



Interim Report | January – June 2017 | Evolution Gaming Group AB (publ)

Second quarter of 2017 (Q2 2016)

- Operating revenues increased by 56% to EUR 42.3 million (27.1)
- EBITDA increased by 81% to EUR 19.2 million (10.6), corresponding to a margin of 45% (39)
- Profit for the period amounted to EUR 14.6 million (7.6)
- Earnings per share amounted to EUR 0.41 (0.21)

The first half of 2017 (1H 2016)

- Operating revenues increased by 58% to EUR 82.0 million (51.9)
- EBITDA increased by 74% to EUR 36.3 million (20.9), corresponding to a margin of 44% (40)
- Profit for the period amounted to EUR 27.4 million (15.3)
- Earnings per share amounted to EUR 0.76 (0.42)

Events during the second quarter of 2017

- Strong and even growth for all products
- Evolution named Live Casino Supplier of the Year for the eighth consecutive year
- Change of listing to Nasdaq Stockholm

Summary of the second quarter and the first six months of 2017

Group (EUR thousands)	Apr-Jun 2017	Apr-Jun 2016	Change %	Jan-Jun 2017	Jan-Jun 2016	Change %	Jul 16-Jun-17	Jan-Dec 2016
Operating revenues	42,290	27,139	56%	81,978	51,933	58%	145,505	115,461
EBITDA	19,248	10,610	81%	36,275	20,905	74%	59,994	44,624
EBITDA margin	45.5%	39.1%	-	44.2%	40.3%	-	41.2%	38.6%
Operating profit	15,935	8,307	92%	29,890	16,574	80%	48,179	34,864
Operating margin	37.7%	30.6%	-	36.5%	31.9%	-	33.1%	30.2%
Profit for the period	14,617	7,617	92%	27,359	15,257	79%	43,843	31,740
Profit margin	34.6%	28.1%	-	33.4%	29.4%	-	30.1%	27.5%
Earnings per share (EUR)	0.41	0.21	92%	0.76	0.42	35%	1.22	0.88
Equity per share (EUR)	2.09	1.32	58%	2.09	1.32	58%	2.09	1.78
OCF per share (EUR)	0.42	0.31	34%	0.76	0.52	47%	1.36	1.12
Average number of FTEs	2,485	1,727	44%	2,467	1,615	53%	2,154	1,859

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CEO's comments

I am very pleased to be able to sum up an eventful quarter with positive development in several areas. The favourable momentum of the past quarters continued into this period, with a strong and steady growth for all products. It can be noted that gaming revenues generated on our platform using mobiles devices exceeded 50 percent for the first time in this quarter.

Compared with the corresponding quarter in 2016, sales rose by 56 percent. EBITDA for the quarter amounted to EUR 19.2 million, equivalent to a margin of 45 percent and an increase of 81 percent on the corresponding quarter last year. The improvement in margin is being driven by high growth among existing customers and in existing environments, supported by a continuously improving and increasingly efficient organisation.

We are seeing continued Live Casino initiatives among all of our customers, who are also marketing their offerings towards end users to an increasing extent. Operators' Live offerings are undergoing constant development and we are working hard to optimise their environments to optimally reflect each brand and various player profiles. For the remainder of the year, we expect an intense period in terms of expansion of new environments.

We have previously discussed our strategy to develop Live to include more than traditional tables games. Against this background, it is particularly satisfying that our latest game, Dream Catcher, which represents a completely new category in the Live segment, has quickly become popular among players. Dream Catcher is a clear example of our product innovation and, since its launch, it has developed in line with our high expectations.

Another new product is our progressive Jumbo 7 Jackpot, which is now part of Live Casino Hold'em. Evolution has contributed EUR 1 million to the initial winning amount, which is the highest starting level to date for a table game jackpot – a way for us to support our partners and increase the game's attraction among end users.

Land-based casinos continue to show considerable interest for our converging product Dual Play Roulette. Our latest installation, which is available for our entire licensee network, can be found at Grand Casino Bucharest. We are proud of our Dual Play solution, which really fills its purpose as a bridge between online and real-life play. The land-based sector is still clearly larger than the online gaming market, and Evolution shall be the go-to partner for physical casinos seeking to develop their digital brands.

Among new customers in the quarter, I want to highlight our agreement with the Netherlands' largest gaming operator Nederlandse Loterij, which runs a variety of game types and brands in the market. This partnership provides further evidence of Evolution's leading capabilities to deliver services in regulated markets, and we look forward to the opportunity to build a strong Live Casino product for this state-owned operator.

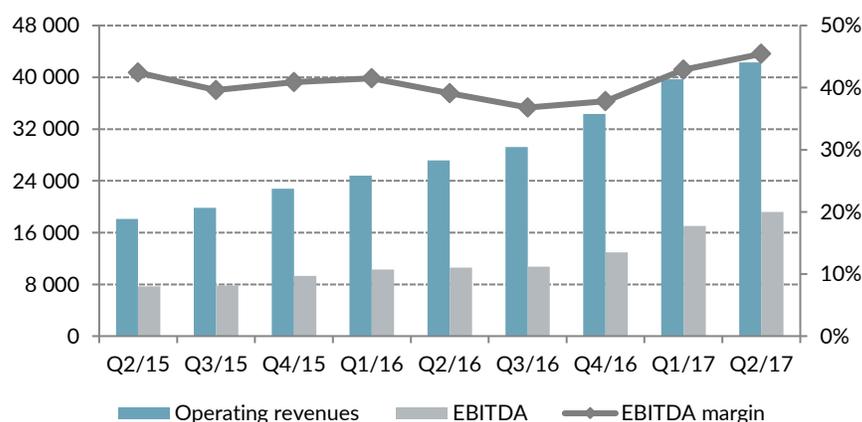
I would also like to mention two events that have contributed to Evolution's brand and position in the market. In early June, we won the Live Casino Supplier of the Year at the EGR B2B Awards for the eighth consecutive year. Given that there are many new players in the market, more Live Casino suppliers than ever were nominated – making the win particularly gratifying. Competition drives us to work even harder with the aim of continuing to expand our leadership in the segment. In June, we also moved from First North to the main market at Nasdaq Stockholm. It was a special feeling to ring the opening bell and affirm that Evolution has grown to become a large cap company since our IPO slightly more than two years ago. The list change is clear proof that the organisation has matured and professionalised during its time in a public environment.

Finally, I am happy to announce that, after the end of the period, we have been given the all-clear to establish our next major studio in Tbilisi in Georgia. From this studio, we will continue to expand, offering our services to additional customers and markets.

We view the remainder of the year with confidence and excitement.

Martin Carlesund
CEO

Quarterly results trend



Financial performance in the second quarter of 2017

Revenues

Revenues amounted to EUR 42.3 million (27.1) in the second quarter, corresponding to an increase of 56 percent compared with the corresponding period in 2016. 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 2.2 billion (1.2). 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 26.4 million (18.8). 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 3,660 (2,510), corresponding to 2,539 (1,769) full-time positions. The strong expansion has also increased other operating expenses compared with the preceding quarter. The quarter included expenses of EUR 0.3 million related to the list change from First North to Nasdaq Stockholm.

Profitability

Operating profit amounted to EUR 15.9 million (8.3), corresponding to an increase of 91 percent. The operating margin was 38% (31). The EBITDA margin was 45% (39). Evolution's medium to long-term profitability target is to maintain a sustainable EBITDA margin of at least 35%.

Net financial items only had a marginal impact on profits and related to the interest expense on loans for the property acquired in Riga. The Group's effective tax rate for the quarter amounted to 8.0 percent (7.7). Tax on profit for the period includes EUR 0.2 million relating to corrections for previous years. The underlying 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 14.6 million (7.6). Earnings per share were EUR 0.41 (0.21).

Investments

Investments in intangible assets amounted to EUR 2.4 million (2.7) during the quarter. Investments in tangible fixed assets amounted to EUR 1.8 million (1.9), where the increase is mainly due to expanded studio space at the production studios in Riga and Bucharest.

Investments in intangible assets refer to the development of new games for 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 15.1 million (10.3) during the quarter. Cash flow from investing activities was negative in the amount of EUR 4.5 million (negative 5.0). Cash flow from financing activities was negative in the amount of EUR 16.4 million (negative 11.4). Cash and cash equivalents amounted to EUR 28.3 million (14.8) at the end of the quarter.

Summary of financial development in the first half of 2017

Revenues

For the period January-June 2017, revenues amounted to EUR 82.0 million (51.9), corresponding to an increase of 58 percent compared with the equivalent period in 2016. 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 52.1 million (35.4). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios.

Profitability

Operating profit amounted to EUR 29.9 million (16.6) with an operating margin of 36 percent (32). The EBITDA margin was 44 percent (40).

Investments

Investments in intangible assets amounted to EUR 4.8 million (5.2) during the period. Investments in property, plant and equipment amounted to EUR 3.5 million (16.0). Investment in buildings amounted to EUR 0.2 million (12.6) and is entirely attributable to the acquisition of the company's studio property in Riga.

Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 27.6 million (18.7) over the year. The increase is primarily due to an improved profit. Cash flow from investing activities was negative in the amount of EUR 8.6 million (negative 21.8). Cash flow from financing activities was negative in the amount of EUR 16.7 million (negative 2.1).

Market development

The Live Casino market

Live Casino in Europe 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, the migration of land-based casinos to online environments and market regulations. Increased use of mobile phones is another important growth factor. In the second quarter, 52 percent (40) of the operators' gaming revenues via the Evolution platform were generated by mobile devices. Growth is also driven to a large

extent 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.

In the absence of EU-wide or international legislation, an increasing number of European countries are introducing national regulations for online gaming. This means that the gaming operators and, in some cases, B2B suppliers, such as Evolution, must apply for country-specific licenses, conform to national laws and pay local taxes. Regulation is an important growth factor for Live Casino, because it brings more potential end users and gives operators greater opportunities to promote the product. At the same time, new regulations can entail increased costs and other requirements that affect operations to a varying extent. Since Evolution is a provider, new legislation tends to affect the company indirectly. The next upcoming regulations are those anticipated in the Dutch and Swedish markets.

Other

Parent Company

The Parent Company is a holding company. Operating revenues for the second quarter 2017 amounted to EUR 1.2 million (1.2) and expenses to EUR 1.2 million (1.1). Operating profit amounted to EUR 0 million (0). Profit for the period amounted to a negative EUR 0.2 million (0). The Parent Company's cash and cash equivalents amounted to EUR 1.1 million (0.2) at the end of the period and equity amounted to EUR 182.4 million (202.0). No significant investments were made in intangible or tangible assets.

Employees

On 30 June 2017, Evolution had 3,660 employees (2,510), corresponding to 2,539 full-time positions (1,769). The average number of full-time equivalents for the quarter was 2,485 (1,727). In the interim report for January-March 2017, the number of employees as per 31 March 2017 was incorrectly reported. At the end of the first quarter, the number of employees was 3,405.

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 2016, which is available on the company's website.

Upcoming report dates

Interim report January-September 2017	25 October 2017
Year-end report 2017	15 February 2018
Interim report January-March 2018	19 April 2018
Interim report January-June 2018	18 July 2018
Interim report January-September 2018	24 October 2018

Review

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

Condensed consolidated income statements

Group (EUR thousands)	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Jan-Dec 2016
Revenues	42,208	26,886	81,896	51,618	145,325	115,046
Other revenues	81	253	81	316	180	415
Total operating revenues	42,290	27,139	81,978	51,933	145,505	115,461
Personnel expenses	-17,607	-12,645	-33,975	-23,648	-63,544	-53,218
Depreciation, amortisation and impairments	-3,313	-2,303	-6,385	-4,330	-11,815	-9,760
Other operating expenses	-5,435	-3,884	-11,728	-7,380	-21,967	-17,619
Total operating expenses	-26,355	-18,832	-52,088	-35,359	-97,326	-80,597
Operating profit	15,935	8,307	29,890	16,574	48,179	34,864
Financial items	-46	-51	-132	-68	-297	-234
Profit before tax	15,889	8,256	29,758	16,506	47,882	34,630
Tax on profit for the period	-1,272	-639	-2,399	-1,249	-4,040	-2,890
Profit for the period	14,617	7,617	27,359	15,257	43,843	31,740
<i>Of which attributable to:</i>						
Shareholders of the Parent Company	14,617	7,617	27,359	15,257	43,843	31,740
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)	0.41	0.21	0.76	0.42	1.22	0.88
Average number of shares after dilution	36,337,046	35,970,377	36,337,046	35,970,377	36,264,029	36,178,211
Earnings per share after dilution (EUR)	0.40	0.21	0.75	0.42	1.21	0.88
Operating margin	37.7%	30.6%	36.5%	31.9%	33.1%	30.2%
Effective tax rate	8.0%	7.7%	8.1%	7.6%	8.4%	8.3%

Condensed comprehensive income statement

Group (EUR thousands)	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Jan-Dec 2016
Profit for the period	14,617	7,617	27,359	15,257	43,842	31,740
Other comprehensive income						
<i>Items that may be reclassified to profit</i>						
Exchange differences arising from the translation of foreign operations	-36	-89	-108	-153	-133	-178
Other comprehensive income, net after tax	-36	-89	-108	-153	-133	-178
Total comprehensive income for the period	14,581	7,550	27,251	15,104	43,709	31,563

Consolidated balance sheets

Group (EUR thousands)	30/06/2017	30/06/2016	31/12/2016
Assets			
Intangible assets	15,350	12,614	14,453
Buildings	12,502	12,508	12,397
Property, plant and equipment	12,698	9,114	11,943
Other long-term receivables	772	468	522
Deferred tax assets	318	617	550
Total non-current assets	41,640	35,321	39,865
Accounts receivable	26,798	14,154	19,039
Other receivables	11,033	7,589	16,864
Prepaid expenses and accrued income	1,992	2,219	1,363
Cash and cash equivalents	28,347	14,778	26,188
Total current assets	68,170	38,741	63,454
TOTAL ASSETS	109,810	74,062	103,318
Equity and liabilities			
Share capital	540	540	540
Other capital contributed	4,698	4,698	4,698
Reserves	-45	17	-9
Retained earnings including profit for the period	69,878	42,151	58,667
Total equity	75,071	47,406	63,896
Deferred tax liability	764	805	729
Long-term debt to credit institutions	6,984	8,091	7,441
Total long-term liabilities	7,748	8,896	8,170
Accounts payable	1,308	1,305	2,169
Short-term debt to credit institutions	1,130	930	1,130
Current tax liabilities	13,524	7,749	18,695
Other current liabilities	6,217	4,801	5,709
Accrued expenses and prepaid income	4,812	2,975	3,549
Total current liabilities	26,991	17,760	31,251
TOTAL EQUITY AND LIABILITIES	109,810	74,062	103,318

Consolidated changes in equity

Group, 2016 (EUR thousands)	Share Capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 01/01/2016	540	4,698	169	38,405	43,812
Dividend payout 10/05/2016	-	-	-	-11,510	-11,510
Warrants	-	-	-	32	32
Total comprehensive income for Jan-Mar	-	-	-89	7,640	7,552
Total comprehensive income for Apr-Jun	-	-	-64	7,617	7,553
Total comprehensive income for Jul-Sep	-	-	-39	7,435	7,396
Total comprehensive income for Oct-Dec	-	-	13	9,048	9,062
Closing equity 31/12/2016	540	4,698	-9	58,667	63,896
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 03/05/017	-	-	-	-16,187	-16,187
Warrants	-	-	-	39	39
Total comprehensive income for Jan-Mar	-	-	0	12,742	12,742
Total comprehensive income for Apr-Jun	-	-	-36	14,617	14,581
Closing equity 30/6/2017	540	4,698	-45	69,878	75,071

Consolidated statement of cash flows

Group (EUR thousands)	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Operating profit	15,935	8,307	29,890	16,574	34,864
<i>Adjustment for items not included in cash flows:</i>					
Depreciation, amortisation and impairments	3,313	2,303	6,385	4,330	9,760
Other	20	0	39	0	32
Interest received	0	0	0	0	10
Interest paid	-46	-51	-132	-68	-244
Tax paid	-379	-253	-1,776	-288	-560
Cash flows from operating activities before changes in working capital	18,842	10,305	34,406	20,548	43,862
Increase / Decrease in Accounts receivables	-4,562	-139	-7,758	-2,067	-6,952
Increase / Decrease in Accounts payables	548	-231	-593	-988	-124
Increase / Decrease in other working capital	290	1,333	1,363	1,182	3,419
Cash flows from operating activities	15,117	11,269	27,417	18,676	40,205
Acquisition of intangible assets	-2,373	-2,653	-4,848	-5,168	-10,209
Acquisition of property, plant and equipment	-1,817	-1,942	-3,295	-3,412	-8,353
Acquisition of building	-	-	-200	-12,610	-12,620
Increase in other financial assets	-274	-441	-250	-560	-202
Cash flows from investing activities	-4,463	-5,035	-8,593	-21,750	-31,384
Increase of debt due to credit institutions	-	-	-	9,300	9,300
Repayment of debt to credit institutions	-239	-243	-478	-243	-729
Dividend	-16,187	-11,510	-16,187	-11,510	-11,510
Issuing of warrants	-	376	-	376	376
Cash flows from financing activities	-16,426	-11,377	-16,665	-2,077	-2,563
Cash flow for the period	-5,772	-5,144	2,159	-5,152	6,258
Cash and cash equivalents at start of period	34,119	19,922	26,188	19,930	19,930
Cash flow for the period	-5,772	-5,144	2,159	-5,152	6,258
Cash and cash equivalents at end of period	28,347	14,778	28,347	14,778	26,188

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 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Jan-Dec 2016
Operating revenues (IFRS)	42,290	27,139	81,978	51,933	145,505	115,461
EBITDA margin	45.5%	39.1%	44.2%	40.3%	41.2%	38.6%
Operating margin	37.7%	30.6%	36.5%	31.9%	33.1%	30.2%
Profit margin	34.6%	28.1%	33.4%	29.4%	30.1%	27.5%
Equity/assets ratio	68.4%	64.0%	68.4%	64.0%	68.4%	61.8%
Cash and cash equivalents	28,347	14,778	28,347	14,778	28,347	26,188
Average number of full-time employees	2,485	1,727	2,467	1,615	2,154	1,859
Full-time employees at end of period	2,539	1,769	2,539	1,769	2,539	2,394
Earnings per share (EUR) (IFRS)	0.41	0.21	0.76	0.42	1.22	0.88
Equity per share (EUR)	2.09	1.32	2.09	1.32	2.09	1.78
Operating cash flow per share (EUR)	0.42	0.31	0.76	0.52	1.36	1.12
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)	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15
Operating revenues (IFRS)	42,290	39,688	34,322	29,206	27,139	24,794	22,802	19,813
EBITDA	19,248	17,027	12,966	10,753	10,610	10,294	9,326	7,845
EBITDA margin	45.5%	42.9%	37.8%	36.8%	39.1%	41.5%	41.6%	39.6%
Operating profit	15,935	13,955	10,107	8,182	8,307	8,267	7,510	6,289
Operating margin	37.7%	35.2%	29.4%	28.0%	30.6%	33.3%	33.5%	31.7%
Revenue growth vs prior year	55.8%	60.1%	50.5%	47.4%	49.8%	58.7%	62.5%	56.6%
Revenue growth vs prior quarter	6.6%	15.6%	17.5%	7.6%	9.5%	8.7%	15.1%	9.3%
Cash and cash equivalents	28,347	34,119	26,188	17,804	14,778	19,922	19,930	15,672

Reconciliation of selected key ratios not defined in accordance with IFRS

Group (EUR thousands)	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Jan-Dec 2016
Operating margin						
Profit before tax	15,890	8,256	29,759	16,506	47,882	34,630
Excluding net financial items	46	51	132	68	297	234
Operating profit (EBIT)	15,936	8,307	29,891	16,574	48,179	34,864
Divided by Total operating revenues	42,290	27,139	81,978	51,933	145,505	115,461
Operating (EBIT) margin	37.7%	30.6%	36.5%	31.9%	33.1%	30.2%
EBITDA and EBITDA margin						
Profit before tax	15,890	8,256	29,759	16,506	47,882	34,630
Net financial items	46	51	132	68	297	234
Depreciation/amortisation	3,313	2,303	6,385	4,330	11,815	9,760
EBITDA	19,249	10,610	36,276	20,905	59,995	44,624
Divided by Total operating revenues	42,290	27,139	81,978	51,933	145,505	115,461
EBITDA margin	45.5%	39.1%	44.3%	40.3%	41.2%	38.6%
Profit margin						
Profit for the period	14,617	7,617	27,359	15,257	43,843	31,740
Divided by Total operating revenues	42,290	27,139	81,978	51,933	145,505	115,461
Profit margin	34.6%	28.1%	33.4%	29.4%	30.1%	27.5%
Equity/Assets ratio						
Total equity	75,071	47,406	75,071	47,406	75,071	63,896
Divided by Total assets	109,810	74,062	109,810	74,062	109,810	103,318
Equity/Assets ratio	68.4%	64.0%	68.4%	64.0%	68.4%	61.8%

Condensed Parent Company income statements and other comprehensive income

Parent company (EUR thousands)	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Jan-Dec 2016
Operating revenues	1,238	1,174	3,236	1,992	4,507	4,443
Other external expenses	-1,217	-1,146	-3,034	-1,958	-4,236	-4,165
Operating profit	21	28	202	35	271	278
Financial items	0	0	0	0	-3,567	-3,567
Profit before taxes	20	28	201	34	-3,296	-3,288
Tax on profit for the period	-232	9	-232	8	-309	-67
Result for the period	-212	37	-31	42	-3,605	-3,356

Parent company (EUR thousands)	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Jan-Dec 2016
Profit for the period	-212	37	-31	42	-3,605	-3,356
Other comprehensive income	-	-	-	-	-	-
Other comprehensive income, net after tax	-	-	-	-	-	-
Total comprehensive income for the period	-212	37	-31	42	-3,605	-3,356

Condensed Parent Company balance sheets

Parent company (EUR thousands)	30/06/2017	30/06/2016	31/12/2016
Assets			
Intangible assets	32	54	43
Property, plant and equipment	113	121	124
Participating interest in Group companies	206,000	210,701	206,000
Other financial assets	36	35	36
Deferred tax receivables	317	617	550
Total non-current assets	206,498	211,527	206,753
Receivables from Group companies	7,740	14,883	9,290
Other current receivables	191	165	47
Prepaid expenses and accrued income	248	186	92
Cash and cash equivalents	1,138	217	381
Total current assets	9,317	15,451	9,810
TOTAL ASSETS	215,815	226,978	216,562
Equity and liabilities			
Share capital	540	540	540
Retained earnings including profit for the period	181,818	201,440	198,047
Total equity	182,358	201,979	198,587
Accounts payable	199	50	118
Liabilities to Group companies	33,111	24,718	17,303
Other current liabilities	3	106	51
Accrued expenses and prepaid revenues	145	124	502
Total current liabilities	33,458	24,998	17,975
TOTAL EQUITY AND LIABILITIES	215,815	226,978	216,562

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.

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 2016 annual report and previous quarterly reports in 2017.

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 28 April 2016 resolved to issue a maximum of 547,000 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 354.20 during the period from the day after the publication of the interim report for the second quarter of 2019 until 30 September 2019.

The company's subsidiary, Evolution Malta Ltd. has subscribed for 547,000 warrants, and Evolution Malta Ltd has, in turn, transferred 366,668 of the warrants to a number of key individuals (including consultants) in the company's management and organisation. For warrants acquired at market value, the price (option premium) has been determined using the Black & Scholes valuation model, with the valuation being carried out by PwC.

In 2017, no new allocations, forfeitures, utilisations or maturities have occurred.

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, 20 July 2017

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 Thursday, 20 July 2017 at 9:00 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 8 566 42 690. Follow the presentation at <https://tv.streamfabriken.com/evolution-gaming-group-q2-2017>.

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 20 July 2017, at 8.00 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.