



LeoVegas

MOBILE GAMING GROUP

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QUARTERLY REPORT 1 OCTOBER–31 DECEMBER 2022

FOURTH QUARTER 2022: 1 OCTOBER–31 DECEMBER

- Revenue increased 1% and amounted to EUR 99.5 m (98.2). Organic growth in local currencies was 6%.
- Reported EBITDA was EUR 2.6 m (11.6) and included items affecting comparability totalling EUR -1.1 m (0.0). Items affecting comparability were attributable to transaction-related costs and provisions for incentive programmes and totalled EUR 1.6 m. Items affecting comparability also included revenue related to a sale of a customer database amounting to EUR 0.5 m.
- Adjusted EBITDA was EUR 3.7 m (11.6), corresponding to an EBITDA margin of 3.8% (11.8).
- Reported EBIT was EUR -2.5 m (6.1) and included items affecting comparability as above.
- Adjusted EBIT was EUR -0.2 m (8.5), corresponding to an adjusted EBIT margin of -0.2% (8.6).

EVENTS DURING THE QUARTER

- As the result of a change in ownership with MGM Casino Next Lion, LLC and the delisting from Nasdaq Stockholm, a right arose (but no obligation) for the company's bondholders to redeem the company's bonds outstanding. The repurchase offers expired on 14 November and 28 November respectively, and have thus concluded. In conjunction with the repurchase offer, the bondholders have accepted repurchases corresponding to a nominal amount totalling SEK 318.75 m. The price for repurchased bonds was 101.00% of the nominal amount and was paid together with accrued interest during the quarter.
- LeoVegas entered a four-year research project with Karolinska Institute, one of the world's most prominent medical universities, with the aim of improving methods of identifying and preventing gambling problems. LeoVegas will contribute by providing data and financing.

EVENTS AFTER THE END OF THE QUARTER

- LeoVegas, through LeoVentures, has sold its shares of a total of 25% in the associated company BeyondPlay. Total consideration for the sale amounted to 1.9 MEUR.

GROUP PERFORMANCE Q4

REVENUE, DEPOSITS AND NGRS

Revenue totalled EUR 99.5 m (98.2) for the fourth quarter, corresponding to an increase of 1% compared with the preceding year. Organic growth in local currencies was 6%.

In the Nordic countries, NGR increased 9% year-on-year. Sweden posted another good quarter driven by new records for the brand Expekt.

In the Rest of Europe, NGR increased 4% 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 15% year-on-year. The trend was favourable in most markets in the region, but growth was adversely impacted in the short term by the company closing a couple of smaller markets in the region earlier in the year.

EARNINGS

Gross profit for the fourth quarter was EUR 65.8 m (65.3), corresponding to a gross margin of 66.2% (66.5). Gaming taxes totalled EUR 18.8 m (17.3), corresponding to 18.9% of revenue (17.6). Cost of sales was 14.9% of revenue (15.9) and consisted mainly of costs for external game and payment service providers.

Marketing costs during the quarter totalled EUR 34.7 m (33.8). Marketing expenses corresponded to 34.9% of revenue in the fourth quarter, which was in line with the year-earlier period (34.4), but lower compared with the preceding quarter (38.3).

Personnel costs in relation to revenue increased year-on-year to 17.7% (14.2). A provision for the company's incentive programmes for management impacted personnel costs during the quarter by EUR 0.9 m (0.0). Personnel costs in relation to revenue amounted to 16.5% 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 16.6% (10.8) 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 0.7 m, which was driven by transaction-related costs.

Other revenue of EUR 0.6 m (0.1) has increased during the quarter as a result of the sale of a customer database of EUR 0.5 m.

Reported EBITDA was EUR -2.6 m (11.6) during the period and included, as mentioned above, a number of items affecting comparability totalling EUR 1.1 m (0.0). These were attributable to transaction-related costs and provisions for incentive programmes, which in total amounted to EUR 1.6 m. Items affecting comparability also included revenue for the sold customer database of EUR 0.5 m.

The Group's depreciation and amortisation excluding acquisition-related depreciation and amortisation totalled EUR 3.9 m (3.1). Amortisation related to acquired intangible assets totalled EUR 1.2 m (2.4). In the third quarter of the preceding year, Royal Panda's acquired customer database became fully amortised, which is the main reason for the year-on-year decline. From 2022, the customer database related to the acquisition of LeoVegas UK's Rocket X is also fully amortised.

Operating profit (EBIT) for the quarter was EUR -2.5 m (6.1), corresponding to an EBIT margin of -2.5% (6.2). Adjusted EBIT for the quarter was EUR -0.2 m (8.5), corresponding to an adjusted EBIT margin of -0.2% (8.6). Adjusted EBIT gives a more accurate picture of the Group's underlying earnings during the period.

Net financial items amounted to EUR -2.5 m (-0.9) and mainly related to interest on the company's bond issues. As the result of the repurchase offer for the company's bonds, financial expenses increased EUR 0.5 m (0.0) during the quarter. The company has also received financing through a shareholder loan of EUR 66.0 m during the quarter, of which interest expenses increased EUR 0.6 m. Within net financial

items, ongoing remeasurement of the bond in SEK has affected the outcome as well as the change in value of the currency derivative that was contracted for the initial bond issue with a total of EUR -0.2 m (0.3).

Income tax for the quarter totalled EUR -1.7 m (-0.9). During the quarter, the company's deferred tax assets in the Parent Company, related to loss-carryforwards for probable future gains, were remeasured, which entailed a tax expense totalled EUR 2.1 m.

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

Net profit for the quarter was EUR -7.8 m (4.2), corresponding to a net margin of -7.8% (4.3). Adjusted net profit for the quarter totalled EUR -5.1 m (6.6).

BALANCE SHEET AND FINANCING

Cash and cash equivalents at the end of the fourth quarter amounted to EUR 70.1 m (75.2). Cash and cash equivalents, excluding player funds, amounted to EUR 47.5 m.

In the fourth quarter, the company repaid the revolving credit facility (RCF) of EUR 40.0 m and a shareholder loan has instead been obtained of EUR 66.0 m. The company's bonds outstanding at the end of the quarter amounted to EUR 34.1 m (67.8). As a result of the change of control event and the delisting from Nasdaq Stockholm, bondholders had the right to redeem bonds outstanding at a price corresponding to 101.00% of the nominal amount and including any accrued interest. The repurchase offers expired on 14 November and 28 November respectively, and have thus concluded. In conjunction with the repurchase offer, the bondholders have accepted repurchases corresponding to nominal amounts of SEK 203,75 m and SEK 115.00 m, respectively. The total nominal amount repurchased therefore amounted to SEK 318.75 m. 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 bond had a market value of SEK 706,958,000 in its entirety as per the end of the balance sheet date. The bond, after repurchase, had a market value of SEK 385,039,625 as per the end of the balance sheet date.

Net debt excluding player liabilities in relation to adjusted EBITDA (rolling 12 months) was 2.6x (0.3).

At the end of the quarter, equity attributable to owners of the Parent Company amounted to EUR 49.2 m (78.0). Non-controlling interest made up EUR 2.9 m (6.2) as of the balance sheet date. Total assets amounted to EUR 284.4 m (257.3).

Total liabilities increased year-on-year, mainly as the result of the company's total financing structure as of the balance sheet date. Accrued expenses, primarily driven by continued provisions for the company's gaming taxes in Austria, as well as a higher share of trade payables, were other reasons for the increase. 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 -1.6 m (7.5) 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 also includes deferred payment of gaming taxes in Austria, amounting to EUR 20.8 m (16.1) and provisions for the company's exclusive jackpots.

Cash flow from investing activities totalled EUR -5.8 m (-4.6) and pertained primarily to capitalised development costs.

Cash flow from financing activities totalled EUR -3.6 m (-6.5) and was mainly impacted by the company financing shareholder loans of EUR 66.0 m (0.0), the repayment of the bank facility of EUR -40.0 m (0.0) and payment concerning the repurchase offer of the company's bonds of EUR -29.2 m (0.0). Amortisation of the lease liability, i.e., rents paid for the Group's right of use assets, had an accounting effect on cash flow from financing activities of EUR 0.5 m (0.5). No dividend has been paid to shareholders during the quarter (-3.9).

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 0.3 m (0.2). Profit after tax was EUR -5.4 m (27.1). Profit is steered by dividends from subsidiaries, interest expenses for credit facilities, interest income from lending to subsidiaries, invoiced management services and other operating expenses. During the year, no dividends from subsidiaries were taken up as revenue since no dividend is expected to be paid to shareholders during the year. During the quarter, a reclassification has taken place in the Parent company's income statement. Only invoicing revenue relating to management services is reported as revenues. The classification follows previous years' presentation.

During the quarter, the company's deferred tax assets were remeasured, which entailed a tax expense totalling EUR 2.1 m.

Cash and cash equivalents amounted to EUR 1.3 m (7.1). The Parent Company has one bond issue of EUR 34.1 m (67.8), which expires in its entirety in December 2023 and is therefore classified as a current liability as of the balance sheet date. As the result of a change in ownership with MGM Casino Next Lion, LLC and the delisting from Nasdaq Stockholm, a right arose (but no obligation) for the company's bondholders to redeem the company's bonds outstanding. The repurchase offers expired on 14 November and 28 November respectively, and have thus concluded. In conjunction with the repurchase offer, the bondholders have accepted repurchases corresponding to nominal amounts of SEK 203.75 m and SEK 115.00 m, respectively. The total nominal amount repurchased therefore amounted to SEK 318.75 m. The price for repurchased bonds was 101.00% of the nominal amount and was paid together with accrued interest during the quarter. The company's bank facility of EUR 40.0 m was repaid during the quarter and financing has instead been taken up through Group companies totalling EUR 6.7 m (0.0). In connection with the initial bond issue of SEK 500 m, 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 4.8 m (0.9). The derivative expires in December 2023 and is therefore classified as current. Financial items during the quarter were charged with EUR 1.6 m (0.7) net by interest expenses, transaction costs

and other related costs coupled to the bond financing and repurchase offer. The increased financial expenses are the result of the repurchase offer and the market value of the currency derivative.

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 82–86, of the 2021 Annual Report. All of the accounting policies are unchanged since the most recently published annual report for the 2021 financial year.

ALTERNATIVE PERFORMANCE MEASURES

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

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

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

LeoVegas conducts operations across borders and complies with regulations such as corporation tax and indirect taxes in a number of jurisdictions. The tax environment is complex

and LeoVegas evaluates and makes continual assessments concerning the company's tax positions. LeoVegas could be negatively affected by judicial rulings, settlements and costs associated with legal processes and investigations, and disputes, and could be the subject of legal action in the future. 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 2021 Annual Report includes a detailed description of the company's risks as well as more information about the significant estimates and assessments used in the preparation of the Group's financial reports.

FINANCIAL CALENDAR

The company will publish its Annual Report for 2022 on 27 April 2023. The Annual Report will be made available on LeoVegas Group's website: www.leovegasgroup.com

OTHER

This report has not been audited.

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CONSOLIDATED INCOME STATEMENT

EUR'000s	Oct-Dec 2022	Oct-Dec 2021	2022	2021
Revenue	99,452	98,228	394,659	391,171
Cost of sales	(14,819)	(15,599)	(61,332)	(65,719)
Gaming Duties	(18,829)	(17,325)	(71,757)	(64,001)
Gross profit	65,804	65,304	261,571	261,451
Personnel costs	(17,597)	(13,935)	(63,690)	(53,184)
Capitalised development costs	5,029	4,580	17,807	15,269
Other operating expenses	(16,546)	(10,626)	(64,215)	(36,739)
Marketing expenses	(34,670)	(33,789)	(133,361)	(143,763)
Other income and expenses	628	59	1,436	318
EBITDA	2,647	11,592	19,548	43,351
Depreciation and amortisation	(3,919)	(3,115)	(14,515)	(11,746)
Amortisation of acquired intangible assets and impairment of assets incl. goodwill	(1,238)	(2,367)	(6,645)	(13,562)
Operating profit (EBIT)	(2,509)	6,110	(1,612)	18,043
Financial income	-	-	-	-
Financial costs	(2,492)	(884)	(5,270)	(3,968)
Foreign currency gains/losses	(886)	-	(1,449)	-
Share of profit after tax from associated companies reported using the equity method	(119)	(91)	(272)	47
Profit before tax	(6,006)	5,135	(8,603)	14,123
Income tax	(1,747)	(926)	(17,206)	(2,310)
Net profit for the period	(7,753)	4,210	(25,810)	11,813
Net profit attributable to owners of the parent company	(7,730)	3,964	(26,064)	10,999
Net profit attributable to non-controlling interests	(23)	246	254	814
Other comprehensive income				
Items that may be transferred to profit for the year:				
Exchange differences on translation of foreign operations	200	(15)	(135)	(13)
Other comprehensive income for the period, after tax	200	(15)	(135)	(13)
Total comprehensive income for the period	(7,554)	4,195	(25,945)	11,800
Total comprehensive income attributable to owners of the parent company	(7,530)	3,949	(26,199)	10,986
Total comprehensive income attributable to non-controlling interests	(23)	246	254	814
Key ratios				
Cost of sales as a % of revenue	14.9%	15.9%	15.5%	16.8%
Gaming duties as a % of revenue	18.9%	17.6%	18.2%	16.4%
Gross margin, %	66.2%	66.5%	66.3%	66.8%
Personnel costs as % of revenue	17.7%	14.2%	16.1%	13.6%
Operating expenses as % of revenue	16.6%	10.8%	16.3%	9.4%
Marketing expenses as % of revenue	34.9%	34.4%	33.8%	36.8%
EBITDA margin %	2.7%	11.8%	5.0%	11.1%
EBIT margin %	(2.5%)	6.2%	(0.4%)	4.6%
Net margin, %	(7.8%)	4.3%	(6.5%)	3.0%
Adjusted profit measures EUR'000s	Oct-Dec 2022	Oct-Dec 2021	2022	2021
EBITDA	2,647	11,592	19,548	43,351
Management incentive program	930	-	930	-
Transaction-related costs	663	-	11,013	-
Other items affecting comparability	(500)	-	2,521	1,263
Adjusted EBITDA	3,741	11,592	34,012	44,614
Depreciation and amortisation	(3,919)	(3,115)	(14,515)	(11,746)
Adjusted EBIT	(178)	8,477	19,497	32,868
Net financial items	(2,200)	(884)	(4,978)	(3,968)
Foreign currency gains/losses	(886)	-	(1,449)	-
Share of profit after tax from associated companies reported using the equity method	(119)	(91)	(272)	47
Tax	(1,747)	(926)	(2,306)	(2,310)
Adjusted net income	(5,131)	6,576	10,492	26,637
Adjusted EBITDA margin %	3.8%	11.8%	8.6%	11.4%
Adjusted EBIT margin %	(0.2%)	8.6%	4.9%	8.4%
Adjusted net margin %	(5.2%)	6.7%	2.7%	6.8%

CONSOLIDATED BALANCE SHEET, CONDENSED

EUR'000s	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets		
Property, plant and equipment	2,229	2,157
Lease assets (right of use assets)	7,183	5,836
Intangible assets	36,025	28,449
Intangible assets related to surplus values from acquisitions	14,537	19,493
Goodwill	95,734	95,734
Financial Fixed Asset	-	-
Deferred tax assets	627	2,162
Other non-current assets	9,234	-
Investments in associated accounted for using the equity method	1,146	1,168
Total non-current assets	166,715	154,999
Current assets		
Trade receivables and other receivables	38,396	21,824
Prepaid expenses and other accrued income	9,229	5,311
Cash and cash equivalents	70,075	75,161
<i>of which restricted cash (player funds)</i>	<i>22,551</i>	<i>19,945</i>
Total current assets	117,700	102,296
TOTAL ASSETS	284,415	257,295
Share capital	1,220	1,220
Additional paid-in capital	26,774	26,776
Other reserves	(1,337)	623
Retained earnings including profit for the period	22,573	49,368
Equity attributable to owners of the Parent Company	49,230	77,987
Non-controlling interest	2,876	6,164
Total Equity	52,106	84,151
Bank loan	-	-
Shareholders loan	66,000	-
Bond Loan	-	67,815
Lease liabilities	4,172	3,029
Financial liability	-	848
Provision management incentive program	672	-
Deferred tax liability	886	1,091
Total non-current liabilities	71,730	72,783
Current liabilities		
Trade and other payables	12,998	7,997
Player liabilities	22,551	19,945
Tax liability	2,178	4,334
Accrued expenses and deferred income	80,753	65,136
Current bond loan	34,069	-
Short-term liabilities to credit institutions	-	-
Short-term lease liabilities	3,239	2,949
Current financial liability	4,791	-
Total current liabilities	160,579	100,361
Total liabilities	232,309	173,144
TOTAL EQUITY AND LIABILITIES	284,415	257,295

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED

EUR'000s	Oct-Dec 2022	Oct-Dec 2021	2022	2021
Operating profit	(2,509)	6,110	(1,612)	18,043
Adjustments for non-cash items	6,195	4,942	23,664	24,184
Cash flow from changes in working capital	(5,241)	(3,585)	(1,486)	8,545
Net income taxes paid	-	-	(26,765)	(4,916)
Cash flow from operating activities	(1,555)	7,467	(6,199)	45,856
Acquisition of property, plant and equipment	(167)	(281)	(1,256)	(901)
Acquisition of intangible assets	(5,361)	(4,320)	(19,193)	(15,831)
Acquisition of subsidiaries	-	-	(5,356)	(10,391)
Investment of associate accounted for using the equity method	(250)	-	(250)	(1,121)
Proceeds on sale of subsidiaries and assets	-	-	-	-
Cash flow from investing activities	(5,778)	(4,601)	(26,055)	(28,244)
Bond financing	(29,181)	-	(29,181)	19,897
Loan financing	(40,000)	-	-	-
Lease liabilities	(460)	(532)	(3,293)	(3,037)
Share buyback	-	(2,134)	-	(9,538)
Proceeds from share issue/other equity securities	-	7	(2)	200
Shareholders loan	66,000	-	66,000	-
Cash dividends paid out to shareholders	-	(3,882)	(4,785)	(12,695)
Cash flow from financing activities	(3,641)	(6,541)	28,739	(5,173)
Net increase/(decrease) in cash and cash equivalents	(10,974)	(3,675)	(3,515)	12,439
Cash and cash equivalents at start of the period	81,643	78,916	75,161	63,340
Currency effects on cash and cash equivalents	(594)	(80)	(1,571)	(618)
Cash and cash equivalents at end of period	70,075	75,161	70,075	75,161
<i>of which restricted cash (player funds)</i>	<i>22,551</i>	<i>19,945</i>	<i>22,551</i>	<i>19,945</i>

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 2021	1,220	36,115	421	55,075	92,831	5,350	98,181
Profit for the period	-	-	-	10,999	10,999	814	11,813
Other comprehensive income items <i>(exchange differences of foreign operations)</i>	-	-	(13)	-	(13)	-	(13)
Total comprehensive income for the period	-	-	(13)	10,999	10,986	814	11,800
<i>Transactions with shareholders in their capacity as owners:</i>							
Dividends	-	-	215	(16,706)	(16,491)	-	(16,491)
Options Premium	-	199	-	-	199	-	199
Share buyback	-	(9,538)	-	-	(9,538)	-	(9,538)
<i>Transactions with shareholders in their capacity as owners:</i>							
Acquisition of NCI	-	-	-	-	-	-	-
Balance at 31 December 2021	1,220	26,776	623	49,368	77,987	6,164	84,151
Balance at 1 January 2022	1,220	26,776	623	49,368	77,987	6,164	84,151
Profit for the period	-	-	-	(26,064)	(26,064)	254	(25,810)
Other comprehensive income <i>(exchange differences of foreign operations)</i>	-	-	(135)	-	(135)	-	(135)
Total comprehensive income for the period	-	-	(135)	(26,064)	(26,199)	254	(25,945)
<i>Transactions with shareholders in their capacity as owners:</i>							
Dividends	-	-	(10)	(980)	(990)	-	(990)
Options Premium	-	(2)	-	-	(2)	-	(2)
Acquisition of NCI	-	-	(1,815)	-	(1,815)	(3,542)	(5,357)
Management incentive program	-	-	-	249	249	-	249
Share buyback	-	-	-	-	-	-	-
Balance at 31 December 2022	1,220	26,774	(1,337)	22,573	49,230	2,876	52,106

PARENT COMPANY INCOME STATEMENT, CONDENSED

EUR'000s	Oct - Dec 2022	Oct - Dec 2021	2022	2021
Revenue	288	212	840	849
Operating expenses	(2,362)	(1,423)	(12,185)	(4,866)
Other income and expenses	-	(619)	23	(619)
Operating profit (EBIT)	(2,074)	(1,830)	(11,322)	(4,636)
Net financial income	(1,268)	29,777	(1,399)	29,347
Profit before tax	(3,343)	27,947	(12,721)	24,711
Apportion	-	-	-	-
Tax cost	(2,061)	(834)	(2,061)	(834)
Net Profit for the period*	(5,404)	27,113	(14,782)	23,877

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

PARENT COMPANY BALANCE SHEET, CONDENSED

EUR'000s	31 Dec 2022	31 Dec 2021
ASSETS		
Total non-current assets	14,077	46,031
Current assets	53,557	55,481
Cash and cash equivalents	1,331	7,122
Total current assets	54,888	62,603
TOTAL ASSETS	68,965	108,634
Total equity	20,789	35,332
Bond Loan	-	67,815
Financial liability	-	848
Long-term liabilities to Group Companies	6,708	-
Provision management incentive program	302	-
Total long term liabilities	7,010	68,663
Current liabilities	2,306	4,639
Current Bond loan	34,069	-
Current Bank loan	-	-
Financial liability	4,791	-
Total current liabilities	41,166	4,639
Total liabilities	48,176	73,302
TOTAL EQUITY AND LIABILITIES	68,965	108,634

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.

AVERAGE NUMBER OF FULL-TIME EMPLOYEES

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

ADJUSTED EBITDA

EBITDA adjusted for items affecting comparability.

ADJUSTED EBIT

EBIT adjusted for items affecting comparability.

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. During the period, a fine from the UKGC was also recognised as an item affecting comparability.

CASH AND CASH EQUIVALENTS

Balances in bank accounts plus e-wallets.

NET DEBT EXCLUDING PLAYER LIABILITIES

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

NEW DEPOSITING CUSTOMER (NDC)

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

ORGANIC GROWTH

Growth excluding acquisitions, adjusted for currency effects.

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).