



EGR LIVE CASINO SUPPLIER OF THE YEAR
NINE TIME WINNER 2010-2018

EGR MULTI-CHANNEL SUPPLIER
OF THE YEAR 2018

Interim report | January–June 2018 | Evolution Gaming Group AB (publ)

Second quarter of 2018 (Q2 2017)

- Operating revenues increased by 40% to EUR 59.3 million (42.3)
- EBITDA increased by 36% to EUR 26.2 million (19.2), corresponding to a margin of 44.2% (45.5)
- Profit for the period amounted to EUR 20.1 million (14.6)
- Earnings per share amounted to EUR 0.56 (0.41)

January-June 2018 (1H 2017)

- Operating revenues increased by 35% to EUR 110.8 million (82.0)
- EBITDA increased by 33% to EUR 48.1 million (36.3), corresponding to a margin of 43.4% (44.2)
- Profit for the period amounted to EUR 36.7 million (27.4)
- Earnings per share amounted to EUR 1.02 (0.76)

Events during the second quarter of 2018

- Favourable demand for new tables, over 500 expected to be live at year-end
- New customers and preparations for launch of new studio in New Jersey in Q3
- Live Casino Supplier of the Year for the ninth consecutive year

Summary of the second quarter and the first six months of 2018

Group (EUR thousands)	Apr-Jun 2018	Apr-Jun 2017	%	Jan-Jun 2018	Jan-Jun 2017	%	Jul 2017-Jun 2018	Jan-Dec 2017
Operating revenues	59,252	42,290	40%	110,846	81,978	35%	207,254	178,385
EBITDA	26,168	19,248	36%	48,121	36,275	33%	92,482	80,636
EBITDA margin	44.2%	45.5%	-	43.4%	44.2%	-	44.6%	45.2%
Operating profit	21,688	15,935	36%	39,525	29,890	32%	76,516	66,882
Operating margin	36.6%	37.7%	-	35.7%	36.5%	-	36.9%	37.5%
Profit for the period	20,076	14,617	37%	36,683	27,359	34%	71,453	62,129
Profit margin	33.9%	34.6%	-	33.1%	33.4%	-	34.5%	34.8%
Earnings per share (EUR)	0.56	0.41	37%	1.02	0.76	35%	1.99	1.73
Equity per share (EUR)	3.18	2.09	53%	3.18	2.09	53%	3.18	3.05
OCF per share (EUR)	0.73	0.42	73%	1.15	0.76	50%	2.12	1.74
Average number of FTEs	3,425	2,485	38%	3,343	2,467	35%	3,070	2,639

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CEO's comments

I am pleased to be able to sum up a quarter with much new progress, both within the framework of ongoing investments, as well as in ongoing customer processing and marketing. Revenue for the quarter amounted to EUR 59.3 million, corresponding to an increase of 40 percent compared with the second quarter of 2017. EBITDA amounted to EUR 26.2 million with a margin of 44.2 percent, an improvement compared with the start of the year.

As this report is being published, the FIFA World Cup has just ended – and the second quarter was largely characterised by the preparations for this major sporting event, with many new tables in our studios, followed by a high level of activity as the tournament began. We see continued favourable demand for tables even after the World Cup, and expect to have a total of more than 500 in operation at the end of the year. Similar to our historical pattern, we are leveraging our size and utilising our expanded resources for optimum efficiency, with each new table being optimised and delivering more over time.

In addition to our focus on the World Cup during the quarter, we made clear progress with our initiative in New Jersey, with several new customer agreements and activities associated with our new studio in that market. The studio is being built to serve several operators and will initially offer 10 tables with Live American Roulette, Blackjack, Baccarat, Three Card Poker, Ultimate Texas Hold'em and Slingshot Auto Roulette. More games and tables will then be released gradually, including dedicated tables for specific operators. The studio in New Jersey is expected to go live in the third quarter this year.

The regulation of the Swedish market is approaching, and we are very proud to have signed agreements after the end of the quarter, gaining the trust to deliver Live Casino services to both Svenska Spel and ATG. We take a positive view of regulation and look forward to continuing to work with both existing and new customers in Sweden's new gaming market.

Most of our customers are licensed in a limited number of jurisdictions while operating in a global market. In line with our customers' geographical spread, our global exposure is also increasing. Against this background we provide, in this report, a clearer picture of where our end users are located. We can affirm that the proportion outside Europe is increasing, and that regulated markets account for about one third.

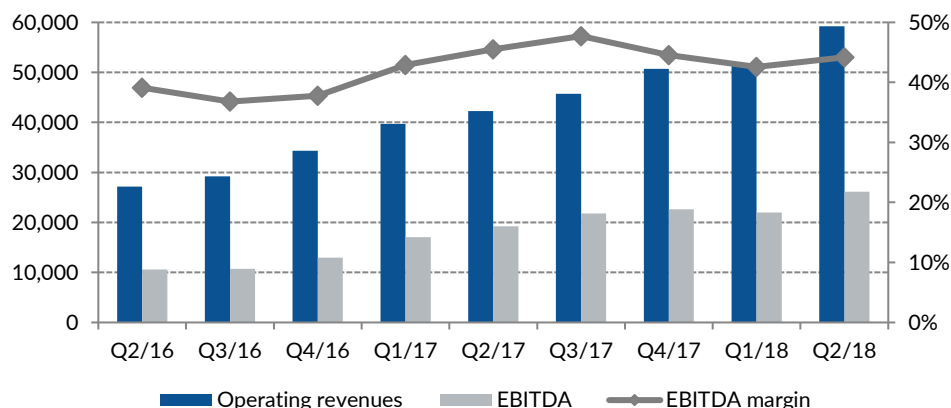
Towards the end of the quarter, we were again honoured to receive the *Live Casino Supplier of the Year* award at the annual EGR B2B Awards. This is the ninth consecutive year in which we have brought home the award in this category, proving that we are continuing to strengthen our leadership in an increasingly competitive market. I would particularly like to highlight Lightning Roulette as an example of how we are continuously renewing the Live Casino vertical and are at the absolute forefront of development. Since its launch just a few months ago, Lightning Roulette, which is unique to our platform, has become one of the most popular games in the market.

In connection with the EGR B2B Awards, we were also named the *Multi-Channel Supplier of the Year*, thanks to our cross-border Dual Play product. During the quarter, we signed agreements for a total of five new Dual Play solutions for casinos in both Europe and the US, thereby strengthening our position as the natural partner for land-based casinos seeking to develop their brands online.

With half of 2018 behind us, I can state that we are continuing to deliver on our ongoing mission to continuously extend the gap between us and our competitors. Evolution's operations are becoming increasingly global, with over ten years' experience of delivering the best Live Casino services to both pure online operators and land-based casinos in a growing number of markets. I and all of Evolution's employees look forward to the second half of the year, in which we will continue to create fantastic Live Casino experiences, both for our customers and their end users.

Martin Carlesund
CEO

Quarterly results trend



Financial performance in the second quarter of 2018

Revenues

Revenues amounted to EUR 59.3 million (42.3) in the second quarter, corresponding to an increase of 40% compared with the corresponding period in 2017. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games was generally high over the quarter and the number of bet spots from end users amounted to 3.6 billion (2.2). Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

Expenses

Operating expenses amounted to EUR 37.6 million (26.4). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios. At the end of the quarter, the number of employees amounted to 4,856 (3,660), corresponding to 3,600 (2,539) full-time positions. The strong expansion has also increased other operating expenses compared with preceding quarters.

Profitability

Operating profit amounted to EUR 21.7 million (15.9), corresponding to an increase of 36 percent. The operating margin was 36.6 percent (37.7). The EBITDA margin was 44.2 percent (45.5).

Net financial items only had a marginal impact on profits and related to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 7.2 percent (8.0). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the period amounted to EUR 20.1 million (14.6). Earnings per share before dilution were EUR 0.56 (0.41).

Investments

Investments in intangible assets amounted to EUR 2.7 million (2.4) during the quarter. The increase is primarily due to a higher pace of new game development in the quarter. Investments in property, plant and equipment amounted to EUR 5.5 million (1.8). The increase is attributable to an expanded studio area and the construction of new studios in Tbilisi, Georgia and New Jersey, USA.

Investments in intangible assets refer to the development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment primarily comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 25.9 million (15.1) during the quarter. Cash flow from investing activities was negative in the amount of EUR 8.5 million (negative 4.5). Cash flow from financing activities was negative in the amount of EUR 32.4 million (negative 16.4). Cash and cash equivalents amounted to EUR 37.2 million (28.3) at the end of the quarter.

First half of 2018 in brief

Revenues

For the 2018 January-June period, revenues amounted to EUR 110.8 million (82.0), corresponding to an increase of 35 percent compared with the equivalent period in 2017. The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

Expenses

Operating expenses amounted to EUR 71.3 million (52.1). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios.

Profitability

Operating profit amounted to EUR 39.5 million (29.9) with an operating margin of 35.7 percent (36.5). The EBITDA margin was 43.4 percent (44.2).

Investments

Investments in intangible assets amounted to EUR 5.6 million (4.8) for the period. Investments in property, plant and equipment amounted to EUR 12.0 million (3.3). Investments in other financial assets amounted to EUR 3.0 million (0.3).

Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 41.0 million (27.4) over the year. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 20.6 million (negative 8.6). Cash flow from financing activities was negative in the amount of EUR 32.6 million (negative 16.7).

Market development

Live Casino market

In Europe, Live Casino has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, increased use of mobile devices, the migration of land-based casinos to online environments and market regulations. To a large extent, growth is also driven by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their Live offerings to customers more extensively than before.

As a B2B supplier, Evolution has customer relations to the gaming operators, who in turn own the relation with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while

operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which end-users originate, and the share of mobile play, based on the operators' gross gaming revenues (GGR) via Evolution's platform.

End user data based on generated GGR for the gaming operators via Evolution's platform

Group	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17
Nordics	9%	9%	9%	10%	9%
United Kingdom	16%	17%	18%	18%	20%
Rest of Europe	50%	52%	53%	54%	57%
Rest of World	25%	22%	20%	18%	14%
Total	100%	100%	100%	100%	100%
Regulated markets	31%	33%	35%	33%	34%
Mobile	58%	59%	56%	56%	52%

Other

Parent Company

The Parent Company is a holding company. Operating revenues for the second quarter of 2018 amounted to EUR 1.4 million (1.2) and expenses to EUR 1.5 million (1.2). Operating loss amounted to EUR 0.1 million (0). Loss for the period amounted to EUR 0.1 million (0.2). The Parent Company's cash and cash equivalents amounted to EUR 1.0 million (1.1) at the end of the period and equity amounted to EUR 200.0 million (182.4). No significant investments were made in intangible or tangible assets.

Employees

As of 30 June 2018, Evolution had 4,856 employees (3,660), corresponding to 3,600 full-time positions (2,539). The average number of full-time equivalents for the quarter was 3,425 (2,485).

Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2017, which is available on the company's website.

Upcoming report dates

Interim report January-September 2018	24 October 2018
Year-end report 2018	14 February 2019

Review

This interim report has not been reviewed by the company's auditors

Condensed consolidated income statements

Group (EUR thousands)	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jul 2017- Jun 2018	Jan-Dec 2017
Revenues	59,211	42,208	110,782	81,896	207,108	178,222
Other revenues	41	81	64	81	146	163
Total operating revenues	59,252	42,290	110,846	81,978	207,254	178,385
Personnel expenses	-24,244	-17,607	-45,095	-33,975	-83,242	-72,122
Depreciation, amortisation and impairments	-4,480	-3,313	-8,596	-6,385	-15,966	-13,754
Other operating expenses	-8,840	-5,435	-17,630	-11,728	-31,529	-25,628
Total operating expenses	-37,564	-26,355	-71,321	-52,088	-130,737	-111,504
Operating profit	21,688	15,935	39,525	29,890	76,516	66,882
Financial items	-43	-46	-86	-132	-172	-217
Profit before tax	21,645	15,889	39,439	29,758	76,345	66,664
Tax on profit for the period	-1,569	-1,272	-2,756	-2,399	-4,892	-4,535
Profit for the period	20,076	14,617	36,683	27,359	71,453	62,129
<i>Of which attributable to:</i>						
Shareholders of the Parent Company	20,076	14,617	36,683	27,359	71,453	62,129
Average number of shares before dilution	35,970,377	35,970,377	35,970,377	35,970,377	35,970,377	35,970,377
Earnings per share before dilution (EUR)	0.56	0.41	1.02	0.76	1.99	1.73
Average number of shares after dilution	36,337,046	36,337,046	36,337,046	36,337,046	36,337,046	36,337,046
Earnings per share after dilution (EUR)	0.55	0.40	1.01	0.75	1.97	1.71
Operating margin	36.6%	37.7%	35.7%	36.5%	36.9%	37.5%
Effective tax rate	7.2%	8.0%	7.0%	8.1%	6.4%	6.8%

Condensed comprehensive income statement

Group (EUR thousands)	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jul 2017- Jun 2018	Jan-Dec 2017
Profit for the period	20,076	14,617	36,683	27,359	41,064	31,740
Other comprehensive income						
<i>Items that may be reclassified to profit</i>						
Exchange differences arising from the translation of foreign operations	48	-36	112	-108	42	-178
Other comprehensive income, net after tax	48	-36	112	-108	42	-178
Total comprehensive income for the period	20,124	14,581	36,795	27,251	41,106	31,563

Consolidated balance sheets

Group (EUR thousands)	30/06/2018	30/06/2017	31/12/2017
Assets			
Intangible assets	17,054	15,350	16,567
Buildings	12,279	12,502	12,390
Property, plant and equipment	25,656	12,698	17,073
Other long-term receivables	5,456	772	2,397
Deferred tax assets	71	318	112
Total non-current assets	60,516	41,640	48,540
Accounts receivable	43,678	26,798	39,492
Other receivables	20,630	11,033	27,828
Prepaid expenses and accrued income	3,103	1,992	2,206
Cash and cash equivalents	37,163	28,347	49,272
Total current assets	104,574	68,170	118,798
TOTAL ASSETS	165,089	109,810	167,337
Equity and liabilities			
Share capital	540	540	540
Other capital contributed	4,698	4,698	4,698
Reserves	26	-45	-86
Retained earnings including profit for the period	109,231	69,878	104,730
Total equity	114,495	75,071	109,881
Deferred tax liability	574	764	565
Long-term debt to credit institutions	6,229	6,984	6,693
Total long-term liabilities	6,803	7,748	7,259
Accounts payable	2,355	1,308	3,951
Short-term debt to credit institutions	950	1,130	950
Current tax liabilities	24,339	13,524	31,898
Other current liabilities	9,528	6,217	8,094
Accrued expenses and prepaid income	6,619	4,812	5,305
Total current liabilities	43,791	26,991	50,198
TOTAL EQUITY AND LIABILITIES	165,089	109,810	167,337

Consolidated changes in equity

Group, 2017 (EUR thousands)	Share Capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 01/01/2017	540	4,698	-9	58,667	63,896
Dividend payout 03/05/2018	-	-	-	-16,187	-16,187
Warrants	-	-	-	79	79
Total comprehensive income for Jan-Mar	-	-	-72	12,742	12,670
Total comprehensive income for Apr-Jun	-	-	-36	14,617	14,581
Total comprehensive income for Jul-Sep	-	-	67	16,777	16,844
Total comprehensive income for Oct-Dec	-	-	-37	18,034	17,998
Closing equity 31/12/2017	540	4,698	-86	104,729	109,881
Group, 2018 (EUR thousands)	Share Capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 01/01/2018	540	4,698	-86	104,729	109,881
Dividend payout 02/05/2017	-	-	-	-32,135	-32,135
Warrants	-	-	-	39	39
Total comprehensive income for Jan-Mar	-	-	64	16,521	16,585
Total comprehensive income for Apr-Jun	-	-	48	20,076	20,124
Closing equity 30/6/2018	540	4,698	26	109,231	114,495

Consolidated statement of cash flows

Group (EUR thousands)	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017
Operating profit	21,688	15,935	39,525	29,890	66,882
<i>Adjustment for items not included in cash flows:</i>					
Depreciation, amortisation and impairments	4,480	3,313	8,596	6,385	13,754
Other	19	20	39	39	-79
Interest received	0	0	0	0	6
Interest paid	-43	-46	-86	-132	-224
Tax paid	-646	-379	-2,224	-1,776	-2,974
Cash flows from operating activities before changes in working capital	25,498	18,842	45,850	34,406	77,365
Increase / Decrease in Accounts receivables	362	-4,562	-4,186	-7,758	-20,453
Increase / Decrease in Accounts payables	-996	548	-1,596	-593	1,782
Increase / Decrease in other working capital	1,054	290	913	1,363	3,791
Cash flows from operating activities	25,919	15,117	40,982	27,417	62,484
Acquisition of intangible assets	-2,680	-2,373	-5,568	-4,848	-10,558
Acquisition of property, plant and equipment	-5,482	-1,817	-11,987	-3,295	-10,191
Acquisition of building	-	-	-	-200	-200
Increase in other financial assets	-348	-274	-3,017	-250	-1,438
Cash flows from investing activities	-8,510	-4,463	-20,572	-8,593	-22,387
Repayment of debt to credit institutions	-237	-239	-464	-478	-748
Dividend	-32,135	-16,187	-32,135	-16,187	-16,187
Cash flows from financing activities	-32,372	-16,426	-32,599	-16,665	-16,935
Cash flow for the period	-14,963	-5,772	-12,189	2,159	23,163
Cash and cash equivalents at start of period	52,076	34,119	49,272	26,188	26,188
Cash flow for the period	-14,963	-5,772	-12,189	2,159	23,163
Exchange rate differences	49	-	79	-	-78
Cash and cash equivalents at end of period	37,163	28,347	37,163	28,347	49,272

The company presents certain financial measures in the interim report that are not defined under IFRS. The company believes that these measures provide useful supplemental information to investors and the company's management as they permit the evaluation of the company's financial performance and position. Since not all companies calculate financial measures in the same way, these are not always comparable to the measures used by other companies. Consequently, these financial measures should not be seen as a substitute for measures defined under IFRS. The tables below include measurements that are not defined in accordance with IFRS, unless otherwise stated. For definitions and purposes, see also the last page of the report.

Consolidated key ratios

Group (EUR thousands)	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jul 2017- Jun 2018	Jan-Dec 2017
Operating revenues (IFRS)	59,252	42,290	110,846	81,978	207,254	178,385
EBITDA margin	44.2%	45.5%	43.4%	44.2%	44.6%	45.2%
Operating margin	36.6%	37.7%	35.7%	36.5%	36.9%	37.5%
Profit margin	33.9%	34.6%	33.1%	33.4%	34.5%	34.8%
Equity/assets ratio	69.4%	68.4%	69.4%	68.4%	69.4%	65.7%
Cash and cash equivalents	37,163	28,347	37,163	28,347	37,163	49,272
Average number of full-time employees	3,425	2,485	3,343	2,467	3,070	2,639
Full-time employees at end of period	3,600	2,539	3,600	2,539	3,600	3,085
Earnings per share (EUR) (IFRS)	0.56	0.41	1.02	0.76	1.99	1.73
Equity per share (EUR)	3.18	2.09	3.18	2.09	3.18	3.05
Operating cash flow per share (EUR)	0.73	0.42	1.15	0.76	2.12	1.74
Average number of outstanding shares	35,970,377	35,970,377	35,970,377	35,970,377	35,970,377	35,970,377
Number of outstanding shares	35,970,377	35,970,377	35,970,377	35,970,377	35,970,377	35,970,377

Consolidated key ratios by quarter

Group (EUR thousands)	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16
Operating revenues (IFRS)	59,252	51,594	50,718	45,690	42,290	39,688	34,322	29,206
EBITDA	26,168	21,959	22,599	21,803	19,248	17,027	12,966	10,753
EBITDA margin	44.2%	42.6%	44.6%	47.7%	45.5%	42.9%	37.8%	36.8%
Operating profit	21,688	17,842	18,806	18,226	15,935	13,955	10,107	8,182
Operating margin	36.6%	34.6%	37.1%	39.9%	37.7%	35.2%	29.4%	28.0%
Revenue growth vs prior year	40.1%	30.0%	47.8%	56.4%	55.8%	60.1%	53.1%	47.4%
Revenue growth vs prior quarter	14.8%	1.7%	11.0%	8.0%	6.6%	15.6%	17.5%	7.6%
Cash and cash equivalents	37,163	52,076	49,272	38,798	28,347	34,119	26,188	17,804

Reconciliation of selected key ratios not defined in accordance with IFRS

Group (EUR thousands)	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jul 2017- Jun 2018	Jan-Dec 2017
Operating margin						
Profit before tax	21,646	15,889	39,439	29,758	76,345	66,664
Excluding net financial items	43	46	86	132	172	217
Operating profit (EBIT)	21,689	15,935	39,525	29,890	76,516	66,882
Divided by Total operating revenues	59,252	42,290	110,846	81,978	207,254	178,385
Operating (EBIT) margin	36.6%	37.7%	35.7%	36.5%	36.9%	37.5%
EBITDA and EBITDA margin						
Profit before tax	21,646	15,889	39,439	29,758	76,345	66,664
Net financial items	43	46	86	132	172	217
Depreciation/amortisation	4,480	3,313	8,597	6,385	15,966	13,754
EBITDA	26,169	19,248	48,122	36,275	92,483	80,636
Divided by Total operating revenues	59,252	42,290	110,846	81,978	207,254	178,385
EBITDA margin	44.2%	45.5%	43.4%	44.2%	44.6%	45.2%
Profit margin						
Profit for the period	20,076	14,617	36,683	27,359	71,453	62,129
Divided by Total operating revenues	59,252	42,290	110,846	81,978	207,254	178,385
Profit margin	33.9%	34.6%	33.1%	33.4%	34.5%	34.8%
Equity/Assets ratio						
Total equity	114,495	63,896	114,495	75,071	114,495	109,881
Divided by Total assets	165,089	103,318	165,089	109,810	165,089	167,337
Equity/Assets ratio	69.4%	61.8%	69.4%	68.4%	69.4%	65.7%

Condensed Parent Company income statements and other comprehensive income

Parent company (EUR thousands)	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jul 2017- Jun 2018	Jan-Dec 2017
Operating revenues	1,407	1,238	3,004	3,236	5,963	6,194
Other external expenses	-1,517	-1,217	-3,011	-3,034	-5,990	-6,013
Operating profit	-110	21	-7	202	-27	181
Dividend from group companies	-	-	-	-	50,000	50,000
Financial items	0	0	-1	0	90	90
Profit before taxes	-110	20	-8	201	50,062	50,271
Tax on profit for the period	0	-232	0	-232	-243	-476
Result for the period	-110	-212	-8	-31	49,819	49,796

Parent company (EUR thousands)	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jul 2017- Jun 2018	Jan-Dec 2017
Profit for the period	-110	-212	-8	-31	49,819	49,796
Other comprehensive income	-	-	-	-	-	-
Other comprehensive income, net after tax	-	-	-	-	-	-
Total comprehensive income for the period	-110	-212	-8	-31	49,819	49,796

Condensed Parent Company balance sheets

Parent company (EUR thousands)	30/06/2018	30/06/2017	31/12/2017
Assets			
Intangible assets	244	32	66
Property, plant and equipment	67	113	90
Participating interest in Group companies	206,000	206,000	206,000
Other financial assets	33	36	34
Deferred tax receivables	71	317	78
Total non-current assets	206,415	206,498	206,268
Receivables from Group companies	-	7,740	25,222
Other current receivables	346	191	121
Prepaid expenses and accrued income	265	248	145
Cash and cash equivalents	1,038	1,138	951
Total current assets	1,649	9,317	26,439
TOTAL ASSETS	208,063	215,815	232,707
Equity and liabilities			
Share capital	540	540	540
Retained earnings including profit for the period	199,453	181,818	231,595
Total equity	199,993	182,358	232,135
Accounts payable	80	199	156
Liabilities to Group companies	7,624	33,111	-
Other current liabilities	207	3	40
Accrued expenses and prepaid revenues	160	145	376
Total current liabilities	8,071	33,458	572
TOTAL EQUITY AND LIABILITIES	208,063	215,815	232,707

Notes to the financial statements

Note 1. Accounting policies

Evolution prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. The Group's interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The new and revised standards, IAS 1 Presentation of Financial Statements and IFRS 13 Fair Value Measurement, have not affected the financial statements other than expanded disclosure requirements. The Parent Company uses the same accounting principles as the Group, with the addition of the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

On 1 January 2018, new standards came into effect; IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, governing how revenue is to be reported. In accordance with IFRS 15, revenue shall be reported when the customer gains control of the goods or services sold and is able to use and benefit from those goods or services. The standards will not impact the result of the Group.

A new standard will come into effect on 1 January 2019; IFRS 16 Leases, which will replace the current IAS 17 standard. The standard primarily comprises changes for the lessee while the accounting for the lessor largely remains unchanged. The Group is evaluating the effects of the standard.

Amounts are expressed in thousands of Euro (EUR) unless otherwise indicated. Amounts or figures in parentheses indicate comparative figures for the corresponding period last year.

The accounting policies are unchanged from the 2017 annual report.

Note 2. Events following the balance sheet date

No events of a material nature have occurred after the balance sheet date.

Note 3. Incentive programme

The Annual General Meeting on 20 April 2018 resolved to issue a maximum of 617,702 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 705.30 during the period from the day after the publication of the interim report for the second quarter of 2021 until the date that follows 30 calendar days after the publication of the interim report for the second quarter 2021 (however not later than on 30 September 2021).

If all 617,702 warrants 2018/2021 are exercised for subscription of 617,702 shares, the dilution effect will be approximately 1.7 percent. Upon full exercise of these 617,702 warrants and the 366,669 warrants 2016/2019, which have been transferred to a number of key employees in the group in accordance with a resolution at the 2016 Annual General Meeting (i.e. 984,371 warrants in total), the dilution effect will be approximately 2.7 percent.

The transfer of warrants will take place during the third quarter, and the outcome will be communicated in the January-September interim report.

Note 4. Seasonality

Evolution's operations are, to a certain extent, influenced by seasonal patterns in end-user activity. The Group's customers generally notice increased end-user activity and an increased volume of operations in the fourth quarter of each year, which is consistent with the Group's experience of increased Live Casino traffic and commission income earned in the fourth quarter.

Assurance

The Board of Directors and the CEO affirm that this interim report provides an accurate overview of the operations, financial position and performance of the Parent Company and the Group, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 17 July 2018

Jens von Bahr Chairman of the Board	Joel Citron Board Member	Jonas Engwall Board Member	Cecilia Lager Board Member
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Ian Livingstone Board Member	Fredrik Österberg Board Member	Martin Carlesund CEO
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For further information, please contact CFO Jacob Kaplan, +46 708 62 33 94, ir@evolutiongaming.com.

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Presentation for investors, analysts and the media

CEO Martin Carlesund and CFO Jacob Kaplan will present the report and answer questions on Wednesday, 18 July 2018 at 09:00 a.m. CET via a telephone conference. The presentation will be in English and can also be followed online. Number for participation by telephone: +46 8 506 39 549. Follow the presentation at <https://tv.streamfabriken.com/evolution-gaming-group-q2-2018>.

This information is such that Evolution Gaming Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, under the agency of the contact person set out above, on 18 July 2018, at 7.30 am CET.

Definitions of key ratios not defined in accordance with IFRS

Key ratios	Definition	Purpose
Operating profit	Profit before tax excluding net financial items.	This key ratio is used by management to monitor the earnings trend in the Group.
Operating margin	Operating profit in relation to operating revenues.	This key ratio is used by management to monitor the earnings trend in the Group.
EBITDA	Operating profit less depreciation.	This key ratio is used by management to monitor the earnings trend in the Group.
EBITDA margin	Operating profit excluding depreciation and amortisation in relation to operating revenues.	This key ratio is used by management to monitor the earnings trend in the Group.
Profit margin	Profit for the period in relation to operating revenues.	This key ratio is used by management to monitor the earnings trend in the Group.
Equity per share	Shareholders' equity divided by the number of shares outstanding at the end of the period.	This key ratio is used by management to monitor the earnings trend in the Group.
Operational cash flow per share	Cash flow from operating activities in relation to the average number of shares outstanding during the period.	This key ratio is used by management to monitor the cash flow trend in the Group.
Average number of shares outstanding	The average number of shares outstanding during the period.	Used to calculate key ratios in relation to the number of shares during the period.
Number of shares outstanding	Number of shares outstanding at the end of the period.	Used to calculate key ratios in relation to the number of shares at the end of the period.
Equity/assets ratio	Equity at the end of period in relation to total assets at the end of period.	This key ratio indicated the Group's long-term payment capacity.
Cash and cash equivalents	Cash and bank assets.	Used by management to monitor the Group's short-term payment capacity.
Revenue growth compared with the previous year	Operating revenues for the period divided by operating revenues in the same period last year.	This key ratio is used by management to monitor the Group's revenue growth.
Revenue growth compared with the preceding quarter	Operating revenues for the period divided by operating revenues for the preceding quarter.	This key ratio is used by management to monitor the Group's revenue growth.