



LeoVegas

MOBILE GAMING GROUP

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QUARTERLY REPORT 1 JANUARY–31 MARCH 2023

FIRST QUARTER 2023: 1 JANUARY–31 MARCH

- Revenue decreased 4% and amounted to EUR 95.0 m (98.5). Organic growth in local currencies adjusted for closed markets was 5%.
- Reported EBITDA was EUR -3.1 m (14.1) and included items affecting comparability totalling EUR -2.0 m (0.0). Items affecting comparability were attributable to transaction-related costs and provisions for incentive programmes.
- Adjusted EBITDA was EUR -1.1 m (14.1), corresponding to an EBITDA margin of -1.2% (14.4).
- Reported EBIT was EUR -8.2 m (9.6) and included items affecting comparability as above.
- Adjusted EBIT was EUR -5.1 m (10.9), corresponding to an adjusted EBIT margin of -5.4% (11.0).

EVENTS DURING THE QUARTER

- LeoVegas Group has been granted a nationwide gaming licence by the German Federal States' Joint Gambling Authority (GGL).
- LeoVegas has, through LeoVentures, sold its shares of a total of 25% of the associate BeyondPlay.

EVENTS AFTER THE END OF THE QUARTER

- LeoVegas Group has entered into agreement to acquire a majority stake in game developer Push Gaming via its investment arm LeoVentures, one of the industry's leading and most innovative game creators. The acquisition of Push Gaming leapfrogs the exposure into the fast-growing slots content category and will bolster the Group's content production capabilities, and support plans for continued growth. The transaction is subject to customary approvals and is expected to be completed in the third quarter of 2023.
- LeoVegas Group has launched its sports betting brand Expekt in Denmark, as part of the Group's continuing expansion.
- LeoVegas AB (publ) is owned by MGM Casino Next Lion, LLC, which increased its ownership from 98% to 100% after the end of the quarter via the buyback of all remaining shares.

GROUP PERFORMANCE Q1

REVENUE, DEPOSITS AND NGRS

Revenue totalled EUR 95.0 m (98.5) for the first quarter, corresponding to a decrease of 4% compared with the preceding year. Organic growth in local currencies excluding closed markets was 5%.

In the Nordic countries, NGR declined 3% year-on-year. Sweden had a record-high customer base during the quarter, but the macroeconomic conditions negatively impacted revenue per customer. Negative currency fluctuations also impacted the reported growth.

In the Rest of Europe, NGR increased 17% year-on-year. The UK and Spain posted healthy growth during the period while Germany continued to negatively impact the region's sales.

In the Rest of World region, NGR decreased 28% year-on-year. The trend was favourable in most markets in the region, but growth was adversely impacted by the company having closed a couple of smaller markets in the region in the preceding year.

EARNINGS

Gross profit for the first quarter was EUR 61.5 m (66.5), corresponding to a gross margin of 64.7% (67.5%). Gaming taxes totalled EUR 18.8 m (16.3), corresponding to 19.8% of revenue (16.6). Cost of sales was 15.5% of revenue (15.9) and consisted mainly of costs for external game and payment service providers.

Marketing costs for the quarter totalled EUR 33.8 m (29.9). Marketing expenses in relation to revenue were 35.5% for the first quarter, which was higher year-on-year (30.3), but in line with the preceding quarter (34.9)

Personnel costs in relation to revenue increased year-on-year to 20.1% (15.1). A provision for the company's incentive programmes for management impacted personnel costs for the quarter by EUR 0.9 m (0.0). Personnel costs in relation to revenue amounted to 17.7% in the preceding quarter. The company's investment in highly qualified employees, specifically in technology and products, as well as the increase in the total work force, led to increased personnel costs during

the year. The company sees a continued need to increase resources in the area of technology in the years ahead.

Other operating expenses amounted to 18.0% (12.3) of revenue. A major proportion of the increase was the result of provisions for player claims in two markets. The increase was partly the result of items affecting comparability during the quarter of EUR 1.1 m (0.0), which was driven by transaction-related costs.

Reported EBITDA was EUR -3.1 m (14.1) for the period and included, as mentioned above, a number of items affecting comparability totalling EUR 2.0 m (0.0). These were attributable to transaction-related costs and provisions for incentive programmes.

The Group's depreciation and amortisation excluding acquisition-related depreciation and amortisation totalled EUR 4.0 m (3.3). Amortisation related to acquired intangible assets totalled EUR 1.1 m (1.2).

Operating profit (EBIT) for the quarter was EUR -8.2 m (9.6), corresponding to an EBIT margin of -8.6% (9.8). Adjusted EBIT for the quarter was EUR -5.1 m (10.9), corresponding to an adjusted EBIT margin of -5.4% (11.0). Adjusted EBIT gives a more accurate picture of the Group's underlying earnings during the period.

Net financial items amounted to EUR -1.9 m (-1.1) and mainly related to interest on the company's bond issues and interest for the company's shareholder loans. Within net financial items, ongoing remeasurement of the bond outstanding in SEK has affected the outcome as well as the change in value of the currency derivative that was contracted with a total of EUR -0.1 m (0.0).

Income tax for the quarter totalled EUR 0.8 m (-15.4). In the preceding year, an expense was recognised in profit or loss for income tax for previous years of EUR 14.9 m. The tax was attributable to the Group's subsidiary Royal Panda during the years 2015-2018 and is a result of the tax audit that was previously announced.

The share of profit after tax from associated companies recognised in accordance with the equity method was EUR 1.0 m (-0.1). During the quarter, shares in BeyondPlay amounting to a total holding of 25% were divested, whereafter no shares were held after the end of the quarter. The total purchase price for the sale amounted to EUR 1.9 m and the gain to EUR 1.0 m.

Net profit for the quarter was EUR -8.6 m (-7.0), corresponding to a net margin of -9.0% (-7.1). Adjusted net profit for the quarter totalled EUR -6.5 m (9.1).

BALANCE SHEET AND FINANCING

Cash and cash equivalents at the end of the first quarter amounted to EUR 68.1 m (80.3). Cash and cash equivalents, excluding player funds, amounted to EUR 45.2 m (61.0).

The company's bonds outstanding at the end of the quarter amounted to EUR 33.7 m (67.6). The company's shareholder loans amounted to EUR 66.0 m (0.0). The bond expires in December 2023 and is therefore classified as a current liability, which also coincides with the expiration date of the company's currency derivative (OTC derivative). The currency derivative is a liability on the balance sheet date and amounts to EUR 5.3 m (1.1). The bond had a market value of SEK 704,396,000 in its entirety as per the balance sheet date. The bond, after repurchasing, had a market value of SEK 383,644,250 as per the balance sheet date.

During previous quarter, the company's provision for player jackpots was reclassified from "Trade and other payables" to "Accrued expenses and deferred income". Historical periods were thus also reclassified in this report to provide better comparative figures.

At the end of the quarter, equity attributable to owners of the Parent Company amounted to EUR 41.0 m (70.7). Non-controlling interests thus declined during the quarter and totalled EUR 2.9 m (6.3) as of the balance sheet date. Total assets amounted to EUR 279.9 m (272.9).

Total liabilities increased year-on-year, mainly as the result of the company's total financing structure. Accrued expenses increased year-on-year, primarily as a result of a provision for gaming taxes in Austria. The total tax liability declined year-on-year, primarily as a result of income taxes paid related to

historical periods totalling EUR 14.9 m. In addition, the company's net position, as a result of the market value of the company's currency derivative (OTC derivative), increased year-on-year.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities totalled EUR 3.7 m (15.1) for the quarter. Working capital declined 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 includes deferred payment of gaming taxes in Austria, amounting to EUR 21.3 m (16.9) and provisions for the company's exclusive jackpots. During the quarter, EUR 7.1 m (0.0) was received in an income tax refund pertaining to the customary tax refund for the Group's Maltese subsidiary.

Cash flow from investing activities totalled EUR -4.2 m (-5.1) and pertained primarily to capitalised development costs.

Cash flow from financing activities totalled EUR -1.1 m (-4.9) and was solely impacted during the quarter by amortisation of the lease liability, meaning rent paid for the Group's right of use assets. No dividend has been paid to shareholders during the quarter (-3.8).

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 0.2 m (0.8). Profit after tax was EUR -3.3 m (-1.6). Profit is steered by dividends from subsidiaries, interest expenses for credit facilities, invoiced management services and other operating expenses. During the year, no dividends from subsidiaries were recognised.

Cash and cash equivalents amounted to EUR 1.8 m (1.4). The Parent Company has one bond issue of EUR 33.7 m (67.6), which expires in its entirety in December 2023 and is therefore classified as a current liability. In connection with the

initial bond issue, a currency derivative (OTC derivative) was contracted. The value of the currency derivative was a liability on the balance sheet date and amounted to EUR 5.3 m (1.1). The derivative expires in December 2023 and is therefore classified as current. An expense was recognised in financial items during the quarter of EUR 0.8 m (1.0), net, for interest expenses, transaction costs and other related costs coupled to financing.

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.

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.

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 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 44–48, of the 2022 Annual Report. All of the accounting policies are unchanged since the most recently published annual report for the 2022 financial year.

ALTERNATIVE PERFORMANCE MEASURES

In this interim report, reference is made to measures that LeoVegas AB and others use in the evaluation of the 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."

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.

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.

LeoVegas could incur costs in this regard if it were to be unsuccessful in such legal processes and investigations. A determination of potential provisions for corporation tax and indirect taxes is subject to complexity and uncertainty, requiring extensive estimations and assessments.

Other risks that could affect LeoVegas include financial risks, such as currency and liquidity risks. The 2022 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.

OTHER

This report has not been audited.

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CONSOLIDATED INCOME STATEMENT

EUR'000s	Jan-Mar 2023	Jan-Mar 2022	2022	2021
Revenue	95,026	98,510	394,659	391,171
Cost of sales	(14,688)	(15,643)	(61,332)	(65,719)
Gaming Duties	(18,823)	(16,330)	(71,757)	(64,001)
Gross profit	61,516	66,537	261,571	261,451
Personnel costs	(19,139)	(14,921)	(63,690)	(53,184)
Capitalised development costs	5,363	4,249	17,807	15,269
Other operating expenses	(17,063)	(12,100)	(64,215)	(36,739)
Marketing expenses	(33,764)	(29,875)	(133,361)	(143,763)
Other income and expenses	3	254	1,436	318
EBITDA	(3,084)	14,144	19,548	43,351
Depreciation and amortisation	(4,007)	(3,274)	(14,515)	(11,746)
Amortisation of acquired intangible assets and impairment of assets incl. goodwill	(1,120)	(1,239)	(6,645)	(13,562)
Operating profit (EBIT)	(8,211)	9,631	(1,612)	18,043
Financial income	-	-	-	-
Financial costs	(1,886)	(1,143)	(5,270)	(3,968)
Foreign currency gains/losses	(252)	-	(1,449)	-
Share of profit after tax from associated companies reported using the equity method	977	(62)	(272)	47
Profit before tax	(9,373)	8,426	(8,603)	14,123
Income tax	784	(15,425)	(17,206)	(2,310)
Net profit for the period	(8,589)	(6,999)	(25,810)	11,813
Net profit attributable to owners of the parent company	(8,569)	(7,113)	(26,064)	10,999
Net profit attributable to non-controlling interests	(20)	114	254	814
Other comprehensive income				
Items that may be transferred to profit for the year:				
Exchange differences on translation of foreign operations	103	7	(135)	(13)
Other comprehensive income for the period, after tax	103	7	(135)	(13)
Total comprehensive income for the period	(8,486)	(6,992)	(25,945)	11,800
Total comprehensive income attributable to owners of the parent company	(8,466)	(7,106)	(26,199)	10,986
Total comprehensive income attributable to non-controlling interests	(20)	114	254	814
Key ratios				
Cost of sales as a % of revenue	15.5%	15.9%	15.5%	16.8%
Gaming duties as a % of revenue	19.8%	16.6%	18.2%	16.4%
Gross margin, %	64.7%	67.5%	66.3%	66.8%
Personnel costs as % of revenue	20.1%	15.1%	16.1%	13.6%
Operating expenses as % of revenue	18.0%	12.3%	16.3%	9.4%
Marketing expenses as % of revenue	35.5%	30.3%	33.8%	36.8%
EBITDA margin %	(3.2%)	14.4%	5.0%	11.1%
EBIT margin %	(8.6%)	9.8%	(0.4%)	4.6%
Net margin, %	(9.0%)	(7.1%)	(6.5%)	3.0%
Adjusted profit measures EUR'000s	Jan-Mar 2023	Jan-Mar 2022	2022	2021
EBITDA	(3,084)	14,144	19,548	43,351
Management incentive program MGM	894	-	930	-
Transaction-related costs	1,060	-	11,013	-
Other items affecting comparability	-	-	2,521	1,263
Adjusted EBITDA	(1,130)	14,144	34,012	44,614
Depreciation and amortisation	(4,007)	(3,274)	(14,515)	(11,746)
Adjusted EBIT	(5,137)	10,870	19,497	32,868
Net financial items	(1,886)	(1,143)	(4,978)	(3,968)
Foreign currency gains/losses	(252)	-	(1,449)	-
Share of profit after tax from associated companies reported using the equity method	(14)	(62)	(272)	47
Tax	784	(525)	(2,306)	(2,310)
Adjusted net income	(6,504)	9,140	10,492	26,637
Adjusted EBITDA margin %	(1.2%)	14.4%	8.6%	11.4%
Adjusted EBIT margin %	(5.4%)	11.0%	4.9%	8.4%
Adjusted net margin %	(6.8%)	9.3%	2.7%	6.8%

CONSOLIDATED BALANCE SHEET, CONDENSED

EUR'000s	31 Mar 2023	31 Mar 2022	31 Dec 2022	31 Dec 2021
ASSETS				
Non-current assets				
Property, plant and equipment	2,264	2,251	2,229	2,157
Lease assets (right of use assets)	6,514	9,203	7,183	5,836
Intangible assets	38,795	30,885	36,025	28,449
Intangible assets related to surplus values from acquisitions	13,417	18,254	14,537	19,493
Goodwill	95,734	95,734	95,734	95,734
Financial Fixed Asset	-	-	-	-
Deferred tax assets	1,429	2,237	627	2,162
Other non-current assets	9,525	-	9,234	-
Investments in associated accounted for using the equity method	229	1,106	1,146	1,168
Total non-current assets	167,907	159,670	166,715	154,999
Current assets				
Trade receivables and other receivables	32,827	26,763	38,396	21,824
Prepaid expenses and other accrued income	11,003	6,151	9,229	5,311
Cash and cash equivalents	68,142	80,266	70,075	75,161
<i>of which restricted cash (player funds)</i>	<i>22,907</i>	<i>19,218</i>	<i>22,551</i>	<i>19,945</i>
Total current assets	111,972	113,180	117,700	102,296
TOTAL ASSETS	279,879	272,850	284,415	257,295
Share capital	1,220	1,220	1,220	1,220
Additional paid-in capital	26,774	26,774	26,774	26,776
Other reserves	(1,235)	461	(1,337)	623
Retained earnings including profit for the period	14,250	42,255	22,573	49,368
Equity attributable to owners of the Parent Company	41,009	70,710	49,230	77,987
Non-controlling interest	2,856	6,261	2,876	6,164
Total Equity	43,865	76,971	52,106	84,151
Bank loan	-	-	-	-
Shareholders loan	66,000	-	66,000	-
Bond Loan	-	67,649	-	67,815
Lease liabilities	3,219	5,652	4,172	3,029
Financial liability	-	1,102	-	848
Provision share-based compensation	1,308	-	672	-
Deferred tax liability	833	1,031	886	1,091
Total non-current liabilities	71,361	75,434	71,730	72,783
Current liabilities				
Trade and other payables	13,024	13,743	12,998	7,997
Player liabilities	22,907	19,218	22,551	19,945
Tax liability	1,853	18,495	2,178	4,334
Accrued expenses and deferred income	84,717	65,587	80,753	65,136
Current bond loan	33,666	-	34,069	-
Short-term liabilities to credit institutions	-	-	-	-
Short-term lease liabilities	3,204	3,402	3,239	2,949
Current financial liability	5,282	-	4,791	-
Total current liabilities	164,653	120,445	160,579	100,361
Total liabilities	236,014	195,879	232,309	173,144
TOTAL EQUITY AND LIABILITIES	279,879	272,850	284,415	257,295

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED

EUR'000s	Jan-Mar 2023	Jan-Mar 2022	2022	2021
Operating profit	(8,211)	9,631	(1,612)	18,043
Adjustments for non-cash items	5,715	4,350	23,664	24,184
Cash flow from changes in working capital	(844)	1,151	(1,486)	8,545
Net income taxes paid	7,058	-	(26,765)	(4,916)
Cash flow from operating activities	3,718	15,132	(6,199)	45,856
Acquisition of property, plant and equipment	(339)	(353)	(1,256)	(901)
Acquisition of intangible assets	(5,783)	(4,585)	(19,193)	(15,831)
Acquisition of subsidiaries	-	(176)	(5,356)	(10,391)
Investment of associate accounted for using the equity method	-	-	(250)	(1,121)
Proceeds on sale of subsidiaries and assets	1,893	-	-	-
Cash flow from investing activities	(4,229)	(5,114)	(26,055)	(28,244)
Bond financing	-	-	(29,181)	19,897
Loan financing	-	-	-	-
Lease liabilities	(1,051)	(1,129)	(3,293)	(3,037)
Share buyback	-	-	-	(9,538)
Proceeds from share issue/other equity securities	-	(2)	(2)	200
Shareholders loan	-	-	66,000	-
Cash dividends paid out to shareholders	-	(3,805)	(4,785)	(12,695)
Cash flow from financing activities	(1,051)	(4,936)	28,739	(5,173)
Net increase/(decrease) in cash and cash equivalents	(1,562)	5,082	(3,515)	12,439
Cash and cash equivalents at start of the period	70,075	75,161	75,161	63,340
Currency effects on cash and cash equivalents	(371)	23	(1,571)	(618)
Cash and cash equivalents at end of period	68,142	80,266	70,075	75,161
<i>of which restricted cash (player funds)</i>	<i>22,907</i>	<i>19,218</i>	<i>22,551</i>	<i>19,945</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 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 items <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
Balance at 1 January 2023	1,220	26,774	(1,337)	22,573	49,230	2,876	52,106
Profit for the period	-	-	-	(8,569)	(8,569)	(20)	(8,589)
Other comprehensive income <i>(exchange differences of foreign operations)</i>	-	-	102	1	103	-	103
Total comprehensive income for the period	-	-	102	(8,568)	(8,466)	(20)	(8,486)
<i>Transactions with shareholders in their capacity as owners:</i>							
Dividends	-	-	-	-	-	-	-
Options Premium	-	-	-	-	-	-	-
Acquisition of NCI	-	-	-	-	-	-	-
Share based-related compensation, equity instruments	-	-	-	245	245	-	245
Share buyback	-	-	-	-	-	-	-
Balance at 31 March 2023	1,220	26,774	(1,235)	14,250	41,009	2,856	43,865

PARENT COMPANY INCOME STATEMENT, CONDENSED

EUR'000s	Jan - Mar 2023	Jan - Mar 2022	2022
Revenue	204	816	840
Operating expenses	(2,738)	(1,387)	(12,185)
Other income and expenses	-	-	23
Operating profit (EBIT)	(2,534)	(571)	(11,322)
Net financial income	(740)	(1,067)	(1,399)
Profit before tax	(3,274)	(1,638)	(12,721)
Apportion	-	-	-
Tax cost	-	-	(2,061)
Net Profit for the period*	(3,274)	(1,638)	(14,782)

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

PARENT COMPANY BALANCE SHEET, CONDENSED

EUR'000s	Jan - Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS			
Total non-current assets	4,584	45,618	14,077
Current assets	53,674	56,358	53,557
Cash and cash equivalents	1,837	1,442	1,331
Total current assets	55,511	57,800	54,888
TOTAL ASSETS	60,096	103,419	68,965
Total equity	17,760	33,684	20,789
Bond Loan	-	67,649	-
Financial liability	-	1,102	-
Long-term liabilities to Group Companies	-	-	6,708
Provision share-based compensation	587	-	302
Total long term liabilities	587	68,751	7,010
Current liabilities	2,801	983	2,306
Current Bond loan	33,666	-	34,069
Current Bank loan	-	-	-
Financial liability	5,282	-	4,791
Total current liabilities	41,749	983	41,166
Total liabilities	42,336	69,734	48,176
TOTAL EQUITY AND LIABILITIES	60,096	103,419	68,965

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

ACTIVE CUSTOMERS

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

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 in the Group's proprietary technical platform.

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.

ADJUSTED EBITDA

EBITDA adjusted for items affecting comparability.

ADJUSTED EBIT

EBIT adjusted for items affecting comparability.

ITEMS AFFECTING COMPARABILITY

Pertains to amortisation of acquired intangible assets as a result of acquisitions, gaming taxes and company taxes that have arisen after a new assessment for historical periods and transaction-driven expenses. Fine from licence regulator and divestment of an associated company have also been recognised as an item affecting comparability.

CASH AND CASH EQUIVALENTS

Balances in bank accounts plus e-wallets.

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.

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).

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).