)



NDCs declined 6% year-on-year and increased 1% sequentially compared with the fourth quarter. The company has actively reduced investments in certain channels where the return has been assessed as inadequate.

RETURNING DEPOSITING CUSTOMERS (RDCs)



The number of RDCs increased 2% year-on-year and declined 1% compared with the preceding quarter. The customer base (NDCs and RDCs) was negatively impacted compared with the preceding year by the company ceasing to provide services in the Netherlands from the end of the third quarter.

NGR PER REGION, Q1 2022



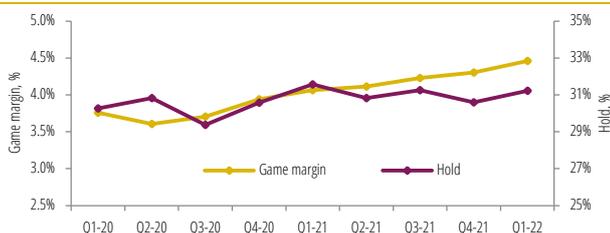
The Nordic countries was the largest region during the quarter and accounted for 51% of the Group’s Net Gaming Revenue (NGR). Rest of Europe accounted for 26%, while Rest of World accounted for 23%. Rest of Europe’s share was lower than in the preceding year, mainly due to the company ceasing to provide its services in the Netherlands.

GGR PER PRODUCT, Q1 2022



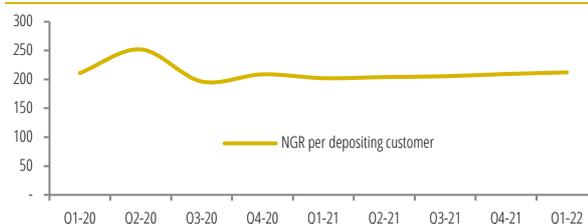
Casino accounted for 72% (74) of the Group’s Gross Gaming Revenue (GGR), Live Casino for 16% (17), and the Sportsbook for 12% (9). The Sportsbook’s year-on-year increase was mainly driven by strong growth for the Expekt brand.

GAME MARGIN AND HOLD



The relation between NGR and deposits (“Hold”) increased compared with the preceding quarter to 31%, which is in line with the historic average. One factor that has had a strong bearing on the hold ratio is the game margin. The game margin increased compared with the preceding quarter and totalled 4.5%.

PLAYER VALUE (EUR)



The average player value per depositing customer was EUR 212, which is an increase of 1% compared with the preceding quarter, and 5% year-on-year.

GROUP PERFORMANCE Q1

REVENUE, DEPOSITS AND NGR

Revenue totalled EUR 98.5 m (96.7) during the first quarter, corresponding to an increase of 2% compared with the preceding year. Organic growth in local currencies was 0%. Excluding the Netherlands, revenue increased 9%.

Deposits totalled EUR 309.5 m (295.8) during the quarter, an increase of 5%. Deposits decreased sequentially by 1% compared with the preceding quarter. Net Gaming Revenue (NGR) amounted to EUR 96.6 m (93.4) during the period, an increase of 4% year-on-year and a sequential increase of 1% compared with the fourth quarter. Owing to a slightly higher game margin, NGR grew somewhat faster than deposits compared with the preceding quarter.

In the Nordic countries, NGR increased by 39% compared with the year-earlier period. Sweden had another good quarter and generated a new record level of revenues for the period. During the quarter, the company was once again the largest commercial operator in the Swedish market and continued to capture market shares.

In the Rest of Europe region, NGR decreased by 36% compared with the year-earlier period. Growth was favourable in markets such as Spain and Italy. At the same time, the Netherlands continued to slow the region's development. LeoVegas decided not to provide its services in the country as from 30 September 2021. During the first quarter, the company submitted its licence application in the Netherlands. The market accounted for 7% of the Group's total revenue and for 16% of the region's revenue during the year-earlier period.

In the Rest of World region, NGR increased 19% year-on-year. Performance was strong in most markets in the region. Canada is clearly the largest market in the region. In the first quarter, the Group submitted its licence application in the Canadian province of Ontario and was among the first operators that re-launched when the market opened in early April.

For the Group as a whole, revenue from locally regulated markets and markets in which the Group pays local gaming taxes accounted for 71% (65%) of total revenue during the first

quarter. Including Ontario, which was regulated after the end of the quarter, the share was 74%.

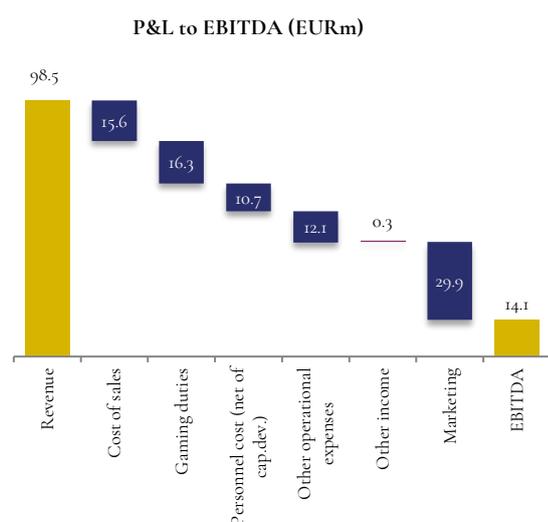
EARNINGS

Gross profit for the first quarter was EUR 66.5 m (65.4), corresponding to a gross margin of 67.5% (67.6%). Gaming taxes totalled EUR 16.3 m (15.3), corresponding to 16.6% of revenue (15.8%). Cost of sales was 15.9% of revenue (16.6%) and consisted mainly of costs for external game and payment service providers.

Marketing costs during the quarter totalled EUR 29.9 m (36.1). During the period, the company reduced investments in a number of channels in which return was assessed to be insufficient, but has, at the same time, maintained a high pace of investment in markets and channels in which there are favourable opportunities to scale up revenue with good returns. This continuous work has contributed to increased marketing efficiency. Marketing expenses in relation to revenue were 30.3% during the first quarter, which is lower than in the year-earlier period (37.4), and in the preceding quarter (34.4).

Personnel costs in relation to revenue increased compared with the year-earlier period to 15.1% (13.8). The total work force increased during the quarter, and the company has continued to increase the share of highly qualified employees in technology and product development. The company sees a continued need to increase resources in the area of technology, and has therefore taken such measures as to establish new tech hubs in Warsaw and Malaga.

Other operating expenses amounted to 12.3% of revenue (9.0), which is an increase in relation to revenue compared with the year-earlier period and compared with the preceding quarter (10.8). Costs were impacted during the quarter, inter alia, by consultancy costs connected to the ongoing US expansion and other strategic projects. Adverse currency effects also contributed to higher operating expenses during the period.



EBITDA for the first quarter was EUR 14.1 m (10.4), corresponding to an EBITDA margin of 14.4% (10.8%). Adjusted EBITDA corresponded to reported EBITDA during the period since there were no items affecting comparability.

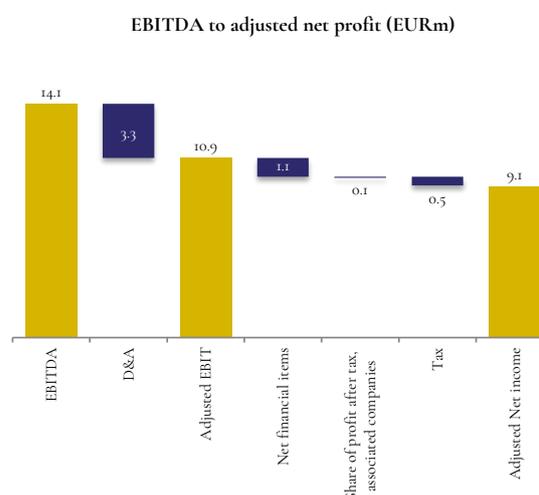
The negative impact of EBITDA directly connected to the company’s ongoing establishment in the US amounted to EUR 0.4 m (0.0) in the first quarter. The impact on earnings is expected to be more significant in the coming quarters, in line with the company establishing a local organisation in New Jersey.

The Group’s depreciation and amortisation excluding acquisition-related depreciation and amortisation totalled EUR 3.3 m (2.7). Amortisation related to acquired intangible assets totalled EUR 1.2 m (4.1). In the third quarter of the preceding year, Royal Panda’s acquired customer database became fully amortised, which is the main reason for the year-on-year decline. From 2022, the customer database related to the acquisition of LeoVegas UK’s Rocket X is also fully amortised.

Operating profit (EBIT) for the quarter was EUR 9.6 m (3.7), corresponding to an EBIT margin of 9.8% (3.8). Adjusted EBIT for the quarter was EUR 10.9 m (8.2), corresponding to an adjusted EBIT margin of 11.0% (8.5%). Adjusted EBIT gives a more accurate picture of the Group’s underlying earnings during the period.

Financial items amounted to EUR 1.1 m (1.1) and is mainly related to the company’s bond issues. Within net financial

items, ongoing remeasurement of the bond in SEK has affected the outcome as well as the change in value of the currency derivative that was contracted for the initial bond issue.



Income tax for the quarter totalled EUR 15.4 m (0.2). During the quarter, income tax for previous years of EUR 14.9 m was recorded. The tax is attributable to one of the Group’s previous acquisitions, Royal Panda, with accompanying subsidiaries, which was completed at the end of 2017. The tax pertains to the years 2015–2018 and is a result of the tax audit that was previously communicated. After dialogue with the local tax authority, the amount has now been determined with reasonable certainty by the end of the reporting period and is intended to be settled during the year. Thus, income tax for previous years has been reported with the corresponding amount during the quarter. The tax pertains to historical periods and is presented under items affecting comparability.

The share of profit after tax from associated companies recognised in accordance with the equity method was EUR -0.1 m (0.0) and pertains to the company’s minority stake in BeyondPlay.

Net profit for the quarter was EUR -7.0 m (2.4), corresponding to a net margin of -7.1% (2.5%). Adjusted net profit for the quarter totalled EUR 9.1 m (7.0). Earnings per share were EUR -0.07 (0.02) before and after dilution. Adjusted earnings per share were EUR 0.09 (0.07).

BALANCE SHEET AND FINANCING

Cash and cash equivalents at the end of the first quarter amounted to EUR 80.3 m (70.8). Cash and cash equivalents, excluding player funds, amounted to EUR 61.0 m (54.2). LeoVegas has a total of about EUR 108 m in available borrowing scope, of which EUR 68 m (53) was utilised at the end of the first quarter. Overall, the Group's financial position is good. Net debt excluding player liabilities in relation to adjusted EBITDA (rolling 12 months) was 0.1x (0.0).

The Group had intangible assets worth EUR 30.9 m at the end of the quarter (21.4). Intangible assets attributable to identified surplus value from acquisitions amounted to EUR 18.3 m (24.6). Goodwill related to all acquisitions amounted to EUR 95.7 m (94.7).

At the end of the quarter, equity attributable to owners of the Parent Company amounted to EUR 70.7 m (95.0). Non-controlling interests made up EUR 6.3 m (5.6) of equity. Total assets at the end of the quarter amounted to EUR 272.6 m (257.5). The equity/assets ratio was 28% (39).

Total liabilities increased compared with the year-on-year quarter, mainly as the result of an increase in the company's issued bond loan and the increased tax liability pertaining to income tax from previous years of EUR 14.9 m.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities totalled EUR 15.1 m (12.7) during the quarter. Working capital improved during the period but may be volatile from quarter to quarter and is affected by factors such as jackpot provisions, incoming and outgoing payments between LeoVegas and product and payment service providers, and advance payments for licences and marketing. Working capital also includes deferred payment of gaming taxes in Austria, amounting to EUR 16.9 m (12.0) and provisions for the company's exclusive jackpots.

Investments in property, plant and equipment amounted to EUR 0.4 m (0.2). Investments in intangible assets amounted to EUR 4.6 m (3.4) and pertain mainly to capitalised development costs.

Cash flow from financing activities was mainly affected by ordinary dividends to the Parent Company's shareholders, resulting in a cash flow charge of EUR 3.8 m (0.0). Amortisation of the lease liability, i.e., rents paid for the Group's right of use assets, had an accounting effect on cash flow from financing activities of EUR 1.1 m (0.9).

OTHER INFORMATION**FINANCIAL TARGETS**

LeoVegas' long-term financial targets are:

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

PARENT COMPANY

LeoVegas AB (publ), the Group's Parent Company, invests in companies that offer gaming via smartphones, tablets and desktop computers, as well as companies that develop related technology. Gaming services are offered to end consumers through subsidiaries. The Parent Company is not engaged in any gaming activities. The Parent Company's revenue for the quarter totalled EUR 0.8 m (0.2). Profit after tax was EUR -1.6 m (-0.8). Profit is steered by dividends from subsidiaries, interest expenses for credit facilities, income from lending to subsidiaries, invoiced management services and other operating expenses. Cash and cash equivalents amounted to EUR 1.4 m (3.8). The Parent Company has a bond issue of EUR 67.6 m (48.1). No bank loans remained as per the end of the balance sheet date. Borrowing is initially recognised at fair value, net after transaction costs, and thereafter at amortised cost in accordance with the effective interest method. In connection with the initial bond issue of SEK 500 m, a currency derivative was contracted. The value of currency derivatives was a liability on the balance sheet date and amounted to EUR 1.1 m (0.7). Financial items during the quarter were charged with EUR 1.0 m (0.6), net, interest expenses, transaction costs and other related costs coupled to the bond financing. Cash flow was charged with an interest payment of EUR 0.9 m (0.7) for the bond financing.

CURRENCY SENSITIVITY

Sweden and the UK are a couple of LeoVegas' largest markets. The Group's earnings are thus affected by currency translation. During the quarter, changes in the euro exchange rate did not have any effect on revenue, EUR 0.0 m, compared with the year-earlier period, but had a negative effect of EUR 1.0 m compared with the preceding quarter.

SEASONAL VARIATIONS

Customers use LeoVegas' gaming services year-round, which means that seasonal variations tend to be relatively low. In general, activity is impacted by the customers' life patterns such as holidays and time off as well as the sporting events calendar.

PERSONNEL

The number of full-time employees at the end of the quarter was 925 (817), of whom 55 are employed in LeoVentures (44). The average number of employees during the quarter was 905 (822). LeoVegas was using the services of 76 (35) full-time consultants at the end of the quarter.

RELATED PARTY TRANSACTIONS

No transactions with related parties occurred during the quarter. For more information on previous years, please refer to the company's annual reports.

SHARES AND OWNERSHIP STRUCTURE

LeoVegas AB is listed on Nasdaq Stockholm. At the end of the quarter, the company has 17,197 shareholders. The five largest shareholders were:

- Gustaf Hagman – 7.9%
- Avanza Pension – 5.1%
- LOYS AG – 4.5%
- Torsten Söderberg and family – 4.5%
- Alta Fox Capital – 4.3%

A total of 101,652,970 shares are in issue in LeoVegas AB. Following the share buyback programme, LeoVegas holds treasury shares amounting to 3.9% of the total number of shares as per the end of the quarter. The total number of shares outstanding and votes amounted to 97,652,970 at the end of the balance sheet date.

ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IAS/IFRS, as endorsed by the European Union) issued by the International Accounting Standards Board, interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), the Swedish Annual Accounts Act, and Swedish Financial Reporting Board (RFR) standard RFR 1 “Supplementary Accounting Rules for Groups”. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company’s financial statements have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 “Accounting for Legal Entities”. Disclosures in accordance with IAS 34.16A are provided – in addition to in the financial statements – in other parts of the interim report.

The number of shares after dilution is calculated using the Treasury Stock method. At the end of the reporting period, three warrant programmes were in effect, which expire in 2022, 2023 and 2024, respectively. These had no dilutive effect during the period, as the exercise price is higher than the price at which the shares were traded on average during the quarter.

Changes in exchange rates for the bond in SEK have been hedged with a financial instrument (OTC derivative). Financial assets and liabilities in the form of derivatives are reported at fair value through profit or loss. All transactions related to the currency derivative are reported under financial items in the consolidated income statement. No hedge accounting has been applied. The bond had a market value of SEK 697,088,000 as per the end of the balance sheet date. The Parent Company applies the exemption permitted by RFR 2 from application of IFRS 9 Financial Instruments. Within net financial items, remeasurement of the bond in SEK and the change in fair value of the currency derivative, including its interest flows, are reported net. The items have an equalising effect and are of the same character. Net recognition creates a clearer picture for readers of the cost of the financing.

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 82–86, of the 2021 Annual Report. All of the accounting policies are

unchanged since the most recently published annual report for the 2021 financial year.

ALTERNATIVE PERFORMANCE MEASURES

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

ADJUSTED PROFIT MEASURES

LeoVegas presents adjusted profit measures to provide a more fundamental picture to readers of reports by showing earnings that more closely reflect the Group’s underlying earnings capacity. The adjusted profit measure is adjusted for items affecting comparability, which are defined in the section “Definitions of Alternative Performance Measures”.

FINANCIAL CALENDAR

- 19 May 2022: Annual General Meeting
- 11 August 2022: Q2-interim report
- 10 November 2022: Q3- interim report

LEGAL UPDATE

The legal situation for online gaming is changing continuously at the EU level as well as in geographic markets outside of the EU. LeoVegas' expansion strategy is to act in locally regulated markets and markets with plans for or in the process of implementing local regulation. Most countries in the EU have adopted or are engaged in discussions to introduce local regulation. Examples of countries that have implemented local regulation include the UK, Denmark, Italy, Spain and Sweden. This trend is also spreading outside of the EU, with the Canadian province of Ontario, for example, having just introduced local regulation. Discussions are also ongoing in Latin America to regulate gaming markets. Colombia is an example of a country that has already taken the step into a regulated environment, and Brazil has begun the process of regulating sports betting. The same applies in the US, where gaming is regulated by the individual states. States including New Jersey, Pennsylvania and Michigan have introduced local regulation both for casino games and for sports betting. The trend in the US is that an increasing amount of states are regulating their local gaming markets. New York state, for example, regulated betting in January 2022, and is now reviewing including the casino product category.

The authorities in the UK are currently conducting a review of existing gaming laws. The results of this review have not yet been compiled, but it may lead to more demanding regulation for the licenced operators.

In the Netherlands, the authorities have adopted a local licence system, which took effect during the third quarter of 2021. In the re-regulation process, the authorities changed their policies at the end of September with short notice, entailing that all gaming operators that had not yet been granted a gaming licence were forced to stop providing their services in the country until they had obtained one. LeoVegas decided to stop providing its services as from 30 September 2021. In recent years, LeoVegas has taken measures to ensure full compliance with the Dutch prioritisation criteria and the policies published by KSA, the Dutch gaming regulator, to create favourable conditions ahead of the ongoing licencing process. LeoVegas applied for a licence in the Netherlands during the first quarter of 2022.

In Germany, a local licence system was implemented on 1 July 2021. Operators that intend to apply for and receive a gaming licence are required to align themselves with a number of new restrictions. The tax on online poker and casino products is 5.3% of turnover, which represents the highest tax in Europe on gaming.

Sweden introduced its local regulation in 2019 and has, since then, faced challenges in limiting gaming among unlicensed operators. This has been highlighted by the authorities and, on 27 January 2022, the Swedish government submitted its proposal for a law amendment to the Council on Legislation (Lagrådet). The proposal contained measures for excluding unlicensed gaming from the Swedish market and measures to reduce the hazards of gambling with such measures as adjusting the moderation requirements for the marketing of gaming. The Council on Legislation will now review the government's proposal.

On 1 January 2022, Finland updated its legislation concerning online gaming. The Finnish government introduced marketing restrictions on all types of online gaming. There is also the potential for payment blocking for online casino operators that do not adhere to the new legislation, which is expected to enter force in January 2023. LeoVegas has adapted to the new regulations.

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

RISKS AND UNCERTAINTIES

The main risk and uncertainty that LeoVegas faces is the general legal status of online gaming. Decisions and changes in laws and regulations may affect LeoVegas' business activities and expansion opportunities. Since most of LeoVegas' customers are active in Europe, the legal status in EU-related jurisdictions has most significance for the company's existing operations. However, developments outside the EU are also of interest, partly because parts of LeoVegas' existing operations may be affected, but mainly as they may affect the company's expansion and future outlook.

LeoVegas is active in a large number of regulated markets, and the Group's compliance is reviewed on a regular basis by

regulatory bodies, such as local gaming authorities. If it were to be shown that interpretations and measures taken by the company to ensure compliance with a licencing authority's requirements are insufficient, it could lead to costs for the company in the form of sanction fees or other punitive measures.

The regulations and requirements are changing continuously, which in turn puts greater demands on the company's internal routines, processes and systems. Higher demands are also being put on LeoVegas' business partners, such as third-party game vendors, payment service providers and marketing partners. LeoVegas conducts thorough due diligence of new partners before a cooperation can begin. Existing partners are also reviewed on a regular basis. In the event of a violation of the Group's collaboration terms, LeoVegas has the opportunity to withhold payment and terminate its collaboration with the partner in question.

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

LeoVegas' offering is based on gaming as a fun and attractive form of entertainment. Consumer protection is therefore an important part of the design of LeoVegas' offerings and in its customer contacts. LeoVegas has technical aids at its disposal and clear routines for countering unsound gaming. Responsible gaming is regulated in all gaming licences that LeoVegas conducts its gaming activities under. LeoVegas works together with local trade associations to promote sustainability and responsibility in the industry. These include, for example, the Swedish Trade Association for Online Gambling (BOS) in Sweden and the Norwegian Industry Association for Online Gaming (NBO) in Norway.

The long-term risks and impacts of the global pandemic have been and are hard to assess, and the conditions are changing continuously. The pandemic has had a smaller impact on online businesses and has led to an accelerated structural shift from offline to online. This is beneficial for LeoVegas, with its strong online position, strong brands and proprietary technical platform that enables rapid development in an increasingly digital world.

In addition to the above are risks associated with significant estimates and assessments in the financial reporting. The consolidated financial statements are based partly on assumptions and estimations in connection with the preparation of the Group's accounting. Estimations and assessments are evaluated on a continuous basis and are based on historical experience and other factors, including expectations about future events that are deemed to be reasonable given the prevailing circumstances.

LeoVegas conducts operations across borders and complies with regulations such as corporation tax and indirect taxes in a number of jurisdictions. The tax environment is complex and LeoVegas evaluates and makes continual assessments concerning the company's tax positions. LeoVegas could be negatively affected by judicial rulings, settlements and costs associated with legal processes and investigations, and disputes, and could be the subject of legal action in the future. If LeoVegas were to be unsuccessful in such legal processes and investigations, the company could incur costs as a result. A determination of potential provisions for corporation tax and indirect taxes is subject to complexity and uncertainty, requiring extensive estimations and assessments.

It was previously announced that a tax authority has initiated tax audits of subsidiaries in the Group. The matter pertained to one of the Group's previous acquisitions, Royal Panda, with accompanying subsidiaries, which was acquired at the end of 2017. The audits covered the years 2015–2018 and pertain to income taxes for previous years. After dialogue with the local tax authority, the amount has now been determined with reasonable certainty by the end of the reporting period and is intended to be settled during the year. The settlement amounts to EUR 14.9 m and has been reported as income tax with the corresponding amount.

Other risks that could affect LeoVegas include financial risks, such as currency and liquidity risks.

The 2021 Annual Report includes a detailed description of the company's risks as well as more information about the significant estimates and assessments used in the preparation of the Group's financial reports.

SUSTAINABILITY – RESPONSIBLE GAMING

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

What's most important for the company is that the customers view their gaming as entertainment and that they play in a safe and responsible way. There is a risk for certain individuals that their gaming can go beyond entertainment to instead cause financial and/or social problems. LeoVegas takes this with utmost seriousness and dedicates extensive resources to responsible gaming, both when it comes to proactively protecting customers and providing support to individuals who develop unsound gaming behaviour.

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

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

To ensure LeoVegas' framework and routines in responsible gaming, these are assessed annually by an independent party. The independent, industry-leading British agency eCOGRA specialises in testing, certifying and assessing the gaming sector. eCOGRA performs tests and interviews to

assess LeoVegas' product each year. This external review has shown that LeoVegas is in conformity with all relevant recommendations and principles for responsible gaming.

Offering a safe and secure gaming experience has always been the company's top priority. It is therefore reassuring that LeoVegas' work in this respect has now been reviewed and assessed by an external, independent party, which has confirmed that LeoVegas is in conformity with the high requirements that have been set for gaming operators today.

LEOVEGAS' SUSTAINABILITY TARGETS

Each year, LeoVegas sets ambitions, targets and measures for sustainability. This is performed to show in a transparent, clear and concrete way what LeoVegas aims to achieve in building a sustainable company and advocating for a sustainable gaming industry.

LeoVegas has set sustainability targets in three areas: Environment, Social Responsibility and Corporate Governance. The responsible gaming targets are included under Social Responsibility. The targets are followed up and reported in LeoVegas' sustainability report on an annual basis. Group Management and the Board of Directors are responsible for ensuring that the company works toward and achieves the set targets.

BOARD OF DIRECTORS AND PRESIDENT'S ASSURANCE

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

Stockholm, 2 May 2022

Per Norman
Chairman of the Board

Hélène Westholm
Director

Carl Larsson
Director

Fredrik Rūden
Director

Anna Frick
Director

Mathias Hallberg
Director

Torsten Söderberg
Director

Gustaf Hagman
President and CEO

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

LeoVegas AB, Luntmakargatan 18, SE-111 37 Stockholm

Main office: Stockholm, corporate identity number: 556830-4033

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Philip Doftevik

Director of Corporate Finance and Investor
Relations

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CONSOLIDATED INCOME STATEMENT

EUR'000s	Jan-Mar 2022	Jan-Mar 2021	2021	2020
Revenue	98,510	96,726	391,171	387,464
Cost of sales	(15,643)	(16,045)	(65,719)	(67,871)
Gaming Duties	(16,330)	(15,277)	(64,001)	(57,282)
Gross profit	66,537	65,404	261,451	262,311
Personnel costs	(14,921)	(13,327)	(53,184)	(50,548)
Capitalised development costs	4,249	3,181	15,269	10,504
Other operating expenses	(12,100)	(8,749)	(36,739)	(35,441)
Marketing expenses	(29,875)	(36,138)	(143,763)	(132,552)
Other income and expenses	254	68	318	(2,409)
EBITDA	14,144	10,439	43,351	51,865
Depreciation and amortisation	(3,274)	(2,710)	(11,746)	(10,789)
Amortisation of acquired intangible assets and impairment of assets incl. goodwill	(1,239)	(4,076)	(13,562)	(18,300)
Operating profit (EBIT)	9,631	3,653	18,043	22,776
Financial income	-	-	-	983
Financial costs	(1,143)	(1,080)	(3,968)	(2,911)
Financial liability fair value gains/(losses)	-	-	-	700
Share of profit after tax from associated companies reported using the equity method	(62)	-	47	-
Profit before tax	8,426	2,573	14,123	21,548
Income tax	(15,425)	(178)	(2,310)	(2,215)
Net profit for the period	(6,999)	2,395	11,813	19,333
Net profit attributable to owners of the parent company	(7,113)	2,157	10,999	18,512
Net profit attributable to non-controlling interests	114	238	814	821
Other comprehensive income				
Items that may be transferred to profit for the year:				
Exchange differences on translation of foreign operations	7	3	(13)	(12)
Other comprehensive income for the period, after tax	7	3	(13)	(12)
Total comprehensive income for the period	(6,992)	2,398	11,800	19,321
Total comprehensive income attributable to owners of the parent company	(7,106)	2,160	10,986	18,500
Total comprehensive income attributable to non-controlling interests	114	238	814	821
Earnings per share before dilution (EUR)	(0.07)	0.02	0.11	0.18
Earnings per share after dilution (EUR)	(0.07)	0.02	0.11	0.18
Weighted average number of shares outstanding adj. for share split (millions)	97.65	100.18	98.79	101.29
Weighted average number of shares outstanding after dilution adj. for share split (millions)	97.65	100.18	98.79	101.29
Key ratios				
Cost of sales as a % of revenue	15.9%	16.6%	16.8%	17.5%
Gaming duties as a % of revenue	16.6%	15.8%	16.4%	14.8%
Gross margin, %	67.5%	67.6%	66.8%	67.7%
Personnel costs as % of revenue	15.1%	13.8%	13.6%	13.0%
Operating expenses as % of revenue	12.3%	9.0%	9.4%	9.1%
Marketing expenses as % of revenue	30.3%	37.4%	36.8%	34.2%
EBITDA margin %	14.4%	10.8%	11.1%	13.4%
EBIT margin %	9.8%	3.8%	4.6%	5.9%
Net margin, %	(7.1%)	2.5%	3.0%	5.0%
Adjusted profit measures EUR'000s	Jan-Mar 2022	Jan-Mar 2021	2021	2020
EBITDA	14,144	10,439	43,351	51,865
Gain on sale of subsidiaries and assets	-	-	-	-
Restructuring costs	-	-	-	-
Other items affecting comparability	-	507	1,263	3,500
Adjusted EBITDA	14,144	10,946	44,614	55,365
Depreciation and amortisation	(3,274)	(2,710)	(11,746)	(10,789)
Adjusted EBIT	10,870	8,236	32,868	44,576
Net financial items	(1,143)	(1,080)	(3,968)	(1,928)
Share of profit after tax from associated companies reported using the equity method	(62)	-	47	-
Tax	(525)	(178)	(2,310)	(2,215)
Adjusted net income	9,140	6,978	26,637	40,433
Adjusted EPS	0.09	0.07	0.27	0.40
Adjusted EBITDA margin %	14.4%	11.3%	11.4%	14.3%
Adjusted EBIT margin %	11.0%	8.5%	8.4%	11.5%
Adjusted net margin %	9.3%	7.2%	6.8%	10.4%

CONSOLIDATED BALANCE SHEET, CONDENSED

EUR'000s	31 Mar 2022	31 Mar 2021	31 Dec 2021	31 Dec 2020
ASSETS				
Non-current assets				
Property, plant and equipment	2,251	2,255	2,157	2,394
Lease assets (right of use assets)	9,203	8,537	5,836	8,878
Intangible assets	30,885	21,353	28,449	19,493
Intangible assets related to surplus values from acquisitions	18,254	24,616	19,493	28,694
Goodwill	95,734	94,657	95,734	94,657
Financial Fixed Asset	-	-	-	314
Deferred tax assets	2,237	2,876	2,162	2,876
Investments in associated accounted for using the equity method	1,106	1,121	1,168	-
Total non-current assets	159,670	155,415	154,999	157,306
Current assets				
Trade receivables and other receivables	26,763	25,194	21,824	23,160
Prepaid expenses and other accrued income	5,852	6,044	5,311	5,480
Cash and cash equivalents	80,266	70,809	75,161	63,340
<i>of which restricted cash (player funds)</i>	<i>19,218</i>	<i>16,564</i>	<i>19,945</i>	<i>15,801</i>
Total current assets	112,881	102,047	102,296	91,981
TOTAL ASSETS	272,551	257,462	257,295	249,287
Share capital	1,220	1,220	1,220	1,220
Additional paid-in capital	26,774	36,115	26,776	36,115
Other reserves	461	424	623	421
Retained earnings including profit for the period	42,255	57,232	49,368	55,075
Equity attributable to owners of the Parent Company	70,710	94,991	77,987	92,831
Non-controlling interest	6,261	5,588	6,164	5,350
Total Equity	76,971	100,579	84,151	98,181
Bank loan	-	4,748	-	-
Bond Loan	67,649	48,051	67,815	48,860
Lease liabilities	5,652	4,614	3,029	5,300
Financial liability	1,102	721	848	-
Deferred tax liability	1,031	1,223	1,091	1,435
Total non-current liabilities	75,434	59,357	72,783	55,595
Current liabilities				
Trade and other payables	30,536	20,780	23,437	20,287
Player liabilities	19,218	16,564	19,945	15,801
Tax liability	18,495	5,947	4,334	5,948
Accrued expenses and deferred income	48,495	48,515	49,696	45,082
Short-term lease liabilities	3,402	3,420	2,949	3,093
Liability for conditional purchase price (earn-out)	-	2,300	-	5,300
Total current liabilities	120,146	97,526	100,361	95,511
Total liabilities	195,580	156,883	173,144	151,106
TOTAL EQUITY AND LIABILITIES	272,551	257,462	257,295	249,287

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED

EUR'000s	Jan-Mar 2022	Jan-Mar 2021	2021	2020
Operating profit	9,631	3,653	18,043	22,776
Adjustments for non-cash items	4,350	6,195	24,184	30,052
Cash flow from changes in working capital	1,151	2,896	8,545	18,107
Net income taxes paid	-	-	(4,916)	(1,695)
Cash flow from operating activities	15,132	12,744	45,856	69,240
Acquisition of property, plant and equipment	(353)	(154)	(901)	(399)
Acquisition of intangible assets	(4,585)	(3,370)	(15,831)	(10,492)
Acquisition of subsidiaries	(176)	(4,500)	(10,391)	(3,579)
Investment of associate accounted for using the equity method	-	(1,121)	(1,121)	-
Proceeds on sale of subsidiaries and assets	-	-	-	2,861
Cash flow from investing activities	(5,114)	(9,145)	(28,244)	(11,609)
Bond financing	-	-	19,897	48,298
Loan financing	-	5,000	-	(70,343)
Lease liabilities	(1,129)	(890)	(3,037)	(3,244)
Share buyback	-	-	(9,538)	(4,891)
Proceeds from share issue/other equity securities	(2)	-	200	416
Cash dividends paid out to shareholders	(3,805)	-	(12,695)	(14,213)
Cash flow from financing activities	(4,936)	4,110	(5,173)	(43,977)
Net increase/(decrease) in cash and cash equivalents	5,082	7,709	12,439	13,654
Cash and cash equivalents at start of the period	75,161	63,340	63,340	50,738
Currency effects on cash and cash equivalents	23	(240)	(618)	(1,052)
Cash and cash equivalents at end of period	80,266	70,809	75,161	63,340
<i>of which restricted cash (player funds)</i>	<i>19,218</i>	<i>16,564</i>	<i>19,945</i>	<i>15,801</i>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

	Share Capital	Capital contribution	Other reserves	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
EUR'000s							
Balance at 1 January 2021	1,220	36,115	421	55,075	92,831	5,350	98,181
Profit for the period	-	-	-	2,157	2,157	238	2,395
Other comprehensive income items <i>(exchange differences of foreign operations)</i>	-	-	3	-	3	-	3
Total comprehensive income for the period	-	-	3	2,157	2,160	238	2,398
<i>Transactions with shareholders in their capacity as owners:</i>							
Dividends	-	-	-	-	-	-	-
Options Premium	-	-	-	-	-	-	-
Share buyback	-	-	-	-	-	-	-
<i>Transactions with shareholders in their capacity as owners:</i>							
Acquisition of NCI	-	-	-	-	-	-	-
Balance at 31 March 2021	1,220	36,115	424	57,232	94,991	5,588	100,579
Balance at 1 January 2022	1,220	26,776	623	49,368	77,987	6,164	84,151
Profit for the period	-	-	-	(7,113)	(7,113)	114	(6,999)
Other comprehensive income <i>(exchange differences of foreign operations)</i>	-	-	7	-	7	-	7
Total comprehensive income for the period	-	-	7	(7,113)	(7,106)	114	(6,992)
<i>Transactions with shareholders in their capacity as owners:</i>							
Dividends	-	-	(10)	-	(10)	-	(10)
Options Premium	-	(2)	-	-	(2)	-	(2)
Acquisition of NCI	-	-	(159)	-	(159)	(17)	(176)
Share buyback	-	-	-	-	-	-	-
Balance at 31 March 2022	1,220	26,774	461	42,255	70,710	6,261	76,971

PARENT COMPANY INCOME STATEMENT, CONDENSED

EUR'000s	Jan - Mar 2022	Jan - Mar 2021	2021
Revenue	816	200	849
Operating expenses	(1,387)	(1,046)	(4,866)
Other income and expenses	-	-	(619)
Operating profit (EBIT)	(571)	(846)	(4,636)
Net financial income	(1,067)	15	29,347
Profit before tax	(1,638)	(831)	24,711
Apportion	-	-	-
Tax cost	-	-	(834)
Net Profit for the period*	(1,638)	(831)	23,877

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

PARENT COMPANY BALANCE SHEET, CONDENSED

EUR'000s	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Total non-current assets	45,618	52,943	46,031
Current assets	56,358	33,135	55,481
Cash and cash equivalents	1,442	3,828	7,122
Total current assets	57,800	36,963	62,603
TOTAL ASSETS	103,419	89,906	108,634
Total equity	33,684	35,362	35,332
Bank Loan	-	4,748	-
Bond Loan	67,649	48,051	67,815
Financial liability	1,102	721	848
Total long term liabilities	68,751	53,520	68,663
Total current liabilities	983	1,024	4,639
Total liabilities	69,734	54,544	73,302
TOTAL EQUITY AND LIABILITIES	103,419	89,906	108,634

KPI'S PER QUARTER

Amounts in EUR'000s unless otherwise stated	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Deposits	309,527	311,845	308,578	304,539	295,763
Growth, Deposits, y-y %	5%	-1%	5%	-14%	3%
Growth, Deposits, q-q %	-1%	1%	1%	3%	-6%
Deposits per region					
Nordics, % Deposits	56%	56%	49%	46%	43%
Rest of Europe, % Deposits	28%	29%	36%	40%	43%
Rest of World, % Deposits	16%	15%	15%	14%	14%
Net Gaming Revenue (NGR)	96,639	95,397	96,424	93,899	93,354
Growth Net Gaming Revenue, y-y %	4%	-1%	12%	-14%	7%
Growth Net Gaming Revenue, q-q %	1%	-1%	3%	1%	-3%
Net Gaming Revenue (NGR) per region					
Nordics, % Net Gaming Revenue	51%	50%	44%	41%	38%
Rest of Europe, % Net Gaming Revenue	26%	29%	34%	39%	42%
Rest of World, % Net Gaming Revenue	23%	21%	22%	20%	20%
Growth in NGR per region					
Nordics, y-y %	39%	36%	39%	4%	-3%
Rest of Europe, y-y %	-36%	-39%	-19%	-35%	-1%
Rest of World, y-y %	19%	24%	42%	17%	69%
Locally-taxed revenue as a % of total	71%	74%	66%	65%	65%
Growth in locally-taxed revenues, y-y %	15%	10%	8%	-26%	-6%
Growth in locally-taxed revenues, q-q %	-3%	12%	4%	1%	-6%
Hold (NGR/Deposits) %	31.2%	30.6%	31.2%	30.8%	31.6%
Game margin %	4.46%	4.30%	4.23%	4.12%	4.06%
Number of active customers	555,604	551,924	597,667	684,807	721,146
Growth active customers, y-y %	-23%	-33%	-10%	2%	12%
Growth active customers, q-q %	1%	-8%	-13%	-5%	-12%
Number of depositing customers	455,843	456,063	469,721	460,697	462,386
Growth depositing customers, y-y %	-1%	-1%	7%	6%	12%
Growth depositing customers, q-q %	0%	-3%	2%	0%	0%
Number of new depositing customers	174,751	172,756	188,221	177,503	186,510
Growth new depositing customers, y-y %	-6%	-5%	5%	-9%	-4%
Growth new depositing customers, q-q %	1%	-8%	6%	-5%	3%
Number of returning depositing customers	281,092	283,307	281,500	283,194	275,876
Growth returning depositing customers, y-y %	2%	1%	8%	18%	25%
Growth returning depositing customers, q-q %	-1%	1%	-1%	3%	-2%

CONSOLIDATED INCOME STATEMENT PER QUARTER

EUR'000s	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	98,510	98,228	99,386	96,830	96,726
Cost of sales	(15,643)	(15,599)	(17,111)	(16,963)	(16,045)
Gaming Duties	(16,330)	(17,325)	(15,930)	(15,469)	(15,277)
Gross profit	66,537	65,304	66,345	64,398	65,404
Personnel costs	(14,921)	(13,935)	(12,414)	(13,508)	(13,327)
Capitalised development costs	4,249	4,580	3,630	3,878	3,181
Other operating expenses	(12,100)	(10,626)	(9,876)	(7,488)	(8,749)
Marketing expenses	(29,875)	(33,789)	(36,242)	(37,594)	(36,138)
Other income and expenses	254	59	67	124	68
EBITDA	14,144	11,592	11,510	9,810	10,439
Depreciation and amortisation	(3,274)	(3,115)	(3,012)	(2,909)	(2,710)
Amortisation of acquired intangible assets and impairment of assets incl. goodwill	(1,239)	(2,367)	(2,984)	(4,135)	(4,076)
Operating profit (EBIT)	9,631	6,110	5,514	2,766	3,653
Financial income	-	-	-	-	-
Financial costs	(1,143)	(884)	(1,127)	(877)	(1,080)
Financial liability fair value gains/(losses)	-	-	-	-	-
Share of profit after tax from associated companies reported using the equity method	(62)	(91)	(58)	196	-
Profit before tax	8,426	5,135	4,329	2,085	2,573
Income tax	(15,425)	(926)	(204)	(1,002)	(178)
Net profit for the period	(6,999)	4,210	4,125	1,083	2,395
Net profit attributable to owners of the parent company	(7,113)	3,964	4,054	824	2,157
Net profit attributable to non-controlling interests	114	246	71	259	238
Other comprehensive income					
Items that may be transferred to profit for the year:					
Exchange differences on translation of foreign operations	7	(15)	(1)	-	3
Other comprehensive income, after tax	7	(15)	(1)	-	3
Total comprehensive income for the period	(6,992)	4,195	4,124	1,083	2,398
Total comprehensive income attributable to owners of the parent company	(7,106)	3,949	4,053	824	2,160
Total comprehensive income attributable to non-controlling interests	114	246	71	259	238
Earnings per share (EUR)	(0.07)	0.04	0.04	0.01	0.02
Earnings per share after dilution (EUR)	(0.07)	0.04	0.04	0.01	0.02
Weighted average number of shares outstanding adj. for share split (millions)	97.65	97.99	98.67	99.60	100.18
Weighted average number of shares outstanding after dilution adj. for share split (millions)	97.65	97.99	98.67	99.60	100.18
Key ratios					
Cost of sales as a % of revenue	15.9%	15.9%	17.2%	17.5%	16.6%
Gaming duties as a % of revenue	16.6%	17.6%	16.0%	16.0%	15.8%
Gross margin, %	67.5%	66.5%	66.8%	66.5%	67.6%
Personnel costs as % of revenue	15.1%	14.2%	12.5%	14.0%	13.8%
Operating expenses as % of revenue	12.3%	10.8%	9.9%	7.7%	9.0%
Marketing expenses as % of revenue	30.3%	34.4%	36.5%	38.8%	37.4%
EBITDA, margin %	14.4%	11.8%	11.6%	10.1%	10.8%
EBIT, margin %	9.8%	6.2%	5.5%	2.9%	3.8%
Net margin, %	-7.1%	4.3%	4.2%	1.1%	2.5%
Adjusted profit measures EUR'000s	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
EBITDA	14,144	11,592	11,510	9,810	10,439
Gain on sale of subsidiaries and assets	-	-	-	-	-
Restructuring costs	-	-	-	-	-
Other items affecting comparability	-	-	-	756	507
Adjusted EBITDA	14,144	11,592	11,510	10,566	10,946
Depreciation and amortisation	(3,274)	(3,115)	(3,012)	(2,909)	(2,710)
Adjusted EBIT	10,870	8,477	8,498	7,657	8,236
Net financial items	(1,143)	(884)	(1,127)	(877)	(1,080)
Share of profit after tax from associated companies reported using the equity method	(62)	(91)	(58)	196	-
Tax	(525)	(926)	(204)	(1,002)	(178)
Adjusted net income	9,140	6,576	7,109	5,974	6,978
Adjusted EPS	0.09	0.07	0.07	0.06	0.07
Adjusted EBITDA margin %	14.4%	11.8%	11.6%	10.9%	11.3%
Adjusted EBIT margin %	11.0%	8.6%	8.6%	7.9%	8.5%
Adjusted net margin %	9.3%	6.7%	7.2%	6.2%	7.2%

CONSOLIDATED BALANCE SHEET PER QUARTER, CONDENSED

EUR'000s	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
ASSETS					
Non-current assets					
Property, plant and equipment	2,251	2,157	2,177	2,137	2,255
Lease assets (right of use assets)	9,203	5,836	6,737	7,594	8,537
Intangible assets	30,885	28,449	26,032	24,194	21,353
Intangible assets surplus values from acquisitions	18,254	19,493	21,241	24,225	24,616
Goodwill	95,734	95,734	95,734	95,734	94,657
Financial Fixed Asset	-	-	-	-	-
Deferred tax assets	2,237	2,162	3,382	3,382	2,876
Investments in associated accounted for using the equity method	1,106	1,168	1,259	1,317	1,121
Total non-current assets	159,670	154,999	156,562	158,583	155,415
Current assets					
Trade receivables and other receivables	26,763	21,824	32,137	35,161	25,194
Prepaid expenses and other accrued income	5,852	5,311	5,983	5,423	6,044
Cash and cash equivalents	80,266	75,161	78,916	60,321	70,809
<i>of which restricted cash (player funds)</i>	<i>19,218</i>	<i>19,945</i>	<i>18,249</i>	<i>16,542</i>	<i>16,564</i>
Total current assets	112,881	102,296	117,036	100,905	102,047
TOTAL ASSETS	272,551	257,295	273,598	259,488	257,462
EQUITY AND LIABILITIES					
Share capital	1,220	1,220	1,220	1,220	1,220
Additional paid-in capital	26,774	26,776	28,905	31,415	36,115
Other reserves	461	623	518	467	424
Retained earnings including profit for the period	42,255	49,368	45,378	41,132	57,232
Equity attributable to owners of the Parent Company	70,710	77,987	76,021	74,234	94,991
Non-controlling interest	6,261	6,164	5,918	5,847	5,588
Total Equity	76,971	84,151	81,939	80,081	100,579
Bank loan	-	-	-	4,776	4,748
Bond loan	67,649	67,815	68,734	48,625	48,051
Lease liabilities	5,652	3,029	3,131	4,119	4,614
Financial liability	1,102	848	134	95	721
Deferred tax liability	1,031	1,091	1,095	1,217	1,223
Total non-current liabilities	75,434	72,783	73,094	58,832	59,357
Current liabilities					
Trade and other payables	30,536	23,437	33,769	37,090	20,780
Player liabilities	19,218	19,945	18,249	16,542	16,564
Tax liability	18,495	4,334	9,953	8,380	5,947
Accrued expenses and deferred income	48,495	49,696	53,215	52,863	48,515
Short-term lease liabilities	3,402	2,949	3,379	3,400	3,420
Liability for conditional purchase price (earn-out)	-	-	-	2,300	2,300
Total current liabilities	120,146	100,361	118,565	120,575	97,526
Total liabilities	195,580	173,144	191,659	179,407	156,883
TOTAL EQUITY AND LIABILITIES	272,551	257,295	273,598	259,488	257,462

CONSOLIDATED STATEMENT OF CASH FLOWS PER QUARTER, CONDENSED

EUR'000s	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Operating profit	9,631	6,110	5,514	2,766	3,653
Adjustments for non-cash items	4,350	4,942	5,727	7,320	6,195
Cash flow from changes in working capital	1,151	(3,585)	778	8,456	2,896
Net income taxes paid	-	-	5,295	(10,211)	-
Cash flow from operating activities	15,132	7,467	17,314	8,331	12,744
Acquisition of property, plant and equipment	(353)	(281)	(313)	(153)	(154)
Acquisition of intangible assets	(4,585)	(4,320)	(3,616)	(4,525)	(3,370)
Acquisition of subsidiaries	(176)	-	(2,300)	(3,591)	(4,500)
Investment of associate accounted for using the equity method	-	-	-	-	(1,121)
Proceeds on sale of subsidiaries and assets	-	-	-	-	-
Cash flow from investing activities	(5,114)	(4,601)	(6,229)	(8,269)	(9,145)
Bond financing	-	-	19,897	-	-
Loan financing	-	-	(5,000)	-	5,000
Lease liabilities	(1,129)	(532)	(1,099)	(516)	(890)
Share buyback	-	(2,134)	(2,462)	(4,942)	-
Proceeds from share issue/other equity securities	(2)	7	193	-	-
Cash dividends paid out to shareholders	(3,805)	(3,882)	(3,890)	(4,923)	-
Cash flow from financing activities	(4,936)	(6,541)	7,639	(10,381)	4,110
Net increase/(decrease) in cash and cash equivalents	5,082	(3,675)	18,724	(10,319)	7,709
Cash and cash equivalents at start of the period	75,161	78,916	60,321	70,809	63,340
Currency effects on cash and cash equivalents	23	(80)	(129)	(169)	(240)
Cash and cash equivalents at end of period	80,266	75,161	78,916	60,321	70,809
<i>of which restricted cash (player funds)</i>	<i>19,218</i>	<i>19,945</i>	<i>18,249</i>	<i>16,542</i>	<i>16,564</i>

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

SHARES OUTSTANDING AFTER DILUTION

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

ACTIVE CUSTOMERS

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

HOLD

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

GROSS PROFIT

Revenue less direct, variable costs, including costs for third-party game vendors, fees paid to payment service providers, and gaming taxes.

DEPOSITS

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

DEPOSITING CUSTOMERS

Customers who have made cash deposits during the period per platform/brand. Since this is measured per platform, it means that a certain number of customers are counted more than once, such as a customer who has made a deposit with Royal Panda and LeoVegas. Starting with the second quarter of 2021, all of the wholly owned brands are run on the Group's proprietary technical platform, Rhino.

EBIT

Operating profit.

EBIT MARGIN, %

EBIT in relation to revenue.

EBITDA

Operating profit before depreciation, amortisation and impairment losses.

EBITDA MARGIN, %

EBITDA in relation to revenue.

AVERAGE NUMBER OF FULL-TIME EMPLOYEES

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

ADJUSTED EBITDA

EBITDA adjusted for items affecting comparability.

ADJUSTED EBIT

EBIT adjusted for items affecting comparability.

ADJUSTED EARNINGS PER SHARE

Earnings per share adjusted for items affecting comparability.

ITEMS AFFECTING COMPARABILITY

Pertains to amortisation of acquired intangible assets and remeasurement of conditional purchase prices (earn-out) for acquisitions. Sales of subsidiaries and assets that affect earnings are also eliminated. Costs related to restructuring of the existing organisation are also defined as items affecting comparability. Gaming taxes and income taxes that have arisen for historical periods following a revised assessment are also included in items affecting comparability.

CASH AND CASH EQUIVALENTS

Balances in bank accounts plus e-wallets.

NET DEBT EXCLUDING PLAYER LIABILITIES

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

NEW DEPOSITING CUSTOMER (NDC)

A customer who has made their first cash deposit during the period.

ORGANIC GROWTH

Growth excluding acquisitions, adjusted for currency effects.

EARNINGS PER SHARE

Total comprehensive income for the period attributable to owners of the Parent Company divided by the weighted average number of shares outstanding during the period.

EARNINGS PER SHARE AFTER DILUTION

Total comprehensive income for the period attributable to owners of the Parent Company divided by the weighted average number of shares outstanding during the period, adjusted for additional shares for warrants with a dilutive effect.

WORKING CAPITAL

Working capital is calculated as the net of current liabilities and current assets.

OPERATING PROFIT (EBIT)

Profit before interest and tax.

EQUITY/ASSETS RATIO, %

Equity divided by total assets.

GROSS GAMING REVENUE (GGR)

The sum of all wagers less all wins payable to customers (referred to in the industry as GGR).

NET GAMING REVENUE (NGR)

Total cash wagers less all winnings payable to customers after bonus costs and external jackpot contributions (referred to in the industry as NGR).

GAME MARGIN, %

Customers' total wagers (including bonus money) less winnings, divided by customers' total wagers (including bonus money).

DIVIDEND PER SHARE

The dividend paid or proposed per share.

PROFIT MARGIN, %

Net profit divided by revenue.

RETURNING DEPOSITING CUSTOMER (RDC)

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

OTHER DEFINITIONS**REVENUE**

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

LOCALLY TAXED REVENUE

Revenue from locally regulated markets and markets where the company pays gaming tax.

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

LeoVegas' technical platform, Rhino, on which the wholly owned brands are run, is controlled and further developed by the Group.

GAMING TAX

A tax that is calculated on a measure of revenue that gaming operators pay in a regulated market. Denmark, Italy, the UK, Spain and Sweden are examples of markets that include gaming taxes. In certain markets it also pertains to the cost for VAT on revenue (e.g., Germany, Malta, Ireland).