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.leovegasgroup.com.](http://www.leovegasgroup.com)

QUARTERLY REPORT 1 APRIL–30 JUNE 2021

SECOND QUARTER 2021: 1 APRIL–30 JUNE

- Revenue decreased by 13% to EUR 96.8 m (110.7). Excluding Germany, growth was positive 3%. Organic growth in local currencies decreased by 15%.
- The number of depositing customers was 460,697 (434,453), an increase of 6%.
- Net Gaming Revenue (NGR) from regulated markets and markets in which the company pays local gaming taxes was 65% (75%) of total NGR.
- Adjusted EBITDA was EUR 10.6 m (23.0), corresponding to a margin of 10.9% (20.8%). Reported EBITDA was EUR 9.8 m (23.0).
- Adjusted EBIT was EUR 7.7 m (20.3), corresponding to an adjusted EBIT margin of 7.9% (18.4%). Reported EBIT was EUR 2.8 m (16.3).
- Earnings per share were EUR 0.01 (0.14) before and after dilution, while adjusted earnings per share were EUR 0.06 (0.19).

KEUR	Apr-Jun 2021	Apr-Jun 2020	Δ, %	Jan-Jun 2021	Jan-Jun 2020	Δ, %	2020
Revenue	**96 830**	**110 739**	**-13%**	**193 556**	**200 187**	**-3%**	**387 464**
EBITDA	9 810	23 043	-57%	20 249	31 996	-37%	51 865
Adjusted EBITDA	**10 566**	**23 043**	**-54%**	**21 512**	**31 996**	**-33%**	**55 365**
Adjusted EBITDA margin (%)	10,9%	20,8%	-48%	11,1%	16,0%	-30%	14,3%
Adjusted EBIT	7 657	20 330	-62%	15 893	26 640	-40%	44 576
Adjusted EBIT margin (%)	7,9%	18,4%	-57%	8,2%	13,3%	-38%	11,5%
Earnings per share before dilution (EUR)	0,01	0,14	-94%	0,03	0,17	-82%	0,18
Adjusted earnings per share before dilution (EUR)	**0,06**	**0,19**	**-68%**	**0,13**	**0,24**	**-46%**	**0,40**
Cash flow from operating activities	**8 331**	**20 306**	**-59%**	**21 075**	**30 778**	**-32%**	**69 240**
New Depositing Customers (NDC)	177 503	195 329	-9%	364 013	388 757	-6%	749 344
Returning Depositing Customers (RDC)	283 194	239 124	18%	341 749	275 610	24%	339 994

EVENTS DURING THE QUARTER

- The acquisition of Expekt was completed and integrated on 19 May 2021. The start has been a success, and Expekt's revenue and market share have nearly doubled in Sweden since the acquisition was carried out.
- LeoVegas' forthcoming expansion to the USA, starting in the state of New Jersey, is on track.
- LeoVegas carried out share repurchases for EUR 4.9 m and paid out of the first out of four quarterly dividends to the Parent Company's shareholders. The second quarterly dividend payment was made after the end of the period.
- LeoVegas' framework and routines for ensuring responsible gaming have been assessed by the independent agency eCOGRA. The external assessment shows that LeoVegas is in conformity with all relevant recommendations and requirements for responsible gaming published by the European commission.
- The brands Royal Panda and Expekt have been migrated to the Group's proprietary technical platform, Rhino. All of the Group's wholly owned brands are now run on Rhino.
- LeoVegas has started its own game studio, Blue Guru Games, to develop new and innovative games. The studio will develop exclusive games for LeoVegas and games to other operators.

EVENTS AFTER THE END OF THE QUARTER

- Preliminary revenue in July amounted to EUR 32.8 m (30.7), corresponding to growth of 7%. Excluding Germany, revenue grew 23%.

CEO'S COMMENTS

"All-time-high in Sweden and a strong start for Expekt"

SECOND QUARTER

Most of our markets have continued to develop well, with high, double-digit growth in key markets like Italy and Spain. The development in Sweden is encouraging, with record-high revenue during the quarter. We are also growing rapidly in North America, which now accounts for 10% of consolidated revenue. However, re-regulation in Germany continued to negatively impact figures during the period. Excluding Germany, Group revenue increased by 3% to a new record level despite tough comparison figures from the start of the pandemic during the second quarter of 2020 and greater competition from other entertainment activities as societies are now opening up again. We expect to see positive growth for the Group on a yearly basis during the third quarter.

Our operating profit decreased compared with the same period a year ago, while we achieved stable earnings compared with the preceding quarter. This is despite a high level of investments and a number of important, strategic ventures, including our forthcoming launch in the USA, a stronger focus on sports with the acquisition of Expekt, and our new game studio. Marketing costs in relation to revenue were higher than the historic average, coupled among other things to the relaunch of Expekt and investments in a number of key markets in which we see high customer growth. Investments in marketing during the quarter weighed down earnings short-term but are driving value long-term and will also enable us to accelerate out of the revenue drop in Germany. As revenues increase, the share of marketing investment will decrease. At the same time, we have maintained good cost control, and our operating expenses have more or less been unchanged over the last three-year period.

THE NEW EXPEKT

In mid-May we consolidated the acquisition of Expekt, and shortly thereafter "the New Expekt" was launched with a large and attention-grabbing marketing campaign ahead of the Euro 2020 football championship. It was a successful start, and in a short time we nearly doubled Expekt's revenue and market share in Sweden since completion of the acquisition.

GERMANY

The situation in Germany coupled to re-regulation, with strict product limitations, an extremely high gaming tax and a skewed competitive situation, is having a negative effect on the Group. Revenue in Germany decreased by 81% compared with a year ago and accounted for only 4% of Group revenue during the quarter. We believe it will take time to create a balanced and fair market climate and have therefore chosen to shift our investments to other, more profitable markets. Over the long term we still believe that Germany, with Europe's largest population, offers great opportunities for the Group.

NORTH AMERICA

Our forthcoming expansion to the USA, starting with the state of New Jersey, is on track. We are currently working on adapting and certifying our technical platform, and during the autumn we will also begin establishing a local organisation. We expect to accept our first American customers during the first half of 2022.

The Canadian province of Ontario, which is home to roughly 40% of Canada's population, is conducting preparations to introduce a local licence system for online gaming. LeoVegas has built up a strong brand along with a large and loyal customer base in Ontario and the rest of Canada, among other things with help from former hockey legend Mats Sundin. According to our assessment LeoVegas is one of the larger and most well-known casino actors in the Canadian market.

During the second quarter, North America accounted for 10% of the Group's total revenue and grew 33%. In pace with our continued expansion in Canada and forthcoming launch in the USA, revenue from North America will increase. This is in line with the Group's strategy to diversify our revenues.

COMMENTS ON THE THIRD QUARTER

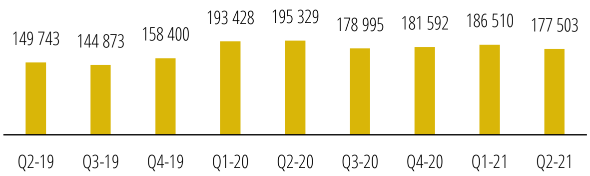
Revenue for the month of July amounted to EUR 32.8 m (30.7), corresponding to positive growth of 7%. Adjusted for Germany, the Group's growth in July was 23%.

Gustaf Hagman, President and CEO, LeoVegas Mobile Gaming Group, Stockholm, 12 August 2021

KEY PERFORMANCE INDICATOR

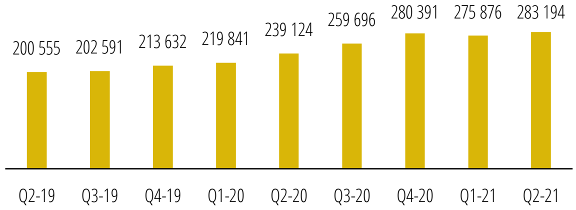
For more KPIs and comments, see the accompanying presentation file at LeoVegasgroup.com. See also the section "Definitions of Alternative Performance Measures".

NEW DEPOSITING CUSTOMERS (NDCs)



NDCs decreased by 9% compared with the same period a year ago and by 5% sequentially compared with the first quarter. The preceding year's record-large customer inflow was partly an effect of the pandemic, as large parts of society were shut down, including the land-based gambling industry.

RETURNING DEPOSITING CUSTOMERS (RDCs)

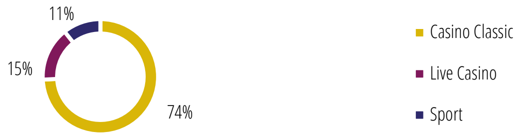


The number of RDCs increased by 18% compared with the same period a year ago to a new, record level. Compared with the preceding quarter, RDCs grew 3%.

NGR PER REGION, Q2 2021

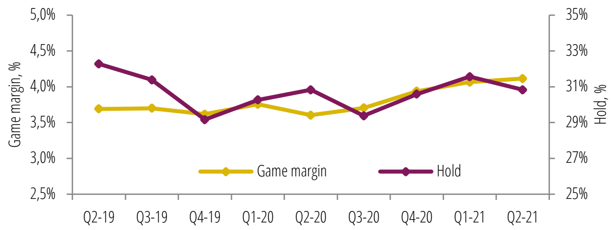
The Nordic countries was the largest region during the second quarter and accounted for 41% of the Group's Net Gaming Revenue (NGR). Rest of Europe accounted for 39%, while Rest of World accounted for 20%. Rest of Europe's share decreased sequentially compared with the first quarter, owing to the sharp drop in NGR in Germany during the period.

GGR PER PRODUCT, Q2 2021



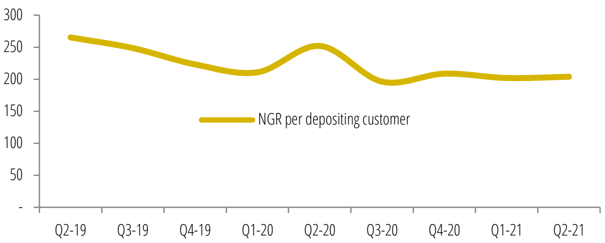
Casino accounted for 74% of the Group's Gross Gaming Revenue (GGR), Live Casino accounted for 15%, and the sports book accounted for 11%. The growth for the sports book over previous quarters is attributable to the acquisition of Expekt and the Euro 2020 football championship during the month of June.

GAME MARGIN AND HOLD



The relation between NGR and deposits ("Hold") decreased slightly compared with the preceding quarter to 31%, which is in line with the historic average. One factor that has historically had a strong bearing on hold is the game margin. The game margin during the quarter was unchanged from the preceding quarter, at 4.1%.

PLAYER VALUE (EUR)



The average player value per depositing customer was EUR 204, which is an increase of 1% compared with the preceding quarter but a decrease of 19% compared with the same quarter a year ago. The lower player value compared with the historic average is attributable to a larger share of players playing for fun and a changed geographic mix, which is in line with the company's growth strategy.

GROUP PERFORMANCE Q2

REVENUE, DEPOSITS AND NGR

Revenue totalled EUR 96.8 m (110.7) during the second quarter, a decrease of 13%. Organic growth in local currencies was negative 15%. Excluding Germany, growth was positive 3%.

Deposits totalled EUR 304.5 m (355.0) during the quarter, a decrease of 14%. Deposits increased sequentially by 3% over the preceding quarter. Net Gaming Revenue (NGR) amounted to EUR 93.9 m (109.4) during the period, a decrease of 14% compared with the same period a year ago but a sequential increase of 1% over the first quarter. Owing to a slightly lower hold during the quarter, deposits grew faster than NGR compared with the preceding quarter.

In the Nordics region, NGR increased by 4% compared with the same period a year ago. Sweden had a good quarter and grew for the first time since imposition of the temporary restrictions coupled to the pandemic in July 2020. The positive trend is mainly the result of a record-high customer base for the LeoVegas brand. At the end of May, the acquired brand Expekt was consolidated, which had a positive impact on revenue in June. Norway and Finland also showed good growth during the second quarter, while NGR decreased in Denmark.

In the Rest of Europe region, NGR decreased by 35% compared with the same period a year ago. Growth was favourable in most markets, where Italy and Spain in particular had very strong development. However, the changes introduced in Germany during the end of the preceding year, coupled to the ongoing regulation process, have had a strongly negative impact on NGR during the last two quarters. NGR in Germany decreased by 81% during the second quarter, and the market now accounts for only 4% of the Group's total revenue (compared with 18% during the same period a year ago).

In the Rest of World region, NGR increased by 17% compared with the same period a year ago despite tough comparison figures. Development was strong in most markets in the region. Canada is clearly the largest market in the region and grew with high double-digit numbers during the period.

For the Group as a whole, revenue from locally regulated markets and markets in which the Group pays local gaming taxes accounted for 65% (75%) of total revenue during the second quarter. The share of regulated revenue was unchanged compared with the preceding quarter (65%), where mainly the higher revenue from Sweden compensated for the drop in Germany during the period.

EARNINGS

Gross profit for the second quarter was SEK 64.4 m (74.7), corresponding to a gross margin of 66.5% (67.5%).

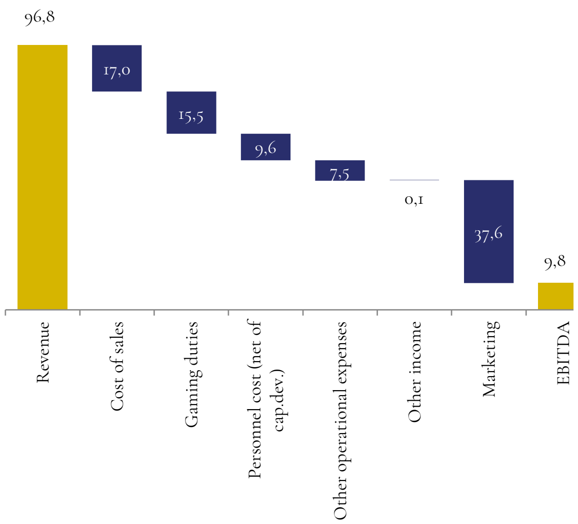
Gaming taxes totalled EUR 15.5 m (17.0), corresponding to 16.0% of revenue (15.4%). This figure includes EUR 0.8 m as an additional provision for gaming taxes in Denmark for historic periods. Cost of sales was 17.5% of revenue (17.1%) and consisted mainly of costs for external game and payment service providers. Cost of sales in relation to the Group's revenue increased compared with the same period a year ago, which is partly attributable to a higher share of revenue from the sport book. Costs for currency conversions related to players' deposits and withdrawals have been reclassified starting with the second quarter. These costs amounted to EUR 0.8 m for the period and are presented under Cost of sales instead of under Other operating expenses.

Marketing costs during the quarter totalled EUR 37.6 m (32.7). The company has maintained a high pace of investment, mainly coupled to stepped-up ventures in a number of markets with favourable returns, the acquisition of Expekt, and other initiatives ahead of Euro 2020 in June. The investments have also contributed to a larger geographic diversification, which has compensated for the drop in revenue in Germany. Marketing costs in relation to revenue were 38.8% during the second quarter, which is considerably higher than in the corresponding period a year ago (29.6%), but more in line with the preceding quarter (37.4%). In pace with growth in the Group's revenue, the share of marketing costs will decrease from the current, abnormally high, level.

Personnel costs in relation to revenue increased compared with the same period a year ago to 14.0% (11.9%), but were relatively stable compared with the preceding quarter (13.8%). The total workforce decreased slightly during the quarter at the same time that the company has continued to increase the share of highly qualified employees in technology and product development.

Other operating expenses amounted to 7.7% of revenue (8.1%), which is a decrease in relation to revenue compared with the same period a year ago. The Group continues to work steadily with efficiency improvements and cost control at the same time that subsequent effects of the pandemic continue to contribute to temporarily lower operating expenses. Moreover, costs for currency conversions coupled to gaming payments have been reclassified from Other operating expenses to Cost of sales starting with the second quarter of 0,8 MEUR.

P&L to EBITDA MEUR



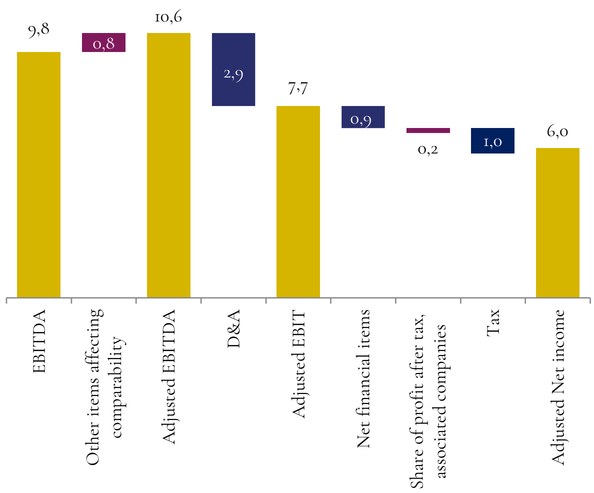
EBITDA for the second quarter was EUR 9.8 m (23.0), corresponding to an EBITDA margin of 10.1% (20.8%). EBITDA was charged with an additional provision of EUR 0.8 m for estimated gaming taxes in Denmark for historic periods. No further provisions for historic gaming taxes in Denmark are expected to be made going forward. Adjusted EBITDA was EUR 10.6 m (23.0), corresponding to an adjusted EBITDA margin of 10.9% (20.8%). The adjusted result represents a decrease of 54% compared with the same period a year ago.

The Group's depreciation and amortisation excluding acquisition-related depreciation and amortisation amounted to EUR 2.9 m (2.7). Amortisation related to acquired intangible assets totalled EUR 4.1 m (4.1).

Operating profit (EBIT) for the quarter was EUR 2.8 m (16.3), corresponding to an EBIT margin of 2.9% (14.7%). Adjusted EBIT for the quarter was EUR 7.7 m (20.3), corresponding to an adjusted EBIT margin of 7.9% (18.4%). Adjusted EBIT gives a more accurate picture of the Group's underlying earnings during the period.

Financial expenses amounted to EUR 0.9 m (0.5) and are mainly coupled to the company's bond issue. Within net financial items, remeasurement of the bond in SEK and changes in value of currency derivatives, including their interest flows, are reported net. During the quarter these remeasurements had a positive effect on expenses by EUR 0.2 m (0.0).

EBITDA to adjusted net profit MEUR



Income tax for the quarter totalled EUR 1.0 m (0.9).

The share of profit after tax from associated companies recognised in accordance with the equity method was EUR 0.2 m (0.0) and pertains to the company's minority stake in SharedPlay. The positive result is due to the sale of one of SharedPlay's IP-assets during the quarter.

Net profit after tax for the quarter was EUR 1.1 m (14.9), corresponding to a net margin of 1.1% (13.4%). Earnings per share were EUR 0.01 (0.14) before and after dilution. Adjusted earnings per share were EUR 0.06 (0.19).

BALANCE SHEET AND FINANCING

Cash and cash equivalents at the end of the quarter amounted to EUR 60.3 m (55.6). Cash and cash equivalents excluding customer balances amounted to EUR 43.8 m (40.3). LeoVegas has approximately EUR 89 m in combined available credit facilities, of which EUR 53.4 m (50.0) was utilised at the end of the second quarter. Overall, the Group's financial position is very good. Net debt excluding player liabilities in relation to adjusted EBITDA (rolling 12 months) was 0.2x.

The Group had intangible assets worth EUR 24.2 m at the end of the quarter (19.3). Intangible assets attributable to identified surplus value from acquisitions amounted to EUR 24.2 m (36.8). Goodwill related to all acquisitions amounted to EUR 95.7 m (94.7). During the quarter, the acquisition of Expekt gave rise to surplus value of EUR 3.7 m and goodwill of EUR 1.1 m. Expekt is consolidated as from 19 May 2021.

At the end of the quarter the Group's equity attributable to owners of the parent amounted to EUR 74.2 m (96.5). Non-controlling interests made up EUR 5.8 m (5.2) of equity. Total assets at the end of the quarter amounted to EUR 259.5 m (266.3). The equity/assets ratio was 31% (38%).

Total liabilities increased compared with the same quarter a year ago. This is mainly because the liability for the Parent Company's dividend to the shareholders has not yet been fully settled. One dividend payment of a total of four payments was made at the end of the quarter.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities totalled EUR 8.3 m (20.3) 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. Cash flow during the period was charged with EUR 10.2 m (11.4) in paid income tax. The change in paid income tax is explained by the fact that the company was waiting for the annual tax refund for the Group's Maltese subsidiaries at the end of the quarter. This refund is expected to be received after the end of the second quarter and will thereby have a positive effect on cash flow during the third quarter.

Investments in property, plant and equipment amounted EUR 0.2 m (0.1). Investments in intangible assets amounted to EUR 4.5 m (3.0) and pertain mainly to capitalised development costs. Cash flow from investing activities was affected by the final payment of EUR 3.6 m for the acquisition of Expekt.

Cash flow from financing activities was affected by share repurchases totalling EUR 4.9 m (0.0). A quarterly dividend payment was also made during the quarter to the Parent Company's shareholders, which affected cash flow by EUR 4.9 m (7.3). Amortisation of the lease liability, i.e., rents paid for the Group's leased assets, had an accounting effect on cash flow from financing activities of EUR 0.5 m (0.8).

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 0.2 m (0.2). Profit after tax was EUR -1.0 m (-0.5). Apart from dividends from subsidiaries, profit is also steered by interest income from lending to subsidiaries, invoiced management services and other operating expenses. Cash and cash equivalents amounted to EUR 0.4 m (0.3). As per the balance sheet date the liability for the issued bond was EUR 48.6 m (0.0). The liability for the utilised portion of the Revolving Credit Facility (RCF) was EUR 4.8 m (10.0) as per the end of the quarter. 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 bond issue, a currency derivative was contracted. Financial items during the quarter were charged with EUR 0.6 m (0.0) in interest expenses, transaction costs and other costs related to the bond financing. Cash flow was charged with an interest payment of EUR 0.7 m (0.0) 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 had a positive effect on revenue of EUR 1.8 m compared with the same period a year ago and a positive effect of EUR 0.3 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. Activity during the summer period June–September is normally slightly lower than the rest of the year on account of vacations and a smaller number of sporting events.

PERSONNEL

The number of full-time employees at the end of the quarter was 844 (881), of whom 42 are employed in LeoVentures (36). The average number of employees during the quarter was 841 (863). LeoVegas was using the services of 45 (32) full-time consultants at the end of the quarter.

MANAGEMENT

Dersim Sylwan, Chief Marketing Officer (CMO), has decided to pursue new challenges outside of LeoVegas. In the near term the CMO role will be fulfilled by an internal recruit with broad experience from LeoVegas and the industry.

RELATED-PARTY TRANSACTIONS

LeoVegas has since previously had a related party relationship for rents of company apartments. In other respects, no transactions with related parties were conducted 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. As per 30 June 2021 the company had 19,065 shareholders. The five largest shareholders were:

- Gustaf Hagman – 8.3%
- Avanza Pension – 4.4%
- Torsten Söderberg and family – 4.4%
- Goldman Sachs Asset Management – 3.6%
- LeoVegas AB (publ) – 2.6%

A total of 101,652,970 shares are in issue in LeoVegas AB. In connection with the share repurchase programme, LeoVegas owns 2.6% of the total number of shares as per the end of the second quarter. The total number of shares outstanding and votes amounted to 99,015,777 at the end of the balance sheet date.

ACQUISITION OF EXPEKT ON 19 MAY 2021

Through its wholly owned subsidiary LeoVentures Ltd, LeoVegas has acquired all of the shares and related assets in the Maltese company Expekt Nordics Ltd ("Expekt") from Mangas Gaming Ltd.

Expekt is a well-known sports betting brand in Sweden and the other Nordic countries. The acquisition strengthens LeoVegas' brand portfolio with an established position in sports betting and expands the company's strategic growth opportunities in the segment.

Transfer of possession and consolidation took place on 19 May 2021. The purchase price for all net assets and identified surplus value amounted to EUR 6.1 m and was paid in connection with signing (EUR 1.5 m) and on the acquisition date (EUR 4.6 m). On a cash and debt-free basis the acquisition amount was EUR 5.0 m. The acquisition was settled with own cash.

For the period from the acquisition date of 19 May 2021 to the end of the quarter, Expekt contributed EUR 1.1 m to Group revenue. If LeoVegas had owned Expekt as from 1 January 2021, it would have contributed EUR 3.5 m to Group revenue as per the end of the quarter. Operating profit during the quarter would not have had a material impact on consolidated profit.

The table shows a preliminary acquisition analysis and summarises the total purchase price as well as the fair value of acquired assets and accepted liabilities. Non-current receivables and liabilities do not include any derivatives, and fair value is the same as the carrying amount.

Identified surplus value pertains to intangible assets in the form of trademarks and domain names valued at EUR 2.6 m and an acquired customer database valued at EUR 1.1 m. The intangible assets are recognised at fair value on the acquisition date and are amortised over the prognosticated useful life, corresponding to the estimated time they will generate cash flows. Continuing amortisation for the acquired trademarks and domain names will be charged against the Group's earnings on a straight-line schedule of 5-8 years. Amortisation of the acquired customer database will be charged against the Group's earnings using an amortisation schedule of 4 years.

Goodwill of EUR 1.1 m is attributable to future revenue synergies, which are based on the opportunity to regain the brand's former position as a leading sports betting brand. Through this the company can reach new customers and thereby grow its revenue. Goodwill is also attributable to human capital to some extent.

Preliminary purchase price allocation, Expekt (EUR, '000s)	
Amounts per the date of acquisition:	**Measured at fair value**
Property, plant and equipment	-
Intangible assets	3 757
Financial assets	-
Deferred tax assets	505
Trade and other receivables	298
Cash and cash equivalents	966
Trade and other payables	-429
Deferred tax liabilities	-118
Total acquired, identifiable net assets	**4 979**
Goodwill	**1 077**
Purchase price	**6 056**
Purchase Price:	
Consideration paid at signing 15 March 2021 (cash paid)	1 500
Consideration paid at acquisition date 19 May 2021 (cash paid)	4 556
Total Purchase price	**6 056**
Identified surplus values:	
Trademark and domains	2 608
Customer database	1 134
Total identified surplus values	**3 742**

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 currency derivative, which is used for hedging purposes, is valued according to Level 2 of the fair value hierarchy. The fair value of financial assets that are not traded in an active market (e.g., the OTC derivative referred to above) is determined using valuation techniques that are based on market information as far as possible, while company-specific information is used as little as possible. All the essential input data required for the actual valuation of an instrument is observable. The bond, which was issued for SEK 500,000,000, had a market value of SEK 512,500,000 as 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 changes in value of currency derivatives, including their 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. Total net financial items amount to EUR -0.9 m (-0.5), of which EUR 0.2 m pertains to a positive remeasurement effect during the quarter, shown below.

Financial items - net (KEUR)	April-June 2021
Revaluation bond loan	(496)
Fair value valuation currency derivative	626
Change in value of interest rate flows from currency derivatives	50
Total net reported financial items	**180**

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 123–127, of the 2020 Annual Report. All of the accounting policies are unchanged since the most recently published annual report for the 2020 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 PERFORMANCE MEASURES

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

FINANCIAL CALENDAR

LeoVegas' financial calendar is outlined below:

- 11 November 2021 – Q3 interim report
- 11 February 2022 – Year-end report

LEGAL UPDATE

The legal situation for online gaming is changing continuously at the EU level as well as in individual geographic markets outside of the EU. LeoVegas' expansion strategy is to work in locally regulated markets or 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 so-called local regulation. Examples of countries that have adopted local regulation include the UK, Denmark, Italy, Spain and Sweden. This trend is also spreading outside of the EU, and most markets in Latin America, for example, are engaged in discussions to regulate their gaming markets. Colombia is an example of a country that has already taken the step in to a regulated environment. The same applies in the USA, where gaming is regulated by the individual states. Among other states, New Jersey, Pennsylvania and Michigan have introduced local regulation for both casino games and sports betting. The trend in the USA is that more and more states are regulating their local gaming markets.

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 licensed actors, such as for greater consumer protection and stricter requirements concerning customers' financial situations.

The province of Ontario, Canada, is conducting preparations to regulate its gaming market. Ontario makes up approximately 40% of Canada's total population. LeoVegas is one of several operators that is participating in the discussions on how such regulation may be structured. In June 2021 Canada eliminated its federal ban on sports betting for individual matches. This harmonises with other laws and is proof that Canada is moving in the direction to regulate its gaming market. LeoVegas' assessment is that the regulation will take effect at the start of next year.

In the Netherlands the authorities have decided to introduce a local licence system, which is expected to take effect at the end of 2021, but most operators will be launching their services in 2022. The gaming tax has been set at 29% plus an additional 2% fee, which is the same as for land-based operators.

In Germany the federal states have agreed to introduce a licence system, which was implemented on 1 July 2021. Before this took effect the operators that intended to apply for and receive a gaming licence were required to align themselves with a number of restrictions. The changes that have been introduced entail, among other things, a ban on live casino online, a monthly deposit limit of EUR 1,000 for casino and poker games, a mandatory maximum limit of an EUR 1 wager per spin on slots and a five-second rule between spins. The tax on the online poker and casino products is 5.3% of turnover, which represents the highest tax in Europe on gaming.

The continuing global pandemic has given rise to societal concerns over the risk for an increase in unsound gaming under the current circumstances, as people are spending more time in their homes. There are no reliable statistics indicating that unsound gaming has increased, and LeoVegas has not seen any increase attributable to the pandemic in its customer data.

In Sweden, on 2 July 2020 temporary restrictions were introduced for online casino in response to the pandemic. These include new restrictions of bonus offers, a weekly deposit cap of SEK 5,000 and an obligatory time restriction on gaming. These restrictions remain in effect until 14 November 2021.

The Swedish government has commissioned an investigation to strengthen work on countering unlicensed gaming and match fixing. The purpose of the investigation is to identify obstacles and recommend solutions to enabling more effective oversight of illegal gaming. The assignment also includes investigating how the work on countering match fixing can be strengthened. The results of the investigation will be reported to the Ministry of Finance on 30 September 2021.

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

RISKS AND UNCERTAINTIES

The main risk and uncertainty facing LeoVegas is the general legal status of online gaming. Decisions and changes in laws and rules may affect LeoVegas' business activities and expansion opportunities. Since most of LeoVegas' customers are active in Europe, the legal status in 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 licensing 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 game providers, payment service provides 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 cooperation terms, LeoVegas has the opportunity to withhold payment and terminate its cooperation 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 licensed 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 are hard to assess, and the conditions are changing continuously. The pandemic is having a smaller impact on online businesses. Online gaming is part of the entertainment industry, and when people cannot go to a cinema, restaurant or similar to the same extent, they are spending more of their leisure budget on other entertainment, such as games and other digital amusement. There appears to be an accelerated structural shift from offline to online, which 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. Other risks that could affect LeoVegas include financial risks, such as currency and liquidity risks.

The 2020 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 reasonable 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 a good complement to the tools that help customers keep their gaming in check. 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 of LeoSafePlay is to develop it 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.

During the quarter, LeoVegas' framework and routines for ensuring responsible gaming were assessed by an independent party. The independent, industry-leading British agency eCOGRA specialises in testing, certifying and assessing actors in the gaming sector. During the spring eCOGRA performed tests and conducted interviews to certify that LeoVegas' gaming services are 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 part, which as 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 in order to transparently, clearly and concretely show what the company aspires 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 a yearly 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

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

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

Stockholm, 12 August 2021

Per Norman Chairman of the Board	**Hélène Westholm** Director	**Carl Larsson** Director
Fredrik Rüdén 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.

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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.

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CONSOLIDATED INCOME STATEMENT

EUR'000s	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	2020
Revenue	**96 830**	**110 739**	**193 556**	**200 187**	**387 464**
Cost of sales	(16 963)	(18 976)	(33 008)	(35 022)	(67 871)
Gaming Duties	(15 469)	(17 018)	(30 746)	(30 595)	(57 282)
Gross profit	**64 398**	**74 745**	**129 802**	**134 570**	**262 311**
Personnel costs	(13 508)	(13 168)	(26 835)	(25 253)	(50 548)
Capitalised development costs	3 878	2 812	7 059	5 170	10 504
Other operating expenses	(7 488)	(8 970)	(16 237)	(19 069)	(35 441)
Marketing expenses	(37 594)	(32 742)	(73 732)	(64 023)	(132 552)
Other income and expenses	124	366	192	601	(2 409)
EBITDA	**9 810**	**23 043**	**20 249**	**31 996**	**51 865**
Depreciation and amortisation	(2 909)	(2 713)	(5 619)	(5 356)	(10 789)
Amortisation of acquired intangible assets and impairment of assets incl. goodwill	(4 135)	(4 076)	(8 211)	(8 172)	(18 300)
Operating profit (EBIT)	**2 766**	**16 254**	**6 419**	**18 468**	**22 776**
Financial income	-	-	-	3	983
Financial costs	(877)	(460)	(1 957)	(930)	(2 911)
Financial liability fair value gains/(losses)	-	-	-	700	700
Share of profit after tax from associated companies reported using the equity method	196	-	196	-	-
Profit before tax	**2 085**	**15 794**	**4 658**	**18 241**	**21 548**
Income tax	(1 002)	(903)	(1 180)	(1 074)	(2 215)
Net profit for the period	**1 083**	**14 891**	**3 478**	**17 167**	**19 333**
Net profit attributable to owners of the parent company	824	14 693	2 981	16 816	18 512
Net profit attributable to non-controlling interests	259	198	497	351	821
Other comprehensive income					
Items that may be transferred to profit for the year:					
Exchange differences on translation of foreign operations	-	(7)	3	(11)	(12)
Other comprehensive income for the period, after tax	**-**	**(7)**	**3**	**(11)**	**(12)**
Total comprehensive income for the period	**1 083**	**14 884**	**3 481**	**17 156**	**19 321**
Total comprehensive income attributable to owners of the parent company	824	14 686	2 984	16 805	18 500
Total comprehensive income attributable to non-controlling interests	259	198	497	351	821
Earnings per share before dilution (EUR)	**0,01**	**0,14**	**0,03**	**0,17**	**0,18**
Earnings per share after dilution (EUR)	**0,01**	**0,14**	**0,03**	**0,17**	**0,18**
Weighted average number of shares outstanding adj. for share split (millions)	99,60	101,65	99,60	101,65	101,29
Weighted average number of shares outstanding after dilution adj. for share split (millio	99,60	101,65	99,60	101,65	101,29
Key ratios					
Cost of sales as a % of revenue	17,5%	17,1%	17,1%	17,5%	17,5%
Gaming duties as a % of revenue	16,0%	15,4%	15,9%	15,3%	14,8%
Gross margin, %	66,5%	67,5%	67,1%	67,2%	67,7%
Personnel costs as % of revenue	14,0%	11,9%	13,9%	12,6%	13,0%
Operating expenses as % of revenue	7,7%	8,1%	8,4%	9,5%	9,1%
Marketing expenses as % of revenue	38,8%	29,6%	38,1%	32,0%	34,2%
EBITDA margin %	10,1%	20,8%	10,5%	16,0%	13,4%
EBIT margin %	2,9%	14,7%	3,3%	9,2%	5,9%
Net margin, %	1,1%	13,4%	1,8%	8,6%	5,0%

Adjusted profit measures EUR'000s	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	2020
EBITDA	**9 810**	**23 043**	**20 249**	**31 996**	**51 865**
Gain on sale of subsidiaries and assets	-	-	-	-	-
Restructuring costs	-	-	-	-	-
Other items affecting comparability	756	-	1 263	-	3 500
Adjusted EBITDA	**10 566**	**23 043**	**21 512**	**31 996**	**55 365**
Depreciation and amortisation	(2 909)	(2 713)	(5 619)	(5 356)	(10 789)
Adjusted EBIT	**7 657**	**20 330**	**15 893**	**26 640**	**44 576**
Net financial items	(877)	(460)	(1 957)	(927)	(1 928)
Share of profit after tax from associated companies reported using the equity method	196	-	196	-	-
Tax	(1 002)	(903)	(1 180)	(1 074)	(2 215)
Adjusted net income	**5 974**	**18 967**	**12 952**	**24 639**	**40 433**
Adjusted EPS	**0,06**	**0,19**	**0,13**	**0,24**	**0,40**
Adjusted EBITDA margin %	10,9%	20,8%	11,1%	16,0%	14,3%
Adjusted EBIT margin %	7,9%	18,4%	8,2%	13,3%	11,5%
Adjusted net margin %	6,2%	17,1%	6,7%	12,3%	10,4%

CONSOLIDATED BALANCE SHEET, CONDENSED

EUR'000s	30 Jun 2021	30 Jun 2020	31 Dec 2020	31 Dec 2019
ASSETS				
Non-current assets				
Property, plant and equipment	2 137	2 745	2 394	3 347
Lease assets (right of use assets)	7 594	10 054	8 878	8 222
Intangible assets	24 194	19 331	19 493	16 943
Intangible assets related to surplus values from acquisitions	24 225	36 846	28 694	45 018
Goodwill	95 734	94 657	94 657	94 657
Financial Fixed Asset	-	-	314	-
Deferred tax assets	3 382	2 682	2 876	2 682
Investments in associated accounted for using the equity method	1 317	-	-	-
Total non-current assets	**158 583**	**166 315**	**157 306**	**170 869**
Current assets				
Trade receivables and other receivables	35 161	39 405	23 160	35 307
Prepaid expenses and other accrued income	5 423	5 048	5 480	5 329
Cash and cash equivalents	60 321	55 561	63 340	50 738
of which restricted cash (player funds)	*16 542*	*15 265*	*15 801*	*13 352*
Total current assets	**100 905**	**100 014**	**91 981**	**91 374**
TOTAL ASSETS	**259 488**	**266 329**	**249 287**	**262 243**
EQUITY AND LIABILITIES				
Share capital	1 220	1 220	1 220	1 220
Additional paid-in capital	31 415	41 006	36 115	40 615
Other reserves	467	902	421	830
Retained earnings including profit for the period	41 132	53 379	55 075	50 683
Equity attributable to owners of the Parent Company	**74 234**	**96 507**	**92 831**	**93 348**
Non-controlling interest	5 847	5 155	5 350	4 804
Total Equity	**80 081**	**101 662**	**98 181**	**98 152**
Bank loan	4 776	50 008	-	39 924
Bond Loan	48 625	-	48 860	-
Lease liabilities	4 119	6 371	5 300	4 169
Financial liability	95	-	-	-
Deferred tax liability	1 217	1 761	1 435	2 088
Total non-current liabilities	**58 832**	**58 140**	**55 595**	**46 181**
Current liabilities				
Trade and other payables	37 090	26 262	20 287	21 344
Player liabilities	16 542	15 265	15 801	13 352
Tax liability	8 380	4 649	5 948	4 997
Accrued expenses and deferred income	52 863	41 911	45 082	35 811
Bank loan	-	10 000	-	30 000
Short-term lease liabilities	3 400	3 140	3 093	3 406
Liability for conditional purchase price (earn-out)	2 300	5 300	5 300	9 000
Total current liabilities	**120 575**	**106 527**	**95 511**	**117 910**
Total liabilities	**179 407**	**164 667**	**151 106**	**164 091**
TOTAL EQUITY AND LIABILITIES	**259 488**	**266 329**	**249 287**	**262 243**

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED

EUR'000s	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	2020
Operating profit	2 766	16 254	6 419	18 468	22 776
Adjustments for non-cash items	7 320	7 080	13 515	14 219	30 052
Cash flow from changes in working capital	8 456	8 350	11 352	9 469	18 107
Net income taxes paid	(10 211)	(11 378)	(10 211)	(11 378)	(1 695)
Cash flow from operating activities	**8 331**	**20 306**	**21 075**	**30 778**	**69 240**
Acquisition of property, plant and equipment	(153)	(92)	(307)	(194)	(399)
Acquisition of intangible assets	(4 525)	(3 013)	(7 895)	(5 176)	(10 492)
Acquisition of subsidiaries	(3 591)	-	(8 091)	(3 000)	(3 579)
Investment of associate accounted for using the equity method	-	-	(1 121)	-	-
Proceeds on sale of subsidiaries and assets	-	2 000	-	2 000	2 861
Cash flow from investing activities	**(8 269)**	**(1 105)**	**(17 414)**	**(6 370)**	**(11 609)**
Bond financing	-	-	-	-	48 298
Loan financing	-	(10 000)	5 000	(10 000)	(70 343)
Lease liabilities	(516)	(807)	(1 406)	(1 607)	(3 244)
Share buyback	(4 942)	-	(4 942)	-	(4 891)
Proceeds from share issue/other equity securities	-	-	-	-	416
Cash dividends paid out to shareholders	(4 923)	(7 258)	(4 923)	(7 258)	(14 213)
Cash flow from financing activities	**(10 381)**	**(18 065)**	**(6 271)**	**(18 865)**	**(43 977)**
Net increase/(decrease) in cash and cash equivalents	(10 319)	1 136	(2 610)	5 543	13 654
Cash and cash equivalents at start of the period	70 809	54 326	63 340	50 738	50 738
Currency effects on cash and cash equivalents	(169)	99	(409)	(720)	(1 052)
Cash and cash equivalents at end of period	**60 321**	**55 561**	**60 321**	**55 561**	**63 340**
of which restricted cash (player funds)	*16 542*	*15 265*	*16 542*	*15 265*	*15 801*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

EUR'000s	Share Capital	Capital contribution	Other reserves	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
Balance at 1 January 2020	**1 220**	**40 615**	**830**	**50 683**	**93 348**	**4 804**	**98 152**
Profit for the period	-	-	-	16 816	16 816	351	17 167
Other comprehensive income items *(exchange differences of foreign operations)*	-	-	(38)	27	(11)	-	(11)
Total comprehensive income for the period	**-**	**-**	**(38)**	**16 843**	**16 806**	**351**	**17 157**
Transactions with shareholders in their capacity as owners:							
Dividends	-	-	109	(14 147)	(14 038)	-	(14 038)
Options Premium	-	391	-	-	391	-	391
Balance at 30 June 2020	**1 220**	**41 006**	**902**	**53 379**	**96 507**	**5 155**	**101 662**
Balance at 1 January 2021	**1 220**	**36 115**	**421**	**55 075**	**92 831**	**5 350**	**98 181**
Profit for the period	-	-	-	2 981	2 981	497	3 478
Other comprehensive income *(exchange differences of foreign operations)*	-	-	3	-	3	-	3
Total comprehensive income for the period	**-**	**-**	**3**	**2 981**	**2 984**	**497**	**3 481**
Transactions with shareholders in their capacity as owners:							
Dividends	-	-	43	(16 924)	(16 881)	-	(16 881)
Options Premium	-	242	-	-	242	-	242
Share buyback	-	(4 942)	-	-	(4 942)	-	(4 942)
Balance at 30 June 2021	**1 220**	**31 415**	**467**	**41 132**	**74 234**	**5 847**	**80 081**

PARENT COMPANY INCOME STATEMENT, CONDENSED

EUR'000s	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	2020
Revenue	**230**	**211**	**430**	**368**	**669**
Operating expenses	(1 201)	(758)	(2 247)	(1 828)	(3 837)
Other income and expenses	-	-	-	-	-
Operating profit (EBIT)	**(971)**	**(547)**	**(1 817)**	**(1 461)**	**(3 168)**
Net financial income	(47)	59	(32)	119	19 697
Profit before tax	**(1 018)**	**(488)**	**(1 850)**	**(1 342)**	**16 529**
Apportion	-	-	-	-	-
Tax cost	-	-	-	-	193
Net Profit for the period*	**(1 018)**	**(488)**	**(1 850)**	**(1 342)**	**16 722**

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

PARENT COMPANY BALANCE SHEET, CONDENSED

EUR'000s	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
Total non-current assets	**53 274**	**15 902**	**51 944**
Current assets	26 541	24 736	32 641
Cash and cash equivalents	381	280	1 419
Total current assets	**26 922**	**25 016**	**34 060**
TOTAL ASSETS	**80 196**	**40 918**	**86 004**
EQUITY AND LIABILITIES			
Total equity	**13 810**	**23 196**	**36 193**
Bank Loan	4 776	10 000	-
Bond Loan	48 626	-	48 860
Financial liability	95	-	-
Total long term liabilities	**53 497**	**10 000**	**48 860**
Total current liabilities	12 889	7 722	951
Total liabilities	**66 386**	**17 722**	**49 811**
TOTAL EQUITY AND LIABILITIES	**80 196**	**40 918**	**86 004**

KPI'S PER QUARTER

Amounts in EUR'000s unless otherwise stated	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Deposits	304 539	295 763	315 130	292 856	354 997
Growth, Deposits, y-y %	-14%	3%	11%	6%	23%
Growth, Deposits, q-q %	3%	-6%	8%	-18%	23%
Deposits per region					
Nordics, % Deposits	46%	43%	44%	44%	44%
Rest of Europe, % Deposits	40%	43%	45%	44%	46%
Rest of World, % Deposits	14%	14%	11%	11%	10%
Net Gaming Revenue (NGR)	93 899	93 354	96 383	86 047	109 449
Growth Net Gaming Revenue, y-y %	-14%	7%	16%	0%	18%
Growth Net Gaming Revenue, q-q %	1%	-3%	12%	-21%	26%
Net Gaming Revenue (NGR) per region					
Nordics, % Net Gaming Revenue	41%	38%	36%	35%	34%
Rest of Europe, % Net Gaming Revenue	39%	42%	47%	47%	51%
Rest of World, % Net Gaming Revenue	20%	20%	17%	18%	15%
Growth in NGR per region					
Nordics, y-y %	4%	-3%	-4%	-20%	-2%
Rest of Europe, y-y %	-35%	-1%	28%	13%	30%
Rest of World, y-y %	17%	69%	46%	21%	35%
Locally-taxed revenue as a % of total	65%	65%	67%	68%	75%
Growth in locally-taxed revenues, y-y %	-26%	-6%	7%	0%	32%
Growth in locally-taxed revenues, q-q %	1%	-6%	9%	-29%	27%
Hold (NGR/Deposits) %	30,8%	31,6%	30,6%	29,4%	30,8%
Game margin %	4,12%	4,06%	3,94%	3,69%	3,59%
Number of active customers	684 807	721 146	823 649	660 662	671 253
Growth active customers, y-y %	2%	12%	43%	15%	10%
Growth active customers, q-q %	-5%	-12%	25%	-2%	4%
Number of depositing customers	460 697	462 386	461 983	438 691	434 453
Growth depositing customers, y-y %	6%	12%	24%	26%	24%
Growth depositing customers, q-q %	0%	0%	5%	1%	5%
Number of new depositing customers	177 503	186 510	181 592	178 995	195 329
Growth new depositing customers, y-y %	-9%	-4%	15%	24%	30%
Growth new depositing customers, q-q %	-5%	3%	1%	-8%	1%
Number of returning depositing customers	283 194	275 876	280 391	259 696	239 124
Growth returning depositing customers, y-y %	18%	25%	31%	28%	19%
Growth returning depositing customers, q-q %	3%	-2%	8%	9%	9%

CONSOLIDATED INCOME STATEMENT PER QUARTER

EUR'000s	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Revenue	**96 830**	**96 726**	**98 356**	**88 921**	**110 739**
Cost of sales	(16 963)	(16 045)	(17 135)	(15 714)	(18 976)
Gaming Duties	(15 469)	(15 277)	(14 336)	(12 351)	(17 018)
Gross profit	**64 398**	**65 404**	**66 885**	**60 856**	**74 745**
Personnel costs	(13 508)	(13 327)	(12 856)	(12 439)	(13 168)
Capitalised development costs	3 878	3 181	2 926	2 408	2 812
Other operating expenses	(7 488)	(8 749)	(8 965)	(7 406)	(8 970)
Marketing expenses	(37 594)	(36 138)	(36 730)	(31 799)	(32 742)
Other income and expenses	124	68	(3 289)	279	366
EBITDA	**9 810**	**10 439**	**7 971**	**11 898**	**23 043**
Depreciation and amortisation	(2 909)	(2 710)	(2 752)	(2 681)	(2 713)
Amortisation of acquired intangible assets and impairment of assets incl. goodwill	(4 135)	(4 076)	(6 052)	(4 076)	(4 076)
Operating profit (EBIT)	**2 766**	**3 653**	**(833)**	**5 141**	**16 254**
Financial income	-	-	980	-	-
Financial costs	(877)	(1 080)	(1 559)	(422)	(460)
Financial liability fair value gains/(losses)	-	-	-	-	-
Share of profit after tax from associated companies reported using the equity method	196	-	-	-	-
Profit before tax	**2 085**	**2 573**	**(1 412)**	**4 719**	**15 794**
Income tax	(1 002)	(178)	(534)	(607)	(903)
Net profit for the period	**1 083**	**2 395**	**(1 946)**	**4 112**	**14 891**
	-				
Net profit attributable to owners of the parent company	824	2 157	(1 897)	3 593	14 693
Net profit attributable to non-controlling interests	259	238	(49)	519	198
Other comprehensive income					
Items that may be transferred to profit for the year:					
Exchange differences on translation of foreign operations	-	3	-	(1)	(7)
Other comprehensive income, after tax	**-**	**3**	**-**	**(1)**	**(7)**
Total comprehensive income for the period	**1 083**	**2 398**	**(1 946)**	**4 111**	**14 884**
Total comprehensive income attributable to owners of the parent company	824	2 160	(1 897)	3 592	14 686
Total comprehensive income attributable to non-controlling interests	259	238	(49)	519	198
Earnings per share (EUR)	**0,01**	**0,02**	**(0,02)**	**0,04**	**0,14**
Earnings per share after dilution (EUR)	**0,01**	**0,02**	**(0,02)**	**0,04**	**0,14**
Weighted average number of shares outstanding adj. for share split (millions)	99,60	100,18	100,92	101,65	101,65
Weighted average number of shares outstanding after dilution adj. for share split (millions)	99,60	100,18	100,92	101,65	101,65

Key ratios					
Cost of sales as a % of revenue	17,5%	16,6%	17,4%	17,7%	17,1%
Gaming duties as a % of revenue	16,0%	15,8%	14,6%	13,9%	15,4%
Gross margin, %	66,5%	67,6%	68,0%	68,4%	67,5%
Personnel costs as % of revenue	14,0%	13,8%	13,1%	14,0%	11,9%
Operating expenses as % of revenue	7,7%	9,0%	9,1%	8,3%	8,1%
Marketing expenses as % of revenue	38,8%	37,4%	37,3%	35,8%	29,6%
EBITDA, margin %	10,1%	10,8%	8,1%	13,4%	20,8%
EBIT, margin %	2,9%	3,8%	-0,8%	5,8%	14,7%
Net margin, %	1,1%	2,5%	-2,0%	4,6%	13,4%

Adjusted profit measures EUR'000s	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
EBITDA	**9 810**	**10 439**	**7 971**	**11 898**	**23 043**
Gain on sale of subsidiaries and assets	-	-	-	-	-
Restructuring costs	-	-	-	-	-
Other items affecting comparability	756	507	3 500	-	-
Adjusted EBITDA	**10 566**	**10 946**	**11 471**	**11 898**	**23 043**
Depreciation and amortisation	(2 909)	(2 710)	(2 752)	(2 681)	(2 713)
Adjusted EBIT	**7 657**	**8 236**	**8 719**	**9 217**	**20 330**
Net financial items	(877)	(1 080)	(579)	(422)	(460)
Share of profit after tax from associated companies reported using the equity method	196	-	-	-	-
Tax	(1 002)	(178)	(534)	(607)	(903)
Adjusted net income	**5 974**	**6 978**	**7 606**	**8 188**	**18 967**
Adjusted EPS	**0,06**	**0,07**	**0,08**	**0,08**	**0,19**
Adjusted EBITDA margin %	10,9%	11,3%	11,7%	13,4%	20,8%
Adjusted EBIT margin %	7,9%	8,5%	8,9%	10,4%	18,4%
Adjusted net margin %	6,2%	7,2%	7,7%	9,2%	17,1%

CONSOLIDATED BALANCE SHEET PER QUARTER, CONDENSED

EUR'000s	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
ASSETS					
Non-current assets					
Property, plant and equipment	2 137	2 255	2 394	2 462	2 745
Lease assets (right of use assets)	7 594	8 537	8 878	9 205	10 054
Intangible assets	24 194	21 353	19 493	20 290	19 331
Intangible assets surplus values from acquisitions	24 225	24 616	28 694	32 770	36 846
Goodwill	95 734	94 657	94 657	94 657	94 657
Financial Fixed Asset	-	-	314	-	-
Deferred tax assets	3 382	2 876	2 876	2 682	2 682
Investments in associated accounted for using the equity method	1 317	1 121	-	-	-
Total non-current assets	**158 583**	**155 415**	**157 306**	**162 065**	**166 315**
Current assets					
Trade receivables and other receivables	35 161	25 194	23 160	32 077	39 405
Prepaid expenses and other accrued income	5 423	6 044	5 480	4 252	5 048
Cash and cash equivalents	60 321	70 809	63 340	59 806	55 561
of which restricted cash (player funds)	*16 542*	*16 564*	*15 801*	*13 491*	*15 265*
Total current assets	**100 905**	**102 047**	**91 981**	**96 135**	**100 014**
TOTAL ASSETS	**259 488**	**257 462**	**249 287**	**258 200**	**266 329**
EQUITY AND LIABILITIES					
Share capital	1 220	1 220	1 220	1 220	1 220
Additional paid-in capital	31 415	36 115	36 115	41 006	41 006
Other reserves	467	424	421	597	902
Retained earnings including profit for the period	41 132	57 232	55 075	56 972	53 379
Equity attributable to owners of the Parent Company	**74 234**	**94 991**	**92 831**	**99 795**	**96 507**
Non-controlling interest	5 847	5 588	5 350	5 399	5 155
Total Equity	**80 081**	**100 579**	**98 181**	**105 194**	**101 662**
Bank loan	4 776	4 748	-	50 104	50 008
Bond loan	48 625	48 051	48 860	-	-
Lease liabilities	4 119	4 614	5 300	5 404	6 371
Financial liability	95	721	-	-	-
Deferred tax liability	1 217	1 223	1 435	1 578	1 761
Total non-current liabilities	**58 832**	**59 357**	**55 595**	**57 086**	**58 140**
Current liabilities					
Trade and other payables	37 090	20 780	20 287	28 182	26 262
Player liabilities	16 542	16 564	15 801	13 491	15 265
Tax liability	8 380	5 947	5 948	5 310	4 649
Accrued expenses and deferred income	52 863	48 515	45 082	40 627	41 911
Bank loan	-	-	-	-	10 000
Short-term lease liabilities	3 400	3 420	3 093	3 009	3 140
Liability for conditional purchase price (earn-out)	2 300	2 300	5 300	5 300	5 300
Total current liabilities	**120 575**	**97 526**	**95 511**	**95 919**	**106 527**
Total liabilities	**179 407**	**156 883**	**151 106**	**153 005**	**164 667**
TOTAL EQUITY AND LIABILITIES	**259 488**	**257 462**	**249 287**	**258 200**	**266 329**

CONSOLIDATED STATEMENT OF CASH FLOWS PER QUARTER, CONDENSED

EUR'000s	**Q2 2021**	**Q1 2021**	**Q4 2020**	**Q3 2020**	**Q2 2020**
Operating profit	2 766	3 653	(833)	5 141	16 254
Adjustments for non-cash items	7 320	6 195	8 922	6 911	7 080
Cash flow from changes in working capital	8 456	2 896	6 279	2 359	8 350
Net income taxes paid	(10 211)	-	6 469	3 214	(11 378)
Cash flow from operating activities	**8 331**	**12 744**	**20 837**	**17 625**	**20 306**
Acquisition of property, plant and equipment	(153)	(154)	(110)	(96)	(92)
Acquisition of intangible assets	(4 525)	(3 370)	(2 908)	(2 408)	(3 013)
Acquisition of subsidiaries	(3 591)	(4 500)	-	(579)	-
Investment of associate accounted for using the equity method	-	(1 121)	-	-	-
Proceeds on sale of subsidiaries and assets	-	-	-	861	2 000
Cash flow from investing activities	**(8 269)**	**(9 145)**	**(3 018)**	**(2 222)**	**(1 105)**
Bond financing	-	-	48 298	-	-
Loan financing	-	5 000	(50 343)	(10 000)	(10 000)
Lease liabilities	(516)	(890)	(539)	(1 097)	(807)
Share buyback	(4 942)	-	(4 891)	-	-
Proceeds from share issue/other equity securities	-	-	-	416	-
Cash dividends paid out to shareholders	(4 923)	-	(6 955)	-	(7 258)
Cash flow from financing activities	**(10 381)**	**4 110**	**(14 430)**	**(10 681)**	**(18 065)**
Net increase/(decrease) in cash and cash equivalents	(10 319)	7 709	3 389	4 722	1 136
Cash and cash equivalents at start of the period	70 809	63 340	59 806	55 561	54 326
Currency effects on cash and cash equivalents	(169)	(240)	145	(477)	99
Cash and cash equivalents at end of period	**60 321**	**70 809**	**63 340**	**59 806**	**55 561**
of which restricted cash (player funds)	*16 542*	*16 564*	*15 801*	*13 491*	*15 265*

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

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

ADJUSTED EARNINGS PER SHARE
Earnings per share adjusted for items affecting comparability

ADJUSTED EBIT
EBIT adjusted for items affecting comparability

ADJUSTED EBITDA
EBITDA adjusted for items affecting comparability

AVERAGE NUMBER OF FULL-TIME EMPLOYEES
Average number of employees (full-time equivalents) during the entire period

CASH AND CASH EQUIVALENTS
Balances in bank accounts plus e-wallets

DEPOSITING CUSTOMERS
Customers who have made cash deposits during the period per platform/brand. Since this is measured per platform, it means that a certain number of customers are counted 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

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

DIVIDEND PER SHARE
The dividend paid or proposed per share

EARNINGS PER SHARE
Total comprehensive income for the period 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

EBIT
Operating profit

EBIT MARGIN, %
EBIT in relation to revenue

EBITDA
Operating profit before depreciation, amortisation and impairment losses

EBITDA MARGIN, %
EBITDA in relation to revenue

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

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

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

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

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

ITEMS AFFECTING COMPARABILITY
Pertains to amortisation of acquired intangible assets and remeasurement of earn-out payments for acquisitions. Sales of subsidiaries and assets that affect earnings are also eliminated. Costs related to restructuring of the existing organisation are also defined as items affecting comparability. Gaming taxes that have arisen for historical periods following a revised assessment as well as one-off sanction fees are also included in items affecting comparability

NET DEBT EXCLUDING PLAYER LIABILITIES
The company's interest-bearing liabilities less cash and cash equivalents excluding player balances

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

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

OPERATING PROFIT (EBIT)
Profit before interest and tax

ORGANIC GROWTH
Growth excluding acquisitions, adjusted for currency effects

PROFIT MARGIN
Net profit divided by revenue

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

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

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

OTHER DEFINITIONS

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

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

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