



**MR GREEN & Co.**

EST. 2013

# Interim report January-September 2017



## Third quarter

- Total revenue increased by 28.4 per cent to SEK 295.1 (229.9) million.
- EBITDA increased by 191 per cent to SEK 50.6 (17.4\*) million.
- The EBITDA margin rose by 9.5 percentage points to 17.1 (7.6\*) per cent.
- Earnings per share before/after dilution increased to SEK 0.75 (-0.02).
- A new predictive Green Gaming tool was launched.
- An upgraded Sportsbook with unique content was launched.

## January-September

- Total revenue increased by 30.2 per cent to SEK 859.0 (659.6) million.
- EBITDA increased by 130 per cent to SEK 137.1 (59.5\*) million.
- The EBITDA margin rose by 7.0 percentage points to 16.0 (9.0\*) per cent.
- Earnings per share before/after dilution increased to SEK 2.18 (0.53).

\*EBITDA for the third quarter of 2016 pertains to EBITDA before non-recurring items

## Key performance indicators

SEKm (unless stated otherwise)	2017	2016	Change, %	2017	2016	Change, %	2016
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Jan-Dec
Revenue	295,1	229,9	28,4%	859,0	659,6	30,2%	924,5
EBITDA before non-recurring items	50,6	17,4	191,3%	137,1	59,5	130,4%	91,4
EBITDA margin before non-recurring items (%)	17,1%	7,6%	9,5 pts	16,0%	9,0%	6,9 pts	9,9%
Earnings before interest and tax (EBIT)	32,3	-0,1	-	87,4	13,6	541,4%	19,1
Earnings before interest and tax (EBIT),%	10,9%	0,0%	11,0 pts	10,2%	2,1%	8,1 pts	2,1%
Net result for the period	30,6	-0,9	-	82,5	18,9	335,7%	33,1
Earnings per share before / after dilution, SEK 1)	0,75	-0,02	-	2,18	0,53	313,1%	0,92
Cash flow from operating activities	135,4	23,0	489,5%	278,2	74,5	273,3%	128,8
Free cash flow	107,3	7,9	-1255%	114,6	27,6	315,1%	62,4
Deposits from customers	857,6	687,2	24,8%	2 485,6	1 880,0	32,2%	2 696,5
Number of active customers	128 747	102 429	25,7%	237 108	188 495	25,8%	238 822

1) No dilution is applicable.



## CEO'S COMMENTS

# “Our offering is stronger than ever before”

“We are now leaving behind yet another quarter of strong growth and a sharp improvement in profitability. Total revenue increased by 28.4 per cent to SEK 295.1 million year on year. Foreign exchange losses had an impact of 0.4 per cent. I note that for four consecutive quarters revenues have exceeded our target of annual growth of 20 per cent.

This improvement in profitability was strong compared with the year-earlier period. EBITDA increased by 191 per cent to SEK 50.6 million and the EBITDA margin rose from 7.6 per cent\* to 17.1 per cent. We will launch our upgraded Sportsbook, bingo and new loyalty programme broadly across a number of markets in the fourth quarter and thereby intensifying and expanding our marketing activities. It is therefore pleasing to note that October has started strongly.

### **Attractive, unique product**

For some time now, we have focused on broadening our offering and improving customers' user experience. We have launched a new live casino, Reel Thrill tournaments, the number game keno and, in September, an upgraded Sportsbook. Now in the fourth quarter we will introduce both bingo and a unique loyalty programme. Mediavision's survey of almost 6,000 individuals in Sweden revealed that Mr Green is considered to have the strongest online casino offering in the industry\*\*. This strengthens us in our conviction that our offering is stronger than ever before.

### **Good growth in Nordic region**

We continued to capture market shares in large parts of Europe during the year. It is particularly gratifying that we noted year-on-year growth of 15.7 per cent in the Nordic region for the quarter. We have focused on growth in this region and the improvement in the second quarter continued into the third.

### **Green Gaming creates trust**

The launch that I am most proud of this year is the introduction of our new predictive Green Gaming tool during the quarter.

The tool allows us to monitor healthy gaming so that it does not risk becoming unhealthy.

At Mr Green, we firmly believe that trust is a condition for building both long-term customer relationships and generating healthy revenues. The industry's most important parameter for building confidence is Green Gaming. We also build trust by the continuous development of efficient internal processes and improvement of the control systems. Important work is currently under way internally to make timely preparations for the EU's General Data Protection Regulation (GDPR).

### **Focus on geographic expansion**

With a unique product offering and strong brand, we are now directing our full focus on continuing to expand geographically. We are currently in the licensing process for Mr Green's platform in Denmark and expect to launch Mr Green in the fourth quarter.

There are several markets, both within and outside Europe, in which we plan to establish operations. We hold a strong financial position and has no liabilities to credit institutions. It also gives us many opportunities to actively take part in the consolidation of the industry.

We are now entering the final quarter of the year with a strong product offering and efficient customer communication. We see excellent conditions for continuing to deliver on our financial targets of an annual growth rate of 20 per cent and an EBITDA margin of 20 per cent by 2019.”

**Per Norman**  
CEO

*\*EBITDA for the third quarter of 2016 pertains to EBITDA before non-recurring items*

*\*\*Mediavision, Swedish Gambling Insight, H1 2017*

# Mr Green 2.0 business strategy

The online gaming market is growing rapidly in Europe and annual growth of 7.0 per cent is expected until 2022. The European online gaming market has grown an average of 13.5 per cent per year since 2008 and was estimated to be worth more than EUR 21 billion in 2017. By 2022, the European market is expected to be valued at EUR 29 billion.

The market is fragmented, and no player in Europe has captured a high market share in the entire area, although there are many operators that are large regionally or nationally.

## Strong, globally viable brand

Mr Green believes that gaming companies that aim to be successful in the long term must have a strong, globally viable brand and offer first-rate entertainment. This requires, in turn, skills in data and technology-driven personalised customer communication. Additional requirements are a critical mass and technical ability to meet regulatory requirements in regulated markets and general requirements on, for example, Green Gaming and anti-money laundering activities.

Mr Green embarked on an extensive change process in 2015 when the organisation and management groups were strengthened and a new technology platform was developed. The new technology platform enables us to rapidly implement new functions and create efficient, personalised customer communications. With this technology platform in place, we had the means to develop our new Mr Green 2.0 business strategy in the spring of 2016.

The five cornerstones of the strategy are: brand, user experience, product offering, geographic expansion and Green Gaming. As part of the strategy, the product offering was enhanced in 2016 with a Sportsbook and a new live casino.

A new predictive tool for Green Gaming was developed in 2017. An acquisition took place in Denmark and a licence application was submitted for Mr Green's platform. Reel Thrill tournaments, the number game keno and a new updated Sportsbook were launched. Bingo and a new loyalty programme will also be introduced during the fourth quarter.

## Financial targets

The aim is for the new business strategy to lead to increased revenue, improved operational efficiency, cost awareness and scalability. The strategy lays the foundations for meeting the financial targets, which were presented when Mr Green was listed on Nasdaq Stockholm in November 2016. The financial targets are:

## Growth in game win

The target for 2018 and 2019 is to achieve an annual average growth rate of 20 per cent. In the long-term, the aim is to achieve annual organic growth that exceeds growth in the online gaming market.

## Profitability

The target by 2019 is to achieve an EBITDA margin of 20 per cent. In the long-term, the aim is to achieve at least 15 per cent EBITDA margin assuming 100 per cent of revenue is generated in locally regulated markets with betting duties.

## Completed and ongoing strategic initiatives for 2017

- ✓ Reel Thrill tournaments launched on 20 March
- ✓ Initiated establishment of operations in Latin America, with the aim of introducing Mr Green to the region
- ✓ Wizard's Hat founded to generate digital traffic and launch Garbo
- ✓ Acquisition of gaming company Dansk Underholdning
- ✓ Relaunch of Garbo casino site
- ✓ Focus on growth in Nordic region
- ✓ Launch of updated Sportsbook
- ✓ Implementation of new tools for Green Gaming
- ✓ Launch of number games
  
- ♣ New customer loyalty programme
- ♣ Continued geographic expansion through organic growth and/or acquisitions
- ♣ Launch of Mr Green in Denmark
- ♣ Continued development of live offering
- ♣ Continued development of data and technology-driven customer communication and marketing

## Industry awards 2017

IGA 2017 Gaming Operator of the Year  
EGR Nordics Awards 2017 Nordic Operator of the Year  
EGR Nordics Awards 2017 Marketing Campaign of the Year  
EGR Operator Innovation and Marketing Awards 2017 Personalized Marketing Campaign of the Year

*All information regarding the size of the market was obtained from H2 Gambling Capital in October 2017.*



# Third quarter 2017

## Revenue

Revenue increased by 28.4 per cent to SEK 295.1 (229.9) million in the quarter compared with the year-earlier period. Foreign exchange losses had an impact of 0.4 per cent and acquisitions contributed 2.6 per cent. Accordingly, the growth trend of a strong increase in the number of customers and record-high customer deposits continued from the four preceding quarters. The number of active customers increased by 25.7 per cent during the quarter and customer deposits rose by 24.8 per cent year on year.

The strong growth in revenue was the result of improved customer communication, enhanced entertainment value and a new product offering. Mr Green has differentiated itself by broadening its product offering with a Sportsbook and the number game keno. Most of the growth is attributable to casino games and live casino.

Mr Green continued to strengthen its market position in large parts of Europe. Revenue in Western Europe increased by 53.0 per cent to SEK 117.6 (76.9) million year on year. Revenue in Central, Eastern and Southern Europe improved by 10.7 per cent to SEK 70.7 (63.9) million year on year, driven by good growth in Austria. Revenue in the Nordic region increased by 15.7 per cent to SEK 100.1 (86.6) million due to growth in Sweden and Finland and the new market in Denmark via the acquisition of Dansk Underholdning, which was consolidated on the acquisition date of 26 April 2017. Revenue in the Rest of the World increased from low volumes by 163 per cent to SEK 6.6 (2.5) million.

Revenue increased by 2.5 per cent from previous quarter as the result of good growth in the Nordic region, while Western Europe essentially remained unchanged. Central, Eastern and Southern Europe grew 1.0 per cent, adversely affected by Mr Green withdrawing from Poland and the Czech Republic during the first half of the year. Rest of the World rose by 22.4 per cent from the preceding quarter. The number of active customers increased by 10.3 per cent and customer deposits rose by 6.1 per cent.

## Costs

Cost of services sold increased by 21.0 per cent to SEK 93.7 (77.4) million, corresponding to 31.8 (33.7) per cent of revenue. The year-on-year increase was mainly due to costs related to strong growth and higher betting duties due to a solid increase in revenues in locally regulated markets. Total betting duties including interest rose 35.4 per cent to SEK 46.3 (34.2) million, corresponding to 15.7 (14.9) per cent of revenue. Most, or 10.9 (10.4) per cent of revenue, comprised betting duties including interest in Austria.

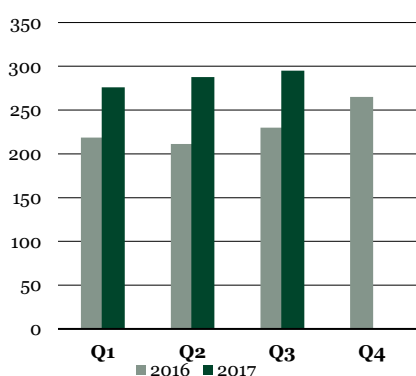
Marketing costs rose by 11.0 per cent to SEK 94.9 (85.5) million. Marketing costs declined five percentage points to 32.2 (37.2) per cent in relation to revenue. This relative decline was due to intensified focus on digital marketing and personalised customer communication, resulting in, for example, a year-on-year decrease in costs for exposure in traditional media during the quarter. Compared with the preceding quarter, marketing costs are at the same relative level.

Personnel costs increased by 5.6 per cent to SEK 36.0 (34.1) million. Personnel costs declined by 2.6 percentage points to 12.2 (14.8) per cent in relation to revenue. The percentage of personnel costs in revenue has declined or has essentially remained unchanged over the past four quarters.

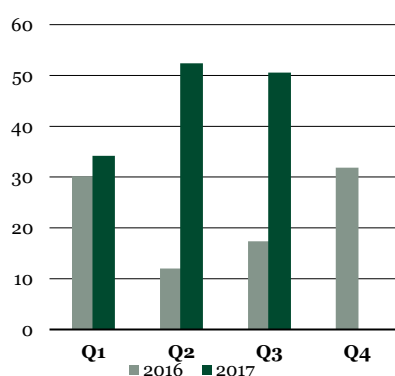
Other operating expenses increased by 46.0 per cent to SEK 40.5 (27.7) million. The increase was due to higher consulting costs primarily in IT attributable to the large number of product launches in 2017 and the enhanced personalised customer communication. Other operating expenses increased to 13.7 (12.1) per cent in relation to revenue. In absolute figures, other operating expenses were essentially unchanged compared with the preceding quarter.

Capitalised costs rose by 67.3 per cent to SEK 20.6 (12.3) million, as a result of the continued development of the technology platform and new products.

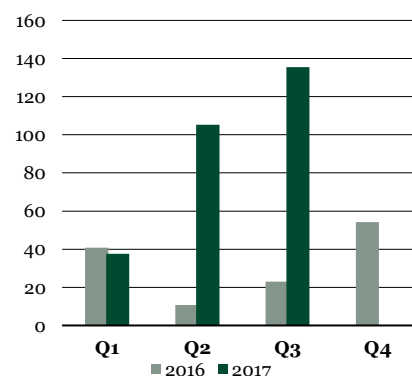
Revenue (SEKm)



EBITDA before non-recurring items (SEKm)



Cash flow from operating activities (SEKm)



**EBITDA**

EBITDA increased by 191 per cent to SEK 50.6 (17.4) million. The figure for 2016 pertains to EBITDA before non-recurring items. The EBITDA margin rose by 9.5 percentage points to 17.1 (7.6) per cent year on year.

The year on year improvement in profitability was mainly due to strong revenue growth and enhanced marketing efficiency. Marketing costs were positively impacted by an intensified focus on digital marketing and personalised customer communication, resulting in, for example, a decrease in costs for exposure in traditional media.

**Depreciation and amortisation**

Depreciation and amortisation rose by 36.5 per cent to SEK 18.3 (13.4) million, as a result of the increase in intangible assets compared with the year-earlier period.

**EBIT**

EBIT increased to SEK 32.3 (-0.1) million and the EBIT margin was 10.9 (0.0) per cent. The healthy improvement in profitability was mainly due to strong revenue growth, enhanced marketing efficiency and lower relative personnel costs.

**Net financial income and tax**

Net financial income was SEK -0.3 (0.1) million. The tax expense was SEK 1.4 (0.9) million.

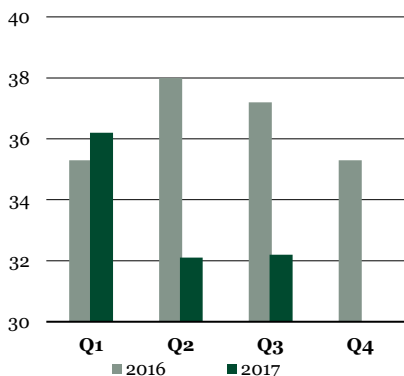
**Net result for the period**

Net result for the period increased to SEK 30.6 (-0.9) million, mainly due to strong revenue growth and enhanced marketing efficiency.

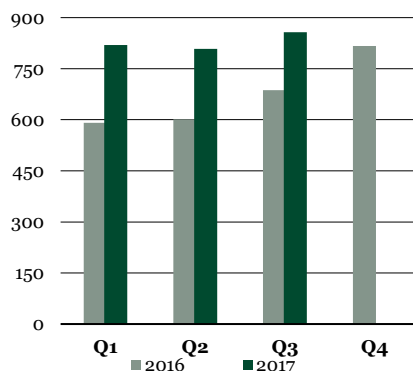
**Cash flow**

Cash flow from operating activities for the quarter amounted to SEK 135.4 million (23.0). The change in working capital impacted cash flow by SEK 50.4 (33.4) million, mainly due to higher trade payables in the quarter and the effect of a jackpot win of SEK 28.7 million that has not yet been paid. Betting duties in Austria impacted cash flow in the amount of SEK 31.1 (-24.5) million. Cash flow from investing activities amounted to SEK -28.1 (-15.1) million and refers to the development of the technology platform and other property, plant and equipment.

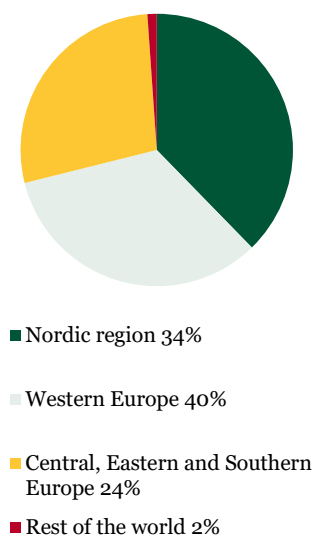
**Marketing, % of revenue**



**Customer deposits (SEKm)**



**Revenue by region, Q3**



# January-September 2017

## Revenue

Revenue increased by 30.2 per cent to SEK 859.0 (659.6) million in the first nine months of the year compared with the year-earlier period. Foreign exchange gains had a positive impact of 1.4 per cent and acquisitions contributed 1.6 per cent. The growth trend accelerated in the third quarter of 2016 and continued in 2017 with strong customer growth and record-high customer deposits. The number of active customers increased by 25.8 per cent during the nine-month period and customer deposits rose by 32.2 per cent year on year. The strong growth was the result of improved customer communication, enhanced entertainment value and a new product offering. The launches of the Sportsbook, new live casino and Reel Thrill tournaments contributed to growth.

Revenue in Western Europe rose by 66.8 per cent to SEK 343.4 (205.8) million. Revenue in Central, Eastern and Southern Europe increased by 20.8 per cent to SEK 210.6 (174.4) million, driven by good growth in Austria. Mr Green withdrew from Poland and the Czech Republic during the period. Revenue in the Nordic region increased by 8.2 per cent to SEK 287.1 (265.4) million due to growth in Sweden and Finland and the new market in Denmark via the acquisition of Dansk Underholdning, which was consolidated on the acquisition date of 26 April 2017. Revenue in the Rest of the World rose by 28.3 per cent from low volumes to SEK 18.0 (14.0) million.

## Costs

Cost of services sold increased by 27.2 per cent to SEK 272.2 (214.0) million. The increase was mainly due to costs related to strong growth and higher betting duties due to a solid increase in revenues in locally regulated markets. Total betting duties including interest rose 42.4 per cent to SEK 133.7 (93.9) million, corresponding to 15.6 (14.2) per cent of revenue. Most, or 11.0 (10.0) per cent of revenue, comprised betting duties including interest in Austria.

Marketing costs rose by 18.3 per cent to SEK 287.5 (242.9) million. Marketing costs declined to 33.5 (36.8) per cent in relation to revenue. The decrease was due to the focus on digital marketing and personalised customer communication.

Personnel costs increased by 8.6 per cent to SEK 104.3 (96.0) million. Personnel costs declined to 12.1 (14.6) per cent in relation to revenue.

Other operating expenses increased by 31.0 per cent to SEK 115.4 (88.1) million. The increase was due to higher consulting costs primarily in IT and costs related to the acquisition of Dansk Underholdning.

Other operating expenses remained unchanged at 13.4 (13.4) per cent in relation to revenue.

Capitalised costs rose by 40.2 per cent to SEK 57.4 (41.0) million, as a result of the continued development of the technology platform and new products.

## EBITDA

EBITDA increased by 130 per cent to SEK 137.1 (59.5) million. The figure for 2016 pertains to EBITDA before non-recurring items. The EBITDA margin rose by 7.0 percentage points to 16.0 (9.0) per cent. The improvement in profitability was mainly due to strong revenue growth and enhanced marketing efficiency.

## Depreciation and amortisation

Depreciation and amortisation rose by 19.1 per cent to SEK 49.8 (41.8) million, as a result of the increase in intangible assets compared with the year-earlier period.

## EBIT

EBIT increased 541 per cent to SEK 87.4 (13.6) million and the EBIT margin was 10.2 (2.1) per cent. The healthy improvement in profitability was mainly due to strong revenue growth and enhanced marketing efficiency.

## Net financial income and tax

Net financial income was SEK -0.3 (10.2) million. Net financial income for the nine-month period in 2016 was impacted by an additional purchase consideration related to an acquisition that was adjusted and led to finance income of SEK 10.2 million. The tax expense for the period was SEK 4.6 (4.9) million.

## Net result for the period

Net result for the period increased by 336 per cent to SEK 82.5 (18.9) million, mainly due to strong revenue growth and enhanced marketing efficiency.

## Cash flow

Cash flow from operating activities amounted to SEK 278.2 million (74.5). The change in working capital impacted cash flow by SEK 53.7 (45.7) million. Betting duties in Austria impacted cash flow in the amount of SEK +89.8 (-22.7) million. Cash flow from investing activities amounted to SEK -163.7 (-46.9) million and refers to the acquisition of Dansk Underholdning and the development of the technology platform and other property, plant and equipment. Cash and cash equivalents were strengthened by SEK 186.0 million in the second quarter following the directed new share issue.



# Financial position

The company has no liabilities to credit institutions. Cash and cash equivalents on 30 September amounted to SEK 567.6 (232.2) million. The increase was primarily due to the new share issue in June. Balances on customer accounts totalled SEK 70.0 (29.7) million. Due to the regulations of gaming authorities, this amount limits utilisation of the company's cash and cash equivalents. This amount was impacted

by a jackpot win of SEK 28.7 million that has not yet been paid.

Consolidated equity at the end of the quarter was SEK 979.0 (701.7) million, corresponding to SEK 23.97 (19.57) per share. Deposits from customers increased by 24.8 per cent during the third quarter to SEK 857.6 (687.2) million.

## Other information

### Personnel

At the end of the period, the Group had 229 (192) employees. The average number of full-time equivalents during the third quarter was 224 (183), of whom 183 (152) were stationed in Malta. At the end of the period, the Group employed 44 (35) consultants on full-time contracts.

### Acquisitions

The online gaming company Dansk Underholdning was consolidated on the acquisition date of 26 April 2017. The company has several well-established brands including Bingosjov, Bingoslottet and Balletbingo. The acquisition encompasses all shares and the purchase consideration was paid in cash. The acquisition is expected to have a positive effect on Mr Green's earnings per share and operating cash flow in 2017. After the acquisition, Mr Green obtained a licence for casino games in Denmark and a licence application has been submitted for Mr Green's platform. The plan is to launch Mr Green in Denmark before the end of the year. For more information, refer to Note 3.

### Events after the end of the quarter

No significant events occurred after the end of the quarter.

### Outstanding shares and options

The company holds no treasury shares. The total number of shares and votes outstanding in Mr Green & Co AB is 40,849,413.

Following a resolution at the Annual General Meeting on 21 April 2016, the company issued 1,020,000 warrants to senior executives and 360,000 warrants to the members of the Board of Directors. As of 30 September 2017, senior executives had acquired 940,000 warrants and the Board members had acquired 320,000 warrants at a market price. The exercise period is 22 April 2019 – 22 May 2019.

### Related-party transactions

The Group did not have any transactions with related parties during the quarter.

### Mr Green contests tax liability in Austria

The company has contested its tax liability by reference to the Austrian Constitution as well as EU legislation and has initiated an appeal process at an Austrian court and submitted a complaint to the European Commission. Most of the other gaming operators have initiated similar processes in Austria. The self-assessment should be viewed as a precautionary measure, as it will prevent the imposition of any criminal law sanctions and tax surcharges on the company. From September 2014 until the tax case has been finally resolved in court, the company reports gaming sales related to Austria subject to the existing defects in the legislation

(which the company has contested), but declares a total tax amount of SEK 0.

In view of the uncertain legal situation, which involves ongoing, and most likely protracted, legal processes in Austria and the EU, as well as the current political agenda, including a potential sale of the monopoly, Mr Green Ltd has decided, all things considered, to make ongoing provisions covering the potential tax, including interest, in the income statement, in cost of services sold. The tax for the self-assessment period and subsequent provisions total SEK 414.5 million as at 30 September 2017 and have had a negative impact on earnings in the same amount for the period 2014 to the third quarter of 2017. Mr Green Ltd has completed a payment plan based on the self-assessment submitted to the Austrian tax authorities in 2014, which means that the payment of the self-assessment amount of SEK 108.1 million was completed in September 2016. As there is uncertainty about how the tax should be determined, the aforesaid amount has been calculated based on how the company believes the tax calculation will be made. There is a risk that Mr Green Ltd will lose the tax dispute or that the amounts may be adjusted to higher amounts than what the company has calculated.

As previously announced, the company was involved in negotiations regarding certain elements of the tax dispute in Austria at the court of first instance in June and July 2017. As expected, Mr Green lost its case at the court of first instance and has appealed the decision.

### Webcast presentation

A webcast presentation of Mr Green & Co AB's report for the third quarter of 2017 will take place on Friday, 27 October at 10:00 a.m. CET. CEO Per Norman and CFO Simon Falk will present the report, followed by an opportunity to ask questions. The presentation will be held in English and webcast live on [mrg.se](http://mrg.se) or on <http://www.investis-live.com/mr-green/59dba548f8c6f40a0074bb90/nkas>.

To participate in the presentation by telephone, call:  
From Sweden: +46 (0)200 125 876  
From the UK: +46 (0)20 3059 8125  
From other countries: +44 20 3059 8125

The password for the teleconference is "Mr Green". Make sure that you are connected to the teleconference by calling in and registering shortly before the presentation begins. Presentation materials will be published on the website [mrg.se](http://mrg.se) after the meeting, and an audio recording of the presentation itself will also be available.

## Review

This report has been subject to review by the company's auditors.

## 2018 Annual General Meeting

The AGM of Mr Green & Co AB will be held on Monday, 7 May, at 4:00 p.m. CET, at IVA, Grev Turegatan 16, Stockholm, Sweden.

Shareholders wishing to present an issue for the AGM may submit their proposal not later than 5:00 p.m. CET on Monday, 26 March to Mr Green's General Counsel, Jan Tjernell, by e-mail to [jan.tjernell@mrg.se](mailto:jan.tjernell@mrg.se) or by post to Mr Green & Co AB, Attn: Jan Tjernell, Sibyllegatan 17, SE-114 42 Stockholm, Sweden.

## Financial calendar

- > 9 February 2018, year-end report 2017
- > 16 March, annual report published on [mrg.se](http://mrg.se)
- > 27 April, interim report for first quarter 2018

## For further information, please contact:

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Corporate Registration Number: 556883-1449  
[www.mrg.se](http://www.mrg.se)

This information is information that Mr Green & Co AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 27 October 2017 at 8:00 a.m. CET.

The Board of Directors and Chief Executive Officer warrant and declare that this interim report gives a true and fair view of the Parent Company's and Group's operations, financial positions and results, and that it describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, 27 October 2017

Kent Sander  
*Chairman*

Henrik Bergquist  
*Board member*

Andrea Gisle Joosen  
*Board member*

Eva Lindqvist  
*Board member*

Danko Maras  
*Board member*

Tommy Trollborg  
*Board member*

Per Norman  
*CEO*



# Auditor's report on the review of summary interim financial statements (interim report)

Prepared in accordance with IAS 34 and Chapter 9 of  
the Swedish Annual Accounts Act

## **Introduction**

We have reviewed the summary interim financial information (interim report) for Mr Green & Co AB as at 30 September 2017 and for the nine-month period ending on this date. Responsibility for preparing and presenting this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act rests with the Board of Directors and CEO. Our responsibility is to express a conclusion on this interim report based on our review.

## **Focus and scope of the review**

We have performed our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and significantly narrower scope than a full audit conducted in accordance with ISA and generally accepted auditing standards. The review procedures taken in a review do not enable us to obtain a degree of certainty that would make us aware of all important circumstances that would have been identified if an audit had been performed. The conclusion based on a review therefore does not have the same certainty as a conclusion based on an audit.

## **Conclusion**

Based on our review, we have not discovered any circumstances that would give us reason to consider that the interim financial statement has not, in all material respects, been prepared, in respect of the Group, in accordance with IAS 34 and the Annual Accounts Act and, in respect of the parent company, in accordance with the Annual Accounts Act.

Stockholm, 27 October 2017  
Öhrlings PricewaterhouseCoopers AB

*Bo Åsell*  
Authorised Public Accountant

# Condensed consolidated income statement

SEK '000	Note	2017	2016	2017	2016	2016
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Revenue		295,100	229,861	859,039	659,573	924,524
Cost of services sold		-93,707	-77,440	-272,154	-214,005	-306,685
Capitalised costs		20,582	12,302	57,449	40,971	56,549
Marketing		-94,912	-85,521	-287,488	-242,923	-336,432
Personnel costs		-36,029	-34,126	-104,315	-96,037	-130,784
Other operating expenses		-40,472	-27,718	-115,383	-88,059	-115,778
<b>EBITDA before non-recurring items</b>		<b>50,562</b>	<b>17,357</b>	<b>137,149</b>	<b>59,519</b>	<b>91,393</b>
Non-recurring items	1	-	-4,072	-	-4,072	-15,810
<b>EBITDA after non-recurring items</b>		<b>50,562</b>	<b>13,285</b>	<b>137,149</b>	<b>55,447</b>	<b>75,582</b>
Depreciation and amortisation		-18,256	-13,373	-49,797	-41,828	-56,489
<b>Earnings before interest and tax (EBIT)</b>		<b>32,305</b>	<b>-88</b>	<b>87,352</b>	<b>13,619</b>	<b>19,093</b>
Financial income	2	-10	81	-7	10,235	10,369
Financial expenses		-275	-3	-285	-7	-10
<b>Result before tax</b>		<b>32,020</b>	<b>-10</b>	<b>87,060</b>	<b>23,847</b>	<b>29,452</b>
Income tax		-1,398	-867	-4,581	-4,916	3,649
<b>Net result for the period</b>		<b>30,622</b>	<b>-876</b>	<b>82,478</b>	<b>18,931</b>	<b>33,101</b>
<i>Result for the period attributable to:</i>						
- Shareholders of the parent company		30,622	-876	82,478	18,931	33,101
Weighted average number of shares		40,849,413	35,849,413	37,809,120	35,849,413	35,849,413
Earnings per share before dilution, SEK		0.75	-0.02	2.18	0.53	0.92
Earnings per share after dilution, SEK		0.75	-0.02	2.18	0.53	0.92
<i>Included in cost of services sold:</i>						
Betting duties Austria (excl interest)		-29,091	-21,682	-86,721	-59,195	-85,116
Interest of betting duties Austria		-2,942	-2,193	-8,034	-6,597	-8,773
Betting duties other markets		-14,233	-10,284	-38,924	-28,062	-38,947

# Condensed consolidated statement of comprehensive income

SEK '000	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Jan-Dec
<b>Net result for the period</b>	<b>30,622</b>	<b>-876</b>	<b>82,478</b>	<b>18,931</b>	<b>33,101</b>
<i>Other comprehensive income:</i>					
<i>Items which can be subsequently re-classified to profit/loss:</i>					
- Foreign exchange differences on consolidation	-9,015	16,972	-124	38,766	33,424
<b>Other comprehensive income for the period</b>	<b>-9,015</b>	<b>16,972</b>	<b>-124</b>	<b>38,766</b>	<b>33,424</b>
<b>Comprehensive income for the period</b>	<b>21,607</b>	<b>16,095</b>	<b>82,355</b>	<b>57,697</b>	<b>66,525</b>
<i>Comprehensive income for the period attributable to:</i>					
- Shareholders of the parent company	21,607	16,095	82,355	57,697	66,525

# Condensed consolidated balance sheet

	2017	2016	2016
SEK '000	30 Sep	30 Sep	31 Dec
Customer contracts	6,816	0	0
Brand	312,837	306,300	304,230
Other intangible assets	121,723	90,188	93,437
Goodwill	604,561	526,647	523,088
Equipment	5,456	4,515	4,890
Deferred tax asset	368	–	368
<b>Non-current assets</b>	<b>1,051,761</b>	<b>927,651</b>	<b>926,012</b>
Trade receivables	1,867	–	–
Current income tax assets	–	3,393	6,747
Other receivables	16,633	7,261	18,079
Prepaid expenses and accrued income	10,445	5,715	7,828
Cash and cash equivalents	567,613	232,159	266,908
<b>Current assets</b>	<b>596,557</b>	<b>248,528</b>	<b>299,561</b>
<b>Total assets</b>	<b>1,648,318</b>	<b>1,176,178</b>	<b>1,225,574</b>
Share capital	40,849	35,849	35,849
Share premium reserve	865,037	683,993	683,888
Translation reserve	85,224	90,690	85,348
Retained earnings	-12,141	-108,789	-94,619
<b>Equity</b>	<b>978,970</b>	<b>701,744</b>	<b>710,466</b>
Deferred tax liability	113,783	112,133	114,484
Betting duties Austria	301,818	186,561	212,001
<b>Non-current liabilities</b>	<b>415,601</b>	<b>298,693</b>	<b>326,485</b>
Trade payables	57,156	45,684	69,027
Customer accounts	70,048	29,664	27,426
Other current liabilities	30,346	13,235	10,340
Tax liabilities	1,969	8,299	–
Accrued expenses and deferred income	94,226	78,859	81,830
<b>Current liabilities</b>	<b>253,746</b>	<b>175,741</b>	<b>188,623</b>
<b>Total equity and liabilities</b>	<b>1,648,318</b>	<b>1,176,178</b>	<b>1,225,574</b>

# Condensed consolidated statement of changes in equity

SEK '000	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Jan-Dec
<b>Equity at beginning of period</b>	<b>957,851</b>	<b>685,649</b>	<b>710,466</b>	<b>640,826</b>	<b>640,826</b>
Net result for the period	30,622	-876	82,478	18,931	33,101
<i>Other comprehensive income:</i>					
- Foreign exchange differences on consolidation	-9,015	16,972	-124	38,766	33,424
<b>Total comprehensive income</b>	<b>21,607</b>	<b>16,095</b>	<b>82,355</b>	<b>57,697</b>	<b>66,525</b>
<i>Transactions with owners:</i>					
- Warrant premiums	-	-	150	3,221	3,115
- Share issue	-	-	195,000	-	-
- Cost of share issue	-487	-	-9,000	-	-
<b>Total transactions with owners</b>	<b>-487</b>	<b>-</b>	<b>186,149</b>	<b>3,221</b>	<b>3,115</b>
<b>Equity at end of period</b>	<b>978,970</b>	<b>701,744</b>	<b>978,970</b>	<b>701,744</b>	<b>710,466</b>

# Condensed consolidated cash flow statement

SEK '000	2017	2016	2017	2016	2016
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Earnings before interest and tax (EBIT)	32,305	-88	87,352	13,619	19,093
<i>Adjusted for:</i>					
- Depreciation and amortisation	18,256	13,373	49,797	41,828	56,489
- Unrealised foreign exchange differences, net	662	1,044	1,914	617	3,716
- Betting duties Austria	31,127	-24,530	89,821	-22,638	2,858
Changes in working capital	50,382	33,373	53,694	45,663	51,084
Income tax paid	2,965	-199	-4,051	-4,548	-4,436
Interest income	-10	1	-7	3	28
Interest expense	-270	-3	-280	-7	-10
<b>Cash flow from operating activities</b>	<b>135,417</b>	<b>22,972</b>	<b>278,239</b>	<b>74,537</b>	<b>128,822</b>
<i>Cash flow from investing activities:</i>					
- Payment, acquisition of subsidiary/assets and liabilities	-	-	-91,935	-	-
- Acquired cash and cash equivalents	-	-	6,311	-	-
- Acquisition of intangible assets	-25,740	-13,932	-75,387	-44,727	-62,708
- Acquisition of property, plant and equipment	-2,338	-1,119	-2,668	-2,212	-3,686
<b>Cash flow from investing activities</b>	<b>-28,078</b>	<b>-15,051</b>	<b>-163,678</b>	<b>-46,939</b>	<b>-66,394</b>
<i>Cash flow from financing activities:</i>					
- Issuing new shares	-487	-	186,000	-	-
- Warrant premiums	-	-	150	3,221	3,115
<b>Cash flow from financing activities</b>	<b>-487</b>	<b>-</b>	<b>186,150</b>	<b>3,221</b>	<b>3,115</b>
Change in cash and cash equivalents	106,852	7,921	300,710	30,818	65,544
Foreign exchange differences	-2,886	4,817	-4	11,059	11,083
Cash and cash equivalents at the beginning of the period	463,647	219,421	266,908	190,281	190,281
<b>Cash and cash equivalents at the end of the period</b>	<b>567,613</b>	<b>232,159</b>	<b>567,613</b>	<b>232,159</b>	<b>266,908</b>

# Condensed income statement per quarter

SEK '000	Note	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4
Revenue		295,100	287,811	276,129	264,951	229,861	211,218	218,493	201,067
Cost of services sold		-93,707	-87,308	-91,139	-92,680	-77,440	-70,237	-66,328	-57,603
Capitalised costs		20,582	20,683	16,184	15,578	12,302	14,910	13,759	12,795
Marketing		-94,912	-92,527	-100,048	-93,509	-85,521	-80,265	-77,137	-73,191
Personnel costs		-36,029	-35,190	-33,095	-34,747	-34,126	-32,139	-29,772	-26,093
Other operating expenses		-40,472	-41,080	-33,831	-27,719	-27,718	-31,489	-28,852	-27,959
<b>EBITDA before non-recurring items</b>		<b>50,562</b>	<b>52,387</b>	<b>34,200</b>	<b>31,874</b>	<b>17,357</b>	<b>11,998</b>	<b>30,163</b>	<b>29,015</b>
Non-recurring items	1	-	-	-	-11,738	-4,072	-	-	-
<b>EBITDA after non-recurring items</b>		<b>50,562</b>	<b>52,387</b>	<b>34,200</b>	<b>20,136</b>	<b>13,285</b>	<b>11,998</b>	<b>30,163</b>	<b>29,015</b>
Depreciation and amortisation		-18,256	-16,889	-14,651	-14,661	-13,373	-15,110	-13,344	-12,201
<b>Earnings before interest and tax (EBIT)</b>		<b>32,305</b>	<b>35,498</b>	<b>19,548</b>	<b>5,475</b>	<b>-88</b>	<b>-3,112</b>	<b>16,819</b>	<b>16,815</b>
Financial income	2	-10	1	1	132	81	-27	10,181	29
Financial expenses		-275	-8	-1	-1	-3	-4	0	5
<b>Result before tax</b>		<b>32,020</b>	<b>35,491</b>	<b>19,549</b>	<b>5,605</b>	<b>-10</b>	<b>-3,144</b>	<b>27,000</b>	<b>16,848</b>
Income tax		-1,398	-2,491	-693	8,565	-867	-1,561	-2,488	-105
<b>Net result for the period</b>		<b>30,622</b>	<b>33,000</b>	<b>18,856</b>	<b>14,170</b>	<b>-876</b>	<b>-4,705</b>	<b>24,512</b>	<b>16,743</b>
Weighted average number of shares		40,849,413	36,673,589	35,849,413	35,849,413	35,849,413	35,849,413	35,849,413	35,849,413
Earnings per share before dilution, SEK		0.75	0.90	0.53	0.40	-0.02	-0.13	0.68	0.47
Earnings per share after dilution, SEK		0.75	0.90	0.53	0.40	-0.02	-0.13	0.68	0.47
<u>Included in cost of services sold:</u>									
Betting duties Austria (excl interest)		-29,091	-27,610	-30,020	-25,922	-21,682	-19,022	-18,492	-16,817
Interest of betting duties Austria		-2,942	-2,643	-2,449	-2,176	-2,193	-2,265	-2,138	-1,959
Betting duties other markets		-14,233	-13,469	-11,222	-10,885	-10,284	-8,596	-9,182	-6,597

# Condensed income statement Parent Company

SEK '000	Note	2017	2016	2017	2016	2016
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Revenue		1,350	1,155	4,050	3,465	4,814
Expenses		-6,205	-7,052	-22,170	-26,225	-33,400
<b>EBITDA before non-recurring items</b>		<b>-4,855</b>	<b>-5,897</b>	<b>-18,120</b>	<b>-22,760</b>	<b>-28,586</b>
Non-recurring items	1	-	-4,072	-	-4,072	-15,810
<b>EBITDA after non-recurring items</b>		<b>-4,855</b>	<b>-9,969</b>	<b>-18,120</b>	<b>-26,832</b>	<b>-44,396</b>
Depreciation and amortisation		-51	-50	-153	-148	-199
<b>Earnings before interest and tax (EBIT)</b>		<b>-4,906</b>	<b>-10,019</b>	<b>-18,273</b>	<b>-26,980</b>	<b>-44,596</b>
Financial items and appropriations		-67	-268	-403	-761	49,767
<b>Net result for the period</b>		<b>-4,973</b>	<b>-10,287</b>	<b>-18,676</b>	<b>-27,740</b>	<b>5,171</b>

Net profit for the period in the Parent Company income statement is the same as comprehensive income for the period, as no items are recognised in other comprehensive income.

# Condensed balance sheet Parent Company

SEK '000	2017	2016	2016
	30 Sep	30 Sep	31 Dec
Non-current assets	717,586	717,850	717,590
Current assets	140,248	11,104	66,520
<b>Total assets</b>	<b>857,834</b>	<b>728,954</b>	<b>784,110</b>
Restricted equity	40,849	35,849	35,849
Non-restricted equity	809,675	614,396	647,202
Other liabilities	7,309	78,708	101,058
<b>Total equity and liabilities</b>	<b>857,834</b>	<b>728,954</b>	<b>784,110</b>



# Notes

All values in parentheses () are comparative figures for the same period in the previous year unless otherwise stated. In the commentaries, the unit SEK million is used unless otherwise indicated. In the financial statements, the unit kSEK is used unless otherwise indicated.

## Accounting policies

Mr Green & Co AB (publ) applies the International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Financial Reporting Board. The financial statements of the Parent Company have been prepared in accordance with the Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. Under RFR 2, the Parent Company is required to apply all EU-adopted IFRS and interpretations insofar as this is possible under the Annual Accounts Act and with regard to the relationship between accounting and taxation. The accounting policies and bases of assessment are unchanged compared with the 2016 Annual Report.

## Note 1 Non-recurring items

For 2016, the Group and Parent Company reported non-recurring costs attributable to activities for the listing of the company on Nasdaq Stockholm in the amount of kSEK 15,810.

SEK '000	2017	2016	2016
	Jan-Sep	Jan-Sep	Jan-Dec
Listing on Nasdaq Stockholm	-	-4,072	-15,810
<b>Non-recurring items</b>	-	<b>-4,072</b>	<b>-15,810</b>

## Note 2 Financial income

The contract for the acquisition of Social Holdings Ltd (Social Thrills) in 2014 included provisions relating to an additional purchase consideration which the sellers may be entitled to receive before the end of 2017. As new information concerning the fulfilment of certain terms of the agreement was received, it was no longer deemed probable that the majority of the additional purchase consideration would be paid. The reason is that the service was not developed as expected and because certain fundamental conditions for the success of the service were not present. For this reason, an adjustment was made to the provision for the additional purchase consideration in the first quarter of 2016 and recognised as financial income of kSEK 10,338 in the Group on 31 December 2016.

## Note 3 Acquisitions

On 26 April 2017, Mr Green acquired the Dansk Underholding Group comprising the companies Zen Entertainment Limited and subsidiaries, and Wise Entertainment Aps. The assets and liabilities of Peters Casino were also acquired. The acquisition was consolidated on the acquisition date of 26 April 2017.

## Acquisition analyses

Zen Entertainment Limited			
SEK '000	Acquisition		Acquisition fair value
	book value	Adjusted value	
Customer contracts		8,611.2	8,611.2
Brand		8,611.2	8,611.2
Other intangible assets		1,223.9	1,223.9
Cash and cash equivalents	6,311.1		6,311.1
Other current assets	9,102.0		9,102.0
Deferred tax assets		-6,456.2	-6,456.2
Current liabilities	-10,738.2		-10,738.2
<b>Sum identified net assets</b>	<b>4,674.9</b>	<b>11,990.1</b>	<b>16,665.0</b>
Goodwill		80,371.2	80,371.2
<b>Total purchase price</b>	<b>4,674.9</b>	<b>92,361.3</b>	<b>97,036.2</b>
Not paid part of the purchase price			-6,219.2

Wise Entertainment Aps			
SEK '000	Acquisition		Acquisition fair value
	book value	Adjusted value	
Goodwill		160.8	160.8
<b>Total purchase price</b>		<b>160.8</b>	<b>160.8</b>

Peters Casino			
SEK '000	Acquisition		Acquisition fair value
	book value	Adjusted value	
Goodwill		956.8	956.8
<b>Total purchase price</b>		<b>956.8</b>	<b>956.8</b>

The acquired group contributed revenue of SEK 5.9 million and SEK 0.6 million to EBITDA during the quarter. If Dansk Underholding had been consolidated on 1 January 2017, it would have contributed SEK 19.3 million in revenue and SEK 6.0 million to EBITDA for the period up to 30 September 2017. No portion of the Mr Green Group's goodwill arising on these acquisitions is expected to be tax deductible.

The purchase considerations were paid in cash funds of EUR 9.6 million during the quarter. A maximal additional purchase consideration of EUR 0.65 million will be paid on 1 April 2018 subject to the fulfilment of certain conditions.

In line with applicable accounting standards, the figures above are considered to be preliminary.

# Risks and uncertainties

The Group operates in an environment which involves legal and regulatory risks and where individual countries and international organisations develop regulations which affect the Group's operations. As the operations become subject to further regulations, it is likely that the Group will need to meet increased demands for compliance with laws and regulations and that it will face a higher tax burden. The Group

continuously monitors the situation and adjusts its offering and its markets to manage this risk. In view of the aforesaid, mrgreen.com and garbo.com are not marketed in the US. Nor does the company accept players who are resident in the US, and the company has installed filters which are designed to prevent any attempts to make deposits from the US. There

is also a trend in Europe towards a new way of handling betting duties as well as VAT issues that will affect the company's operations in one way or another. The company monitors ongoing developments closely, adapts its operations to potential changes in the trading environment and complies with all laws and regulations. It should be noted, however, that situations may arise where local laws and regulations conflict with EU law, for instance, which takes precedence. In

connection with such matters, the company engages the services of leading legal expertise and proceeds on the basis of the prudence principle, without relinquishing any commercial opportunities that may arise.

For an in-depth description of risks and other uncertainties, refer to the 2016 Annual Report.

## Condensed summary of key performance measures

	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4
<b>Profit</b>								
Revenue growth, per quarter (%)	2.5%	4.2%	4.2%	15.3%	8.8%	-3.3%	8.7%	-0.2%
Revenue growth compared with the previous year (%)	28.4%	36.3%	26.4%	31.8%	14.0%	8.4%	11.9%	15.0%
Revenue Mobile (% of revenue)	50.9%	48.1%	50.2%	47.4%	43.3%	42.8%	35.3%	31.3%
Cost of services sold (% of revenue)	31.8%	30.3%	33.0%	35.0%	33.7%	33.3%	30.4%	28.6%
Cost of services sold excluding betting duties (% of revenue)	16.1%	15.1%	17.2%	20.3%	18.8%	19.1%	16.7%	16.0%
Marketing (% of revenue)	32.2%	32.1%	36.2%	35.3%	37.2%	38.0%	35.3%	36.4%
Personnel costs (% of revenue)	12.2%	12.2%	12.0%	13.1%	14.8%	15.2%	13.6%	13.0%
Other operating expenses (% of revenue)	13.7%	14.3%	12.3%	10.5%	12.1%	14.9%	13.2%	13.9%
EBITDA margin before non-recurring items (%)	17.1%	18.2%	12.4%	12.0%	7.6%	5.7%	13.8%	14.4%
EBITDA margin after non-recurring items (%)	17.1%	18.2%	12.4%	7.6%	5.8%	5.7%	13.8%	14.4%
EBIT margin (%)	10.9%	12.3%	7.1%	2.1%	0.0%	-1.5%	7.7%	8.4%
<b>Financial position and Cash flow</b>								
Investments in non-current assets	28,078	26,079	23,898	19,455	15,051	16,330	15,558	15,325
Equity/assets ratio (%)	59.4%	61.4%	58.7%	58.0%	59.7%	60.0%	60.0%	59.2%
Earnings per share (SEK)	0.75	0.90	0.53	0.40	-0.02	-0.13	0.68	0.47
Return on equity (%)	3.3%	4.2%	2.7%	0.8%	0.0%	-0.5%	4.1%	2.6%
Equity per share (SEK)	23.97	23.45	20.31	19.82	19.57	19.13	18.76	17.88
Cash flow from operating activities per share (SEK)	3.32	2.87	1.05	1.51	0.64	0.30	1.14	1.70
Free cash flow per share (SEK)	2.63	-0.18	0.38	0.97	0.22	-0.16	0.70	1.28
<b>Employees</b>								
Average number of employees	224	212	205	195	183	170	160	163
Number of employees at the end of the period	229	215	211	205	192	181	166	161
<b>Number of customers</b>								
Number of active customers	128,747	116,674	115,601	113,808	102,429	92,721	94,472	83,458
Active customers growth, per quarter (%)	10.3%	0.9%	1.6%	11.1%	10.5%	-1.9%	13.2%	13.3%
Active customers growth compared with the previous year (%)	25.7%	25.8%	22.4%	36.4%	39.0%	26.5%	9.7%	3.5%
<b>Deposits</b>								
Deposits from customers (SEKm)	857.6	808.6	819.5	816.5	687.2	601.7	591.1	550.6
Deposits growth, per quarter (%)	6.1%	-1.3%	0.4%	18.8%	14.2%	1.8%	7.4%	-3.0%
Deposits growth compared with the previous year (%)	24.8%	34.4%	38.6%	48.3%	21.0%	9.3%	10.0%	13.6%

# Revenue by region

SEK '000	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4
<b>Revenue by region</b>								
Nordic Region	100,147	93,668	93,308	88,887	86,578	84,951	93,830	90,330
Western Europe	117,625	118,719	107,030	93,401	76,881	65,778	63,186	48,860
Central, Eastern and Southern Europe	70,693	70,004	69,889	75,280	63,879	53,781	56,709	54,772
Rest of the World	6,635	5,420	5,902	7,383	2,523	6,708	4,768	7,106
<b>Share of revenue by region (%)</b>								
Nordic Region	33.9%	32.5%	33.8%	33.5%	37.7%	40.2%	42.9%	44.9%
Western Europe	39.9%	41.2%	38.8%	35.3%	33.4%	31.1%	28.9%	24.3%
Central, Eastern and Southern Europe	24.0%	24.3%	25.3%	28.4%	27.8%	25.5%	26.0%	27.2%
Rest of the World	2.2%	1.9%	2.1%	2.8%	1.1%	3.2%	2.2%	3.5%
<b>Revenue compared to previous quarter (%)</b>								
Nordic Region	6.9%	0.4%	5.0%	2.7%	1.9%	-9.5%	3.9%	-2.8%
Western Europe	-0.9%	10.9%	14.6%	21.5%	16.9%	4.1%	29.3%	-12.8%
Central, Eastern and Southern Europe	1.0%	0.2%	-7.2%	17.8%	18.8%	-5.2%	3.5%	19.5%
Rest of the World	22.4%	-8.2%	-20.1%	192.6%	-62.4%	40.7%	-32.9%	5.8%
<b>Revenue compared to the same quarter the previous year (%)</b>								
Nordic Region	15.7%	10.3%	-0.6%	-1.6%	-6.9%	-2.9%	-0.1%	6.6%
Western Europe	53.0%	80.5%	69.4%	91.2%	37.2%	11.9%	22.6%	1.5%
Central, Eastern and Southern Europe	10.7%	30.2%	23.2%	37.4%	39.4%	23.2%	18.4%	33.5%
Rest of the World	163.0%	-19.2%	23.8%	3.9%	-62.4%	39.7%	164.4%	713.3%

# Alternative performance measures

The European Securities and Markets Authority (ESMA) has issued guidelines for alternative performance measures, which must be applied by companies with securities that are listed on a regulated market in the EU. The guidelines must be applied for alternative performance measures which are used in mandatory published information, or prospectuses, from 3 July 2016. Information on the choice of alternative performance measures, how the Group uses them and how they are defined is provided in this interim report. Comparative figures for prior periods is provided based on the same principles.

In addition to those industry key performance measures that are not calculated in accordance with IFRS, as presented in the following section, the Group provides information on performance measures related to certain costs in the income statement in relation to revenue. These performance measures are significant particularly from an industry perspective.

Alternative performance measures presented in the interim report should not be considered a replacement of IFRS terms and concepts and may not necessarily be comparable with similar performance measures of other companies.

## Definitions of alternative performance measures not calculated in accordance with IFRS

Performance Measures	Definition	Purpose
RETURN ON EQUITY	Net result before tax divided by average equity.	Applied for the purpose of analysing profitability over time, in relation to those resources which are attributable to the owners of the parent company.
EARNINGS BEFORE INTEREST AND TAX (EBIT)	Earnings before net financial expense and tax.	The measure provides an illustration of profitability without regard to the corporate tax rate and independently of the company's financing structure.
EBIT MARGIN	EBIT divided by revenue.	The measure is relevant for measuring operating profitability.
EBITDA	Earnings before depreciation, amortisation, impairment, net financial expense and tax.	The measure is relevant for creating an understanding of the company's operating activities, regardless of financing and depreciation/amortisation of non-current assets
EBITDA AFTER NON-RECURRING ITEMS	Operating profit after non-recurring items but before depreciation, amortisation and impairment, net financial expense and tax.	The measure is relevant for creating an understanding of the company's day-to-day operations, regardless of financing and depreciation/amortisation of non-current assets, but also for providing a clear illustration of EBITDA after non-recurring items.
EBITDA BEFORE NON-RECURRING ITEMS	Operating profit before non-recurring items, depreciation, amortisation and impairment, net financial expense and tax.	The measure is relevant for creating an understanding of the company's day-to-day operations, regardless of financing and depreciation/amortisation of non-current assets, but also for providing a clear illustration of EBITDA before non-recurring items in order to enable comparisons of the underlying operating activities.
EBITDA MARGIN	EBITDA divided by revenue.	The measure is relevant for creating an understanding of operating profitability and gives stakeholders a clearer picture of the company's core profitability, as it excludes depreciation/amortisation.
EQUITY PER SHARE	Equity divided by the number of shares outstanding at the end of the period.	The ratio measures the company's net value per share and shows if the company is increasing the shareholders' capital over time.
FREE CASH FLOW PER SHARE	Cash flow from operating activities less cash flow from investing activities divided by the average number of outstanding shares during the period.	The measure illustrates the total cash flow from operating and investing activities.
CASH FLOW FROM OPERATING ACTIVITIES PER SHARE	Cash flow from operating activities per average number of outstanding shares during the period.	The ratio measures the cash flow generated by the company before capital investments and cash flows attributable to the company's financing.
NON-RECURRING ITEMS	Refers to items which are of a non-recurring nature or not directly linked to the Group's normal operations, which means that the recognition of these items together with other items in the income statement would impair comparability with other periods and make it harder for an outside party to assess the Group's performance.	These items are illustrated to enable comparisons of the underlying operating activities.
EQUITY/ASSETS RATIO	Equity divided by total assets.	The measure is an indicator of the company's leverage for financing of the company.

## Definitions of industry-related performance measures not calculated in accordance with IFRS

Performance Measures	Definiton	Purpose
ACTIVE CUSTOMER	A customer is defined as active when he or she has played with money deposited in the customer account during the period. The customer is also considered to be active if he or she during the period has played with winnings from free spin campaigns and/or bonuses from Mr Green.	A relevant measure that is a driver of revenue. Also relevant from an industry practice and stakeholder perspective.
DEPOSITS	Money deposited in customer accounts.	A measure that is a driver of revenue. Relevant from an industry practice and stakeholder perspective.
COMPOUND ANNUAL GROWTH RATE (CAGR)	The performance measure illustrates growth over a given period, for example five years.	The performance measure is relevant given that it measures growth under the assumption of a consistent annual rate of growth and thus provides a balanced rate of growth over the specified period.