Annual Report

MR GREEN & CO AB 2017

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The Annual Report containing the Directors' Report and financial statements comprises pages 2–3, 6–39, 44–45, 47–90 and 98–103.

Green Gaming

... promotes responsible gaming

Our mission is to offer entertainment and a superior user experience – we want our customers to play for the sake of having fun. As such, it is of the utmost importance that our customers are able to play in a safe and responsible environment. Green Gaming promotes responsible gaming, meaning customers are in control of their gaming and make deliberate decisions about the risks they take. Read more on pages 34–35.

Since its launch in 2008, Mr Green has been a leading player in the European online gaming market.

A prerequisite for success in a competitive world is the ability to combine a strong brand with customer care and a unique product offering. Mr Green has achieved this and will continue to do so.

It should be worthwhile to follow Mr Green: as a customer, as a shareholder and as an employee.

Welcome to a report on 2017 from Mr Green's perspective. This was the year in which we made a real turnaround and laid the foundation for continued strong growth.

Our brands

GLOBAL

LOCAL

Mr Green

... is a fast-growing online gaming company that offers a superior user experience in a responsible environment. We offer casino games, Sportsbook, bingo, the virtual Live Beyond Live casino, One Minute Keno and Reel Thrill tournaments. Our customers also have access to our unique Green Gaming tool.

Vision

Our vision is to be a significant global operator, and to shape the future of the online gaming market.

Mission

Our business concept is to offer people a break, a happening, and a superior gaming experience in a responsible environment.

74% SHARE PRICE INCREASE IN 2017

Read more about the share on page 42

Significant events during the year

1

- Mr Green named IGA Online Gaming Operator of the Year.
- Reel Thrill Tournaments launched
- Wizard's Hat was established to generate digital traffic

2

- Online gaming company Dansk Underholdning acquired
- Directed new share issue of SEK 186 million after issue expenses
- Focus on growth in Nordic region
- Reported highest quarterly profit ever

3

- New, unique Sportsbook launched
- Predictive Green Gaming tool introduced
- One-Minute-Keno launched
- Mattias Wedar new CEO of Mr Green & Co Technology

4

- Bingo launched
- Online casino Mr Green launched in Denmark
- Per Norman named Best CEO in the Sustainable Gaming Industry by European CEO magazine
- Mr Green named Socially Responsible Bookmaker of the Year by SBC

EVENTS AFTER THE END OF THE YEAR

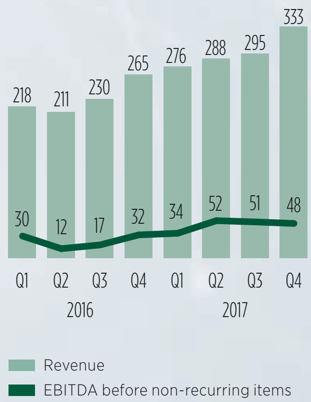
+

- Acquisition of Evoke Gaming, including gaming site Redbet
- Mr Green signed the UN Global Compact
- Mr Green advanced to Nasdaq Stockholm's Mid-cap segment
- Unique live casino launched in cooperation with NetEnt
- Mr Green won Corporate Responsible Provider of the Year at the Global Gaming Awards
- Mr Green named IGA Social Responsible Operator of the Year

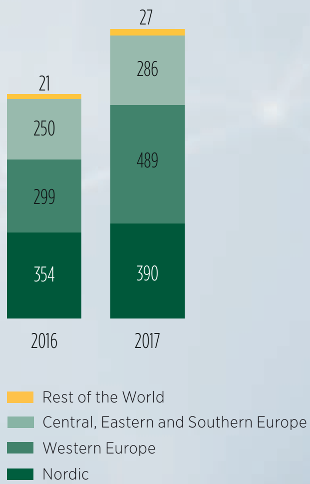
Selected key performance measures

SEKm (unless otherwise stated)	2017	2016
Revenue	1,192.0	924.5
EBITDA before non-recurring items	185.6	91.4
EBITDA margin	15.6%	9.9%
Earnings before interest and tax (EBIT)	116.0	19.1
Operating margin	9.7%	2.1%
Net result for the year	109.4	33.1
Earnings per share before/after dilution, SEK	2.75	0.92
Cash flow from operating activities	328.5	128.8
Deposits from customers	3,468	2,696
Number of active customers	297,667	238,822

Revenue and EBITDA before non-recurring items, SEKm



Revenue by region, SEKm



Our most successful year ever

We have our most successful year to date behind us. Now we are looking forward to an equally exciting 2018. We will continue to develop new products and gaming concepts, and we will expand into new geographic markets. Mr Green is an innovative fast-grower that always has Green Gaming in focus.

In 2017, we succeeded in making our turnaround. Revenue grew by 28.9 per cent and the EBITDA margin improved from 9.9 to 15.6 per cent. It is pleasing that we delivered on our financial targets. It is also gratifying to see that the stock market approved of our accomplishments. Our share rose 73.9 per cent during the year and the number of shareholders increased by 32 per cent to 5,783.

MR GREEN 2.0 BUSINESS STRATEGY

Our change activities commenced already in the spring of 2016, when we prepared a new business strategy that we named Mr Green 2.0. The five cornerstones of Mr Green 2.0 were: brand, user experience, product offering, geographic expansion and Green Gaming. In the same year, we were able to implement some immediate changes by introducing a Sportsbook and an improved live casino. Our customers liked the new offering and growth returned in the second half of 2016.

Spurred on by the positive reactions, we launched several major projects to continue broadening the product offering and advancing the user experience.

2017 was a significant roll-out year, with Reel Thrill tournaments and number games such as bingo and keno. In the autumn, we launched our unique Sportsbook, partly developed by us, which includes instant tennis and a mass of new information data to assist players in their betting decisions.

A HEALTHY CUSTOMER IS HEALTHY BUSINESS

The most important launch of the past year was our Green Gaming predictive tool. We developed this in collaboration with external experts to provide our customers with digital tools to help them maintain control over their gaming. For our part, we receive a tool to better understand and be able to adapt our customer communication to the individual's risk behaviour. With us, healthy gaming should not develop into something unhealthy.

Green Gaming is our most important sustainability issue and is ultimately a matter of trust. Our customers and other stakeholders must be able to rely on us doing our utmost to manage and prevent the risks of players developing unhealthy gaming behaviour.

"The most important launch of the past year was our Green Gaming predictive tool."

Sustainability is an integrated feature of our business strategy and in January 2018, we joined the UN Global Compact to emphasise our stance on sustainable development. We share the view of the UN Global Compact that companies must take part in creating the world we want to live in. As a signatory, we agree to ensure that the UN Global Compact and its ten principles become part of our strategy, culture and daily business. The GRI report, that we have prepared for the second consecutive year, is yet another way for us to demonstrate that sustainability permeates our operations.

WORLD'S FIRST VIRTUAL CASINO

In February 2018, we were able to raise the curtain on an exciting project that evolved during 2017. In cooperation with Net Entertainment, we developed the world's first virtual casino, "Live Beyond Live." We can now offer a user experience that is entirely different to the static environment of our earlier live casinos.

Our Mr Green 2.0 strategy also included geographic expansion. We took an important step into Denmark by acquiring Dansk Underholdning in April and on one of the last days of the year, we secured a Danish licence for Mr Green's platform. We have had a healthy influx of customers in Denmark since the launch of Mr Green and this country will become a key market for us. In 2017, we opened an office in Uruguay as a first step in our establishment in Latin America.

Brand building is another of the cornerstones of the Mr Green 2.0 strategy. We have a very strong brand in Mr Green. Our regular brand surveys show that Mr Green is one of the most well-known gaming sites among players in our most important markets. We are working purposefully to digitalise our customer communication and to make it more personal and relevant for the individual customer. This promotes a strengthening of our brand and enhances the effectiveness of our marketing. This is a significant reason for our profitability improvement.

TURNAROUND ALSO IN EVOKE GAMING

At the beginning of 2018, we concluded the acquisition of Evoke Gaming. In 2017, it underwent an acid test of thorough restructuring and a change of platform. The turnaround came in the fourth quarter of 2017, with a strong increase in revenues and a large influx of customers. The acquisition of Evoke Gaming gives us access to a more sportsbook-oriented target group

through the Redbet brand. Redbet will be rolled out in all of our markets in 2018 and we also expect significant synergies of EUR 2.5–3.5 million. Evoke Gaming will make a positive contribution to both Mr Green's cash flow and earnings not later than 2019.

We expect that Evoke Gaming will recognise a positive result already in 2018. Even after the acquisition of Evoke Gaming, Mr Green has a a continously favourable financial position. In the spring of 2017, we conducted a directed new share issue of SEK 195 million before issue expenses. We have an explicitly conservative approach regarding the balance sheet and want to have the scope to be able to manage unexpected situations. We have opted for a cautious approach to the tax issue in Austria and made provisions for a high taxation level. The Board's proposal to the AGM of a transfer of SEK 1.30 per share to shareholders is confirmation of the strength of our customer offering, our financial position and cash flow.

FAVOURABLE OUTLOOK

Finally, I want to extend a warm thank you to all our employees who have made the turnaround possible. Thanks to your intense efforts, fantastic achievements and commitment, we succeeded in making 2017 Mr Green's most successful year ever. I also want to welcome our new shareholders to Mr Green and express our thanks to you and existing shareholders for your support and all encouragement during the year.

You as shareholders and our customers will also notice this year that Mr Green is buzzing with innovativeness and creativity. We continue to differentiate our offering and develop new, unique products and gaming concepts. We will become established in new geographic markets and introduce the Redbet Sportsbook brand in all of our markets. We will continue to develop our Green Gaming work and to also launch the predictive tool for our Sportsbook customers. We will work hard to continue to create value by delivering on our financial targets.

Per Norman
CEO

Customer experience in focus

Mr Green's value chain is based on the customer. We always assign top priority to our customers and the customer experience.

In our value chain, we work with many stakeholders and sustainability challenges. Our most important sustainability issue is trust. Without the trust of our stakeholders, such as customers, authorities and shareholders, we cannot continue to build a value-creating business.

OUR CUSTOMERS

Our customers are private individuals over the age of 18 who play games of chance for money.

An active customer is defined as an individual who plays games of chance for money that is deposited in a customer account. A customer is also considered active if she or he has played for winnings from free spin promotions and/or bonuses.

The number of active customers increased by 24.6 per cent to 297,667 (238,822) in 2017.

GREEN GAMING

Our industry's most important trust issue is responsible gaming or Green Gaming. We know that about 2 per cent of the total population is in the risk zone for developing a gaming addiction. This percentage is higher among our customers. Accordingly, we need to offer a responsible environment in which our customers have tools to maintain control of their gaming and the opportunity to make deliberate decisions about the risks they take.

OUR OFFERING

Our customer promise is to offer people a break, a happening, and a superior gaming experience in a responsible environment.

We offer casino games, Sportsbook, live casino and number games in twelve markets.

Our revenue increased by 28.9 per cent to SEK 1,192.0 (924.5) million during the year.

CUSTOMER SERVICE CENTRE

We focus on customer needs in everything we do in the company. About 60 employees work round the clock in our customer service centre, ready to help our customers. All of our customer service employees are specially trained continuously in Green Gaming.

Our Code of Conduct governs how employees are expected to treat customers, oth er external stakeholders and one another.

MARKETING

Our marketing is becoming increasingly digital and computer-controlled. At the same time, we are personal and relevant in our customer communication. This, combined with sound internal processes, has led to a considerable increase in our marketing efficiency.

We increased our marketing costs by 20.0 per cent in 2017 to SEK 403.9 (336.4) million. In relation to revenue, marketing costs declined to 33.9 (36.4) per cent.

PRODUCT DEVELOPMENT

We invested SEK 102.4 million in product development in 2017. For example, we developed a predictive tool for Green Gaming, a smart Sportsbook, number games and, in cooperation with NetEnt, a new, unique live casino.

GAMING SOFTWARE PROVIDERS

We offer approximately 1,000 games, of which about 750 are also available for mobile devices. We maintain agreements with about 20 companies that provide online games. In turn, these companies have licences to offer the games. Our compensation for the gaming software providers mainly comprises a variable royalty fee based on revenue generated.

Games from the seven largest suppliers (Net Entertainment, Microgaming, Evolution Gaming, IGT, Play'N'Go, Yggdrasil Gaming and OGS) accounted for 84 per cent of total revenue in 2017.

PAYMENT SERVICE PROVIDERS

We maintain agreements with about 20 payment service providers. Our remuneration paid to them is generally based on a percentage of the amount transferred or a fixed price per transaction.

LOCAL BETTING DUTIES

We pay betting duties in markets with local gaming regulations. In certain other markets that are not regulated, we pay VAT and other indirect taxes. We also pay social contributions and income taxes, etc., to the Swedish and Maltese governments.

In 2017, local betting duties and indirect taxes increased by 37.3 per cent to SEK 182.3 (132.8) million.

Revenue from markets where Mr Green pays or makes provisions for betting duties increased by 39.1 per cent to SEK 648.8 (466.4) million in 2017. The markets included are Denmark, Italy, Ireland, Malta, the UK, Germany and Austria, which jointly accounting for 54.4 per cent of total revenue.

LOCAL AND EU REGULATIONS

Our industry is subject to different local regulations as well as the EU regulations. These include the regulations for counteracting money laundering, the GDPR and local licensing requirements.

> "Our industry's most important trust issue is responsible gaming or Green Gaming."

CAPITAL INVESTMENTS

A considerable share of the earnings generated are returned to the operations. The capital is used, for example, for the continued development of our gaming offering to strengthen our competitiveness and enhance differentiation.

NET RESULT FOR THE YEAR WAS SEK 109.4 MILLION.

DIVIDEND POLICY

Mr Green aims to pay a dividend and/or buy back shares in an amount equivalent to 50 per cent of consolidated free cash flow, provided the cash and cash equivalents are not required to realise the company's strategy, for future tax payments or to secure additional reserves as dictated by capital market conditions.

Passionate, creative, innovative

Our organisation is present in two of the world's most important locations for online gaming and digital development – Malta in the Mediterranean and Stockholm. This is where we have gathered our approximately 345 passionate, creative and innovative employees and consultants.

In March 2018, our employees in Stockholm relocated to Epicenter, an innovative environment for fast-growing companies in central Stockholm. That is the location for our technology development, with some 70 persons, and our head office with six persons.

The heart of our operation is in a newly renovated office in Sliema, in Malta. Including Evoke, about 270 employees work in Malta who are responsible for operations, including customer service, marketing and account management, payment services, finance, legal, compliance and Green Gaming.

COMPETITION FOR COMPETENCE

We are a fast-growing company. In 2017, the number of employees increased by 17 per cent. There is intense competition for competent employees in the gaming industry, both in Sweden and Malta. To stand out among the competition, we not only need to offer attractive terms and development opportunities, but also a healthy company culture.

To us, a healthy company culture means that all employees must be able to develop their full potential and actively contribute to our business. With us, everyone is to have the same opportunities, regardless of gender or gender identity, ethnicity, religion or other beliefs, disability, sexual orientation or age. When we have mixed groups with varied experiences, it leads to better decisions and deliveries.

We have a high level of diversity in the company, with employees from some 30 countries. That is positive. But we are not satisfied with the uneven gender distribution in the various sections of the organisation. In our technology organisation in Stockholm, 20 per cent are women, while in Malta the proportion is 44 per cent. Among managers, the percentage of women is 35 per cent.

We endeavour to have an even gender distribution in the company. We believe it is important for the entire gaming industry to have more women working in our sector. In 2018, we will establish goals and plans for our efforts to increase the percentage of women.

DIVERSITY

Our employees believe that we have succeeded in creating a workplace that is open to diversity. When asked if employees are treated equally, about 90 per cent believe that this is so in terms of age, ethnicity, gender, sexual orientation and disability.

The average age among our employees is 37. This means that the single most important factor for coming to work for us is the opportunity to develop professionally and to accept greater responsibility. Accordingly, in 2017, we conducted a leadership programme for our managers in both Sweden and Malta. This programme focuses on coaching leadership, management by objectives, culture and values.

In certain functions, the average age of our employees is lower than the Group average. Employee turnover is also higher in these functions. Employee turnover is particularly high in our customer service centre in Malta. It is a place where people who want to work in Malta often work for a limited time and then return to their home countries or spread their wings elsewhere in the world.

In October 2017, we gathered all of our employees for two days on another Mediterranean island, Corsica, to discuss and share experiences regarding our company culture and values. These discussions will form the basis of the continued development of our values in 2018.

We will also review our Code of Conduct during the year to reflect that we follow the UN Global Compact and the ten principles on human rights, labour, environment and anti-corruption.

The Code of Conduct is adopted by the Board and currently mainly describes our approach to Green Gaming.

OUR OFFICES

Epicenter, STOCKHOLM, SWEDEN	Tagliaferro Business Centre, Sliema, MALTA
Some 70 employees in technology development, IT management, platform responsibility, technical coordination and design, in such areas as Green Gaming. Head office with central functions for finance, legal, communication and IR, security and Green Gaming.	About 270 employees in, for example, customer service, marketing and account management, product development, payment services, finance, legal and compliance and Green Gaming.

310
Number of full-time equivalents

37
Average age

30
Nationalities

40/60
Share of women/men, %

82%
Are proud of working at Mr Green

The number of employees was calculated after the acquisition of Evoke Gaming. Other information pertains only to Mr Green in 2017.

Giacomo, Alice, Cemre and Emil at our newly refurbished office in Malta. All four previously worked at Evoke Gaming and joined us on 2 February 2018.

People from across the world meet at Mr Green

Diversity is self-evident for us. People from across the world meet at our company to work and create value together. Our employees represent about 30 nationalities and speak more than 25 languages.

Our office in Malta is open round the clock. There is always customer service centre employees available to assist our customers. Our customer service centre employees undergo special training in Green Gaming to be able to identify and support customers with increased risk behaviour.

In 2017, we extended and remodelled the office in Malta. Our Malta office is located at the heart of the busy business district of Sliema, with a view over the Mediterranean. The premises measure more than 2,200 square metres and nearly half is newly refurbished. The premises were designed to provide a creative and inspiring work environment. Meetings and the possibility of sharing ideas were the guiding principles in designing this new environment.

"Our stylish, newly designed premises are a step forward in building an even stronger employer brand both internally and externally," says Roberta Geres, Chief HR Officer for Mr Green's company in Malta. "A great working environment promotes employee engagement and thus profit the business in the long term."

Watch our film about working for Mr Green.

Continued rapid growth

Our business strategy is aimed at continued rapid growth and improved profitability. Sustainable entrepreneurship is the basis of our strategy and is included in all of our strategic choices and priorities.

The business strategy is based on five areas that drive our value from our position in the market and in the value chain, as well as business environment factors and market trends. We have also included sustainability issues that emerged in our stakeholder dialogues and materiality analyses.

In January 2018, Mr Green joined the UN Global Compact sustainability initiative. Through its membership, Mr Green commits to working actively with the Global Compact's ten principles for sustainable development in the four areas of human rights, labour, the environment and anti-corruption.

OUR FIVE VALUE DRIVERS

Our value drivers are: brands, trust, entertainment, geographic expansion and motivated employees.

Brands

Our brands are the prerequisite for our existence. Our new and existing customers must be aware of us and like us. It takes time and costs a great deal to build brands. We have a strong competitive advantage in our Mr Green brand, since it is so well-known in large areas of Europe. Our branding strategy is selective, meaning that we will only have a few brands in our portfolio. In this way, we can keep our costs down and build a long-term profitable business.

We continuously strive to increase our marketing effectiveness by working in a smarter way, finding more partners and using new technology, such as AI. More effective marketing is a prerequisite for achieving our financial targets.

Trust

Trust is our most important sustainability issue. Without the trust of our stakeholders, we cannot continue to build a value-creating business. All of our stakeholders – customers, employees, shareholders, providers, politicians and authorities – must have trust in us. Since we are listed on a regulated marketplace, we are subject to strict transparency and regulatory requirements, which is way for use to build trust.

The most important trust aspect for us, and the entire industry, is Green Gaming. Green Gaming is about creating a responsible and safe environment for our customers. With Green Gaming, we are creating a sustainable, long-term business with customers who can and want to return to us.

In February 2018, we launched the revolutionary live casino Live Beyond Live. This is a 3D live casino experience that we developed in collaboration with the gaming company NetEnt during 2017. It contains several technical advances, such as moving virtual background elements.

Geographic expansion

To continue to be a fast grower, we need to enter more geographic markets in 2018. In 2017, we commenced establishment in Latin America by placing one person in Uruguay, and in December, we launched Mr Green in Denmark. During 2018, the Swedish parliament is likely to decide on a new licensing system, which will entail that we will apply for a Swedish licence.

"More effective marketing is a prerequisite for achieving our financial targets."

Entertainment

To retain our stakeholders' trust, we must naturally follow regulations and laws. Accordingly, we invest in knowledge and processes related to compliance and corporate governance.

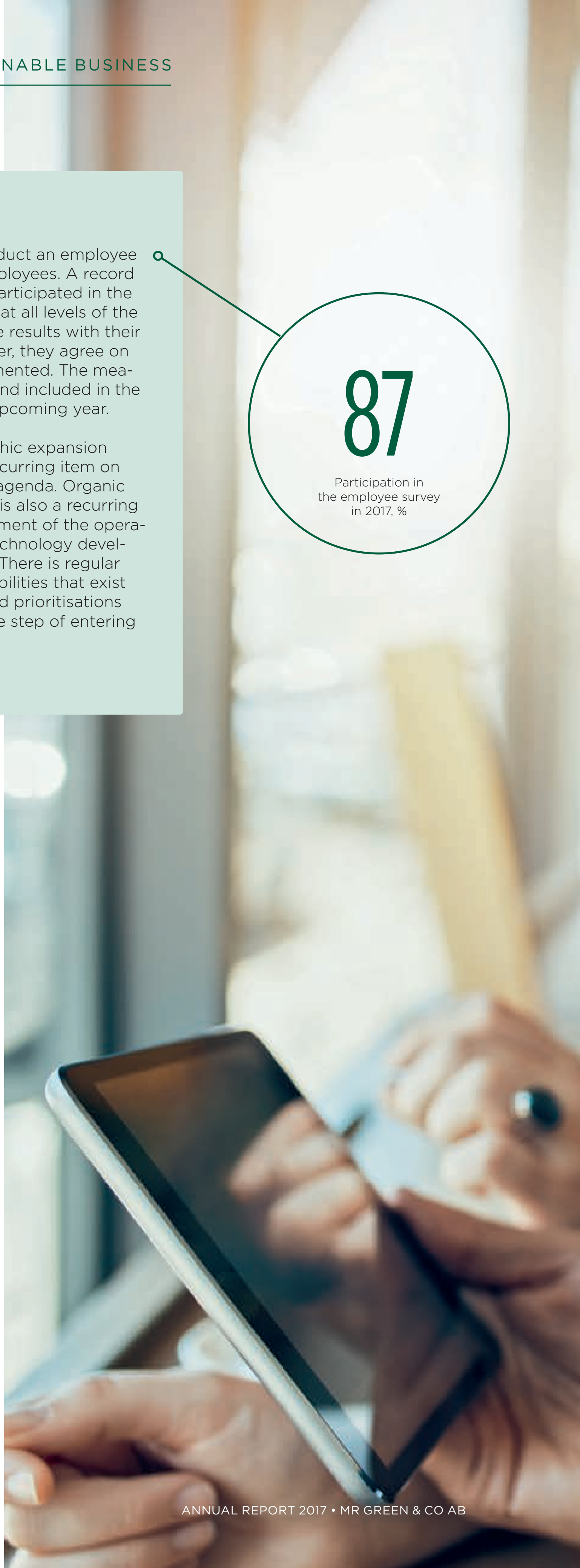
Our customers should think that it is fun to play with us and so we need to be able to offer unique content that can be distinguished from that of our competitors. However, we don't believe that this is enough. We also need to create a relationship with the customer and communicate in a personalised way. This enhances customer loyalty and we gain customers who gladly return to our gaming sites for some entertainment and relaxation.

Motivated employees

We need motivated employees to be able to deliver on our business strategy and achieve our goals. In 2018, we will continue our work to develop our managers and our company culture, as well as conducting work to develop our shared values.

OUR VISION	VALUE DRIVERS	STRATEGIC CHOICES
To be a significant global operator, and to shape the future of the online gaming industry.	Brands	• To invest in strong brands • To enhance the effectiveness of our marketing
	Trust	• To build a leading position in Green Gaming • To invest in regulatory compliance and corporate governance
	Entertainment	• Create entertainment and increase customer loyalty • Create unique content and increase differentiation • Personalise customer communication
	Geographic expansion	• Enter more markets through organic growth and/or acquisitions
	Motivated employees	• Develop leadership and employeeship

STRATEGIC PRIORITIES 2018	TARGETS	FINANCIAL TARGETS
Increased digital marketing To continue enhancing the effectiveness of our marketing	To continously improve marketing efficiency To strengthen brand awareness in all of our markets	Growth of 20% per year and 20% EBITDA margin by 2019* * The financial targets do not include the acquisition of Evoke Gaming and thus they will be revised in 2018.
To implement the predictive Green Gaming tool in all markets, brands and products	Green Gaming: 25% of our customers use a Green Gaming tool Regulatory compliance: No confirmed cases of violations Data security and customer data protection: No leakage of customer information	
Launch Live Beyond Live Improved technical performance Continue personalised communication	High level of customer satisfaction: Growth in number of customers	
Establish our brands in more markets in Europe and in other continents	Geographic expansion	
Continued leadership training for all managers Continued work on culture and value issues	Motivated employee index at 75%	



This is how we work toward our targets

Most of our targets are followed up monthly through key performance measures, which are reported to Group management and the Board of Directors. In certain instances, Group management requires more frequent follow-up.

Regulatory compliance is reported regularly to the gaming authorities of the countries where we have a licence. Managers are responsible for ensuring compliance with external and internal regulations and policies. Our internal auditors review and monitor procedures and processes such as risk and risk management regarding compliance in both external and internal rules and policies. The security department monitors and reviews procedures and processes relating to data security and management of customer data.

Every autumn, we conduct an employee survey aimed at all employees. A record number, 87 per cent, participated in the 2017 survey. Managers at all levels of the organisation review the results with their employees and together, they agree on measures to be implemented. The measures are aggregated and included in the business plan for the upcoming year.

The matter of geographic expansion and acquisitions is a recurring item on Group management's agenda. Organic geographic expansion is also a recurring theme for the management of the operation in Malta and for technology development in Stockholm. There is regular evaluation of the possibilities that exist and what resources and prioritisations are required to take the step of entering a new market.

87

Participation in the employee survey in 2017, %

Acquisition strategy

We have an explicit intention of being involved in the consolidation of our industry. In June 2017, we generated SEK 186 million after issue expenses from a directed new share issue aimed at strengthening cash flow to be able to make acquisitions and broaden ownership.

Our acquisition strategy:

- We can consider acquisitions in all sections of our value chain, that is, we can acquire a gaming provider or gaming developer, payment service provider, affiliate or a gaming company.
- We are to have a clear plan and strategy for the integration of the new operation.
- The price must be reasonable and the acquisition must generate clear synergies.
- We must be able to quickly make a return on the acquisition. There are economies of scale in the industry, but there is also a cost in keeping brands alive.
- If we are to acquire gaming companies, we want them to serve markets that are or are on the way to becoming locally regulated.

We reversed the trend

In 2017, we achieved a real turnaround and are again a fast-grower. Our journey of change began in 2015.

When the Mr Green gaming site was launched in 2008, it was at the forefront of technology. Our competitors eventually caught up and even overtook us. The time came for us to change both the gaming site and the organisation.

The first step was to rebuild the technology platform to reduce dependence on external suppliers. We needed a more flexible platform to be able to add new products and functions ourselves. At the same time, we would also gain better control of our customer communication. We also wanted the possibility to easily add more countries and brands to be able to grow geographically and make acquisitions.

In the spring of 2016, our new technology platform was ready. We also had new management teams in both Stockholm and Malta and the Board had been expanded to include independent members, who brought knowledge of internationalisation and acquisitions.

We were now ready to implement a new business strategy, which we called Mr Green 2.0. The business strategy was based on five cornerstones: brand, user experience, product offering, geographic expansion and Green Gaming.

The first step in the implementation was to broaden our offering by launching a Sportsbook. We then advanced the user experience by offering an improved live casino. In the third quarter of 2016, we were able to demonstrate that growth had begun to once again gather momentum.

In 2017, we continued to deliver on Mr Green 2.0 and expanded our offering to include unique products. We launched our proprietary casino tournaments, Reel Thrill, and unique One-Minute-Keno. The Sportsbook was upgraded with proprietary functions and ones we bought. We launched bingo and developed an entirely new concept for live casino. Perhaps the most significant event of 2017 was when we launched our Green Gaming tool in the autumn. It is a unique tool that provides our customers with better opportunities to keep control of their gaming.

In 2017, we also acquired Dansk Underholdning and secured a casino licence for our own Mr Green platform in Denmark in December of the same year. During the year, we also continued to improve our personalised customer communication.

At the end of 2017, we announced the acquisition of Evoke Gaming, which operates the gaming sites Redbet, Vinnarum casino, Bertil and MamaMia. Through this acquisition, we gain, among other things, a distinct betting brand and Redbet is to be launched in all of our existing markets. The acquisition was completed in February 2018. As a result of the acquisition of Evoke Gaming, we have chosen to concentrate on Evoke's local brands and have merged Vinnarum casino with Garbo, and retained the Vinnarum casino brand. The Garbo casino site was relaunched in June 2017.

In 2017, revenue grew by 28.9 per cent to SEK 1,192.0 million and EBITDA improved by 103 per cent to SEK 185.6 million. The turnaround was a fact.

2015

- Development of the new technology platform initiated

2016

- The Mr Green 2.0 business strategy began to be implemented in the spring
- Renewed Board and management team
- Sportsbook and new live casino launched
- Share listed on Nasdaq Stockholm's main market
- New customer record

2017

- Unique gaming products launched: Reel Thrill casino tournaments – smart Sportsbook – One-Minute-Keno
- More digital marketing and personalised customer communication
- Green Gaming predictive tool launched
- Development of Live Beyond Live
- Acquisition of Dansk Underholdning and launch of Mr Green in Denmark in December
- Initial establishment in Latin America
- New customer record
- Announcement of the acquisition of Evoke Gaming
- Growth exceeding 28.9 per cent and improved profitability

28.9%

Green Gaming in our DNA

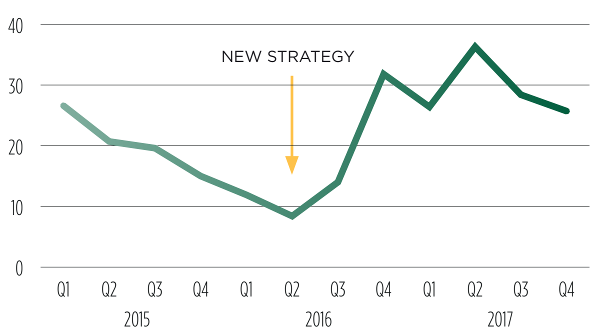
Green Gaming has been part of Mr Green's strategy and DNA since the very beginning. The character of Mr Green is a gentleman, who always looks after the interests of his customers. Mr Green wants customers to have fun and to play in a healthy manner.

When the founders of Mr Green developed the brand, Green Gaming was thus a self-evident factor. They were among the first to have their players set amount limits and built an online casino with the best graphic design at the time. Mr Green also changed the industry with its new, efficient payment solutions.

Mr Green was formed in Stockholm by three entrepreneurs: Fredrik Sidfalk and Henrik Bergquist, who were involved in establishing Betsson, and Mikael Pawlo, who has a background in PR and marketing.

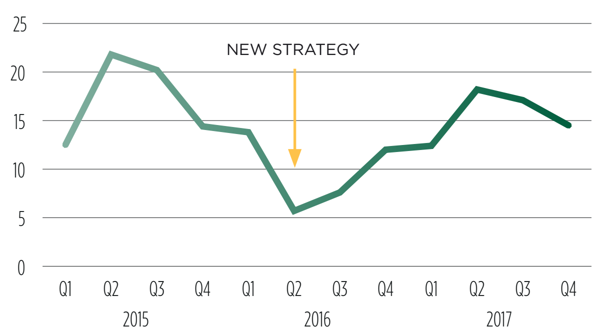
Our strategy has generated results

Revenue growth, %



Revenue growth compared with the year-earlier period.

EBITDA margin, %



EBITDA margin before non-recurring items 2015 and 2016

Increasing complexity

More regulation, new digital ways of communicating and higher taxes. The complexity of our industry is increasing and more and more is required of us to enable us to navigate this landscape.

When Mr Green started ten years ago, we offered only one product, casino games. At that time, we were in only a few markets and Sweden was the largest market by far. The customers played on their computers with fixed internet connections and few countries had regulated their gaming markets locally.

Since then, much has happened. Where technology is concerned, developments have moved at a swift pace. Today, it is natural for our customers to use various devices depending on where they are. Sometimes the place of play is a computer, with its larger screen and better resolution; sometimes it is a mobile phone or tablet in front of the television, while watching your favourite football team.

The technological complexity is not only increasing in pace with the various devices the customers use. It also increases with the number of payment solutions from various providers that we offer our customers. The payments systems also differ between countries and require licenses and approval from authorities.

STRONG BRANDS BECOME WINNERS

Marketing is the largest cost item in our industry because it takes considerable investments to make a site well known. This means that the competition in many markets is intense. The gaming sites also attract customers by offering various bonuses, such as freespins. The problem is that customers often do not stay especially long, but choose to go to another gaming site when they have used their bonus.

Digitalisation opens up the possibility to individualise customer communication. At the same time, digitalisation also enables the differentiation of the offering. This will lead to greater customer loyalty.

Although marketing is becoming increasingly digital and effective, we believe that it will remain a considerable cost for the gaming companies. In the future, entering a new market will continue to require considerable investments in marketing to make the brand well known and build a customer base.

To date, online gaming companies have not differed greatly in terms of marketing and brand profiling. In principle, game offerings have been the same, and customer communication and marketing have been similar. In other online industries, the companies have progressed further in their customer communication. Companies such as Netflix and Amazon have become skilled at individualising their communication and tailoring their offerings to the preferences of the individual customer. The gaming industry still has some way to go. For gaming companies, the future is about differentiating their offering, individualising communication and increasing the entertainment value to increase customer loyalty. The strong and innovative brands with a unique offering will be the winners.

“Digitalisation opens up the possibility to individualise customer communication.”

MORE REGULATION

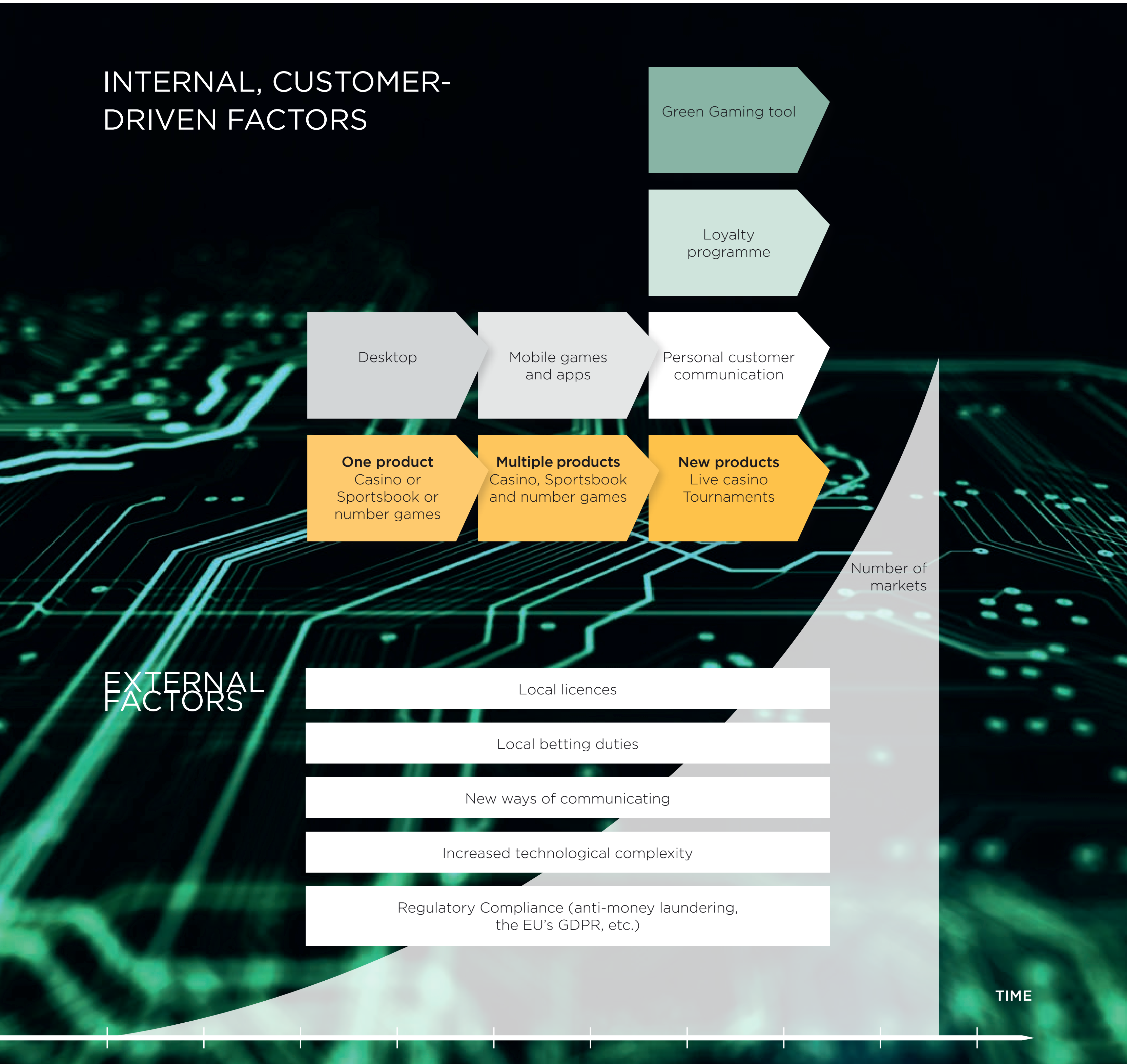
A clear trend is that more and more countries are opting to regulate their gaming markets locally. For online gaming companies, this means that more resources must be used for managing licences and various national regulations. Smaller players will have difficulty in bearing the betting duties and meeting local regulations, which will contribute to consolidation in the industry.

In the ten years since Mr Green was launched, much has happened in the area of regulation. Today, we have EU regulations for such issues as cash management and the anti-money laundering. These regulations apply not only to financial institutions but also to anyone handling payment flows. Internal work is currently under way to adapt Mr Green to the EU’s new data protection regulation, GDPR, which comes into force in May 2018.

Our most significant business environment

- Increased technological complexity
- New digital methods of communication
- New regulations
- More countries are regulating their gaming markets locally
- Local regulations entail local betting duties

Strong driving forces from both customers and the business environment



Strong growth in online gaming

The online gaming market is growing rapidly in Europe and annual growth of 7 per cent is expected until 2022. Gaming on mobile devices is growing by more than 16 per cent per year.

"Alea iacta est – the die is cast" – said Julius Caesar in 49 B.C. Playing, and playing for money, is probably a behaviour as old as Homo sapiens.

The European gaming market had sales in excess of SEK 970 billion in 2017. It will continue to grow by 2 per cent a year in the next five years. The largest share, approximately 80 per cent, of the market is land-based or analogue gaming.

Online gambling still only comprises about 20 per cent of the market. This is where the growth is. The annual growth of online gaming in Europe is expected to be 7 per cent over the next five years. Gaming on mobile phones and other mobile devices is expected to grow by 15 per cent per year in the next five years. Computer gaming is expected to grow by 3 per cent annually.

The European online gaming market is expected to be valued at nearly SEK 300 billion in 2022 and the market for gaming on mobile devices will be valued at about SEK 145 billion.

It is clearly important for us to have offerings that are adapted for mobile devices and to have effective apps. It is equally important to have good sites for computers because most customers play on both their mobile devices and their computers. In addition, countries differ in their penetration of smartphones.

CONSOLIDATION

The European market is fragmented, with a large number of gaming companies. No player in Europe has captured a high market share in all of Europe. There are, however, many gaming companies that are large regionally or nationally.

Our industry is characterised by volume advantages. The higher your revenues, the lower the relative fees to the gaming providers. Marketing costs are at their highest when a gaming site is launched on the market, then they decline in relative terms as the brand achieves a certain level of awareness. The number of employees does not increase at the same rate as revenue increases either.

Local gaming regulations entail that gaming companies need to pay betting duties, which can be a difficult burden for small players.

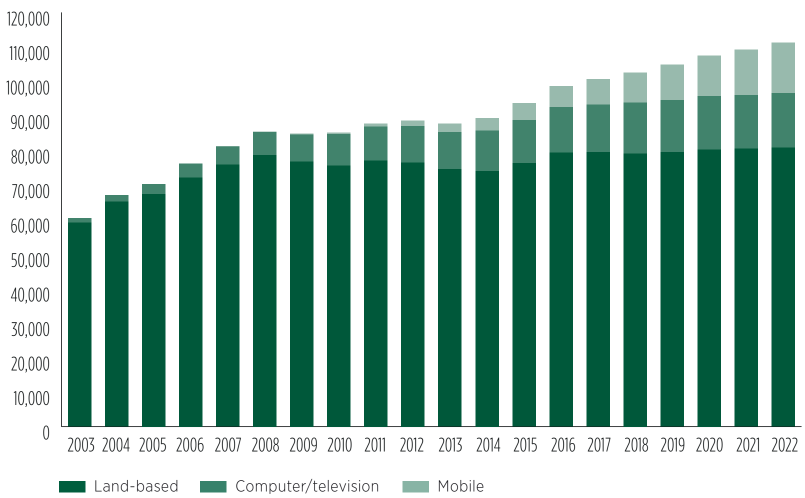
We believe that we will see a consolidation in the European gaming market, with smaller players being acquired by the larger ones. Companies in a strong financial position have the possibility to grow through acquisition.

Mr Green's competitors comprise both privately held and publicly listed companies, as well as state-owned companies. In the countries that have locally regulated markets, many of the major land-based gaming companies are also substantial operators in the online market.

The major gaming companies in the European market that Mr Green encounters include Bet365, Betsson, Bwin, Kindred, LeoVegas, Paddy Power, Pokerstars and Svenska Spel. These companies have low market shares in the total European online gaming market, but hold strong positions in individual countries or regions.

"Alea iacta est – the die is cast – as Julius Caesar said in 49 B.C."

Growth in various platforms in Europe, €m



European gaming market in %

300
SEK billion.
The value of the European online gaming market 2022

145
SEK billion.
The value of the European mobile gaming market 2022

7%
Annual growth in online gaming

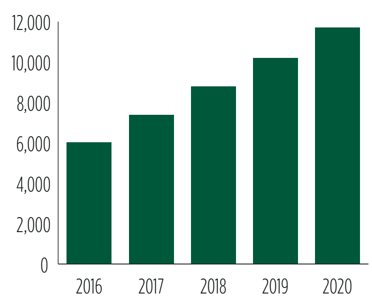
15%
Annual growth in mobile gaming

All information on the size of the market comes from H2 Gambling Capital from January 2018. For conversion from EUR, the average exchange rate of SEK 9.6326 from the Swedish central bank was used. The information on the size of the market pertains to gaming operators' gross game win. The gaming market is defined as the market in which individuals play games of chance for money. Annual growth is defined as the average compound annual growth rate (CAGR) until 2022.

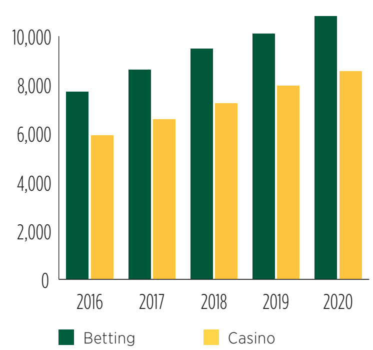
Gaming market trends

- Customers play on several different devices
- Strongest growth for mobile gaming
- Strong growth for live casino
- Volume advantages and local regulations are driving consolidation

Mobile growth in Europe, €m



Growth in the European betting and casino market, €m



CASINO

Here you can spin your way to a win in our exciting slot machines, play to hit the highest jackpot, beat the dealer by getting blackjack or taking a chance on your lucky number at roulette.

We offer about 1,000 games online, of which about 750 are available for mobile devices.

LIVE CASINO

You play with real dealers here in Mr Green's own gaming environment. We have three suppliers for our live casino. Our own tables are the most popular.

LIVE BEYOND LIVE

Live Beyond Live is an advanced 3-D live casino experience, which you can access at the press of a button. In Live Beyond Live, Mr Green opens the door to his virtual casino, a rooftop apartment in Los Angeles. In the rooftop apartment, customers are welcomed to several different tables with live dealers, where they can play roulette and blackjack.

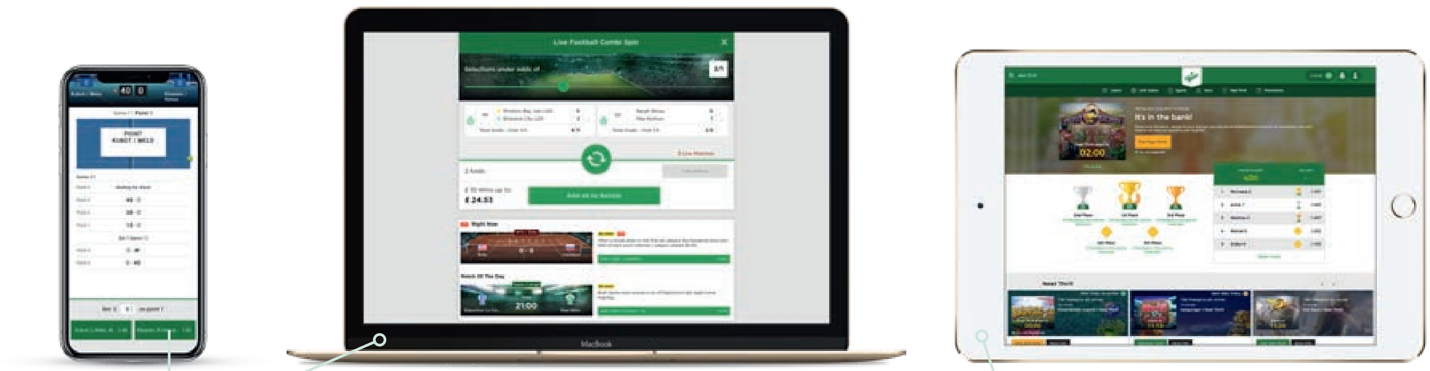
“Looking for entertainment, ask for Mr Green”

Mr Green is our award-winning gaming site that offers our customers entertainment and relaxation in a safe and responsible environment.

Today, we have a unique offering that stands out among the competition. In 2017, we worked to expand our offering and add proprietary products. We have succeeded in creating our own profile, which increases the entertainment value and customer loyalty.

In 2017, we collaborated with the gaming company NetEnt to create an entirely new live casino experience. In February 2018, we raised the curtain on Live Beyond Live, a virtual 3-D casino. The most prominent technological advance with Live Beyond Live is the background environment of moving virtual elements. Other technical functions integrated into the product include more different tables, new angles, improved quality of the blackjack table, real-time information from the other tables and improved sound quality.

Our vision is to be involved in shaping the future of the online gaming market. It is thus important for us to constantly develop our offering to remain at the forefront of the industry.



SPORTSBOOK

With Bet Assist, Instant Tennis and Football Combi Spin, you have 15,000 reasons to bet every week. The Sportsbook was upgraded in 2017 and contains unique, partly proprietary, functions for both professionals and beginners.

NUMBER GAMES

Bingo and One-Minute-Keno were launched in 2017. They are very popular games aimed at a broad audience. Since our bingo customers play against each other, bingo is only available in our larger markets.

REEL THRILL TOURNAMENTS

Reel Thrill is a completely new way to play on slot machines – developed by Mr Green. You compete in real time against other players in a 15-minute fast-paced tournament, in which the highest percentage gain at the end of the tournament wins.

GREEN GAMING PREDICTIVE TOOL

Enjoy all of the entertainment that Mr Green offers in the knowledge that Green Gaming is helping you to keep control. It only takes a moment to register for the Green Gaming tool and then you are ready to play.

Our new dashboard will show you all of your gaming activity and provide an assessment of your gaming from a risk perspective. Our new tool was launched for casino players in the autumn of 2017.

AWARDS IN 2017

EGR NORDICS AWARDS 2017
Nordic Operator of the Year

BEST CEO IN THE SUSTAINABLE GAMING INDUSTRY
by CEO Magazine

EGR NORDICS AWARDS 2017
Marketing Campaign of the Year

IGA 2017 GAMING
Operator of the Year

EGR OPERATOR INNOVATION AND MARKETING AWARDS 2017
Personalized Marketing Campaign of the Year

SBC AWARDS
Socially Responsible Bookmaker of the Year

In February 2018 Mr Green won Corporate Responsible Provider of the Year at the Global Gaming Awards and was named IGA Social Responsible Operator of the Year.

10TH ANNIVERSARY!

2018 will be extra festive for Mr Green. The Mr Green gaming site celebrates its tenth anniversary!

No customer will miss out on our birthday party. We will have a campaign concept for the entire year and naturally, we will use our special tenth anniversary icon.

The official birthday is on 8 August – ten years to the day exactly since Mr Green was launched.

Acquisition of Dansk Underholdning

In the spring of 2017, we acquired Dansk Underholdning. Dansk Underholdning has a well-established position in the Danish gaming market and had sales of SEK 24.8 million in 2017.

The acquisition is part of our strategy to expand into new geographic markets.

Dansk Underholdning has several well-established brands including Bingosjov and BingoSlottet.

As of 2018, online bingo is subject to the Danish gaming regulation.

We paid the acquisition in cash and Dansk Underholdning made a positive contribution to our earnings per share and operating cash flow in 2017.

Evoke Gaming with Redbet

In February 2018, the acquisition of Evoke Gaming with the gaming sites Redbet, Vinnarum casino, Bertil and MamaMia was completed. Evoke Gaming fits well into our business plan and strategy. We are pursuing our strategy of nurturing a small number of strong brands that can work globally. With Redbet and Mr Green, we have two immensely strong brands addressing different segments and we see major potential to expand Redbet into our existing markets. Vinnarum casino, Bertil and MamaMia are strong local brands that will continue to target the Nordic market.

In 2017, Evoke Gaming had sales of SEK 100.5 million.

Focus on growth and Green Gaming

During 2017, we focused on two issues: succeeding with our turnaround and Green Gaming, one of our most important trust issues.

In November 2016, we presented our financial targets to the stock market. At this point, we had several quarters of weak growth behind us, as well as two quarters of negative EBIT. Accordingly, the most important aspect for us in 2017 was to deliver on our business strategy and financial targets. If we could do that, we would ensure our turnaround. We succeeded in this and the stock market demonstrated its trust in us in 2017, with the share price climbing 73.9 per cent.

Green Gaming is one of the pillars in our business strategy. To create long-term, profitable business, our customers need to feel that we are offering them not only an entertaining, but also a responsible and safe environment. One of our prioritised goals in 2017 was thus to develop and launch an effective Green Gaming tool for our customers. We are first in our industry with our Green Gaming tool that gives our customers unique possibilities to take control of their gaming.

In our materiality analysis in 2016, we also established that a key goal to be met comprises the laws and regulations that apply to our industry. We have policies, internal procedures and checks to ensure our compliance. In 2017, we had no confirmed breaches of regulations and no penalties or sanctions were imposed for lack of regulatory compliance.

We have an internal whistleblower function through which employees can anonymously report deviations from our rules. In 2017, no deviations were reported through the whistleblower function.

NO CUSTOMERS FROM PROHIBITED WEBSITES

Marketing is a central feature of our operation, in which regulatory compliance is also important to ensure the trust of customers and other stakeholders. In 2017, we continued our work to ensure that affiliates did not recruit new customers from websites that we do not permit. Affiliates that recruit from prohibited websites do not receive payment from us. We also tightened our internal procedures for checking affiliates, which led to a reduction in the number of affiliates we work with.

We had one case with the Swedish Advertising Ombudsman (RO) in 2017. The case involved a woman who had won a jackpot twice with us. RO found that the woman exists and that she won the two jackpots. However, RO found that we in our marketing should state the probability of winning a jackpot.

MOTIVATED EMPLOYEES

Thanks to the fantastic efforts of our employees, we were able to deliver on our business strategy and succeed in our turnaround. At times, this work has been done under pressure with intense focus on keeping to the agreed delivery dates for various projects. Reorganisations took place in Malta and in the technology organisation in Stockholm to establish smoother processes with shorter decisionmaking paths and to enable the scope for new, innovative projects.

The percentage of employees who consider Mr Green a very good place to work declined somewhat during the year, partly as a result of the strong focus on the turnaround. However, there was an increase in the percentage of employees who feel that they have the possibility to keep learning new skills. During the year, our employees and also the Board participated in training courses on Green Gaming and anti-money laundering. Managers also underwent a leadership programme, with a focus on culture and values.

Our employees and students from the University of York cleaned the water around Malta and gathered data on the state of the Mediterranean. The study will provide knowledge about where waste gathers and how it impacts these locations.

OUR SUSTAINABILITY TARGETS IN 2017

During 2016, we conducted an analysis of our value chain to identify and pursue the most significant environmental, social and economic matters. In the materiality analysis, we collectively considered the areas that we deemed to be strategically important and the matters that stakeholders considered the most important. We subsequently attached targets to our chosen sustainability areas.

SUSTAINABILITY AREA	OVERALL OBJECTIVE	TARGET	OUTCOME IN 2016	OUTCOME IN 2017
Green Business	Long-term profitability	See page 38	See page 38	See page 38
	Regulatory compliance	No confirmed cases of violations	No confirmed cases of violations	No confirmed cases of violations
	High level of customer satisfaction	Growth in number of customers	The number of active customers increased by 31.9 per cent	The number of active customers increased by 24.6 per cent
Green Gaming	Responsible gaming	Live up to the European CEN standard for gaming responsibility	Yes	Yes
		Ensure that affiliates do not recruit from websites not approved by Mr Green	During the latter part of the year, no compensation was paid to affiliates recruiting from websites not approved by Mr Green	During the year, no compensation was paid to affiliates recruiting from websites not approved by Mr Green
		No violations of marketing rules or self-regulation	One confirmed case	One confirmed case
		For customers to associate us with Green Gaming	(Not measured in 2016)	(Not measured in 2017)
		To be the leading Green Gaming operator	(Not measured in 2016)	The Green Gaming predictive tool was introduced and we received several significant industry awards for our work on Green Gaming
Green Employment	Fair terms of employment	For employees to consider Mr Green a very good place to work.	75 per cent	72 per cent
	Employee training	For employees to feel that they have the ability to keep learning new skills.	51 per cent	56 per cent
Green Environment	Less negative environmental impact	No target set	–	–

In the environmental area, we chose to become involved in the effort to achieve a cleaner sea around Malta. We are, exactly like many Maltese, concerned about the increase in plastics in the Mediterranean. During the summer of 2017, master's students in marine environment control from the UK University of York joined our employees to clean the beaches and water around Malta. At the same time, they collected data regarding the state of the sea in an academic study of the sea environment and plastics.

Mr Green's environmental impact is limited because our operations are online. However, our air travel between Stockholm and Malta has a significant environmental impact. Accordingly, we have an express ambition to minimise air travel by using digital technology, such as video conferencing and webbased tools.

We like clear rules of play

Our industry is so new that not all countries have managed to adapt their legislation. We want to see more countries regulating their online gaming legislation. This gives all gaming companies the same terms and increases transparency.

The internet brought major change to the gaming market. Before the internet, all gaming was land-based. Anyone wanting to play had to find a casino, buy lotteries in their local store or go to the pizza place on the corner to use the slot machines. In many countries, gaming and lotteries were operated by the government or private monopolies.

With the internet, national boundaries disappeared and the local monopolies encountered competition in cyberspace. Some countries have managed to adapt their legislation, while others are on the starting blocks for new, local regulation.

We find it positive when countries regulate their gaming markets locally. Regulation often entails that a licensing system is introduced, alongside local betting duties. Local licences increase the control of gaming companies and countries often also introduce demands for various Green Gaming tools. This makes for a safer environment for the customers and transparency is increased. Betting duties are also an important contribution to the financing of welfare.

The licensing system provides clear and equal rules for everyone. Marketing channels are also opened to us that would otherwise be unavailable, such as Facebook, Google Ads, national television channels, and the sponsorship of sport and culture.

The most important success factor for countries that introduce local regulation is the amount of betting duties. High rates of tax tend to increase the risk of a black market with companies that lack licences and cannot be monitored. Experience shows that betting duties should be 15–20 per cent to minimise the risk of a major black market.

It is self-evident for us not to operate in locally regulated markets, where we do not have a licence, or in countries where online gaming is prohibited. We also comply with local guidelines on, for example, the ways in which gaming sites market themselves during the time that a country is being regulated. Such a process is under way in the Netherlands, where the authorities have stated rules for how gaming sites can market themselves while awaiting local legislation.

To drive the issue of local regulation, we are members of and active in local industry organisations for online gaming companies, such as in Sweden, Germany and Austria.

Our right to operate in the EU

Malta is an important EU country for our industry. Our subsidiary, Mr Green Ltd, is based in Malta. It is licensed and regulated by the Malta Gaming Authority (MGA). Through our Maltese licence, we can offer and market gaming in the EU and EEA (the European Economic Area), except in countries that have local licences. Many of our competitors have the same structure.

In the EU, the basic principle applies that there can be no restrictions on the freedom of establishment, or the freedom to provide and market services. Member states can introduce restrictions that are justified by a superordinate public interest, such as protecting consumers from gaming addiction. Such restrictions must be, for example, proportionate and non-discriminatory so as not to breach the EU's basic principle.

Despite this, a number of member states, including Sweden and Austria, still have a monopoly or quasi-monopoly situation. In several cases, the European Court of Justice has ruled that many of the government-imposed restrictions that exist in the EU gaming market can, in principle, be regarded as a restriction on the freedom of movement.

Mr Green in Austria

Austria is an important market for us. Mr Green is one of the country's three largest online casinos and we have a healthy level of profitability there.

Austria has a monopoly-like situation and we operate there through our Maltese licence. The Austrian tax agency believes that foreign gaming companies should pay betting duties in Austria. We, and several of our competitors, contest the obligation to pay betting duties, with reference to such instruments as the Austrian constitution and EU legislation. We are driving an appeal process in Austria, which has passed the first instance, where we lost as expected. That judgment has been appealed.

As a precautionary measure, we have continuously made provisions for the betting duties in our income statement. If we were to lose the dispute we anticipate having a payment plan of two years and to pay from cash flow. If we win, there are several scenarios, such as the rate of tax being lower than we have provided for.

We will keep our shareholders updated on the Austrian process.

- Markets where Mr Green has gaming licences
- Markets in which Mr Green pays or makes provisions for betting duties and VAT but has no licence
- Markets that will be regulated locally in which Mr Green pays betting duties or VAT but has no licence

We are present in twelve markets

- Nordic region: Denmark, Finland, Norway and Sweden
- Western Europe: Ireland, Switzerland, Netherlands, the UK and Germany
- Central, Eastern and Southern Europe: Italy, Malta and Austria
- Rest of the World: Small revenues from many countries

Our brands our most important asset

Strong brands that customers recognise and like are important to us. It enhances customer loyalty and makes our communication more effective.

Our two global brands are Mr Green and Redbet, which we acquired in February 2018. Mr Green is well-established in Europe and Redbet has a good position, particularly in Sweden and the UK. Mr Green has a strong casino profile and Redbet is a distinct Sportsbook name, with which we can reach a more betting-focused target group. They complement one another well and are our most important brand assets. In 2018, we will continue our geographic expansion and launch Mr Green and Redbet in more markets. In addition, Redbet will be launched in all of our existing markets.

We also have a handful of local brands, such as Bertil, MamaMia and BingoSlottet. They have found their local niches, where they can continue to grow and create value.

It is self-evident for us not to operate in locally regulated markets, where we do not have a licence, or in countries where online gaming is prohibited. We also comply with local guidelines on, for example, the ways in which gaming sites market themselves during the time that a country is being regulated. Such a process is under way in the Netherlands, where the authorities have stated rules for how gaming sites can market themselves while awaiting local legislation.

To drive the issue of local regulation, we are members of and active in local industry organisations for online gaming companies, such as in Sweden, Germany and Austria.

DIGITALISATION

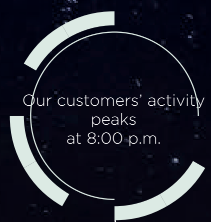
In the past year, our marketing staff have focused on becoming increasingly digital and data-controlled. They have succeeded well in this. We have become less dependent on traditional media channels, such as television, and are using digital channels to a greater extent. Sweden is a good example of this. In 2017, we had healthy growth in Sweden, where 85 per cent of the marketing costs was attributable to digital media. It is through smart digital campaigns that we are growing in Sweden, not through television advertising.

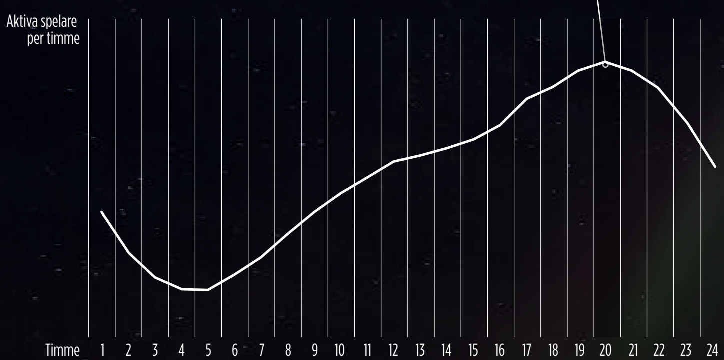
Our customer communication is only effective if it is relevant. Digital communication gives us useful data for us to analyse which messages and channels are effective. In this way, we are constantly expanding our knowledge about what is relevant to the customer.

Few brands, a digital approach and relevant customer communication, combined with a unique product offering and sound internal processes are the factors that have made our customer communication increasingly effective. In 2017, we were able to generate more gain per invested marketing krona than we did in 2016.

OUR CUSTOMERS' GAMING PATTERNS

Our customers play in the evening, after work, for relaxation and entertainment.





WE GENERATE MORE GAIN PER KRONA IN MARKETING

We measure our market efficiency regularly. This shows our revenue increase in relation to marketing costs. It is clear that in 2017 we generated higher revenue per marketing krona.

HIGH LEVEL OF ETHICS

Trust is our most important sustainability issue, which permeates our customer communication. This is why we must be clear and honest in our communications. In 2017, we maintained our focus on our affiliates and our "no-excuse" policy. This policy stipulates that no compensation will be paid for customers recruited from websites not approved by Mr Green. Consequently, the number of affiliates that we work with continued to decline in 2017.

Our customer communication complies with local marketing laws, prevailing industry recommendations and the rules and requirements stipulated by our gaming licences. In Sweden, in addition to the applicable laws and rules, we also comply with the Swedish Advertising Ombudsman and have a link in our marketing to the national support hotline for gaming addicts and those close to them, www.stodlinjen.se.

Why our marketing is effective

- Few, well selected brands
- High degree of digital media
- Personal, relevant communication
- Unique products – high entertainment value
- Sound internal processes
- Contains viral elements

Lorna, Jill, Alexe, Jon, Ludvig and Corina created Mr Green's Fruit Spin, one of our most successful campaigns in 2017.

Success for innovative fruit break

Five-a-day was the inspiration for the marketing team in Malta when they created one of the customer successes of the year – Fruit Spin.

The marketing team thought that it was time to make something new out of the traditional slot machine. Lorna, Jill, Alexe, Jon, Ludvig and Corina sat down together to brainstorm. They decided to start by revamping the design of the fruit and linking the customer communication to something many people recognise. It was five-a-day and afternoon fruit.

They created the theme of "Five-fruit-spin" per day and made films with living fruit in various environments. They naturally envisaged digital channels. Of all the e-mails sent during the campaign, 46 per cent were opened – an impressive figure for a mass mailing. Of those who opened the message, 47 per cent clicked onward to the relevant page. This is a full 597 per cent better than the industry average for mass mailings.

And the customers liked what they saw. Seven days after the campaign was launched, the number of new depositing customers from Fruit Spin had risen by well over 10 per cent. Innovation and creativity in combination with digital skills are the basis for the success of Mr Green's Fruit Spin campaign.

Digital technology is our backbone

We are a 100-per cent digital company.
Accordingly, we must love and be passionate about technology.

Mr Green is a mecca for technology nerds. Problems and challenges must be addressed every day. Our technicians will handle our own so-called front-end – what the customers see on their phone, tablet or computer – and thousands of other applications, such as games from gaming providers and payment solutions. In addition, the front-end needs to function on several operating systems and be adapted according to the screen the customer is playing on. The system must also handle large amounts of data regarding payment flows and bonuses. For extra complexity, we have added our Green Gaming tool, which manages customers' gaming patterns and provides us with information regarding increased risk behaviour.

LARGE AMOUNTS OF DATA

Enormous amounts of data are handled by our systems every day. In 2017, our customers placed 2.4 billion bets with us – casino, Sportsbook and number games. We also handled the payment of winnings totalling SEK 3.4 billion and distributed SEK 53 million in various bonuses, such as freespins.

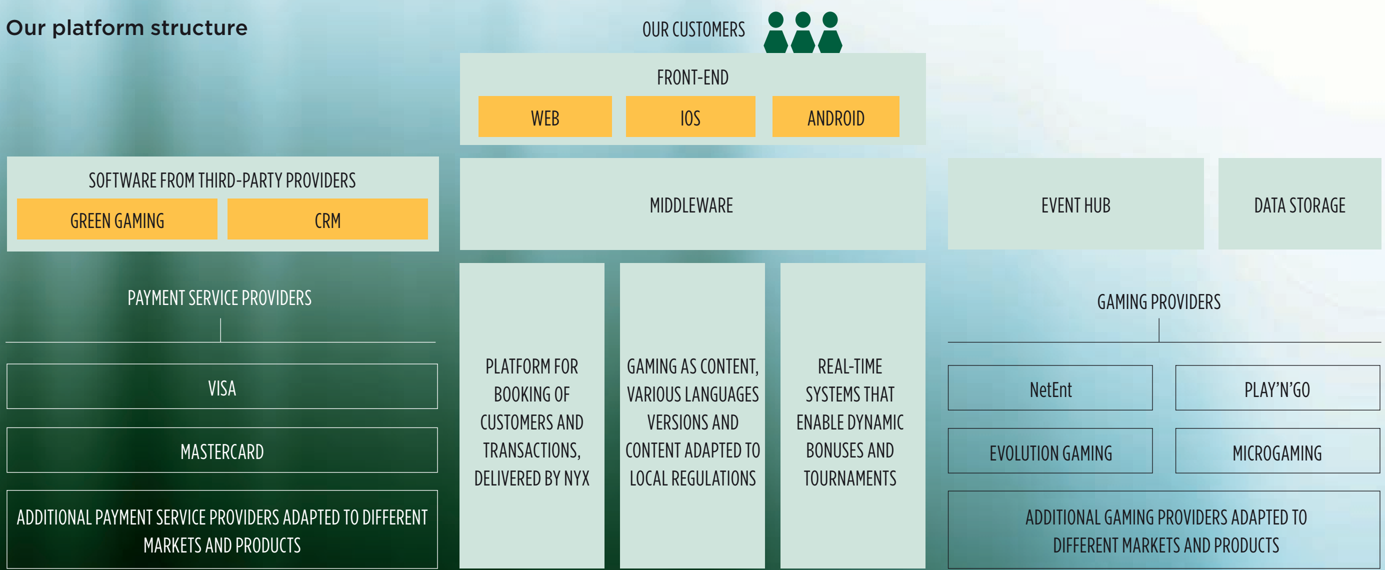
We handle large amounts of personal data and mistakes would seriously damage confidence in us. Accordingly, we have a specific department tasked with addressing security matters and ensuring that we maintain the relevant protection against hacker attacks, intrusion and viruses. We have a special Incident Manager, who works with Root Cause Analysis and evaluates deviations, monitoring and incident management. During the year, the Board appointed an information security and risk committee to review and manage business risks and to continue developing information security. We have also made efforts to adapt in time to the EU's new General Data Protection Regulation (GDPR), which applies as of May 2018.

TECHNICAL INNOVATION

Naturally, technology is developing at very rapid pace and we and our industry are no exception. Our technology platform will be under constant development. In the near future, we will invest in our front-end to make it easier to introduce new games and so that we can become more efficient. Another important development area is download times, which we will shorten in order to improve the customer experience.

In 2018, our technicians will also focus on integrating Evoke Gaming. We will take the best from their system and the best from ours, and put together a powerful technology platform. We will also expand geographically and accordingly, our technicians will encounter new challenges as we add new countries to our technology platform. This innovation will continue to be a watchword for us in 2018.

Our platform structure



The technical structure behind a gaming site is complex, while at the same time, the security requirements are extremely high. For our customers, the most important aspect is that the front-end is easy to navigate and fast.

2.4
billion
bets

3.4
SEK billion in winnings payments

820
thousand participants in Reel Thrill

53
million
bonuses

4.6
million
gaming days

Therese, Karl-Oskar, Kalle, Peter and Viktor were some of the people involved in establishing Mr Green in Denmark. Here in the new office in Epicenter in Stockholm.

Four working years to take the step across Öresund

On 27 December, Mr Green raised its hat to Denmark and welcomed its first Danish customers. It took us a total of four working years to get the technology and all of the systems in place.

One of the largest projects in 2017 was the launch of Mr Green in Denmark. The first step was the acquisition of Dansk Underholdning that provided us with local market knowledge. Some 20 employees from both Stockholm and Malta were engaged in the project. Most functions were represented in the project: business development, product, technology and market. Some 6,000 hours or nearly four working years were required of us before we could press the button to start mrgreen.dk.

The project team worked closely with the Danish gaming authority to ensure that we complied with all of their requirements in order to obtain a licence. Many other central suppliers, such as gaming companies and payment service providers, were also included in order to have everything in place. The project's greatest technical challenge was to get the Mr Green Gaming tool to work well at the same time as it was to be integrated with the Danish database for self-exclusion.

"It was the enthusiastic teamwork that meant that we were able to complete the project in the allotted time," says Peter Edenberg, who was technical project manager. "Clear plans, agile implementation and creative thinking also helped."

Take control with Green Gaming

We want to give our customers total control over their user experience. Do not play for more than you can afford by setting your own rules and limits. It should be safe to play with us.

How is our business affected?

Thousands of customers have already used our Green Gaming tool. The customers who play the most are also the ones who use the tool the most.

For us, Green Gaming is a healthy and long-term, sustainable business. We know that customers who develop risk behaviour play for a lot of money over a short time. Then they have their fingers burnt and abandon us. It is better business for us to have customers who play for less money over a longer time. Then we know that they play with us because it is entertaining and they feel secure.

In the autumn of 2017, we launched our Green Gaming predictive tool for casino players. We are proud to be first in the industry to offer our Green Gaming tool.

The tool gives our customers unique opportunities to gain insight into their risk behaviour. At the same time, we have a function that monitors to ensure that healthy gaming does not transition into something unhealthy.

The tool analyses the customer's actual gaming behaviour and combines this with the customer's own image of their gaming. The analysis is based on risk, intensity, change and volume. Accordingly, the customers receives individual information about their gaming and a chance to understand if things are moving too fast.

NO SALES TO HIGH-RISK CUSTOMERS

In turn, we adapt our offering and communication to the individual customer's risk behaviour. Customers who demonstrate an increased risk behaviour can, for example, be encouraged to set various limits on their gaming or refrain from gaming for some time. We also refrain from targeting offers at customers with high-risk behaviour.

The tool was developed in cooperation with Sustainable Interaction and Sebastian Gassner. Sustainable Interaction is based in Lund and is a leader in self-help programmes and diagnostic tools for responsible gaming and psycho-social health. Sebastian Gassner is expert in responsible gaming technical development.

In 2018, we will proceed with developing our tool. For example, we will launch a Green Gaming tool for our Sportsbook customers.

GREEN GAMING FORUM

We also want others in the industry to do what we are doing. Together, we must increase trust in our industry and we do this, if we show that we are taking responsibility for our customers. This is why we intend to share our experiences with our Green Gaming tool. In 2018, we have launched a web-based seminar series under the name Green Gaming Forum, where we offer participation in dialogues on Green Gaming. The forum is open to everyone and is led by an independent moderator.

We have also commissioned Dr Richard Wood to evaluate the tool. Richard Wood is a psychologist and works in Canada with gaming behaviour as his specialty.

In 2018, we hope to be able to draw conclusions on the efficiency of Green Gaming and how it has impacted our customers and our communication with them regarding their risk behaviour.

OUR GREEN GAMING ORGANISATION

Green Gaming is a mindset, a culture that encompasses all employees – from the Board of Directors to the customer service centre, technology development, marketing, etc. This is why Green Gaming is included in our corporate values and Green Gaming is a cornerstone of our strategy. To anchor our values, all employees undergo compulsory training in Green Gaming.

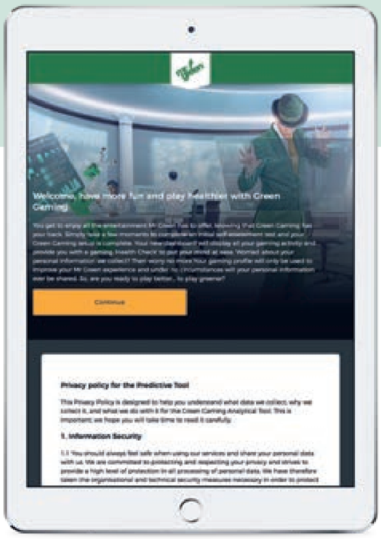
The tool is an integrated, central element of the daily work of the customer service centre and the marketing department.

Three persons work full-time on the product. One person is dedicated to the long-term, strategic Green Gaming work. We also have consultants who are involved in driving the development of the tool, as well as the strategic work.

Our predictive tool for Green Gaming

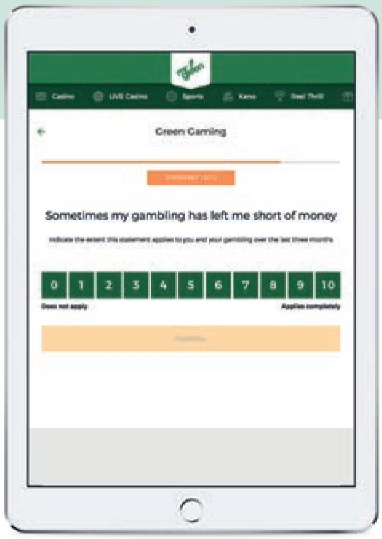
1 JOIN

- Clear terms
- Customers join voluntarily
- High level of personal data security



2 SELF-ASSESSMENT

- 15 basic questions
- Customers are encouraged to make a self-assessment regularly
- In the local language

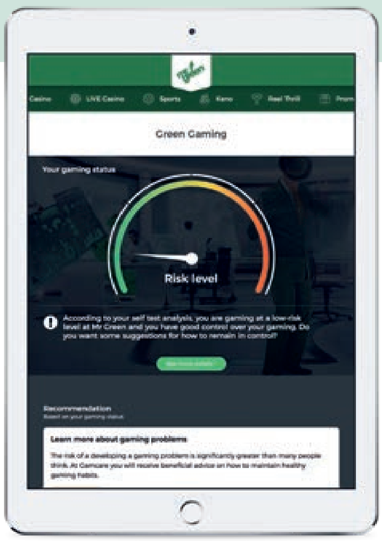


3 PREDICTIVE ENGINE

- Built by Sustainable Interaction 2017
- Analysis based on: risk, intensity, changes and volume
- All parts are based on robust and well-known experiences

4 CONTROL PANEL

- Data from the self-assessment and the tool are analysed together
- The combined data ranks the risk 1–100
- The analysis is updated every second week
- Recommended activities are presented to reduce the customer's risk level




1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS
THE GLOBAL GOALS
For Sustainable Development

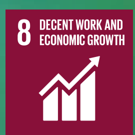
We work towards the UN Sustainable Development Goals

We have signed the UN Global Compact and have thus committed to contributing to the fulfilment of the UN Sustainable Development Goals (SDG's). By way of our business strategy, we are primarily working towards three of the SDG's.

At the UN summit meeting in September 2015, the world's heads of state and government adopted Agenda 2030 for sustainable development, with 17 SDG's. Agenda 2030 emphasises that sustainable development is crucial for our shared future and that all three dimensions of sustainable development – economic, environmental and social – must work together.

GOAL 3 – GOOD HEALTH AND WELL-BEING

Goal three is to ensure that everyone can live a healthy life and to promote well-being for all at all ages. Through our work for Green Gaming, we assume responsibility for and contribute to the goal of well-being for all.



GOAL 8 – DECENT WORK AND ECONOMIC GROWTH

Goal eight is to promote inclusive and long-term, sustainable economic growth, employment and decent work for all. We contribute to this goal by ensuring favourable labour conditions, being an attractive employer and paying taxes.

GOAL 16 – PEACE, JUSTICE AND STRONG INSTITUTIONS

Goal 16 is to promote just, peaceful and inclusive societies for sustainable development, ensuring the provision of access to justice for all, and building effective, accountable institutions at all levels. The sub-goals entail, for example, that illegal financial flows must be reduced considerably by 2030 and that all forms of corruption and bribery must be significantly reduced. With our work on Know-Your-Customer, anti-money laundering and our zero tolerance of bribes, we contribute to goal 16 and peaceful and inclusive societies.

Record-breaking profit for 2017

We broke a record with our strong earnings in 2017. Our strategy that we started to implement in 2016 proved its strength throughout the year.

Total revenue increased by 28.9 per cent to SEK 1,192.0 million, thanks to our digital customer communication, enhanced entertainment value and a new, unique product offering. We distinguished ourselves during the year by launching a predictive tool for Green Gaming, the casino tournaments Reel Thrill, a new smart Sportsbook and number games. Most of the growth is attributable to casino games and live casino.

In local currencies, organic growth was 26.3 per cent. Foreign exchange gains contributed 0.8 per cent and acquisitions 1.7 per cent.

Both customer deposits and the number of active customers were at record-high levels during the year. Customer deposits rose by 28.6 per cent to SEK 3,468.3 million and the number of active customers by 24.6 per cent to 297,667.

We noted strongest growth in Western Europe where revenue rose by 63.5 per cent to SEK 489.3 million. Revenue for Central, Eastern and Southern Europe increased by 14.4 per cent to SEK 285.7 million, with healthy growth in Austria. The region's performance was negatively affected by the closure of the sites in Poland and the Czech Republic due to new regulations. Revenue in the Nordic region increased by 10.2 per cent to SEK 390.3 million due to growth in Sweden and Finland and our Danish acquisition. Revenue in the Rest of the World rose by 24.9 per cent to SEK 26.7 million.

COST CONTROL

We focus intensely on cost control and closely follow the cost trend in relation to revenue. Our target is that costs in relation to revenue will decline over time.

Cost of services sold rose by 22.7 per cent to SEK 376.3 million and declined by 1.6 percentage points to 31.6 per cent in relation to revenue. The increase in absolute terms was mainly due to costs related to strong growth and higher betting duties due to a favourable performance in revenues in locally taxed markets.

Local betting duties are included in the cost of services sold and increased by 37.3 per cent to SEK 182.3 million. As a proportion of revenue, betting duties rose by 0.9 percentage points to 15.3 per cent of revenue. Most, or 10.4 per cent of revenue, comprised betting duties in Austria. Over time, we expect the percentage of betting duties to increase when more countries regulate their markets and introduce local betting duties.

Marketing costs rose by 20.0 per cent to SEK 403.9 million and declined by 2.5 percentage points to 33.9 per cent in relation to revenue. This decline was due to increased use of digital marketing, personalised customer communication and enhanced marketing efficiency.

Personnel costs declined by 2.1 percentage points to 12.0 per cent in relation to revenue. In absolute figures, personnel costs increased by 9.8 per cent to SEK 143.6 million.

Other operating expenses rose by 40.6 per cent to SEK 162.8 million and increased by 1.2 percentage points to 13.7 per cent in relation to revenue. The increase was due to higher consulting costs, primarily in IT, attributable to the large number of product launches in 2017, imminent investments in 2018, enhanced personalised customer communication and acquisition costs.

Capitalised costs rose by 41.5 per cent to SEK 80.0 million, as a result of the development of the technology platform and new products.

SHARP IMPROVEMENT IN PROFITABILITY

EBITDA increased by 103 per cent to SEK 185.6 million and the EBITDA margin rose from 5.7 percentage points to 15.6 per cent. The improvement was mainly due to strong revenue growth and enhanced marketing efficiency.

Depreciation and amortisation rose by 23.1 per cent to SEK 69.5 million, as a result of the increase in intangible assets.

EBIT increased by 508 per cent to SEK 116.0 million and the EBIT margin rose 7.6 percentage points to 9.7 per cent.

Net result for the period increased by 230 per cent to SEK 109.4 (33.1) million, mainly due to strong revenue growth and enhanced marketing efficiency.

Cash flow from operating activities was SEK 328.5 million. Cash flow from investing activities amounted to SEK –197.2 million and refers to acquisitions and the development of the technology platform and other assets. Cash and cash equivalents were strengthened by SEK 186.0 million during the year following the directed new share issue.

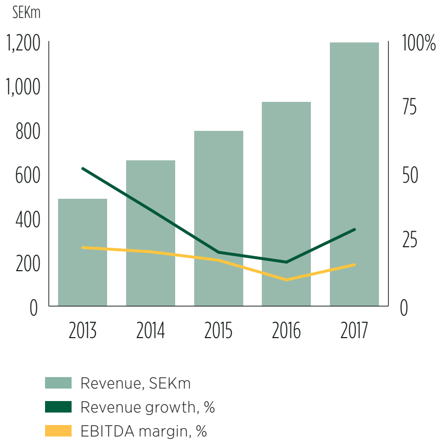
The company has no liabilities to credit institutions and cash and cash equivalents rose by SEK 330.8 million to SEK 597.7 million. The increase was mainly the result of the directed new share issue and healthy cash flow.

FINANCIAL TARGETS AND OUTCOME

	Medium term 2018–2019	Long term*	Outcome in 2017
Growth	Annual growth of 20%	Outperform the online gaming market	28.9%
Profitability	20% EBITDA margin	15% EBITDA margin*	15.6%
Dividends	Up to 50% of free cash flow	Up to 50% of free cash flow	Proposal: SEK 1.30 per share equally to 40.4% of free cash flow

* Assuming that 100 per cent of revenue is from locally regulated markets with betting duties. The financial targets do not include the acquisition of Evoke Gaming and thus they will be revised in 2018.

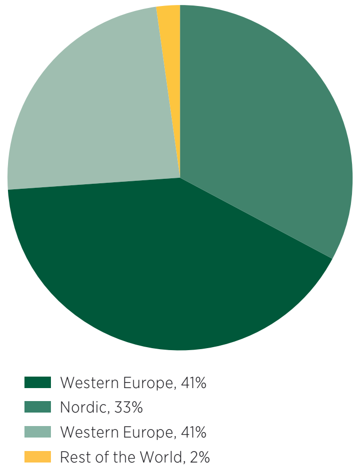
Turnaround in revenue and profitability 2017



EBITDA before non-recurring items 2013–2016

Good geographic spread

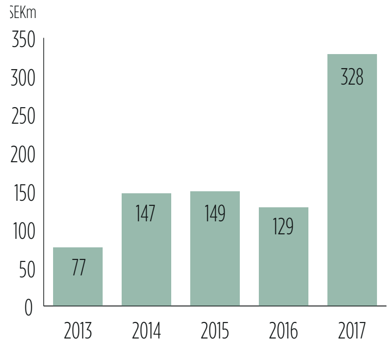
Percentage of total revenue



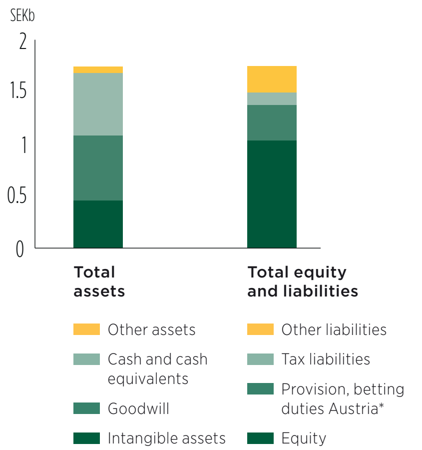
Central, Eastern and Southern Europe, 24%

Stable cash flows

Operating cash flow

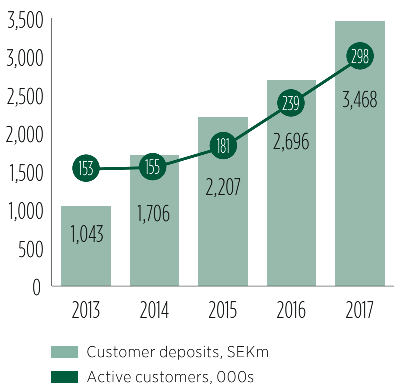


Strong financial position



* Mr Green contests tax liability in Austria and, like several other gaming operators, is pursuing legal proceedings in the country. Pending the final legal outcome, Mr Green has chosen to follow the prudence rule and continuously makes reserves for an assumed tax amount. If Mr Green were to loose the legal dispute, any future payment of the provision is expected to be possible over time from operating cash flow.

Record-breaking deposits and number of customers



CONDENSED INCOME STATEMENT

SEKm	2017	2016	Change, %
Revenue	1,192.0	924.5	28.9
Cost of services sold	–376.3	–306.7	22.7
Capitalised development costs	80.0	56.5	41.5
Marketing	–403.9	–336.4	20.0
Personnel costs	–143.6	–130.8	9.8
Other operating expenses	–162.8	–115.8	40.6
EBITDA before non-recurring items	**185.6**	**91.4**	**103**
Non-recurring items	–	–15.8	–
EBITDA after non-recurring items	**185.6**	**75.6**	**146**
Depreciation, amortisation and impairment	–69.5	–56.5	23.1
Earnings before interest and tax (EBIT)	**116.0**	**19.1**	**508**
Net financial income	–0.4	10,4*	–
Result before tax	**115.6**	**29.4**	**293**
Income tax	–6.3	3.6	–
Net result for the year	**109.4**	**33.1**	**230**

*In 2016, net financial income was impacted by an additional purchase consideration related to an acquisition that was adjusted and led to finance income of SEK 10.2 million.

GOOD COST CONTROL (Expenses in relation to revenue, %)

	2017	**2016**	**2015**
Cost of services sold	31.6	33.2	25.1
Marketing costs	33.9	36.4	36.2
Personnel costs	12.0	14.1	12.6
Other operating expenses	13.7	12.5	15.0

Ten reasons to invest in Mr Green

Mr Green is a rapidly growing online gaming company with a distinct sustainability profile. The company has strong brands in its portfolio, a unique offering and good geographic spread. Add to this that the company has no loans and a stable cash flow, then you have the strongest reasons to invest in Mr Green.

Here are ten of the most important reasons to invest in Mr Green:

1 STRONG BRANDS

In Mr Green and Redbet, we have two strong brands that complement one another well and are globally viable. Mr Green is an award-winning, leading casino brand with high recognition and Redbet has a strong position in the Sportsbook segment.

2 GREEN GAMING

We want to give our customers total control over their user experience. Our customers should play because it is fun. We do not want our customers to play for more than they can afford. To enhance our customers' security, we have developed our unique Green Gaming predictive tool.

3 STRONG GROWTH AND IMPROVED PROFITABILITY

We will grow 20 per cent per year and achieve an EBITDA margin of 20 per cent in 2019.* In 2018, our focus is on continued geographic expansion and cost control. Our dividend policy states that up to 50 per cent of our free cash flow can be distributed.

4 UNIQUE OFFERING

We have a unique offering with a smart Sportsbook, casino tournaments, number games, attractive casino games and Green Gaming tools. In addition, we have a world-leading, virtual live casino offering that was launched in February.

5 GOOD GEOGRAPHIC SPREAD AND WELL-ESTABLISHED POSITION

We are present in twelve markets and have a good geographic spread. We have a well-established position in several markets. When we enter new geographic markets, we prioritise those that are locally regulated, which makes our business more sustainable.

6 PERSONAL, DATA-DRIVEN CUSTOMER COMMUNICATION

We are enhancing the efficiency of our marketing by digitalising it. At the same time, we are becoming more personal in our customer communication and increasing customer loyalty. It is through smart digital campaigns that we are continuing to grow, not through television advertising.

7 STRONG BALANCE SHEET AND STABLE CASH FLOW

Even after the acquisition of Evoke Gaming and assuming we will need to pay the entire reserved amount of tax in Austria, we have a strong cash position. We are debt-free and have a stable cash flow from a non-cyclical, strongly expanding operation.

8 CLEAR ACQUISITION STRATEGY

We want to be involved in the consolidation of the industry and we have a clear acquisition strategy. We can consider acquisitions in all parts of the value chain, but a purchase requires that the price is reasonable and that we can quickly see a return on the acquisition.

9 PREPAREDNESS TO OPERATE IN REGULATED MARKETS

We have the financial muscle and economies of scale to operate in locally regulated markets. We also have the organisation and competence required to meet the regulatory requirements that are a consequence of operating in locally regulated markets.

10 CAUTIOUS APPROACH IN AUSTRIA

We have chosen to take a cautious approach to the tax issue in Austria. We believe it is best for our shareholders that we reserve a high amount for the potential payment of tax in Austria. In this manner, we are able to minimise the risk of negative surprises when we receive a final court decision.

*The financial targets do not include the acquisition of Evoke Gaming and thus they will be revised in 2018.

Favourable share trend in 2017

In 2017, the share price rose 73.9 per cent and on 2 January 2018, Mr Green took the step onto the Mid-cap segment of Nasdaq Stockholm.

Mr Green was listed on Nasdaq Stockholm's main market on 30 November 2016. On 31 December 2017, the company had 5,783 (4,387) shareholders, an increase of 31.8 per cent during the year.

SHARE TREND

The price increase in 2017 of 73.9 per cent can be compared with the increase for all of Nasdaq Stockholm's companies at 6.4 per cent. At year-end, our market capitalisation was more than SEK 2.2 billion.

The highest closing rate during the year was noted on 6 November at SEK 61.25, with a market capitalisation of SEK 2.5 billion. The lowest closing rate was noted on 23 January at SEK 29.10, with a market capitalisation of SEK 1.2 billion.

SHARE CAPITAL DEVELOPMENT

On 14 June 2017, the company conducted a directed new share issue of 5 million new shares based on an accelerated book-building procedure. The new share issue was implemented at a price of SEK 39.00 per new share and provided the company with SEK 195 million before issue expenses. Issue expenses totalled SEK 9.0 million. The placement was directed to Swedish and international institutional investors, including Handelsbanken Fonder and the Third Swedish National Pension Fund. Mr Green has thus expanded its ownership distribution and intends to use the proceeds from the directed new share issue to finance and further facilitate expansion, organically as well as through acquisitions.

The directed new share issue entailed that the number of shares increased by five million shares to 40,849,413 shares and the share capital increased by SEK 5 million from SEK 35,849,413 to SEK 40,849,413. The directed new share issue resulted in a share dilution of approximately 12.2 per cent after the completed issue.

All of the shares in Mr Green carry one vote and equal rights to dividends.

LIQUIDITY

The liquidity of the share increased during the year. Prior to the directed new share issue, the volume traded on Nasdaq Stockholm averaged SEK 97 million per day, with an average of slightly more than 200 transactions. After the directed new share issue, the volume traded averaged SEK 198 million per day, with an average of slightly more than 610 transactions (the directed new share issue and a major transaction on 8 November were excluded from the calculation of averages).

THE SHAREHOLDERS

In conjunction with the directed new share issue in June 2017, six major shareholders sold one million shares in the company. All of these shareholders were involved in financing Mr Green's expansion since the company was founded in 2007.

OWNERSHIP STRUCTURE, 31 DECEMBER 2017

Number of shares and votes	No. of shareholders	Proportion of owners, %
1–500	4,095	70.8
501–1 000	692	12.0
1,001–5,000	681	11.8
5,001–10,000	131	2.2
10,001–15,000	38	0.7
15,001–20,000	21	0.4
20,001–	125	2.1
Total	5,783	100.0

Source: Euroclear Sweden AB

SHARE DATA	2017	2016	2015
Number of shares and votes, 31 December	40,849,413	35,849,413	35,849,413
Share price, 31 December	54.25	31.20	46.90
Market capitalisation, 31 December, SEK million	2,216.1	1,118.5	1,681.3
Year high, SEK	61.25	46.90	47.50
Year low, SEK	29.1	27.10	31.80
Earnings per share after tax, SEK	2.75	0.92	–0.96
Operating cash flow per share, SEK	8.04	3.59	4.17
Transfer for shareholders (proposal for 2017) per share, SEK	1.30	–	–
Share of profit distributed, %	40.4	–	–
Yield, %	2.4	–	–
Equity per share, SEK	25.24	19.82	17.88
P/E ratio 31 December (calculated on EBIT)	19.1	58.6	–

On 8 November 2017, five major shareholders, including Henrik Bergquist, Mikael Pawlo and Fredrik Sidfalk, sold a total of three million shares primarily to Swedish and international institutional investors via Carnegie and SEB.

During 2017, ownership in Mr Green increased from 4,387 to 5,783. The shareholdings of the ten largest owners declined by 10.7 percentage points to 55.1 per cent of the shares in 2017.

MR GREEN'S STOCK MARKET HISTORY

Mr Green was listed on Nasdaq Stockholm's main market on 30 November 2016. The share is traded under the MRG ticker, with ISIN code SE0006963682. Prior to that, Mr Green was listed on AktieTorget. The company was listed on AktieTorget on 28 June 2013.

DIVIDEND POLICY

Mr Green aims to pay a dividend and/or buy back shares in an amount equivalent to 50 per cent of consolidated free cash flow, provided the cash and cash equivalents are not required to realise the company's strategy, for future tax payments or to secure additional reserves as dictated by capital market conditions.

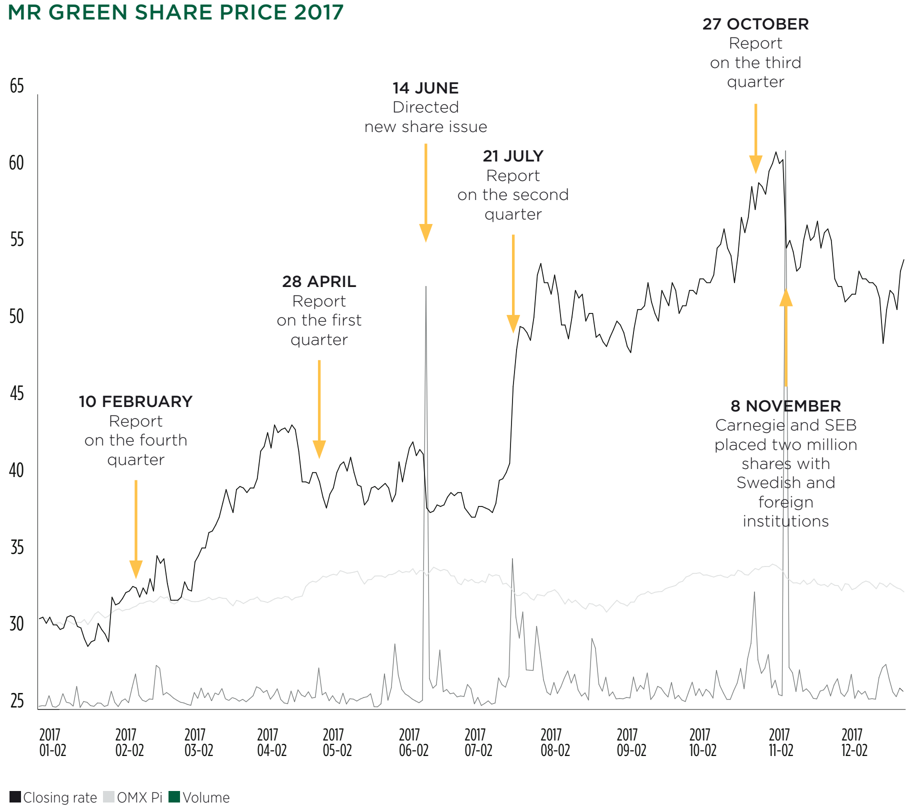
For the 2017 financial year, the Board proposes that the AGM resolve on a transfer of SEK 1.30 per share to shareholders, corresponding to SEK 53.1 million for the 2017 financial year. The Board of Directors intends to propose to the AGM that the transfer to shareholders take place on the basis of an automatic share-redemption programme. The full proposal will be presented in full well in advance of the AGM.

No dividend was paid to shareholders for the 2016 financial year due to the acquisition in Denmark. No dividend was paid for 2015, since the Board wanted to accelerate investments in operations, which was deemed to be able to provide major leverage and high growth.

INVESTOR MEETINGS

During the year, we held a large number of investor meetings in Stockholm and Gothenburg, as well as in London and Helsinki. We have also participated in meetings with, for example, the Swedish Shareholders' Association in Umeå and the Stora Aktiedagen in Stockholm. In Stockholm, we also presented the company at investor seminars arranged by companies including Carnegie, GP Bullhound, Nordea, Pareto and SEB.

MR GREEN SHARE PRICE 2017



MR GREEN'S 15 LARGEST SHAREHOLDERS, 31 DECEMBER 2017

	Share of votes and capital, %
Försäkringsaktiebolaget Avanza Pension	14.5
Henrik Bergquist	13.5
Svenska Handelsbanken Private Banking	10.1
Clearstream Banking S.A	3.9
Handelsbankens svenska småbolagsfond	2.6
Catella Bank S.A.	2.4
Handelsbanken Liv	2.2
Third Swedish National Pension Fund	2.2
Consensus småbolag	1.9
Ålandsbanken in ownership position	1.8
Prioritet Capital AB	1.6
JPMEL – Stockholm branch	1.5
Tommy Trollborg	1.4
Guntis Brands	1.2
JP Morgan Securities	1.0
Other	38.2
Total	100.0

Source: Euroclear Sweden AB

The table shows the largest identified owners in order according to share of votes and capital. Individual major shareholders' shares may be nominee-registered and are included among other shareholders.

THE FIVE LARGEST COUNTRIES 31 DECEMBER 2017

	Share of votes and capital, %
Sweden	61.5
Luxembourg	20.4
UK	6.4
USA	4.2
Switzerland	3.7
Total	96.1

Source: Euroclear Sweden AB

ANALYSTS WHO FOLLOW MR GREEN:

Carnegie	Mikael Laséen
Pareto Securities	Viktor Högberg
Redeye	Kristoffer Lindström
SEB	Mathias Lundberg

Risks and risk management

There is an array of risks that affect or could affect Mr Green's operations, results, financial position or trust in Mr Green. As such, risks and risk management are an element of our daily business operations.

Mr Green maintains a constant focus throughout the organisation on assessing, evaluating, and managing the risks to which the Group is exposed or may be exposed. When conducting risk assessments, an evaluation is made of the probability that a risk will be incurred and what effect that risk could have on the Group's operations, results, financial position or trust in Mr Green. Risk management is divided into three subcategories: risk assessment, internal control requirements, as well as self-assessment and reporting.

RISK MANAGEMENT ORGANISATION

Mr Green's Board of Directors bears ultimate responsibility for the Group's risk management. Risks that are associated with the strategic business plan and major financial risks, as well as serious matters of trust, are addressed by Group management and decided on by the Board of Directors.

Group management makes regular reports to the Board of Directors on financial and more comprehensive business-related risks. Operational risk management is governed by a number of policies concerning IT and information security, financial matters, anti-money laundering and anti-corruption measures, as well as instructions such as crisis management and contingency plans. Risk management and risk control are a key element of every manager's responsibilities and all events that may damage trust in the Group or cause malfunctions are monitored, and actions are taken to minimise or prevent these risks. If possible, the risk is transferred by way of insurance policies or through agreements.

An internal auditor, stationed in Malta, was employed in 2017. The internal auditor reports to the Audit Committee and audits internal procedures and processes as well as risk management and exposure. In addition, an information security and risk committee has been established, which reports to the Audit Committee. The purpose of the committee is to review and manage business risks and further develop information security in the company.

We have identified a number of risk areas in our risk-management process. These risks and the management thereof are presented below. Financial risk management is also described in Note 2. Internal control is described in the Corporate Governance Report on page 47.

FINANCIAL RISKS

Financial risks primarily encompass financing and liquidity risks, currency risk and valuation risk. Since the Group does not offer credit to customers, the credit risk is deemed low. Financial risks are managed by the Group's finance function pursuant to the guidelines adopted by the Board of Directors. The Group's risk exposures are identified and its economic results are forecast in order to minimise any adverse financial effects. The Group's finance function works in close cooperation with the operational units on financial risk analyses and monitoring efforts. Financial risk management is described in Note 2.

FINANCIAL RISKS

RISK	DESCRIPTION	MANAGEMENT	RISK LEVEL	
			PROBABILITY	IMPACT
Financing and liquidity risks	In order to finance investments, for example in technology development or expansion by way of acquisitions, Mr Green may need to secure additional financing. If we are unable to finance ourselves and lack liquidity, it may have a negative impact on our long-term ability to operate the business.	We regularly make forecasts related to cash flows and budget as well as forecasts to secure the company's short-term and long-term financing and liquidity. The strategy is for the Group to have sufficient liquid assets to be able to cover its financial obligations as they fall due.		
Currency risks	Since Mr Green conducts international operations, it is exposed to currency risks. The primary risk pertains to transactions in EUR. Another risk is translation exposure, since our results and equity are impacted by the translation of our foreign subsidiaries' results, liabilities and assets into the reporting currency, SEK.	Mr Green's currency risks are lower in its operating cash flows since individual customers' incoming and outgoing payments in different countries are conducted in the same currency, thus creating a natural form of currency hedge.		
Valuation risks	The Group holds significant intangible assets, primarily in the form of its brands and goodwill, the valuation of which is key to the Group's overall asset pool.	Impairment testing is conducted on an annual basis or when events and/or circumstances arise that may have an adverse effect on value. Refer to Note 13 Intangible assets, Note 2 Accounting policies, and the section on Significant accounting judgments, estimates and assumptions.		

INDUSTRY AND BUSINESS-RELATED RISKS

RISK	DESCRIPTION	MANAGEMENT	RISK LEVEL	
			PROBABILITY	IMPACT
IT attacks	Attacks that affect the operation of various IT systems, or intrusions that cause the loss of critical data. The attacks may have a limited impact on operations, or affect our ability to conduct business in the short or medium term.	IT security and preparation for IT attacks is a prioritised area. Mr Green collaborates with established service providers in the area. We are highly security-minded internally and offer frequent security training courses.		
Substandard management of customer data	Intrusions that lead to a loss of sensitive customer data may cause harm to isolated customers and harm the reputation of and trust in Mr Green, with reduced revenue as a result.	Within the Group, preparations are in progress to ensure compliance with the EU's new General Data Protection Regulation, which comes into force in May 2018. Mr Green maintains internal processes to ensure that personal data is managed properly and that the number of individuals with access to the data is limited.		
Substandard regulatory compliance and loss of gaming licence	Substandard regulatory compliance may cause fines and a less favourable reputation in the short term. In the long term, it may result in the company losing licences, meaning that the company would have to change or discontinue its operations in that country.	Regulatory compliance is absolutely fundamental to our business and requires effective processes and procedures, as well as the relevant expertise. Regulatory compliance is a prioritised area that is monitored and reported at every level of the business.		
Dependence on a few suppliers	Excessive dependence on a few key suppliers increases the risk of operational outages and/or lower revenue of one of more of these suppliers were unable to meet its obligations.	Mr Green holds regular discussions and meetings with its key suppliers. Supplier contracts are reviewed and renegotiated regularly. Mr Green also endeavours to have several suppliers for the same game to reduce dependency on individual gaming providers.		
Risk of gaming addiction	Gaming and betting are associated with the risk that some players will be unable to handle their gaming habits and fall victim to gaming addiction, which can have serious social implications for the individual and those close to them. For Mr Green, customers who develop addictions risk leading to a less favourable reputation, thus yielding a decline in revenue.	Green Gaming is a feature of Mr Green's business strategy that aims to offer entertainment in a safe and reliable environment. As such, we work with the Green Gaming concept, which entails implementing technological solutions to detect risk-prone behaviour early on, training the customer service centre in gaming addiction issues and taking preventative measures such as limits and cooling-off periods. Read more about Green Gaming on pages 34–35.		
Affiliates who fail to comply with Mr Green's regulatory framework	Mr Green does not collaborate with affiliates who recruit customers from websites with unsuitable content, such as pornography, racist messages or illegal content. As we do not have full control over affiliates, there is a risk that customers are recruited from websites with content that does not conform to the Group's values, thus potentially harming trust in Mr Green.	The agreement with affiliates includes clauses forbidding them from directing traffic from websites with content that runs counter to our values. In the event that this happens nonetheless, Mr Green does not pay for traffic that is generated from websites that are not approved by us. Read more about our work with affiliates on page 26.		
Insufficient preparation for natural disasters, fires, etc.	There is a risk that the server halls or the office in Malta will be ravaged by fire, that the internet connection to Malta will be lost or that we will experience extensive power outages, which may affect our ability to conduct business in the short or medium term.	Mr Green maintains crisis management and contingency plans that address matters including geographically separate backup servers, procedures for restoring websites, procedures for fire and other catastrophes and crises.		
Attempted fraud	Mr Green could be subject to fraud, in which individuals or organisations attempt to unlawfully misappropriate funds, which could have a negative impact on earnings.	All financial transactions must be approved in advance at managerial level and payments require the involvement of at least two employees. All manual transactions involving customer accounts are monitored by the finance department. We also have a special department that addresses fraud matters.		
Tax matters	Mr Green operates in an industry in which a growing number of countries are locally regulating their markets, thus entailing the introduction of licensing systems and local betting duties. There is a risk that the duties levied will be so high as to affect our profitability and long-term ability to conduct business in specific countries.	By way of trade associations, Mr Green is pursuing the matter of harmonising betting duties since excessive betting duties risk causing a major black market for gaming without official oversight.		
Substandard regulatory compliance concerning money laundering matters	Mr Green may be exposed to money laundering attempts, which may result in fines, a loss of trust and revoked licences.	Mr Green maintains anti-money laundering processes which are in accordance with licensing requirements.		
Insufficient ability to keep up with technological advancements	There is a risk that Mr Green will be unable to maintain the same pace as its competitors in terms of technological advancements, which may affect growth.	Mr Green's technology development operations are consolidated in a company with a sharp focus on being one of the leading operators in the industry. The focus is on generating motivation and a strong technology interest relating to the product offering, thereby ensuring that the company is at the leading edge of technical development. The technology development organisation works very closely with the product and marketing organisations to ensure that the Group's product offering maintains high quality.		
Changed regulations in our larger markets	There is a risk that individual countries introduce regulations that mean we must discontinue operations in that country, which happened in 2017 in Poland and the Czech Republic.	Mr Green's goal is to expand its operations to more geographic markets, which reduces the dependence on individual countries.		

Mr Green has a stable financial foundation for continued growth

During 2017, Mr Green created a solid foundation for continued rapid development and improved profitability. The company is stable financially and has a strong, unique product offering.

Growth and continued differentiation of the product portfolio, financing and increasing the distribution of ownership, as well as Green Gaming, were regularly addressed by the Board last year.

It has been gratifying to see the successful implementation of the company's Mr Green 2.0 business strategy. Product differentiation and increased marketing efficiency led to both strong growth and improved profitability.

Mr Green generates healthy cash flow and is self-financing by way of internally generated funds. We are guided by the prudence rule when making decisions about the company's financing and we have thus opted to continuously make provisions for the ongoing tax dispute in Austria.

BROADER OWNERSHIP

In spring 2017, the Board received a mandate from the Annual General Meeting to implement a directed new share issue. In conjunction with the directed new share issue in June, some of Mr Green's long-term principal owners gained the opportunity to reduce their ownership. This was a positive step that broadened the ownership and also created the possibility for the principal owners to free up capital.

At year-end, the number of shareholders had increased from 4,387 to 5,783 and during the year, the volumes traded on Nasdaq Stockholm had doubled.

The new share issue also gives Mr Green the possibility to actively take part in the consolidation of the gaming industry. Already in April, Dansk Underholdning was acquired and at the end of the year, Mr Green announced the acquisition of Evoke Gaming. Dansk Underholdning provided our entrance ticket to Denmark and through Evoke Gaming, we gain a strong, globally viable Sportsbook brand. In 2017, Evoke Gaming conducted a thorough restructuring and these measures have already had an effect, with significantly increased revenues and a favourable influx of customers.

SUSTAINABILITY WORK ASSIGNED PRIORITY

Our decision to sign the UN Global Compact is an indication that we want to continue working in a structured manner with sustainability issues and to implement the UN's ten principles in our strategies, culture and daily operations. For the gaming industry, the most important sustainability issue is Green Gaming. The Board of Directors has given management a clear assignment to prioritise the matter of player responsibility so that healthy gaming does not turn into something unhealthy. It is inspiring for all of us on the Board to follow the company's award-winning and prominent work on Green Gaming.

During the year, we also improved the corporate governance structure. The company has employed an internal auditor, who reports to the Audit Committee. The internal auditor reviews the company's internal procedures and processes as well as risk management and exposure. The company has also established an information security and risk committee, which reports to the Audit Committee. The purpose of the committee is to review and manage business risks and further develop information security.

Finally, I would like to express my warmest thanks to all employees, whose creativity and focused work have enabled Mr Green's turnaround. I also want to thank our shareholders for your support and commitment. I believe that we all share the view that it is a privilege to take part in and follow the fast-growing Mr Green's exciting development.

Kent Sander
Board Chairman

Corporate Governance Report 2017

Growth and continued differentiation of the product portfolio, Green Gaming, financing and increasing the distribution of ownership were regularly addressed by the Board in 2017. One of the resolutions of the Annual General Meeting was to authorise the Board to decide on a new share issue with or without preferential rights for existing shareholders.

Mr Green & Co AB (Mr Green) is a public limited liability company list on Nasdaq Stockholm's main market. The basis of Mr Green's governance is in the Swedish Companies Act, Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code ("The Code"), Swedish Securities Council's statements and other applicable Swedish and foreign laws and regulations.

This Corporate Governance Report was prepared as part of the Swedish Annual Accounts Act and the company's application of the Code. The report was reviewed by the company's auditors. During the year, the company deviated from the Code in relation to section 9.7 the vesting period for share and share-price related incentive schemes. The deviations is described under the heading Remuneration.

SHAREHOLDERS

Mr Green was listed on Nasdaq Stockholm's main market on 30 November 2016. Prior to that, the company had been listed on AktieTorget since 28 June 2013. The total number of shares at year-end was 40,849,413.

On 14 June 2017, the company conducted a directed new share issue of five million new shares. The reason for deviating from the preferential rights of the shareholders and to complete the directed new share issue is to increase the distribution of ownership among both Swedish and international institutional investors. In connection with the directed new share issue, six major shareholders divested one million shares in the company. All of these shareholders were involved in financing Mr Green's expansion since the company was founded in 2007.

On 8 November 2017, five major shareholders, including Henrik Bergquist, Fredrik Sidfalk and Mikael Pawlo, sold a total of three million shares primarily to Swedish and international institutional investors via Carnegie and SEB.

During 2017, ownership in Mr Green was thus expanded and the number of shareholders increased from 4,387 to 5,783. The shareholdings of the ten largest owners declined by 10.2 percentage points to 53.4 per cent of the shares in 2017.

The five largest shareholders at year-end were Försäkringsaktiebolaget Avanza Pension 14.5 per cent, Henrik Bergquist 13.5 per cent, Svenska Handelsbanken Private Banking 10.1 per cent, Clearstream Banking 3.9 per cent and Handelsbanken's Svenska Småbolagsfond 2.6 per cent of the capital and votes.

ARTICLES OF ASSOCIATION

The Articles of Association were adopted by the Annual General Meeting held on 23 April 2015.

The Articles of Association stipulate that the Board shall consist of three to ten members, with not more than ten deputies. The Board is elected annually at the Annual General Meeting for the period until the next Annual General Meeting has been held. The company shall elect one to two auditors, with or without an alternate auditor. Notice convening a general meeting of shareholders shall be given in the form of an announcement in Post- och Inrikes Tidningar and by publishing the notice on the www.mrg.se. An advertisement that notification of the meeting has been given shall be made in Dagens Industri. The company's registered office is Stockholm, Sweden, and the financial year is the calendar year.

The Articles of Association does not contain any regulations regarding dismissing Board members or amending the Articles of Association.

ANNUAL GENERAL MEETING

It is at the AGM and any extraordinary shareholders' meetings that all shareholders are able to exercise their voting rights on matters which affect the company and its operations.

The AGM is to be held within six months after the end of the financial year and resolves on the adoption of the income statement and balance sheet, the appropriation of profit or loss for the year, dividends and on the discharge of Board members and the CEO from personal liability. It elects the Board of Directors and determines the fees payable to the Directors. It elects auditors and decides on their fees, and it deals with other legally prescribed matters and adopts guidelines for the remuneration of senior executives. In addition, general meetings resolve on other proposals from the Board and shareholders.

All shareholders who are registered in the share register on the record date and who have registered to attend the AGM in accordance with the provisions of the Articles of Association have the right to participate in the meeting and vote for all their shares. Shareholders may be represented by one or several proxies.

2017 ANNUAL GENERAL MEETING

The 2017 AGM was held on 16 May 2017. At the AGM, the shareholders present in person or by proxy represented 46.34 per cent of the votes and capital. Dimitrij Titov was elected to chair the meeting. In accordance with the Board of Directors' and Nominating Committee's motions, the AGM resolved:

- To adopt the balance sheet and income statement.
- That the company's profit would be carried forward and thus that no dividend would be paid.
- To grant the Board of Directors and CEO discharge from liability.
- That the Board of Directors shall comprise six directors.
- To re-elect Henrik Bergquist, Andrea Gisle Joosen, Eva Lindqvist, Danko Maras, Kent Sander and Tommy Trollborg. Kent Sander was re-elected as Chairman of the Board.

- The AGM resolved that the Chairman of the Board be paid SEK 730,000 and that each of the other Directors be paid SEK 315,000 in Directors' fees. For committee work on the Audit Committee, the chair shall be paid SEK 125,000 and other members shall be paid SEK 75,000, and for work on the Remuneration Committee, the chair shall be paid SEK 50,000 and other members shall be paid SEK 30,000.
- That fees to the Auditor shall be paid in the amount invoiced and approved.
- To re-elect Öhrlings PricewaterhouseCoopers AB as the auditor for the period until the end of the next AGM.
- That the company is to have a Nominating Committee comprising four members. The AGM also resolved on the composition of the Nominating Committee, which is presented below under the heading "Nominating Committee."
- To authorise the Board, on one or more occasions for the period up to the next AGM, to resolve on new share issue(s) totalling not more than 7,000,000 shares and subject to the limits stipulated by the Articles of Association. New share issue(s) shall be possible with or without preferential rights for shareholders, and with payment through contribution in kind, by set-off or on terms in accordance with Chapter 2, Section 5, Paragraph 2, Subsections 1–3 and 5 of the Swedish Companies Act. New share issue(s) in accordance with this authorisation shall be on market terms. The purpose of the authorisation provides the Board with the flexibility to finance and further facilitate expansion, organically as well as through acquisitions. The reason for disapplying shareholders' preferential rights is that the Board deems it to be of strategic importance to the company to broaden the distribution of ownership, which is possible by directing new share issue(s) to Swedish and international institutional investors.
- On guidelines for the remuneration of senior executives.

2018 ANNUAL GENERAL MEETING

The AGM of Mr Green & Co AB (publ), will be held on 7 May in Stockholm. For further information on the 2018 AGM, refer to page 105 and www.mrg.se.

NOMINATING COMMITTEE

The 2017 AGM resolved on the principles for appointing the Nominating Committee. The Nominating Committee is to comprise four members. During the year, the Chairman of the Board is to convene the three largest shareholders in the company in terms of the number of votes to each appoint one representative to serve as a member of the Nominating Committee, in addition to the Chairman of the Board. If one of the three largest shareholders decides to waive its right to appoint a representative to the Nominating Committee, the next largest shareholder is to be given the opportunity to appoint a member to the Nominating Committee. The Nominating Committee can also decide, if deemed appropriate, to appoint an additional representative for a group of major shareholders who will be co-opted to the Nominating Committee.

The Chairman of the Board is to convene the first meeting of the Nominating Committee but is not to serve as the Chairman of the Nominating Committee. The Chairman of the Nominating Committee is to be the member who represents the largest shareholder in terms of the number of votes, unless the members agree otherwise. The appointed Nominating Committee's period in office extends until such time as a new Nominating Committee is appointed. The composition of the Nominating Committee is to be announced not later than six months before the Annual General Meeting.

The Nominating Committee elects its members based on Euroclear Sweden AB's list of registered shareholders on the final banking day of August. If any shareholder who appointed a Nominating Committee member is no longer one of the three largest shareholders in terms of the number of votes, the place of this shareholder's representative is to be made available after which the shareholder who is now one of the three largest shareholders will be entitled to appoint a new representative. However, marginal changes to the number of votes are not taken into account, unless there are special reasons for this.

If a member leaves the Nominating Committee before its work has been completed, the Nominating Committee is to encourage the shareholder who appointed this member to appoint a new representative to the Nominating Committee within a reasonable time. If the shareholder refrains from appointing a new representative, the right to appoint a new Nominating Committee member goes to the next largest shareholder in terms of the number of votes who is not already a member of the Nominating Committee. Any changes to the composition of the Nominating Committee are to be published as soon as they occur.

The Nominating Committee is to draft proposals on the following issues for resolution by the 2018 AGM:

- Chairman of the Meeting
- Board of Directors
- Chairman of the Board
- auditors
- directors' fees
- auditors' fees
- Guidelines for appointment of the next Nominating Committee

The members of the Nominating Committee ahead of the 2018 AGM were published on Mr Green's website on 31 October 2017.

The Nominating Committee at that time comprised:

- Oscar Malmqvist, representing Nils-Henrik Investment (independent of the company)
- Mikael Pawlo, representative of Mikael Pawlo and companies (independent of the company)
- Kent Sander, Chairman of the Board (independent of the company)
- Dimitrij Titov, representing Hans Fajerson and Chairman of the Nominating Committee (independent of the company)

After five principal shareholders sold a total of three million shares on 8 November 2017, Mikael Pawlo decided to step down from the Nominating Committee and was replaced by a representative from Handelsbanken Fonder. The Nominating Committee ahead of the AGM thus comprises:

- Oscar Malmqvist, representing Nils-Henrik Investment (independent of the company)
- Yvonne Sörberg, representing Handelsbanken Fonder (independent of the company)
- Kent Sander, Chairman of the Board (independent of the company).
- Dimitrij Titov, representing Hans Fajerson and Chairman of the Nominating Committee (independent of the company)

The company, through the Nominating Committee, applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy when preparing proposals for the election of Board members. This rule entails that the Board must have, in regard to the company's operations, stage of development and other conditions, a structure suited to its purpose, characterised by diversity and breadth in terms of the competence, experience and background of the members elected by the annual general meeting. An even gender distribution is also to be sought. The aim of the diversity policy is to satisfy the importance of sufficient diversity on the Board in terms of gender, age and nationality, as well as experience, professional background and business areas. Ahead of the 2017 Annual General Meeting, the Nominating Committee took into consideration the existing recommendations regarding composition, diversity and breadth regarding the Board members' competence, experience and background. It was found that the proposal entailed that the Board came to comprise two women and four men and that the proportion of women was thus 33 per cent. The Nominating Committee stated that the Nominating Committee continuously endeavours to meet the Code's requirements for diversity breadth of qualifications and gender distribution on the Board.

The Nominating Committee can be contacted by e-mail at investor.relations@mrg.se or by post at: Mr Green & Co AB, Nominating Committee, Mäster Samuelsgatan 36, SE-111 57 Stockholm, Sweden. The Nominating Committee's complete list of proposals and motivations for said proposals ahead of the 2018 AGM will be presented on www.mrg.se well in advance of the AGM taking place.

THE BOARD AND ITS GOVERNANCE

The primary task of the Board of Directors is to serve the interests of the company and its shareholders, appoint a CEO and ensure that the company complies with external regulations and the Articles of Association. The Board also bears responsibility for ensuring the Group has a structure suited to enabling the Board to exercise its responsibilities as owner of the Group's subsidiaries, and that allows the accounting, asset management and the company's general financial situation to be supervised in a reassuring manner.

At its statutory meeting, the Board adopted a set of rules of procedure governing its activities, as well as the Board's Audit Committee and Remuneration Committee. The rules of procedure regulate the number of scheduled Board meetings, the matters to be addressed at regular Board meetings and the duties of the Chairman of the Board. The Board also adopted a set of instructions for the CEO and authorisation procedures.

The Board has adopted 13 Group-wide policies that regulate how the company, its subsidiaries and employees are to act with the aim of conducting sustainable business. The foundation comprises the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD guidelines for multinational enterprises on responsible business conduct.

These policies are revised and adopted every year at the statutory meeting or, if necessary, during the year.

Internal controls and the company's external auditors monitor compliance with the policies. Compliance shortcomings or risks of compliance breaches result in management taking immediate measures and serious cases being reported to the Board.

The Board receives monthly information from management in the form of activity reports in accordance with the instructions for the CEO. The company's external auditor reports his observations from the audit of the annual accounts and his opinion of the company's internal procedures and control to the Board.

The Board of Directors is presented on pages 56–57. The Board met with the company's auditor once in 2017, without the presence of management, and has continuously evaluated the work of the CEO. A systematic evaluation of the CEO's work took place once during the year.

The Group's CEO and CFO served as rapporteurs to the Board at all meetings of the Board. The General Counsel is the

DATE	MATTERS
2 February	Presentation of potential acquisition of Dansk Underholdning.
5 February	Information on the acquisition of Dansk Underholdning and resolution on the dividend for the 2016 financial year.
9 February	Update on the operations.
28 February	Decision on options to senior executives.
10 March	Financing matters.
16 March	2016 Annual Report.
9 April	Proposal to AGM on authorisation to increase share capital based on a new share issue, moving the AGM and notice of the new AGM.
27 April	Interim report for January–March.
2 May	Review of Green Gaming and security activities.
18 May	Statutory Board meeting. Adopted rules of procedure for the Board and Committees, instructions for the CEO, authorisation procedures and policies.
9 June	Decision on investigating conditions for a new share issue.
13 June	Update from the banks on the conditions for a new share issue.
14 June	Meeting 1: Decision on new share issue. Meeting 2: Adoption of sales price.
16 June	Update on the operations.
20 July	Interim report for January-June.
14–15 September	Strategy days with update on the operations. Training in EU money laundering regulations.
23 October	2018 business plan.
26 October	Interim report for January-September.
8 December	Presentation of potential acquisition of Evoke Gaming and approval of the budget for 2018.
17 December	Information regarding the acquisition of Evoke Gaming.

secretary of the Board. Other executives in the Group participated at Board meetings as rapporteurs on specific matters.

Policies adopted by the Board:

- Code of Conduct
- Communications
- Finance
- HR
- Insider
- Internal Control
- IT
- Information Security
- Purchasing
- Sustainability
- Anti-bribery & Corruption
- Regulatory compliance
- Public Interest Disclosure "Whistleblower" Policy

WORK OF THE BOARD

In 2017, the Board held 21 minuted meetings, including 12 telephone meetings and two per capsulam meetings. Regular items on the Board's agenda are the company's financial progress and financing, as well as investment matters. Once yearly, the Board spends one and a half days discussing the long-term, strategic development of the company and the industry.

During the year, the Board devoted particular attention to the implementation of the Mr Green 2.0 business strategy adopted in the spring of 2016 and how the greater product differentiation and marketing efficiency has resulted in higher growth and improved profitability. Focus was also directed to ensuring revenue growth during the year, although the Board also closely monitored internal efficiency and profitability.

At the start of the year, the Board decided to acquire the online gaming company Dansk Underholdning, thus giving Mr Green access to the Danish market. As a consequence of the acquisition, the Board decided to propose to the 2017 AGM that no dividend be paid for the 2016 financial year.

In the spring, the Board investigated – via its bank advisors – the possibility of carrying out a new share issue to finance and further facilitate expansion, organically as well as through acquisitions. The Board believes that with its strong brand, broad European presence and focus on Green Gaming, Mr Green is well-positioned to assume an active role in the consolidation of the online gaming industry. The Board believed it was possible to implement a new share issue and decided to bring the date of the AGM forward to include the proposal on authorisation in the notice.

The Board's proposal to the AGM meant that the Board could make a decision to deviate from the preferential rights of the shareholders in order to increase the distribution of ownership among both Swedish and international institutional investors. The AGM resolved to grant the Board such authorisation and on 14 June the company announced that Mr Green had carried out a placement of five million new shares, providing the company with SEK 195 million before issue expenses. In connection with the directed new share issue, six major shareholders divested a total of one million shares. Read more about their divestments above in the Shareholders section.

The Board focused intensely on sustainable business and has identified Green Gaming as the company's most important sustainability issue. Accordingly, the Board has assigned the company the clear task of ensuring that it offers customers a safe and responsible gaming environment. The Board regularly monitored the company's work on developing and implementing predictive tools for Green Gaming during the year.

The Board also devoted particular attention to the ongoing tax dispute in Austria and the effects on the company's future financial position. The matter was regularly discussed and the Board's aim is to be transparent to shareholders and minimise the risks of future negative financial effects.

Other matters addressed by the Board during the year were data security and the new General Data Protection Regulation (GDPR) and remuneration issues to senior executives.

During the year, the Board received training in Green Gaming and in EU money laundering regulations.

BOARD EVALUATION

In autumn 2017, an external, independent appraiser conducted a systematic and structured evaluation of the work of the Board. The evaluation took place by means of questionnaires and interviews with the Board members and company representatives. The evaluation shows how the members work individually and as a group, their suitability for the task and how their prioritise matters on the Board's agenda. The results were compiled in digital format and presented to the Board and Nominating Committee. The Board also makes use of the evaluation to improve its work.

INTERNAL CONTROL, RISKS MANAGEMENT AND INTERNAL AUDITORS

Responsibility for maintaining an effective control environment and internal control over financial reporting has been delegated to the CEO. For external communication, guidelines have been adopted which ensure that correct information is distributed to the market at the right time.

The Board's responsibility for internal control is governed by the Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Corporate Governance Code. The company's internal control process is based on the COSO framework, which was developed by the Committee of Sponsoring Organizations of the Treadway Commission. The process has been designed to ensure proper risk management including reliable financial reporting in accordance with IFRS, the applicable laws and regulations, as well as other standards that are applied by Nasdaq Stockholm listed companies and which are parent companies in a consolidated situation. These efforts involve the Board of Directors, Group management and other employees.

When conducting risk assessments, an evaluation is made of the probability that a risk will be incurred and the implications of such a risk resulting in a real event, as well as how quickly any such risk could become a reality. Both local and central financial reporting are followed up and evaluated on the basis of impact and scope, and adjusted depending on materiality. Mr Green's risk management is divided into three subcategories: risk assessment, internal control requirements, as well as self-assessment and reporting.

The Audit Committee, external auditors and Group management regularly discussed the company's principles for assessing risks and risk management, material financial risk exposures and the actions that Group management has taken or intends to take to limit, monitor or control such exposures. The Audit Committee regularly presented its work and findings to the Board, including the Committee's monitoring of the company's operational, legal, regulatory, political and financial risks.

The Board addressed matters presented by the Audit Committee in conjunction with work related to the year-end report and the interim report for the period 1 January–30 September.

The company's CEO regularly provided the Board with the information required to monitor the company's and Group's financial situation, which included such measures as the CEO providing the Board with a monthly written earnings report, including comments related to the company's financial performance in relation to the latest adopted budget or forecast. Tax and financial risks were regularly reviewed for preventative purposes, and tax, legal and financial risks that are deemed significant are reported in the consolidated financial statements.

An internal auditor, stationed in Malta, was employed in 2017. The internal auditor reports to the Audit Committee and audits internal procedures and processes as well as risk management and exposure. In addition, an information security and risk committee has been established, which reports to the Audit Committee. The purpose of the committee is to review and manage business risks and further develop information security in the company.

AUDIT COMMITTEE

According to the Board's instruction, the Audit Committee shall comprise at least three members who are annually appointed by the Board. One of the members shall serve as chair of the Committee. According to the instruction, the majority of the Committee's members must be independent of the company and its management, and at least one of the members must also be independent of the company's major shareholders. At least one member shall be independent and possess accounting or au-

EXTERNAL REGULATORY FRAMEWORK
Swedish Companies Act
Other applicable Swedish and international laws and rules
Nasdaq Stockholm's Rule Book for Issuers
Swedish Corporate Governance Code ("The Code")
Swedish Securities Council's statements

INTERNAL REGULATORY FRAMEWORK
Articles of Association
Rules of procedure for the Board of Directors
Board's instructions for the CEO
Board's authorisation procedures
Group policies adopted by the Board

diting expertise. The Board's Audit Committee comprised Eva Lindqvist (chair), Danko Maras and Tommy Trollborg. All three of the Audit Committee's members are deemed to be independent of the company and its management. Eva Lindqvist and Danko Maras are also deemed to be independent of the company's major shareholders. Danko Maras and Tommy Trollborg are deemed to possess accounting or auditing expertise.

The Audit Committee is responsible for ensuring the quality of the company's internal and external control and governance in terms of financial reporting, risk management and risk control, regulatory compliance, other internal governance and control, as well as matters specifically prescribed by the Board during the course of the financial year. Without it affecting the Board's general responsibilities and duties, the Audit Committee shall regularly meet with the company's auditors and keep abreast of the focus and scope of auditing work.

The Committee has studied information received from and engaged in dialogue with the company's management in order to keep abreast of the company's risks. It has also been in regular contact with the company's auditor. The Committee evaluated the work of the auditors, submitted information to the Nominating Committee and submitted a proposal for the appointment of auditors.

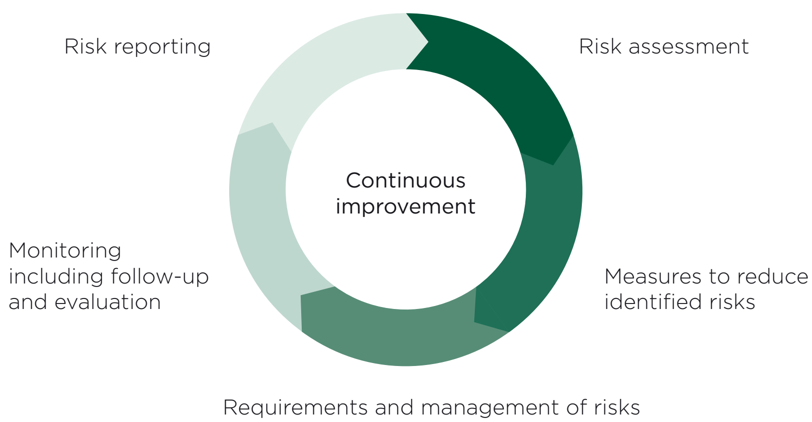
The Audit Committee shall hold minuted meetings at least four times a year. In 2017, ten meetings were held, including an on-site visit to Malta, where the operations of the company's main asset, Mr Green Ltd, were reviewed. The Audit Committee informed the Board of the matters that have been addressed by the Committee. In addition to the members of the Committee, the CFO, and, where required, the internal auditor, the external auditor, CEO and other Group executives are called to the Committee's meetings.

REMUNERATION COMMITTEE

The Remuneration Committee's efforts are regulated by a particular set of instructions that have been adopted by the Board as part of its rules of procedure. According to the Board's instruction, the Remuneration Committee shall comprise at least two members who are annually appointed by the Board. The Chairman of the Board shall be the chairman of the Remuneration Committee. The Committee's members must be independent of the company and its management. The Board's Remuneration Committee comprised Kent Sander (chair), Andrea Gisle Joosen and Tommy Trollborg. Of the three members of the Remuneration Committee, all three are independent of the company and its management.

The principal task of the Remuneration Committee is to prepare the Board's decisions on matters concerning remuneration principles, benefits and other terms of employment for Group management, to monitor and evaluate programmes that are ongoing and were completed during the year concerning variable remuneration for management, as well as to monitor and evaluate the application of the guidelines for the remuneration of senior executives as resolved on by the AGM, as well as on applicable remuneration structures and remuneration levels in the Group. The matters addressed by the Committee during the year included issuing options to newly recruited senior executives. The Remuneration Committee must convene at least two times per mandate period. In 2017, the Committee held three meetings.

EFFECTIVE CONTROL ENVIRONMENT



GROUP MANAGEMENT

Group management consists of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), General Counsel, Director of IR and Communications and the CEO's of the operating subsidiaries Mr Green Ltd and Mr Green & Co Technology AB. Information about Group management is provided on pages 58–59.

Group management presents targets for the operations as part of its business plan and budget process in the autumn. The business plan and budget are adopted by the Board. The targets are broken down into various activities for different parts of the operations, which are subsequently followed up during the forthcoming year. Scorecards are used by parts of the operations wherever deemed relevant.

In 2017, Group management focused on the implementation of the Mr Green 2.0 strategy. Recurring areas on management's agenda are Green Gaming and the new predictive tool, the integration of Dansk Underholdning and the launch of Mr Green in Denmark. Other areas that management devoted much attention to were evaluating potential acquisition candidates, new geographic markets, data security and GDPR.

A Group-wide employee survey is carried out every autumn. Group management regularly follows up the evaluation and activities resulting from the survey. During the year, Group management underwent the internal leadership programme that focuses on value-based leadership. Group management also received training in Green Gaming and money-laundering regulations.

As part of efficiency enhancements to internal collaboration, management decided to relocate the head office and Mr Green & Co Technology AB to the same office at Epicenter on Mäster Samuelsgatan in Stockholm, Sweden, during the first quarter of 2018. Investments were made during the year to modernise and extend the office in Malta.

BOARD MEMBER ATTENDANCE AND REMUNERATION FOR THE 2017 CALENDAR YEAR

	Board meetings	Audit Committee	Remuneration Committee	Remuneration
Kent Sander, Chairman of the Board, chair of Remuneration Committee	21/21	–	3/3	780,000
Henrik Bergquist, Director	21/21	–	–	315,000
Andrea Gisle Joosen, Director, member of Remuneration Committee	20/21	–	3/3	345,000
Eva Lindqvist, Director, chair of Audit Committee	17/21	10/10	–	440,000
Danko Maras, Director, member of Audit Committee	19/21	9/10	–	390,000
Tommy Trollborg, Director, member of Audit and Remuneration Committees	21/21	10/10	3/3	420,000

INDEPENDENCE OF THE BOARD

	Independent of the company and management	Independent of the company's major shareholders
Kent Sander	Yes	Yes
Henrik Bergquist	Yes	No
Andrea Gisle Joosen	Yes	Yes
Eva Lindqvist	Yes	Yes
Danko Maras	Yes	Yes
Tommy Trollborg	Yes	No

CORPORATE GOVERNANCE ON WWW.MRG.SE

www.mrg.se/en/corporate-governance contains documents from general meetings, the Articles of Association and corporate governance reports.

CEO

The CEO is appointed by the Board of Directors and manages the business pursuant to the instructions adopted by the Board, and is responsible for the day-to-day management of the company and Group in accordance with the Swedish Companies Act. This excludes decision-making on matters relating to operational gaming activities. The CEO leads the Parent Company's work and makes decisions in consultation with the other members of Group management. The CEO is also responsible for executing the company's sustainability strategies in its operations. The company's operations consist of the management and administration of its investments and the evaluation of potential new acquisitions or the divestment of operations. The Group's gaming activities are conducted in Malta through the wholly owned subsidiary Mr Green Ltd. This company has a separate Board of Directors and operational management team, which makes operational decisions relating to Mr Green's gaming operations, including matters concerning sustainability. Instructions for the CEO of Mr Green Ltd have been prepared, which are aligned with the instructions for the CEO of the Parent Company.

The Board continuously evaluated the work of the CEO and evaluated the CEO's work once in 2017 without the presence of Group management.

INTERNAL COMMUNICATION AND EMPLOYEESHIP

Internal communication is important for conveying the company's values and efficiently governing of the operations.

All managers are responsible for ensuring that employees are aware of the company's policies, relevant work guidelines, strategies and targets. Policies and guidelines are available on the company's intranet and in the employee manual. All employees are also individually responsible for obtaining information and keeping themselves up-to-date on the company's policies, processes and relevant targets.

The Group's managers completed a leadership programme in 2017 that aimed to instil shared values and leadership behaviour.

An employee survey is carried out every year. Managers provide feedback on the results to their groups and jointly present an action plan for the forthcoming year. The measures in the plan are aggregated and monitored during the year as part of the business plan process and employee appraisals.

REMUNERATION

The 2017 AGM adopted the following guidelines for remuneration of senior executives. According to the guidelines, the Remuneration Committee is tasked with drafting guidelines on salaries and other employment terms for the CEO and other senior executives and presenting its proposed resolutions on such matters to the Board. The Board makes decisions on the salary and other remuneration paid to the CEO. The CEO makes decisions on salaries and other remuneration paid to other senior executives in accordance with the guidelines of the Board. Other senior executives are defined as the individuals who, along with the CEO, constitute Group management.

Basic remuneration levels shall be market-based. Remuneration consists of a fixed basic salary, potential variable remuneration calculated on the basis of predetermined targets, other benefits and pension, as well as financial instruments in the form of warrants. The balance between fixed and variable remuneration must be proportionate to the executive's responsibilities and authority. For the CEO and other senior executives, variable remuneration is capped at 50 per cent of the fixed salary. Pension terms must be based on defined contribution pension solutions. The period of notice in case of termination by the company may not exceed six months. During the period of notice of up to six months, the employee receives a full salary and employee benefits. Decisions on share and share price-related incentive schemes are made by the general meeting of shareholders. In individual cases and under special circumstances, the Board may deviate from the aforementioned guidelines.

Mr Green has implemented a warrant programme for senior executives and one warrant programme for Board members. Under each of the resolutions passed by the general meeting of shareholders regarding these programmes, warrants were issued free of charge to the company's subsidiary, Mr Green & Co Optionsbärare AB, with entitlement for the subsidiary to transfer the warrants to certain senior executives and Board members. Each warrant entitles the holder to subscribe for one new share of the company. The value of the warrants is calculated at market rate by an external party in accordance with the Black-Scholes Option Pricing Model.

The warrant programme for senior executives in the company and its Swedish and Maltese subsidiaries was adopted at the AGM on 21 April 2016 and covered a maximum of 1,020,000 warrants with a subscription price set at SEK 45. Subscriptions for shares in accordance with the terms and conditions of the warrants may be made during the period from 22 April 2019 through 22 May 2019. A total of 920,000 of these warrants have been acquired by senior executives. According to item 9.7 of the Code, the principle applies that the vesting period or the time from when the agreement is entered into until a share can be acquired must not be less than three years. The Board resolved on two occasions in 2017, with deviation from the Code, to offer three newly appointed senior executives the possibility to acquire warrants, since the AGM's resolution explicitly contains the possibility to offer new senior executives options and that the benefits of these senior executives having the possibility to participate in the Warrant Programme for 2016 is of major importance to the company. As the Code is applied according to the principle of "comply or explain", the Board considers that this case comprises circumstances that warrant a deviation from the Code.

The warrant programme for the Board members elected at the 2016 AGM was adopted following a proposal from shareholders representing approximately 35 per cent of the shares and votes in the company at the AGM held on 21 April 2016, covering a maximum of 360,000 warrants. The subscription price has been set at SEK 45. Shares can be subscribed for during the period from 22 April 2019 through 22 May 2019. A total of 320,000 of these warrants have been acquired by Board members.

If the warrants are fully exercised, the total dilution effect will correspond to approximately 3.27 per cent of the total number of shares and voting rights in the company. In conjunction with the transfer of the warrants, each option holder has entered into a warrant agreement with the company, containing standard terms for this type of contract, including stipulations concerning repurchase rights and right of first refusal.

AUDITING

The auditor is appointed by the AGM to review the company's annual report and accounts and the administration of the Board of Directors and CEO. The auditors' reporting to the owners takes place at the AGM by way of the Auditors' Report.

The auditing firm Öhrlings PricewaterhouseCoopers AB serves as the company's auditing firm until the 2018 AGM and is represented by Bo Åsell as Auditor in Charge. Bo Åsell has over 30 years' experience in the audit industry and currently works mainly with companies that are listed on regulated markets in Sweden, municipal and county-owned companies as well as large owner-managed companies. For 15 years, Bo Åsell also worked at FAR, the Swedish professional institute for accountants, with special responsibility for the SME market (small and medium-sized enterprises).

The annual accounts are audited in January-February. The annual report is reviewed in February-March. Reviews are conducted in conjunction with the publication of the company's interim reports for the third quarters. In addition, an ongoing review of internal procedures and control systems is conducted over the course of the year, the results of which are reported to the Group's CEO, CFO, Audit Committee and Board of Directors.

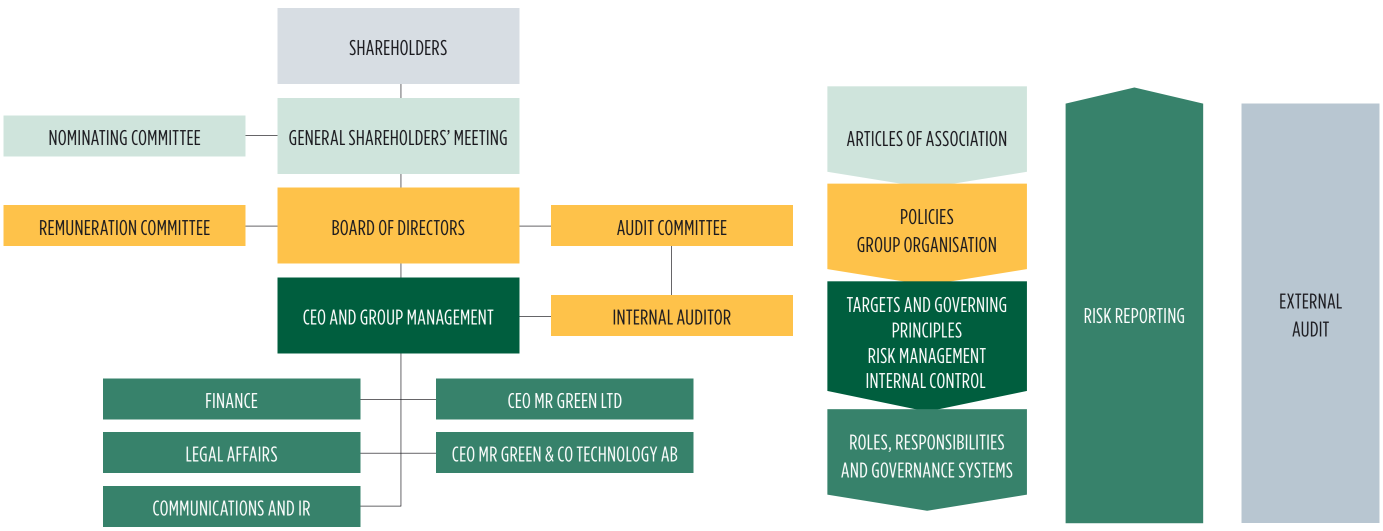
The Board met with the company's auditor once during the year, without the presence of the CEO or any other member of company management.

Mr Green & Co has enlisted the services of KPMG concerning tax issues.

INVESTOR RELATIONS

The company's CEO is responsible for contact with shareholders. Director of IR and Communications, Åse Lindskog, is in charge of the company's day-to-day IR activities. The company provides information to shareholders through the Annual Report, year-end report, interim reports, press releases and www.mrg.se. Mr Green also participated in a number of investor meetings and other IR activities.

Organisation and governance



Shareholders exercise their influence over Mr Green at the AGM and other general meetings. The general meeting of shareholders is the company's highest decision-making body. Under the Swedish Companies Act, other laws and regulations, Nasdaq Stockholm's Rule Book for Issuers, the Articles of Association and the Board of Directors' internal policy instruments, responsibility for the company's organisation and the management of the company's affairs rest with the Board and the CEO.

Board of Directors

KENT SANDER, BORN 1953

CHAIRMAN OF THE BOARD, CHAIRMAN OF THE REMUNERATION COMMITTEE Elected: 2016

Background: M.Sc. in Economics and Business from Stockholm University. Kent Sander holds experience from executive positions in international telecom and high-tech IT companies. His positions have included Executive Vice President Sales at Ericsson and CEO of TruePosition Inc. He has also served as senior partner at Brainheart Capital and as an advisory board representative for Samsung Electronics Ltd.

Other directorships: Chairman of OnePhone Holding AB, Serneke Group AB, Tobii AB and Triboron International AB. Director of Edgeware AB and BT Onephone Ltd.

Holdings of shares and warrants: 200,000 warrants.

HENRIK BERGQUIST, BORN 1973

DIRECTOR. Elected: 2013

Background: B.Sc. in Electronics and Graphic Technology from the KTH Royal Institute of Technology in Stockholm. Henrik Bergquist has worked at Ericsson in the department for Applied Internet research and as project owner within Internet-related products. He has also been involved in founding several digital companies, including Betsson where his roles included working as product manager. He is also one of Mr Green's three founders, and was also product manager for a period at Mr Green.

Other directorships: Director of Nils-Henrik Investment AB.

Shareholding: 5,525,709 shares.

ANDREA GISLE JOOSEN, BORN 1964

DIRECTOR, MEMBER OF THE REMUNERATION COMMITTEE. Elected: 2015

Background: M.Sc. in International Business from Copenhagen Business School (CBS). Andrea Gisle Joosen possesses experience from the consumer products and media industries. She has previously served as Nordic Managing Director of companies including Boxer TV-Access, Panasonic Nordic and 20th Century Fox Home Entertainment, and held executive positions at Mars, Procter & Gamble and Johnson & Johnson.

Other directorships: Board member of BillerudKorsnäs Aktiebolag, BillerudKorsnäs Venture AB, Dixons Carphone Plc, ICA Gruppen Aktiebolag, James Hardie Plc and Phoodster AB.

Holdings of shares and warrants: 9,500 shares and 40,000 warrants.

EVA LINDQVIST, BORN 1958

DIRECTOR, CHAIR OF THE AUDIT COMMITTEE. Elected: 2016

Background: MBA from Melbourne University and an M.Sc. from Linköping University in applied physics. Eva Lindqvist has held several executive positions, including Senior Vice President and director for companies in the Telia and Ericsson Groups. She also has international experience of, for example, strategy and market development, sales and product management.

Other directorships: Director of Alimak Group AB, Assa Abloy AB, Com Hem Holding AB, Kährs Holding AB and SWECO AB.

Holdings of shares and warrants: 2,300 shares and 40,000 warrants.

DANKO MARAS, BORN 1963

DIRECTOR, MEMBER OF THE AUDIT COMMITTEE. Elected: 2016

Background: Harvard Business School GMP. M.Sc. from Uppsala University with a specialisation in accounting and auditing. Danko Maras was Acting CEO of Cloetta AB 1 September 2016–14 February 2017. He has held several executive positions at Unilever Nordic and has worked at Unilever in the US, the Netherlands and Switzerland. He has also held positions including CEO of Leaf and CFO/COO of Unilever Nordic.

Other assignments: CFO, Cloetta AB. Chairman of Doublebay AB. Director of Highwood AB and several subsidiaries of Cloetta AB.

Holdings of shares and warrants: 10,000 shares and 40,000 warrants.

TOMMY TROLLBORG, BORN 1939

DIRECTOR, MEMBER OF THE REMUNERATION COMMITTEE AND AUDIT COMMITTEE. Elected: 2012

Background: M.Sc. in Business and Economics from the Stockholm School of Economics. Tommy Trollborg worked as an authorised public accountant, CEO and main partner of Wahlbergs Revisionsbyrå, an audit firm in Stockholm until 1989. He has subsequently served on many national and international boards and as a consultant on mergers and acquisitions and management and board matters through his consulting firm, Magnolia Consulting Sàrl.

Other directorships: Chairman of Brobyholm Fastighets AB. Director of Actant AG, Magnolia Consulting Sàrl and the Promobilia Foundation.

Shareholding: 420,997 shares.

Group management

PER NORMAN, BORN 1964

CEO

Background: M.Sc. in Mechanical Engineering from the KTH Royal Institute of Technology in Stockholm and an MBA from Uppsala University. Per Norman has a background as a management consultant and has held several executive positions, including as Vice President and CTO of Modern Times Group (MTG), CEO of SES Sirius, CEO of Boxer TV-Access and Vice President of Teracom.

Holds current position since 2015.

Other appointments: Director of Sveriges Television AB.

Holdings of shares and warrants: 370,000 shares and 250,000 warrants.

SIMON FALK, BORN 1972

CFO

Background: M.Sc. in Economics from Stockholm University. Simon Falk has previously served as CFO of Kronans Apotek. Prior to that he has a background in the telecom industry, where he was CFO of Bredbandsbolaget and of several companies in the Tele2 Group.

Holds current position since 2014.

Holdings of shares and warrants: 86,000 shares and 80,000 warrants.

JAN TJERNELL, BORN 1963

GENERAL COUNSEL

Background: LLM from Stockholm University.
Jan Tjernell possesses international experience as a company lawyer primarily in the telecom industry. Among other posts, he was Chief Legal Advisor at Tele2 for eleven years and General Counsel at Digicel for six years.

Holds current position since 2015.

Holdings of shares and warrants: 13,000 shares and 40,000 warrants.

JESPER KÄRRBRINK, BORN 1964

CEO MR GREEN LTD

Background: Studied economics at Örebro University. Jesper Karrbrink holds experience as a CEO from media, gaming and e-commerce companies, including as CEO of Svenska Spel, Eniro, Östersunds-Posten, Metro International, Bonniers Veckotidningar and of online and e-commerce companies such as Bonnier Interactive and Euroflorist.

Holds current position since 2016.

Holdings of shares and warrants: 19,378 shares and 250,000 warrants.

ÅSE LINDSKOG, BORN 1962

DIRECTOR OF IR AND COMMUNICATIONS

Background: Trained in Journalism at Stockholm University, and studies at the Stockholm School of Economics. Åse Lindskog previously served as Head of corporate PR and media relations and Investor Relations at Ericsson, as an analyst at Swedbank Robur, Secretary General at the Swedish Society of Financial Analysts and advisor at the Ministry of Industry, as well as Reporter at the financial daily DI and financial weekly Veckans Affärer.

Holds current position since 2016.

Holdings of shares and warrants: –

MATTIAS WEDAR, BORN 1973

CEO MR GREEN & CO TECHNOLOGY AB

Background: Master's degree in Information Technology from the University of Lund. Mattias Wedar joined the company from Eniro, where he held several senior positions and was a member of Group management. His positions included CIO, CEO for Sweden, Finland, and Denmark, and Head of Product Development and Marketing Director. Before Mattias arrived at Eniro, he worked for Accenture in various management positions and as key account manager.

Holds current position since 2017.

Holdings of shares and warrants: 944 shares and 20,000 warrants.

Acting CEO of Mr Green & Co Technology AB, Stefan Gustafsson, was succeeded by Mattias Wedar in October 2017.

Frida Adrian, Director of Investor Relations, was on parental leave from March until November, when she left the company. Director of Communications Åse Lindskog has taken over the role of Director of Investor Relations.

Appropriation of profit

The Board of Directors and Chief Executive Officer propose that the retained earnings at the disposal of the General Meeting be appropriated as follows:

Amount in SEK	
Opening balance of retained earnings	828,484,528
Net result for the year	53,706,794
Closing balance of retained earnings	882,191,322
Transfer to shareholders	53,104,237
To be carried forward	**829,087,085**

The Board proposes that the Annual General Meeting resolve to transfer SEK 1.30 per share to the shareholders on the basis of an automatic share-redemption programme. A transfer is proposed on the basis of a 2:1 share split followed by a mandatory redemption of the second share in the amount of SEK 1.30

A total transfer of SEK 53,104,237 is proposed. Following the implementation of the mandatory and automatic redemption procedure, the company's total retained earnings will amount to SEK 829,087,085.

The Board deems the proposal to be consistent with the prudence rule stipulated in Chapter 17, Section 3 and Chapter 18, Section 4 of the Swedish Companies Act, according to the following statement:

The Board believes that the proposed dividend is justifiable with respect to the requirements that the nature, scope and risks of the operations impose
on the amount of equity, and to the company's consolidation requirements, liquidity, current business plan and general financial position.

For further information on the company's earnings and financial position, refer to the following income statements and balance sheets with accompanying notes to the accounts.

Consolidated income statements

SEK ’000	Note	2017	2016
Revenue	3	1,192,033	924,524
Total revenue		**1,192,033**	**924,524**
Cost of services sold		–376,261	–306,685
Capitalised costs		80,037	56,549
Marketing		–403,850	–336,432
Personnel costs	5	–143,581	–130,784
Other operating expenses	5,6,7	–162,805	–115,778
EBITDA before non-recurring items		**185,572**	**91,393**
Non-recurring items	8	–	–15,810
EBITDA after non-recurring items		**185,572**	**75,582**
Depreciation and amortisation	9	–69,529	–56,489
Earnings before interest and tax (EBIT)		**116,043**	**19,093**
Financial income	10	–90	10,369
Financial expenses	10	–346	–10
Result before tax		**115,608**	**29,452**
Income tax	11	–6,252	3,649
Net result for the year	12	**109,355**	**33,101**
Weighted average number of shares		38,575,440	35,849,413
Earnings per share before dilution, SEK		2.83	0.92
Weighted average number of shares after dilution		39,815,440	35,849,413
Earnings per share after dilution, SEK		2.75	0.92
Included in cost of services sold:			
Betting duties Austria (excl interest)		–112,182	–85,116
Interest on betting duties Austria		–11,339	–8,773
Betting duties, other markets		–58,827	–38,947

Consolidated Statement of Comprehensive Income

SEK '000	2017	2016
Net result for the year	**109,355**	**33,101**
Other comprehensive income:		
Items which can be subsequently re-classified to profit/loss		
- Foreign exchange differences on consolidation	25,023	33,424
Other comprehensive income for the year	**25,023**	**33,424**
Comprehensive income for the year	**134,378**	**66,525**
Comprehensive income for the year attributable to:		
- Shareholders of the Parent Company	134,378	66,525

Consolidated Balance Sheet

SEK '000	Note	2017 31 Dec	2016 31 Dec
Customer contracts	13	5,910	0
Brands	13	322,088	304,230
Other intangible assets	13	134,706	93,437
Goodwill	13	624,727	523,088
Equipment	14	9,045	4,890
Deferred tax assets	15	236	368
Non-current assets		**1,096,711**	**926,012**
Current income tax assets	15	–	6,747
Other receivables	16	23,577	18,079
Prepaid expenses and accrued income	17	20,495	7,828
Cash and cash equivalents	18	597,711	266,908
Current assets		**641,784**	**299,561**
TOTAL ASSETS	19	**1,738,495**	**1,225,574**
Share capital	20	40,849	35,849
Other capital contributed	20	865,170	683,888
Translation reserve	20	110,371	85,348
Retained earnings	20	14,736	–94,619
Equity		**1,031,127**	**710,466**
Deferred tax liabilities	15	117,254	114,484
Betting duties, Austria	21	339,120	212,001
Non-current liabilities		**456,374**	**326,485**
Trade payables		57,896	69,027
Customer accounts		45,400	27,426
Other current liabilities	22	33,732	10,340
Tax liabilities	15	1,339	–
Accrued expenses and deferred income	23	112,628	81,830
Current liabilities		**250,995**	**188,623**
TOTAL EQUITY AND LIABILITIES	19	**1,738,495**	**1,225,574**

Consolidated statement of changes in equity

SEK '000	Share capital	Other capital contributed	Translation reserve	Retained earnings	Equity
Opening balance, 1 January 2016	**35,849**	**680,773**	**51,924**	**–127,720**	**640,826**
Comprehensive income for the year					
Net result for the year	–	–	–	33,101	33,101
Other comprehensive income	–	–	33,424	–	33,424
Comprehensive income for the year	**–**	**–**	**33,424**	**33,101**	**66,525**
Transactions with owners					
Warrant premiums	–	3,115	–	–	3,115
Transactions with owners for the year	**–**	**3,115**	**–**	**–**	**3,115**
Closing balance, 31 December 2016	**35,849**	**683,888**	**85,348**	**–94,619**	**710,466**
Comprehensive income for the year					
Net result for the year	–	–		109,355	109,355
Other comprehensive income	–	–	25,023	–	25,023
Comprehensive income for the year	**–**	**–**	**25,023**	**109,355**	**134,378**
Transactions with owners					
Warrant premiums	–	282	–	–	282
New share issue	5,000	190,000	–	–	195,000
Cost of new share issue	–	–9,000	–	–	–9,000
Transactions with owners for the year	**5,000**	**181,282**	**–**	**–**	**186,282**
Closing balance, 31 December 2017	**40,849**	**865,170**	**110,371**	**14,736**	**1,031,127**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying Note 20. Equity is attributable to the Parent Company's shareholders in its entirety.

Consolidated Statement of Cash Flow

SEK ’000	Note	2017	2016
Earnings before interest and tax (EBIT)		116,043	19,093
Adjusted for:			
- Depreciation and amortisation	9	69,529	56,489
- Unrealised foreign exchange differences, net		3,377	3,716
- Betting duties, Austria		117,382	2,858
Changes in working capital		28,885	51,084
Income tax paid		–6,437	–4,436
Interest income		–90	28
Interest expense		–225	–10
Cash flow from operating activities		**328,465**	**128,822**
Cash flow from investing activities:			
- Payment, acquisition of subsidiary/assets and liabilities	4	–91,991	–
- Acquired cash and cash equivalents	4	6,311	–
- Acquisition of intangible assets	13	–104,761	–62,708
- Acquisition of property, plant and equipment	14	–6,728	–3,686
Cash flow from investing activities		**–197,168**	**–66,394**
Net cash flow from financing activities:			
- New share issue		186,000	–
- Warrant premiums	20	282	3,115
Cash flow from financing activities		**186,282**	**3,115**
Change in cash and cash equivalents		317,579	65,544
Foreign exchange differences		13,225	11,083
Cash and cash equivalents at the beginning of the period	18	266,908	190,281
Cash and cash equivalents at the end of period	**18**	**597,711**	**266,908**

Parent Company Income Statement

SEK ’000	Note	2017	2016
Revenue	3	5,516	4,814
Total revenue		**5,516**	**4,814**
Marketing		–292	–124
Personnel costs	5	–13,708	–16,843
Other operating expenses	5,6,7	–15,919	–16,432
EBITDA before non-recurring items		**–24,403**	**–28,586**
Non-recurring items	8	–	–15,810
EBITDA after non-recurring items	**24**	**–24,403**	**–44,396**
Depreciation and amortisation	9	–204	–199
Earnings before interest and tax (EBIT)		**–24,608**	**–44,596**
Profit/loss from shares in Group companies	24,25	68,948	44,169
Other interest income and similar items	10,24	423	0
Interest expense and similar items	10,24	–556	–1,052
Result before appropriations and tax		**44,207**	**–1,479**
Appropriations	26	9,500	6,650
Result before tax		**53,707**	**5,171**
Tax on net result for the year	11	–	–
Net result for the year		**53,707**	**5,171**

Net result for the year is the same as comprehensive income for the year, since no items are recognised in other comprehensive income.

Parent Company Balance Sheet

SEK ’000	Note	2017	2016
Other intangible assets	13	126	315
Equipment	14	35	51
Investments in subsidiaries	27	717,507	717,224
Non-current assets		**717,668**	**717,590**
Current income tax assets	15	817	337
Current receivables, subsidiaries	24	79,155	51,543
Current loans, subsidiaries	24	77,976	–
Other receivables	16	838	2,467
Prepaid expenses and accrued income	17	700	451
Cash and cash equivalents	18	52,931	11,723
Current assets		**212,417**	**66,520**
TOTAL ASSETS		**930,085**	**784,110**
Share capital		40,849	35,849
Total restricted equity	**20**	**40,849**	**35,849**
Retained earnings		828,485	642,031
Net result for the year		53,707	5,171
Total non-restricted equity		**882,191**	**647,202**
Equity		**923,041**	**683,052**
Trade payables		838	14,077
Other liabilities	22	516	875
Current loans, subsidiaries	24	–	79,767
Accrued expenses and deferred income	23	5,690	6,339
Current liabilities		**7,044**	**101,058**
TOTAL EQUITY AND LIABILITIES		**930,085**	**784,110**

Parent Company Statement of Changes in Equity

	Restricted equity	Non-restricted equity			
SEK ’000	**Share capital**	**Shareholders’ contributions**	**Share premium reserve**	**Retained earnings**	**Total**
Opening balance, 1 January 2016	**35,849**	**122,000**	**558,773**	**–41,857**	**674,765**
Net result for the year	–	–	–	5,171	5,171
Comprehensive income for the year	**–**	**–**	**–**	**5,171**	**5,171**
Warrant premiums	–	–	3,115	–	3,115
Total transactions with owners	**–**	**–**	**3,115**	**–**	**3,115**
Closing balance, 31 December 2016	**35,849**	**122,000**	**561,888**	**–36,685**	**683,052**
Net result for the year	–	–	–	53,707	53,707
Comprehensive income for the year	**–**	**–**	**–**	**53,707**	**53,707**
Warrant premiums	–	–	282	–	282
New share issue	5,000	–	190,000	–	195,000
Cost of new share issue	–	–	–9,000	–	–9,000
Closing balance, 31 December 2017	**40,849**	**122,000**	**743,170**	**17,021**	**923,041**

Net result for the year is the same as comprehensive income for the year.

Parent Company Cash Flow Statement

SEK '000	Note	2017	2016
Result before tax		53,707	5,171
Adjusted for:			
- Depreciation/amortisation and impairment	9	204	199
- Anticipated dividend	25	–68,948	–44,169
Changes in working capital		–16,181	12,253
Payment of previously anticipated dividend		44,169	–
Cash flow from operating activities		**12,951**	**–26,546**
Cash flow from investing activities:			
- Shareholders' contributions paid		–282	–3,115
- Loans issued		–77,976	–
- Acquisition of property, plant and equipment		–	–45
Cash flow from investing activities		**–78,258**	**–3,160**
Net cash flow from financing activities:			
- New share issue		186,000	–
- Loans raised		–	34,049
- Repayment of loans		–79,767	–
- Warrant premiums		282	3,115
Cash flow from financing activities		**106,515**	**37,164**
Change in cash and cash equivalents		41,208	7,458
Cash and cash equivalents at the beginning of the period	**18**	**11,723**	**4,265**
Cash and cash equivalents at the end of period	**18**	**52,931**	**11,723**

Notes

NOT 1 GENERAL INFORMATION

Mr Green & Co AB (publ) ("the Parent Company," Corporate Registration Number 556883-1449) conducts gaming operations over the internet through subsidiaries (referred to jointly as "the Group"). Operations are mainly conducted in companies in Malta and Sweden.

The Parent Company is a limited liability company with its registered office in Stockholm. The address of the company's registered office is Mäster Samuelsgatan 36, SE-111 57 Stockholm, Sweden. The company's share has been listed on Nasdaq Stockholm since 30 November 2016.

These consolidated financial statements were approved for publication by the Board of Directors on 16 March 2018. The consolidated income statement and consolidated balance sheet, as well as the Parent Company income statement and balance sheet, will be subject to adoption by the Annual General Meeting (AGM) on 7 May 2018.

NOTE 2 ACCOUNTING POLICIES

All values in parentheses ( ) are comparative figures for the year-earlier period unless otherwise specified. The unit SEK million (SEKm) is used in the Annual Report and the commentary text unless otherwise stated. In the financial tables and the notes the value is stated in thousands of SEK (SEK´000), unless otherwise specified. All figures are rounded to the nearest million or nearest thousand SEK.

The consolidated financial statements for Mr Green & Co AB (publ) have been prepared in accordance with the Swedish Annual Accounts Act, the International Financial Reporting Standards (IFRS) as adopted by the EU and RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Financial Reporting for Legal Entities. RFR 2 stipulates that the Parent Company shall use the same accounting policies as the Group, i.e. IFRS, insofar as this is consistent with RFR 2. The Parent Company applies the same accounting policies as the Group, except in the cases described below in the section "Parent company accounting policies."

Revised accounting policies
No new accounting policies applicable as of 2017 or voluntary amendments have changed the Group's or the Parent Company's accounting policies and calculation methods compared with the most recent annual report.

New IFRS that have yet to be applied
IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments apply from 1 January 2018. A project was conducted in 2017 to identify the effects of these two standards and completed in the fourth quarter of 2017.

Mr Green is primarily an online casino operator and revenue mainly derives from casino games, such as slot machines and traditional card games such as Black Jack, Baccarat and roulette. The average payout of funds bet in this type of game is known when the game is played. This type of game is defined as a "fixed odds game." Such games are defined as a financial instrument in accordance with IFRS 9 and thus are not encompassed by IFRS 15. Applying IFRS 9 instead of IFRS 15 does not impact revenue recognition or the financial statements since allocations and amounts are the same regardless of the standard applied. Mr Green believes that IFRS 9 is to be applied to all fixed odds games and that IFRS 15 is not applicable to this revenue. The company asserts that this is consistent with the understanding of the IASB. It has also been established that IFRS 9 will not have any impact on the financial statements from 2018.

Mr Green's operations generate other types of revenue that are not of material scope or amounts but to which IFRS 15 is to be applied. Mr Green has evaluated the effects of applying IFRS 15 for these revenues and concluded that IFRS 15 will not entail any changes to the consolidated financial statements.

IFRS 16 Leases is to be applied from 1 January 2019. This standard requires that assets and liabilities attributable to all leases, with a few exceptions, be recognised in the balance sheet. This approach to recognition is based on the view that the lessee has a right to use an asset during a specific period of time as well as an obligation to pay for said right. IFRS 16 replaces IAS 17 Leases and the related interpretations, IFRIC 4, SIC-15 and SIC-27. For the lessor, the financial reporting will remain essentially unchanged. The standard is applicable for financial years beginning on or after 1 January 2019. The Group will not apply the standard in advance. The application of the standard has been adopted by the EU. It will primarily impact the Group's leases for premises. The cost of leases for the 2017 financial year totalled SEK 15.6 million. At 31 December 2017, the undiscounted amount pertaining to payment obligations for operational leases was SEK 33.4 million. For more information on the company's leasing obligations, including the maturity structure, refer to Note 6 Operating leases.

Other amendments to accounting policies that will be applicable in the future are not deemed to have any significant impact on the consolidated financial statements.

Measurement bases
Assets and liabilities are recognised at historical cost, with the exception of certain financial assets and liabilities, which are measured at fair value pursuant to the accounting policies stated in the section "Financial instruments."

Significant accounting judgements, estimates and assumptions
Preparing the financial statements in accordance with IFRS requires management to make a number of critical judgements and assumptions that affect the carrying amounts of assets and liabilities, and income and expenses. These estimates and assumptions are based on past experiences and a number of other factors that can be deemed reasonable under the prevailing circumstances.

The results of said estimates and assumptions subsequently serve to determine the carrying amounts of assets and liabilities that cannot readily be determined on the basis of other sources. The actual outcomes may deviate from these estimates and assumptions. Estimates and assumptions are regularly reviewed. Changes in estimates are recognised in the period in which the change is made, provided that the change only affected this period. If the changes also pertain to future periods, the changes are recognised in the period in which the change is made and in future periods.

Estimates and assumptions that entail a risk of material adjustments to the carrying amounts of assets and liabilities in the proceeding financial year, as well as critical judgements in the application of the Group's accounting policies, are discussed below. The estimates and judgements reported are deemed reasonable under the prevailing circumstances.

Developments in as well as the selection of and disclosures on the Group's critical accounting policies and estimates have been discussed by the company's management and the Audit Committee. The estimates and judgements that have been made in the application of the Group's accounting policies are described below.

Notes

Impairment of non-current assets
The Group holds substantial intangible assets, predominantly in the form of goodwill, as well as its brand – the measurement of which is important to the Group's total asset pool. On an annual basis or when there are indications of events and/or circumstances which have a negative impact on the value, the value of goodwill and brand is tested pursuant to the description in the section entitled "Impairment testing of goodwill and brand." The recoverable amount is compared with the carrying amount in order to determine any need for impairment. The recoverable amount of an asset is the higher of its value in use and fair value, less selling expenses. Its value in use is the present value of future cash flows that it is deemed an asset will generate through its continued use in the business. The carrying amount of the company's goodwill and brand at the end of the period was SEK 946.8 (827.3) million.

Tax dispute in Austria
As mentioned in the Directors' report, Mr Green is contesting a tax liability pertaining to betting duties in Austria, citing such grounds as the Austrian constitution and EU legislation, and has initiated an appeal process in an Austrian court and lodged a complaint with the European Commission. In consideration of such matters as the uncertain legal status of the pending and probably protracted legal processes in both Austria and with the EU, as well as the political agenda, including a potential discontinuation of the gaming monopoly, the Group has, following an overall assessment, decided to maintain a reserve in an amount corresponding to the potential betting duties in the statement of profit or loss under the cost of services sold. As of the interim report for the third quarter of 2016, the Group is clarifying the amount of interest that is attributable to the betting duties in Austria. The amount of interest has previously been included in the total amount for "Betting duties Austria" in the statement of profit or loss. Under the new principle, information on "Betting duties Austria" and "Interest" will be listed as a disclosure directly adjacent to profit or loss. This distinction is being made because management believes that it is important for the reader to gain a proper understanding of the statement of profit or loss and the cost of services sold.

The tax for the self-assessment period described in the Directors' report as well as in the subsequent reserves amounted to SEK 443.2 million at 31 December 2017, and has impacted the results for the period 2014 through 2017 in a corresponding amount. Due to the uncertainty regarding the calculation of the betting duties, the aforementioned amount is calculated on the basis of Mr Green's understanding of how the betting duties may be calculated. There is a risk that Mr Green will lose the tax dispute or that the amounts may be adjusted to an amount that is higher than the Group has calculated. The amount reserved for betting duties in Austria is listed in Note 21 Provision for betting duties, Austria.

Non-recurring items
Items of a non-recurring nature are not directly linked to the Group's normal operations, which means that the recognition of these items together with other items in profit or loss would impair comparability with other periods and make it harder for an outside party to assess the Group's performance; refer to Note 8.

Consolidated financial statements
Mr Green & Co AB (publ) was founded in 2012 and acquired the shares of Green Gaming Group Plc (GGG) in which the operative company Mr Green Ltd, which operates the gaming company Mr Green (mrgreen.com), is a wholly owned subsidiary. The acquisition of GGG was carried out in several stages in December 2012 and the first half of 2013. In late June 2013, all of the outstanding shares of Mr Green & Co AB were acquired and GGG became a wholly owned subsidiary. The current Group structure with a Swedish Parent Company, Mr Green & Co AB, was listed on the Swedish stock exchange AktieTorget in 2013 and has been listed on Nasdaq Stockholm since 30 November 2016.

All incorporated and acquired companies are, directly or indirectly, 100-per cent owned by Mr Green & Co AB (publ).

The consolidation encompasses the financial information for Mr Green & Co AB (publ) and all Group companies. Group companies are defined as companies in which the company holds a controlling interest. Said interest is obtained by directly or indirectly holding more than half of the votes or otherwise maintaining a controlling interest. The Group consolidates a subsidiary from the date on which controlling interest is transferred to the Group. Subsidiaries are removed from consolidated status as of the date on which controlling interest ends.

The Group recognises business combinations using the purchase method. The acquisition of a subsidiary is thus regarded as a transaction through which the Group indirectly acquires the assets of the subsidiary and assumes its liabilities. In conjunction with the acquisition, identifiable assets and liabilities are measured at fair value. The difference between the fair value of the purchase consideration and the fair value of identifiable net assets is recognised as goodwill in the balance sheet. If negative, the difference is recognised as revenue in profit or loss. Acquisition-related costs are expensed as incurred. Any conditional additional purchase considerations that are to be paid by the Group are recognised on the date of acquisition at fair value. Conditional considerations are either classified as equity or as a financial liability. Amounts that are classified as financial liabilities are remeasured to fair value every period. Any remeasurement gains and losses are recognised in the results.

A catalogue of all consolidated Group companies for Mr Green & Co AB (publ) is listed in Note 27.

Receivables, liabilities and transactions among Group companies as well as intra-Group gains are eliminated in the consolidated financial statements.

Foreign-currency transactions
Items included in the financial statements for the various entities in the Group are measured in the currency used in the economic environment in which each company primarily operates (functional currency). Swedish kronor (SEK), the Group's and Parent Company's reporting currency, is used in the consolidated financial statements. For the legal entities, transactions in a foreign currency are translated at the exchange rate applying on the transaction date. Receivables and liabilities in a foreign currency are measured at the rate at the end of the reporting period. Exchange-rate differences arising upon translation are recognised in profit or loss.

In the consolidated financial statements, assets and liabilities in foreign operations are translated from the functional currency to the Group's reporting currency (SEK) at the rate at the end of the reporting period. Goodwill arising from the acquisition of a foreign business is treated as an asset and liability in that company's functional currency and translated at the rate at the end of the reporting period. Income and expense items are translated at the average exchange rate for the year. The resulting translation difference is recognised in Other comprehensive income and accumulated as a translation reserve in equity. When a foreign operation is sold, the deferred accumulated amount in equity that relates to the foreign operation is reclassified to profit or loss through Other comprehensive income.

Receivables and liabilities in a foreign currency are measured at the rate at the end of the reporting period. Exchange-rate differences in operating receivables and payables are included in earnings before interest and tax (EBIT), while exchange-rate differences in financial receivables and payables are recognised among financial items.

Notes

Operating segments
An operating segment is a part of the Group that conducts business from which it can generate revenue and incur costs and for which independent financial information is available. An operating segment's results are monitored by the company's chief operating decision maker in order to make decisions concerning resources that are to be allocated to the segment and assess its long-term and short-term financial results. Operating segments are reported in a manner consistent with the internal reporting, which is submitted to the company's chief operating decision maker.

Mr Green's operations are primarily focused on online casino games and the company offers around 1,000 casino games in its casino operation. The chief operating decision makers at Mr Green, Group management, do not examine the results for individual casino games, nor do they make any decisions on the allocation of resources to individual games. Instead, Group management addresses the operations of Mr Green as a single service-"casino." Revenue is recognised in reports for the various geographical regions, but is not in focus when assessing results, nor are decisions on the allocation of resources made on a regional basis. Instead, regional reporting in the annual report and interim reports is conducted on the basis of standard industry practice and from a stakeholder perspective. Capital investments, particularly in technology, platforms and new games are intended to enhance the company's competitiveness and stimulate growth. All revenue is generated from the point of sale in Malta and essentially all non-current assets are attributable to Malta. Based on this reasoning and in accordance with IFRS 8, Mr Green must be regarded as having a single operating segment.

In 2016, the Group added yet another service to its offering, the Sportsbook. Since this operating segment remains in the start-up phase, no significant marketing initiatives have yet been made and revenue attributable to this segment falls short of the quantitative limits stipulated by IFRS 8, no reporting of this operating segment is relevant in external reports yet.

Revenue
The Group's revenue pertains to revenue from gaming operations and after the elimination of intra-Group sales. The Group's gaming operations offer online gaming services in the Sportsbook and casino categories. Revenue from the Group's gaming operations attributable to the casino corresponds to the total amount wagered on all games less winnings paid out to players, and less allocated bonuses and jackpot contributions. Consolidated revenue attributable to gaming operations is recognised directly as the revenue arises.

Revenue from the Group's gaming operations attributable to the Sportsbook corresponds to the total amount wagered less winnings paid out to players, and less allocated free bets and allocated bonuses. Undecided sports games and bets are recognised at cost, meaning that the games that are unsettled at the end of the financing period have not had an impact on results.

Cost of services sold
Cost of services sold refers to licensing fees to gaming software providers, betting duties, costs for payment services, costs for fraudulent transactions and chargebacks from payment card providers, as well as the indirect taxes associated therewith. Betting duties pertaining to the Austrian market have been recognised on a regular basis as cost of services sold.

Fraudulent transactions and chargebacks amounted to SEK +1.1 million (–14.7), corresponding to about +0.1 per cent (–1.6) of the Group's total game win. The net for the year comprises revenue for recovered losses. Fraud took place last year relating to a security flaw in a specific payment solution with a third party that was charged to the fourth quarter of 2016 in the amount of SEK 8.4 million. This security flaw was fixed at the end of the fourth quarter of 2016.

Leasing
Leases in which a significant share of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made during the lease term are charged to profit or loss on a straight-line basis over the term of the lease. The Group's operating leases refer mainly to rents for premises and office equipment.

The Group has no finance leases.

Employee benefits

Contractual salary
Remuneration to the Group's employees is expected to be settled within twelve months of the end of the reporting period during which the employees perform the services. The Group's remuneration refers principally to salaries, holiday pay, bonuses and related social security contributions, and these are recognised as personnel costs in profit or loss in the period in which the services are performed, pursuant to an employment contract.

Pensions
The Group has defined-contribution pension plans in which the size of the pension depends on the pension premiums paid. The cost is recognised in profit or loss for the period in which the service concerned is provided by the employees.

Under the Group's pension agreements, the pension premium is based on the pensionable salary, which consists of the fixed salary including holiday pay. The retirement age for the CEO is 65 years.

Severance pay
The framework of the employment terms for the CEO and other senior executives stipulates a six-month mutual period of notice. Costs related to staff termination are recognised as a liability if the termination stems from a unit's decision to dismiss a member of staff before the normal date, or stems from an employee's decision to accept an offer of voluntary resignation in exchange for remuneration.

Income tax
Income taxes comprise current tax and deferred tax. Income tax is recognised in profit or loss except when the tax is attributable to items which are recognised directly in equity, or in other comprehensive income, in which case the tax is recognised in equity and other comprehensive income, respectively.

The current tax expense is the expected tax expense for the taxable income for the year, based on the applicable tax rate or formally prescribed tax at the end of the reporting period and any adjustment of current tax from previous years.

Deferred tax is recognised for all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements.

However, a deferred tax liability is not recognised if it is incurred as a result of recognition of goodwill.

Deferred income tax is calculated by applying tax rates that have been enacted or announced at the end of the reporting period and that are expected to apply when the deferred tax asset is realised or the deferred tax assets is settled.

Deferred tax assets are recognised insofar as it is probable that future taxable profits will be available, against which the temporary differences can be leveraged.

Notes

Brand and goodwill
Acquired brands – principally referring to Mr Green, which is of material value – are recognised at cost. Since the brands are a strong contributing factor to the Group's revenue and the Group regularly makes significant investments in existing and additional markets and the technology platform is continuously being developed, the Group's brands are deemed to have indefinite useful lives. Brands with indefinite useful lives are not depreciated, but instead potentially subjected to impairment testing. Refer to the section entitled "Impairment testing of goodwill and brand."

Goodwill arises on the acquisition of a subsidiary and goodwill comprises the difference between the fair value of the consideration paid and the fair value of the acquired identifiable assets and liabilities. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquired entity and translated at the rate on the acquisition date in the purchase price allocation. Adjustments on translation to the rate at the end of the reporting period are recognised in the translation reserve. As of the acquisition date, the goodwill acquired in conjunction with a business combination is allocated to each cash-generating unit in the Group in which synergies are expected to be generated from the combination. The Group's goodwill principally derives from the acquisition of Green Gaming Group Plc, which took place in 2013, and Dansk Underholdning in 2017. The item is recognised at cost less any accumulated impairment losses.

Impairment testing of goodwill and brand
Each cash-generating unit onto which goodwill is allocated represents the lowest Group level at which goodwill is monitored as part of internal control. A cash-generating unit is the lowest level to which an asset that generates cash flow independent of other assets can be allocated. The carrying amount of the goodwill is compared with the recoverable amount, which is the highest of the value in use and fair value less selling expenses. The value in use corresponds to the present value of future cash flows that the cash-generating unit generates. Any impairment is recognised directly as a cost and is never reversed.

For Mr Green, impairment testing of goodwill is conducted at Group level since goodwill is also monitored at this level. Mr Green is deemed to have one cash-generating unit according to the internal reporting and governance. This is deemed to be the case since the overall cash flow is generated by the business at large and independent cash flows cannot be distinguished. This also applies to the brands, since they are also strongly associated with the cash flow that is generated by the business at large and, as such, impairment testing of the brand is also conducted at Group level.

Impairment testing on both the brand and goodwill is conducted annually at the same juncture and on indications of a decline in value.

In conjunction with the annual accounts, the Group's goodwill and brand were tested for impairment. The recoverable amount of the cash-generating unit was determined on the basis of its value in use.

Since the test indicated that the recoverable amount exceeded the carrying amount of goodwill and the brand, it was determined that there is no need for impairment of intangible assets with indefinite useful lives. For further information on impairment testing conducted in 2017, refer to Note 13 Intangible assets.

Other intangible assets
The Group's other intangible assets primarily comprise the internally developed technology platform, websites and apps, as well as customer contracts obtained in conjunction with the acquisition of Green Gaming Group Plc, which was carried out in 2013, and Dansk Underholdning in 2017. The internally developed technology platform mainly comprises the integration of various gaming software developers and payment service providers, database improvements, as well as the designing of websites and apps. Capitalised expenditures include expenses for materials, services purchased and direct expenses for salaries. Only expenditures that are directly associated with the asset in a reasonable and consistent manner and expenses that are directly attributable to completion of the asset for its intended use are capitalised. Expenses for operations and maintenance of the technology platform are expensed as they are incurred. Development costs that were previously recognised in profit or loss are not recognised as an asset in a later period.

An internally generated intangible asset is recognised at cost only when the following criteria are met:

I) it is technically feasible to complete the software so that it will be available for use,

II) the company intends to complete the software for use or sale,

III) there is reason to expect that the company will be able to use or sell the software,

IV) it can be shown that the software will generate probable future economic benefits,

V) adequate technical, economic and other resources are available to complete the development of and to use or sell the software, and

VI) the costs attributable to the software during its development can be reliably measured.

Other intangible assets are capitalised at cost and amortised on a straight-line basis during the expected useful life. Other intangible assets are tested for potential impairment on the indication of a need for impairment.

The expected useful life of intangible assets has been determined at:

Technology platform (Gaming platform) and other intangible assets	3 years
Customer contracts	2 years

Property, plant and equipment
Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment losses. Amortisation is carried out on a straight-line basis during the expected useful life of the asset.

The expected useful lives of property, plant and equipment have been determined at:

Electronic equipment	3 years
Office equipment	5 years

The carrying amount of an asset is immediately impaired to its recoverable amount if the carrying amount of the asset exceeds its estimated recoverable amount. Capital gains on divestments are determined by comparing the sales price and the carrying amount, and are recognised in profit or loss as other operating revenue or other operating expense. Standard repair and maintenance costs are charged to profit or loss in the period in which they are incurred.

Notes

Financial instruments
A financial asset or liability is entered in the balance sheet when the company becomes party to it under the contractual terms of the instrument. A financial asset is removed from the balance sheet when all benefits and risks associated with its ownership rights have been transferred. A financial liability is removed from the balance sheet when the contractual obligations have been completed or otherwise concluded.

Financial instruments are initially measured at fair value and subsequently on a regular basis at fair value or amortised cost, depending on their classification. The purchase and sale of financial assets and liabilities are recognised on the transaction date, which is the date on which the Group enters a binding obligation to purchase or sell the asset. At the end of each reporting period, the Group determines whether there is an impairment need for a financial asset or group of financial assets.

Classification of financial instruments
The Group classifies its financial instruments into the following categories:

- financial liabilities recognised at fair value through profit or loss
- loans and receivables
- other financial liabilities.

Classification depends on the aim of acquiring the instrument. Classification is determined upon initial recognition and retested at each reporting juncture.

Fair-value calculation
Since the Group only holds unlisted financial instruments, their value is determined using established measurement methods, whereby the Group makes assumptions based on the prevailing market conditions at the end of the reporting period. For other financial instruments whose market value is not quoted, fair value is deemed to correspond to the carrying amount.

Financial liabilities at fair value through profit or loss
Financial assets at fair value through profit or loss are classified in the fair value hierarchy, which is defined in the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (in the form of quoted prices) or indirectly (derived from quoted prices) (Level 2)
- Inputs for the asset or liability which are not based on observable market data (non-observable inputs) (Level 3)

The earnings impact of games classified as derivatives is recognised as revenue through profit or loss.

The Group holds a financial liability at fair value through profit or loss classified at level 3.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group's loans and receivables are included in current assets. The Group's loans and receivables comprise other receivables and cash and cash equivalents.

Other receivables
Other receivables are recognised at the amount that is expected to be received. Any need for impairment is recognised in operating expenses.

Cash and cash equivalents
Cash and cash equivalents consist of cash and available balances with banks. Cash and cash equivalents also include available bank balances with payment service providers, as these are easy to realise at a known amount, as well as short-term investments and other investments with maturities of not more than three months from the date of acquisition. The use of the Group's cash and cash equivalents is limited by the Group's balances for customer accounts due to the regulatory framework of the gaming authorities.

Other financial liabilities
Trade and other payables are recognised at cost.

Financial risks and risk management
The Group's overall risk management focuses on managing uncertainty in the financial markets and endeavours to minimise any adverse impact on the Group's financial results. The group's financial policy for managing financial risks has been formulated by the Company's management team and adopted by the Company's board, and provides guidelines in the form of risk mandates and limits for financial activities. The objective of the Group's financial policy is to provide cost-effective financing and to minimise negative effects on the Group's earnings that derive from financial risks. The Group's exposure to various financial risks, such as financing and liquidity risks, currency risks, credit risks, interest rate risks and capital risks, are described below.

Financing and liquidity risks
The Group's strategy for managing liquidity is to ensure, insofar as possible, that the Group maintains sufficient liquid assets to meet its financial obligations as these fall due, both under normal and stressed conditions, and without incurring unacceptable losses or jeopardising the Group's reputation. The Group's liquidity risk is managed, for example, through ongoing cash flow projections, budgeting and forecasts.

The Group's operating activities currently generate sufficient liquidity to cover all needs. Since the company does not have any loans, guarantees or other financial liabilities with longer terms, the company's financial liabilities, which primarily comprise trade payables, fall due within one year of the end of the reporting period.

Currency risks
The Group conducts global operations and is thus exposed to currency risks. Currency risks arise from future commercial transactions and recognised assets and liabilities, which is known as transaction risk, as well as net investments in foreign operations which are listed in a currency other than the company's functional currency, which is known as translation risk. The predominant risk in the Group relates to transactions in EUR. The currency risk for transactions in currencies other than EUR is not as significant since the sums are not of material scope for the Group overall.

Periodically, the Group uses currency hedging to minimise risks attributable to fluctuating exchange rates. If currencies are hedged, the Group does not apply hedge accounting, as per IAS 39. The Group's transactions normally flow in very short terms. Currency risks related to the Group's operating cash flow are also reduced when individual customers' incoming and outgoing payments in different countries are made in the same currency, which creates

Notes

a natural hedge. Nor does the Group have any loans that could prompt a need for currency hedging.

The Group has net investments in foreign subsidiaries that carry a currency risk in the form of translation exposure. Consequently, the Group's results and equity are affected by the translation of foreign subsidiaries' results, assets and liabilities into the Group's reporting currency, SEK.

The Group generates a substantial share of its revenue in EUR. In the 2017 financial year, about 61.0 per cent (53.4) of the Group's revenue was generated in EUR. The table below illustrates how SEK/EUR exchange-rate fluctuations would have affected consolidated revenue and consolidated earnings before interest and tax (EBIT), without taking into account currency hedges in 2017 and 2016. The impact on revenue and earnings before interest and tax (EBIT) is based on the assumption that all other variables remain constant.

Sensitivity analysis, SEK/EUR	2017	2016
In the event of a change, +/– 10%		
Effect, Revenue, SEKm	+/– 72.7	+/– 49.4
Effect, Earnings before interest and tax (EBIT), SEKm	+/– 13.3	+/– 5.9

The table indicates that a rise in the EUR on the SEK would yield a greater positive effect on revenue, as well as having an effect on earnings before interest and tax (EBIT). A rise in the EUR on the SEK of 10 per cent would have yielded a positive impact of SEK 72.7 million (49.4) on revenue for the 2017 financial year.

Credit risks
The overall credit risk corresponds to the carrying amount of the financial assets. The Group does not offer credit to its customers. As such, the main credit risk is associated with fraudulent transactions and chargebacks from banks and payment card providers related to the asset item Receivables from payment service providers. The Group maintains a separate fraud department that is independent of the finance function, which monitors, examines and follows up these types of transactions. The Group is deemed to have adequate internal procedures and processes in place for reducing credit risks to a reasonable level for the Group. Concentration risk – meaning the risk of growing excessively dependent on individual operators – is deemed low since the Group is not dependent on individual operators. The Group has reached a similar risk assessment concerning counterparty risk since the Group deems the risk of its counterparties failing to fulfil their obligations regarding the settlement of loans and receivables to be low.

Interest rate risk
The Group is essentially independent of changes in market interest rates. The Group has no external long-term or short-term loans. The Group's cash and cash equivalents are not invested, but are available in the operations and are therefore not exposed to any significant interest rate risk.

Capital risks
The aim of the Group capital structure is to secure the Group's ability to continue to conduct business, pay a dividend to shareholders, provide value to other stakeholders and maintain an optimal capital structure at the lowest possible cost. The Group has no financial liabilities that are defined as capital.

Parent company accounting policies
The main differences between the Group and Parent Company accounting policies are described below.

Subsidiaries
Investments in subsidiaries are recognised at cost after deduction of any impairments. Cost includes acquisition-related expenses and any additional purchase considerations. Dividends received are recognised in profit or loss. If there are any indications of an impairment requirement, the holding is tested for impairment. If an impairment loss is taken, the carrying amount decreases and the impairment loss is recognised in profit or loss.

Dividends
Dividends from subsidiaries to the Parent Company are anticipated only if the Parent Company bears sole right to decide on the size of the dividend, and if the formal decision has been taken before the financial report is published. Dividends paid to the shareholders of Mr Green & Co AB are recognised as a liability subject to approval by the AGM.

Group contributions
Group contributions paid and received are both recognised as appropriations. Potential tax effects of received Group contributions are classified as income tax in profit or loss.

Financial instruments
IAS 39 Financial Instruments: Recognition and Measurement is not applied for financial instruments. Instead, the cost method is applied.

Notes

NOTE 3 REVENUE

	Group		Parent Company	
	2017	**2016**	**2017**	**2016**
Game win	1,192,033	924,524	–	–
Revenue from subsidiaries	–	–	5,516	4,814
Total	**1,192,033**	**924,524**	**5,516**	**4,814**

NOTE 4 ACQUISITIONS

On 26 April 2017, Mr Green acquired the Dansk Underholdning 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.

Dansk Underholdning

SEK '000	**Fair value**
Customer contracts	8,611.2
Brands	8,611.2
Other intangible assets	1,223.9
Cash and cash equivalents	6,311.1
Other current assets	6,935.1
Deferred tax liabilities	–6,456.2
Current liabilities	–10,738.2
Total identifiable net assets	**14,498.1**
Goodwill	83,712.0
Total purchase consideration	**98,210.1**
Unpaid share of purchase consideration	–6,219.2

The acquired group contributed revenue of SEK 16.0 million and SEK 4.4 million to EBITDA since the acquisition date. If the Group had been consolidated for all of 2017, it would have contributed SEK 24.8 million in revenue and SEK 8.3 million to EBITDA. 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 second 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.

NOTE 5 A AVERAGE NUMBER OF EMPLOYEES

	2017		2016	
	Total	**of whom, women**	**Total**	**of whom, women**
Average number of employees				
Parent Company, Sweden	4	1	5	2
Subsidiaries	215	82	177	75
Total Group	**219**	**83**	**182**	**77**

	Group		Parent Company	
	2017	**2016**	**2017**	**2016**
Percentage of women				
Board of Directors	33%	33%	33%	33%
Senior executives	17%	29%	25%	40%

Notes

All Board Directors were reelected at the 2017 AGM. During 2017, the number of members of Group management was reduced by one. The Board of Directors, CEO and Group management are presented on pages 56–59. The Chairman of the Board and the Directors are remunerated as per a resolution by the AGM. The CEOs of the subsidiaries Mr Green Ltd and Mr Green & Co Technology AB are members of Group management, and remuneration of these individuals is therefore included as part of Other Group management below. Bonuses – which are included in the salary costs recognised in the table below – in the amount of SEK 2.1 (3.2) million have been reserved in the annual accounts for the CEO as well as Group management, of which SEK 0.9 (1.8) million is designated for the CEO. Bonuses for the previous year include a special remuneration package in the amount of SEK 1.5 million related to the listing on Nasdaq Stockholm, of which SEK 1 million is designated for the CEO. The average number of employees in the Group has risen to 219, compared with 182 in the preceding year, corresponding to an increase of 20 per cent. Pension costs in the table below pertain to the cost of occupational pensions and related payroll tax.

NOTE 5 B REMUNERATION OF EMPLOYEES AND DIRECTORS

	2017				2016			
	Salaries and other remuneration	**Of which, Directors, CEO, and other Group management**	**Social security contributions**	**Of which, pension costs**	**Salaries and other remuneration**	**Of which, Directors, CEO, and other Group management**	**Social security contributions**	**Of which, pension costs**
Parent Company	10,756	10,300	5,437	2,732	13,603	12,784	6,803	2,910
Subsidiaries	107,857	4,771	14,640	4,313	92,040	5,102	15,295	6,362
Total Group	**118,613**	**15,071**	**20,077**	**7,045**	**105,644**	**17,886**	**22,098**	**9,272**

	2017				2016			
	Salaries and other remuneration	**Consulting fees**	**Pension costs**	**Total**	**Salaries and other remuneration**	**Consulting fees[2)]**	**Pension costs**	**Total**
Tommy Trollborg	412	–	–	412	494	–	–	494
Henrik Bergquist	310	–	–	310	323	71	–	395
Andrea Gisle Joosen	340	–	–	340	356	–	–	356
Mikael Pawlo	–	–	–	–	132	116	6	254
Kent Sander	770	–	–	770	881	–	–	881
Eva Lindqvist	427	–	–	427	416	–	–	416
Danko Maras	382	–	–	382	328	–	–	328
Total Board of Directors	**2,640**	**–**	**–**	**2,640**	**2,931**	**187**	**6**	**3,125**
CEO Parent Company	3,807	–	1,225	5,032	4,680	–	1,096	5,776
Other Group management	8,397	3,749	2,353	14,499	10,276[1]	1,349	2,575	14,200
Total Group	**14,844**	**3,749**	**3,578**	**22,172**	**17,886**	**1,536**	**3,678**	**23,100**

[1] Of the amount listed, SEK 0.75 million pertains to severance pay for other Group management, corresponding to six months' salary, as per the applicable contractual terms.

[2] Consulting fees for Directors Henrik Bergquist and Mikael Pawlo pertain to the purchase of specialised services, and said services pertain to services other than Board work. For further information on related-party transactions, refer to Note 24 Related parties.

Notes

NOTE 6 OPERATING LEASES

	Group		Parent Company	
	2017	2016	2017	2016
Minimum lease payments for rental premises	9,358	6,498	498	493
Minimum lease payments for other operating lease payments	6,245	4,645	14	29
Total operating lease payments	**15,602**	**11,144**	**512**	**523**
Future annual payment obligations for non-cancellable rental and other leases are allocated as follows:				
Within 1 year	21,104	7,563	126	493
In 1 to 5 years	12,311	16,564	–	123
More than 5 years	–	–	–	–
Total operating lease payments	**33,415**	**24,127**	**126**	**616**

Operating leases primarily comprise leased rental premises. All operational leasing refers to minimum lease payments under non-cancellable operating leases. There are no material subleases, no material contingent rents, and no renewal or call options, escalation clauses or restrictions under the leasing arrangements.

Future annual payment obligations that fall due within one year rose substantially compared with 2016 since a new short-term lease was signed for premises in Stockholm.

NOTE 7 AUDITORS' FEES

	Group		Parent Company	
	2017	2016	2017	2016
AUDIT ENGAGEMENT				
PwC*	1,696	1,245	530	385
Total, audit engagement	**1,696**	**1,245**	**530**	**385**
TAX ADVISORY SERVICES				
PwC	51	144	–	–
Total tax advisory services	**51**	**144**	**–**	**–**
OTHER SERVICES				
PwC	309	2,094	309	1,827
Total other services	**309**	**2,094**	**309**	**1,827**
Total auditors' fees	**2,056**	**3,482**	**839**	**2,212**

* SEK 735,000 (585,000) of the total auditors' fees of SEK 1,696,000 (1,245,000) refers to Öhrlings PricewaterhouseCoopers AB.

Notes

NOTE 8 NON-RECURRING ITEMS

	Group		Parent Company	
	2017	2016	2017	2016
Income statement				
Nasdaq Stockholm listing	–	15,810	–	15,810
Total	**–**	**15,810**	**–**	**15,810**

In the consolidated income statement for 2016, the Group and Parent Company recognised a non-recurring item in the amount of SEK 15.8 million attributable to costs for the listing on Nasdaq Stockholm, which took place on 30 November 2016.

NOTE 9 DEPRECIATION, AMORTISATION AND IMPAIRMENT

	Group		Parent Company	
	2017	2016	2017	2016
Amortisation, customer contracts	–2,890	–	–	–
Amortisation, gaming platform	–63,393	–52,838	–	–
Depreciation, equipment	–2,787	–3,463	–16	–10
Other amortisation/ depreciation	–460	–189	–189	–189
Total amortisation/ depreciation	**–69,529**	**–56,489**	**–204**	**–199**

NOTE 10 NET FINANCIAL INCOME/EXPENSE

	Group		Parent Company	
	2017	2016	2017	2016
Interest income, external	30	28	0	0
Interest income, internal	–	–	422	–
Other financial income	–120	10,340	0	–
Total financial income	**–90**	**10,369**	**423**	**0**
Interest expense, external	–346	–10	–205	–3
Interest expense, internal	–	–	–351	–1,049
Total financial expense	**–346**	**–10**	**–556**	**–1,052**
Net financial income/expense	**–435**	**10,359**	**–133**	**–1,052**

In 2016, the Group had one item that was recognised at fair value pertaining to a liability for an additional purchase consideration. The measurement was made at fair value based on the discounted estimated outcome as per the agreement. In 2016, new information emerged concerning the fulfilment of certain contractual terms that yielded a significant downward adjustment in the additional purchase consideration, and said consideration was recognised as realised financial income in the Group in the amount of SEK 10.3 million in 2016.

Also refer to Note 19 Financial instruments by category and measurement level.

The Group has no other net gains or losses pertaining to loans and receivables. Nor does the Group have any interest income or interest expenses that require calculation using the effective interest method.

Notes

NOTE 11 INCOME TAX

	Group		Parent Company	
	2017	**2016**	**2017**	**2016**
CURRENT INCOME TAX				
Sweden	–	–72	–	–
Outside Sweden	–6,354	1,983	–	–
Current income tax	**–6,354**	**1,911**	**–**	**–**
DEFERRED INCOME TAX				
Sweden	–132	368	–	–
Outside Sweden	234	1,370	–	–
Deferred income tax	**102**	**1,738**	**–**	**–**
Total income tax	**–6,252**	**3,649**	**–**	**–**

DIFFERENCE BETWEEN CURRENT TAX AND TAX BASED ON APPLICABLE TAX RATE				
Recognised net result before tax	115,608	29,452	53,707	5,171
Tax calculated at applicable rate for Parent Company	–25,434	–6,479	–11,815	–1,138
Difference in tax from foreign operations	22,676	13,818	–	–
Tax effect of CFC taxation	–971	–367	–971	–367
Tax effect of nondeductible expenses	–618	–17,955	–36	–42
Tax effect of nontaxable items	1,980	16,811	17,149	9,717
Tax effect of adjustments from previous tax years	–	4,895	–	–
Change in tax losses	–4,209	–8,010	–4,327	–8,170
Change in other temporary differences	–	1,738	–	–
Other	324	–802	–	–
Recognised income tax	**–6,252**	**3,649**	**–**	**–**

The applicable tax rate is the currently enacted tax rate for the Parent Company, meaning the Swedish corporate income tax rate, which was 22.0 (22.0) per cent in 2017. The difference in tax from foreign operations is attributable to the lower tax rate.

Unutilised tax losses for which no deferred tax asset has been taken into account totalled SEK 109.8 (100.5) million.

The potential tax benefit corresponds to SEK 24.2 (22.1) million. The unutilised tax loss has not been recognised as a deferred tax asset as it is not probable that a tax surplus will be generated in the foreseeable future.

NOTE 12 EARNINGS PER SHARE

	Group	
	2017	**2016**
Income after tax, attributable to Parent Company shareholders (SEK ‘000)	109,355	33,101
Average total number of shares before dilution	38,575,440	35,849,413
Average total number of shares after dilution	39,815,440	35,849,413
Earnings per share in SEK before dilution	2.83	0.92
Earnings per share in SEK after dilution	2.75	0.92
Average share price	44.18	34.00

Refer to page 99, Definitions, for the calculation method.

Notes

NOTE 13 INTANGIBLE ASSETS

	Customer contracts	Brand	Gaming platform	Other intangi-ble assets	Goodwill	Total
Opening cost, 1 January 2016	**41,995**	**290,495**	**236,152**	**566**	**499,473**	**1,068,680**
Development of technology platform	–	–	61,511	–	–	61,511
Translation difference	1,985	13,735	12,105	–	23,615	51,440
Closing cost, 31 December 2016	**43,980**	**304,230**	**309,768**	**566**	**523,088**	**1,181,631**
Opening amortisation, 1 January 2016	**–41,995**	**–**	**–130,173**	**–63**	**–**	**–172,230**
Amortisation for the year	–	–	–52,838	–189	–	–53,027
Translation difference	–1,985	–	–7,261	–	–	–9,246
Closing amortisation, 31 December 2016	**–43,980**	**–**	**–190,272**	**–252**	**–**	**–234,503**
Opening impairment, 1 January 2016	–	–	–25,307	–	–	–25,307
Translation difference	–	–	–1,067	–	–	–1,067
Closing impairment, 31 December 2016	**–**	**–**	**–26,374**	**–**	**–**	**–26,374**
Closing residual value according to plan, 31 December 2016	**–**	**304,230**	**93,122**	**315**	**523,088**	**920,754**
Opening cost, 1 January 2017	**43,980**	**304,230**	**309,768**	**566**	**523,088**	**1,181,631**
Purchases for the year	–	–	20,201	–	–	20,201
Development of technology platform	–	–	82,165	–	–	82,165
Acquisition of subsidiaries/assets and liabilities	8,865	8,865	–	1,260	86,176	105,166
Sale and disposal	–	–	–2,623	–	–	–2,623
Translation difference	1,300	8,993	10,073	–	15,463	35,829
Closing cost, 31 December 2017	**54,145**	**322,088**	**419,584**	**1,826**	**624,727**	**1,422,369**
Opening amortisation, 1 January 2017	**–43,980**	**–**	**–190,272**	**–252**	**–**	**–234,503**
Amortisation for the year	–2,890	–	–63,393	–460	–	–66,743
Sale and disposal	–	–	2,623	–	–	2,623
Translation difference	–1,365	–	–7,792	–6	–	–9,163
Closing amortisation, 31 December 2017	**–48,235**	**–**	**–258,833**	**–717**	**–**	**–307,786**
Opening impairment, 1 January 2017	**–**	**–**	**–26,374**	**–**	**–**	**–26,374**
Translation difference	–	–	–780	–	–	–780
Closing impairment, 31 December 2017	**–**	**–**	**–27,154**	**–**	**–**	**–27,154**
Closing residual value according to plan, 31 December 2017	**5,910**	**322,088**	**133,597**	**1,109**	**624,727**	**1,087,430**

Notes

NOTE 13 INTANGIBLE ASSETS cont.

The gaming platform and other intangible assets in the table above are recognised as Other intangible assets in the consolidated balance sheet. The gaming platform mainly pertains to the development of Mr Green's technology platform.

Impairment testing of goodwill and brands with an indefinite useful life

Goodwill and brands with an indefinite useful life are monitored by Mr Green's management based on the operating segments identified by the Group. Since Mr Green has a single operating segment – the Group as a whole – the Group comprises the cash-generating unit against which goodwill and brand are tested for impairment. Impairment testing is performed annually in conjunction with the annual accounts and on the indication of a decline in value. For further information, refer to the accounting policies in Note 2.

The recoverable amount comprises the highest of the value in use and fair value, less selling expenses. The carrying amounts of goodwill and brands with an indefinite useful life are subsequently compared with the recoverable amount with the aim of determining any need for impairment. The calculated recoverable amount for the cash-generating unit was determined on the basis of calculations of value in use. These calculations are based on estimated future cash flows before tax, based on the budget and business plan adopted by the company's management team and the Board for 2018–2020, and subsequently on annual growth of 10 per cent in the period 2021–2022, and an EBITDA in line with the long-term financial target of 15 per cent. Cash flows beyond this period are extrapolated based on sustained growth of 2 per cent.

Parent Company	Other intangible assets
Opening cost, 1 January 2016	**566**
Closing cost, 31 December	**566**
Opening amortisation, 1 January 2016	**–63**
Amortisation for the year	–189
Closing amortisation, 31 December 2016	**–252**
Closing residual value according to plan, 31 December 2016	**315**
Opening cost, 1 January 2017	**566**
Closing cost, 31 December 2017	**566**
Opening amortisation, 1 January 2017	**–252**
Amortisation for the year	–189
Closing amortisation, 31 December 2017	**–441**
Closing residual value according to plan, 31 December 2017	**126**

A discount rate before tax of 10 per cent was used in the calculations. Significant assumptions that were used in calculating the value in use are annual sales-volume growth and thus earnings performance, long-term growth and the market-based return (WACC).

Management has determined that annual sales-volume growth is a key assumption and that this is the key driving force behind the earnings and cost trend in the business. Annual sales-volume growth is based on management's experience, the operation's past earnings and management's expectations regarding industry and market trends. The long-term rate of growth used is deemed to correspond to the long-term expectations concerning inflation in the geographical locations in which the business operates.

A sensitivity analysis was conducted concerning the following key assumptions in impairment testing: discount rate (10 per cent, 12 per cent and 14 per cent), sales-volume growth (for the period 2021–2022 of 10 and 5 per cent, respectively), as well as profitability (for the period 2021–2022 of 15 and 10 per cent, respectively). The sensitivity analysis of the key assumptions stated above would not entail the carrying amount exceeding the value in use.

Impairment testing for the year did not indicate any need for impairment of the Group's goodwill and brands with an indefinite useful life.

Notes

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment primarily pertain to servers, hardware, equipment and furniture

	Group	Parent Company
Opening cost, 1 January 2016	**15,861**	**35**
Purchases for the year	3,741	45
Translation difference	640	–
Closing cost, 31 December 2016	**20,242**	**80**
Opening depreciation, 1 January 2016	**–11,365**	**–19**
Depreciation for the year	–3,463	–10
Translation difference	–524	–
Closing depreciation, 31 December 2016	**–15,352**	**–29**
Closing residual value according to plan, 31 December 2016	**4,890**	**51**
Opening cost, 1 January 2017	**20,242**	**80**
Purchases for the year	5,568	–
Acquisition of subsidiaries	1 307	–
Translation difference	518	–
Closing cost, 31 December 2017	**27,634**	**80**
Opening depreciation, 1 January 2017	**–15,352**	**–29**
Depreciation for the year	–2,787	–16
Translation difference	–450	–
Closing depreciation, 31 December 2017	**–18,589**	**–45**
Closing residual value according to plan, 31 December 2017	**9,045**	**35**

NOTE 15 TAX ASSETS AND TAX LIABILITIES

	Group		Parent Company	
	2017	**2016**	**2017**	**2016**
DIVISION OF DEFERRED TAX ASSETS AND TAX LIABILITIES				
Deferred tax assets	236	368	–	–
Deferred tax liabilities	–117,254	–114,484	–	–
Total	**–117,018**	**–114,116**	**–**	**–**

The deferred tax asset will not be realised within 12 months. The change in deferred tax assets was recognised in profit or loss.

	Group		Parent Company	
	2017	**2016**	**2017**	**2016**
DEFERRED TAX LIABILITIES				
Temporary differences, non-current assets	16,142	8,003	–	–
Other temporary differences	101,112	106,481	–	–
Deferred tax liabilities	**117,254**	**114,484**	**–**	**–**

Deferred tax liabilities pertain to taxable temporary differences between the carrying amount and the taxable value of intangible assets and property, plant and equipment in the amount of SEK 16.1 (8.0) million. Allocated by each type of asset category, the temporary difference for intangible assets was SEK 16.9 (8.5) million, and for property, plant and equipment the temporary difference was SEK –0.8 (–0.5) million. The future portion of deferred tax liabilities affecting cash-flow is exclusively attributable to the temporary difference amounting to SEK 16.1 (8.0) million. Other temporary differences refer to deferred tax liabilities attributable to intangible assets acquired in conjunction with the acquisition, primarily, of Green Gaming Group Plc, which was completed in 2013. The change in deferred tax liabilities was recognised in profit or loss.

	Group		Parent Company	
	2017	**2016**	**2017**	**2016**
CURRENT INCOME TAX				
Current tax assets	–	6,747	817	337
Current tax liabilities	–1,339	–	–	–
Total	**–1,339**	**6,747**	**817**	**337**

Notes

NOTE 16 OTHER RECEIVABLES

	Group		Parent Company	
	2017	**2016**	**2017**	**2016**
Tax account	742	794	291	457
Receivables, gaming software providers	28	27	–	–
Deposits	5,280	2,976	103	103
VAT	5,205	4,498	445	1,907
Other	12,322	9,784	–	–
Total	**23,577**	**18,079**	**838**	**2,467**

NOTE 17 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	2017	**2016**	**2017**	**2016**
Rents	2,737	941	126	124
Marketing costs	6,805	–	–	–
License costs	7,716	2,678	–	–
IT expenses	674	361	88	52
Other prepaid expenses	2,564	3,848	485	274
Total	**20,495**	**7,828**	**700**	**451**

NOTE 18 CASH AND CASH EQUIVALENTS

The item Cash and cash equivalents in the balance sheet and statement of cash flows comprises the following components:

	Group		Parent Company	
	2017	**2016**	**2017**	**2016**
Cash and bank balances	517,719	206,276	52,931	11,723
Accounts with payment service providers	79,993	60,632	–	–
Total	**597,711**	**266,908**	**52,931**	**11,723**

Notes

NOTE 19 FINANCIAL INSTRUMENTS BY CATEGORY AND MEASUREMENT LEVEL

The description of each category and a calculation of fair value are presented in Note 2 Accounting policies under the section entitled Financial risks and risk management, as well as in the table below. Financial assets and liabilities in other currencies than SEK totalled SEK 467.7 (258.8) million and SEK 104.7 (53.5) million, respectively, at the end of the reporting period. With a 10 per cent strengthening (weakening) of the SEK against foreign currencies, these financial assets and liabilities would have an impact of SEK 36.3 (20.5) million on equity.

CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2017					
	Items measured at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total financial assets and liabilities	Non-financial assets and liabilities	Total in balance sheet
Other receivables	–	18,416	–	18,416	5,161	23,577
Receivables from payment service providers	–	79,993	–	79,993	–	79,993
Cash and bank balances	–	517,719	–	517,719	–	517,719
Total financial assets	**–**	**616,128**	**–**	**616,128**	**5,161**	**621,289**
Trade payables	–	–	57,896	57,896	–	57,896
Customer accounts	–	–	45,400	45,400	–	45,400
Other liabilities	6,402	–	15,641	22,043	11,689	33,732
Total financial liabilities	**6,402**	**–**	**118,937**	**125,339**	**11,689**	**137,028**

	2016					
	Items measured at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total financial assets and liabilities	Non-financial assets and liabilities	Total in balance sheet
Other receivables	–	13,331	–	13,331	4,748	18,079
Receivables from payment service providers	–	60,632	–	60,632	–	60,632
Cash and bank balances	–	206,276	–	206,276	–	206,276
Total financial assets	**–**	**280,239**	**–**	**280,239**	**4,748**	**284,986**
Trade payables	–	–	69,027	69,027	–	69,027
Customer accounts	–	–	27,426	27,426	–	27,426
Other liabilities	91	–	–	91	10,249	10,340
Total financial liabilities	**91**	**–**	**96,453**	**96,544**	**10,249**	**106,793**

The financial liability that is measured at fair value at the end of the reporting period is measured at fair value on the basis of observable data (Level 3 in the fair-value hierarchy). Said financial liability pertains to a liability for an additional purchase consideration in the amount of SEK 6.4 (0.09) million. For further information on the additional purchase consideration in conjunction with the acquisition, refer to Note 4 Acquisitions.

For loans and receivables, as well as other financial liabilities, fair value is deemed to essentially comport with the carrying amount. This is due to the short term of these financial assets and liabilities. Undecided sports games and bets are recognised as Other financial liabilities entered at cost.

Notes

NOTE 20 A. EQUITY

In the Group, share premium reserve consist of the share premium reserve and shareholders' contributions. The translation reserve pertains to the translation of financial reports from foreign operations that have prepared their financial statements in a currency that is not the currency in which the consolidated financial statements are presented. For disclosures on changes in equity, refer to the Consolidated statement of changes in equity on page 64.

For the Parent Company, restricted capital comprises share capital. Non-restricted equity in the Parent Company comprises the share premium reserve, shareholders' contributions and retained earnings. Retained earnings comprise the sum of net results for the year, as well as retained earnings from previous years.

Directed new share issue
On 14 June 2017, the company conducted a directed new share issue of 5 million shares based on an accelerated book-building procedure. The new share issue was implemented at a price of SEK 39 per share and provided the company with SEK 195 million before issue expenses of SEK 9 million. The placement was directed to Swedish and international institutional investors.

COMPOSITION OF SHARE CAPITAL

2017		2016	
No. of shares	Share capital, SEK '000	No. of shares	Share capital, SEK '000
40,849,413	40,849	35,849,413	35,849

The company has only one class of share.

CHANGE IN NUMBER OF SHARES

	Change	No. of shares
3 Feb 2012 Company is incorporated	50,000	50,000
8 Apr 2013 Bonus issue	6,107,335	6,157,335
20 Jun 2013 Rights issue	29,692,078	35,849,413
14 Jun 2017 Rights issue	5,000,000	40,849,413

The shares have a quotient value of SEK 1. All shares entitle the holder to the same rights to the company's assets and earnings.

NOTE 20 B. EQUITY

2014 warrant programme
The subscription period for these warrants expired on 20 April 2017 without the market value for the shares reaching the subscription price, and the warrants expired.

2016 warrant programme
On 21 April 2016, Mr Green & Co AB's AGM resolved to authorise the issuance of up to 1,020,000 warrants to senior executives, as well as 360,000 warrants to members of the Board of Directors. The exercise price for the shares has been set at 130 per cent of the volume-weighted average quoted price of the shares on AktieTorget during the period from 7 April 2016 through 20 April 2016. The average price for the period was SEK 35, meaning that the exercise price is SEK 45. Each warrant entitles the holder to subscribe for one new share of the company. Subscriptions for shares in accordance with the terms and conditions of the warrants may be made during the period between 22 April 2019 and 22 May 2019. At year-end 2017, 11 senior executives held a total of 920,000 warrants (of which the CEO held 250,000), and the members of the Board of Directors held 320,000 warrants. The average purchase price for the warrants is SEK 2.74 per warrant. The warrants have been valued at their market price by an external party using the Black-Scholes option pricing model. In the calculation of the fair value of the warrants, the following assumptions have also been used: risk-free rate based on the yield curve for Swedish government bonds of –0.27 per cent for options acquired in 2016 and for options acquired in 2017 the interest varied between –0.64 per cent and –0.82 per cent. The volatility is determined at 28 per cent on the basis of past and anticipated volatility in the share and other comparable companies.

The exercise of the warrant programme in full would yield an overall dilution effect corresponding to about 3.27 per cent of the total number of shares and votes in the company. In conjunction with the transfer of the warrants, each option holder has entered into a warrant agreement with the company, containing standard terms for this type of contract, including stipulations concerning repurchase rights and right of first refusal.

Changes in the number of outstanding warrants and their exercise price are described in the table below.

2014 warrant programme	Exercise price/ Warrant SEK	No. of warrants in 2017	No. of warrants in 2016
At 1 January	68.00	1,110,000	1,110,000
Expired	68.00	–1,110,000	
At 31 December	68.00	–	1,110,000

2016 warrant programme	Exercise price/ Warrant SEK	No. of warrants in 2017	No. of warrants in 2016
At 1 January	45.00	1,180,000	–
Allocated	45.00	100,000	1,220,000
Forfeited	45.00	–40,000	–40,000
At 31 December	45.00	1,240,000	1,180,000

In 2017, warrants were subscribed for in the amount of SEK 388,000 (3,221,000), and repurchased in the amount of SEK 226,000 (106,000).

Notes

NOTE 21 BETTING DUTIES, AUSTRIA

	Group		Parent Company	
	2017	2016	2017	2016
Opening betting duties Austria	212,001	112,870	–	–
Provision for the year	123,522	93,889	–	–
Payment for the year	–5,319	–	–	–
Translation difference	8,916	5,242	–	–
Closing betting duties Austria	**339,120**	**212,001**	**–**	**–**

The company has contested its tax liability, citing such grounds as the Austrian constitution and EU legislation, and has initiated an appeal process in an Austrian court and lodged a complaint with the European Commission. Most of the other gaming operators have initiated similar processes in Austria. For the period January 2011 through August 2014, the company submitted a self-assessment and also paid the amount according to a payment plan agreed with the Austrian tax authorities. From September 2014 until the tax case has been finally resolved in court, the company reports gaming sales related to Austria to the Austrian tax authorities (subject to the existing defects in the legislation, which the company has contested), but declares a total tax amount of SEK 0, meaning that no payment of tax has been made, except for September 2014, which was paid in November 2017. 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, the company 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 443.2 million as at 31 December 2017 and had a negative impact on earnings in the same amount for the period 2014 to the fourth 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 payments of the self-assessment amount of SEK 107.7 million were completed in September 2016. As Mr Green has previously announced, the company was involved in negotiations regarding certain elements of the tax dispute in Austria at the court of first instance in the summer of 2017. As expected, Mr Green lost its case at the court of first instance and as part of the company's process in applying for leave to appeal to the Constitutional Court, the company paid tax for September 2014 in November 2017.

Due to the uncertainty regarding the calculation of the betting duties, the aforementioned amount is calculated on the basis of Mr Green's understanding of how the betting duties may be calculated. There is a risk that Mr Green will lose the tax dispute or that the amounts may be adjusted to higher amounts than the company has calculated. Any future payment of the provision, in the event of a negative court decision, is expected to be possible over time from operating cash flow.

NOTE 22 OTHER LIABILITIES

	Group		Parent Company	
	2017	2016	2017	2016
Taxes for employees	3,179	5,291	516	875
VAT	157	285	–	–
Player accounts	3,800	4,448	–	–
Additional purchase consideration	6,402	91	–	–
Other liabilities	20,194	225	–	–
Total	**33,732**	**10,340**	**516**	**875**

NOTE 23 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	2017	2016	2017	2016
Accrued salaries and holiday pay	3,356	11,664	1,556	3,166
Accrued social security contributions	1,083	1,847	489	1,048
Accrued pension premiums	2,764	2,539	1,435	1,100
Accrued gaming royalties	28,903	21,102	–	–
Accrued betting duties	16,815	7,072	–	–
Accrued fees to payment service providers	15,040	16,969	–	–
Accrued marketing costs	19,835	9,842	–	–
Accrued auditors' fees	654	499	74	–35
Accrued lawyers' fees	2,688	1,432	–	32
Accrued consulting fees	6,515	3,481	925	373
Accrued directors' fees	1,145	609	1,145	408
Other accrued expenses and deferred income	13,240	4,773	67	247
Total	**112,628**	**81,830**	**5,690**	**6,339**

Notes

NOTE 24 RELATED PARTIES

The company and its subsidiaries have signed service contracts with companies that are controlled by the company's related parties. All contracts ended in the second quarter of 2016. The services comprised product development contracts, projects aimed at new markets and public affairs services. All related-party transactions were priced at market rates. The Group's total expense for services received during the year is SEK 0.0 (0.2) million.

TRANSACTIONS WITH RELATED PARTIES

	Parent Company	
	2017	**2016**
Purchases of services from related parties		
Purchases from other related parties	–	150
Sales of services to related parties		
Sales to subsidiaries	5,516	4,814
Financial transactions with related parties		
Dividends from subsidiaries	68,948	44,169
Group contributions from Swedish subsidiaries	9,500	6,650
Interest income from subsidiaries	422	–
Interest expense, subsidiaries	–351	–1,049
Receivables from related parties		
Receivables from subsidiaries	157,131	51,543
Liabilities to related parties		
Liabilities to subsidiaries	–	79,767

NOTE 25 PROFIT/LOSS FROM SHARES IN GROUP COMPANIES

	Parent Company	
	2017	**2016**
Anticipated dividend from subsidiaries	68,948	44,169
Result from sale of interests in Group companies	**68,948**	**44,169**

NOTE 26 APPROPRIATIONS

	Parent Company	
	2017	**2016**
Group contributions from Swedish subsidiaries	9,500	6,650
Total appropriations	**9,500**	**6,650**

Notes

NOTE 27 A. INVESTMENTS IN GROUP COMPANIES

			2017			
Company	**Corp. Reg. No.**	**Head office**	**Equity share**	**No. of shares**	**2017**	**2016**
Green Gaming Group Plc	C 45567	Malta	100%	275,963	709,891	709,891
– Mr Green Limited	C 43260	Malta	100%	240,000	–	–
– Dansk Underholdning Limited	C 54057	Malta	100% (0%)	400,000	–	–
– Wise Entertainment DK Aps	30 58 57 98	Copenhagen	100% (0%)	269,364	–	–
– Mr Green Australia Plc Limited	619832085	Sydney	100% (0%)	100	–	–
– Mr Green Consultancy Services Limited	10562132	Leeds	100% (0%)	1	–	–
– Green Jade Gaming Limited	C 83455	Malta	100% (0%)	1,200	–	–
– Admar Services (Gibraltar) Limited	113955	Gibraltar	100%	2,620	–	–
– Admar Services (Malta) Limited	C 74500	Malta	100%	1,200	–	–
– Wizard’s Hat Limited	C 78415	Malta	100%	1,200	–	–
Mr Green Consulting AB	556895-0017	Stockholm	100%	500	3,544	3,544
Mr Green & Co Technology AB	556882-1176	Stockholm	100%	500	50	50
Mr Green & Co Optionsbärare AB	556961-2228	Stockholm	100%	500	4,021	3,739
Total carrying amount Parent Company					**717,507**	**717,224**

NOTE 27B CHANGES IN INVESTMENTS IN GROUP COMPANIES

	Parent Company	
	2017	**2016**
Opening cost	**717,224**	**714,109**
Shareholders’ contributions paid	282	3,115
Closing cost	**717,507**	**717,224**

Changes in Group structure
In 2017, the Parent Company paid shareholders’ contributions in the amount of SEK 0.3 million, corresponding to options sold in the subsidiary Mr Green & Co Optionsbärare AB. There were no other changes at Parent Company level. In the subgroup, the Parent Company, Green Gaming Group Plc, invested share capital in three newly incorporated and wholly owned subsidiaries: Mr Green Consultancy Services Ltd, Mr Green Australia Pty Ltd and Green Jade Gaming Ltd. In the subgroup, Mr Green Ltd acquired Zen Entertainment Ltd, with the subsidiaries Dansk Underholdning Ltd, Dansk Underholdning Services Ltd and Sirrius Venture Capital Ltd, together with Wise Entertainment DK Aps. Zen Entertainment Ltd has also transferred Dansk Underholdning Services Ltd to Admar Services (Malta) Ltd and liquidated Sirrius Venture Capital Ltd. Finally, Zen Entertainment Ltd has merged with Mr Green Ltd and Dansk Underholdning Services Ltd has merged with Admar Services (Malta) Ltd.

The Board of Directors and the CEO give their assurance that the consolidated financial statements and the annual report have been compiled in compliance with the European Parliament's and Council of Europe's Regulation (EC) No. 1606/2002 dated 19 July 2002 regarding the application of international accounting standards and generally acceptable accounting practices, and thus provide a fair and accurate impression of the financial position and earnings of the Group and the Parent Company. The Directors' Report for both the Group and the Parent Company accurately review the Group's and the Parent Company's operations, financial position and earnings and describe the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 15 March 2018.

Kent Sander
Chairman of the Board

Henrik Bergquist Director	Andrea Gisle Joosen Director	Eva Lindqvist Director
Danko Maras Director	Tommy Trollborg Director	Per Norman CEO

Our auditors' report was submitted on 16 March 2018
Öhrlings PricewaterhouseCoopers AB

Bo Åsell
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of Mr Green & Co AB (publ), corporate identity number 556883-1449

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Mr Green & Co AB (publ) for the year 2017. The annual accounts and consolidated accounts of the company are included on pages 2–3, 6–39, 44–45, 47–90 and 98–103 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report regarding the annual accounts and consolidated accounts are consistent with the content in the supplementary report presented to the parent company's and group's Audit Committee in accordance with the Auditors Ordinance (537/2014), Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes, based on our best knowledge and conviction, the provison of no prohibited services as stipulated in the Auditors Ordinance (537/2014), Article 5.1. to the audited company, nor to, as applicable, its parent company or to companies it controls within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

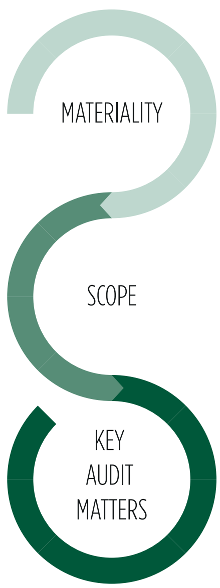
OUR AUDIT ACTIVITIES

Overview

The scope of our audit is based on our understanding of Mr Green's risk areas, the significance of these and how these are managed and controlled by the company. This is to say, the major emphasis is on the risk areas deemed to be of greatest importance and where the risk of significant misstatement is greatest. In this assessment consideration is also given to whether the reported amounts are dependent on estimations or subjective assessments made by company management.

Key Audit Matters

- Compliance with laws and regulations considering the development of gaming operations in various national markets
- Impairment testing of goodwill and brands with indefinite lifetimes



Audit scope

Mr Green's operations are comprised of gaming on the internet via external gaming suppliers. The majority of the revenues are comprised of casino gaming including live casino. In 2016, the group expanded its product offering in launching a further betting service, sportbook. This operating segment is still in the start-up stage.

We have performed a complete audit, so-called "full scope" audit of eight reporting companies in the group; the parent company, Mr Green & Co AB, Mr Green & Co —Optionsbärare AB, Mr Green & Co Technology AB, Mr Green Consulting AB, Mr Green Ltd, Dansk Underholdning Ltd, Admar Services Gibraltar Ltd and Admar Services Malta Ltd.

We have performed special audit activities so-called "specified procedures" for the Malta parent company of Mr Green Ltd, Green Gaming Group Plc with regards dividends, intra-group balances and current taxes and as regards Wizard's Hat Ltd and Mr Green Consultancy Services Ltd we have performed special procedures regarding the routines for processes and reporting, examination of transactions with associated companies, non-operating costs and related bookclosing provisions. For subsidiaries with an audit obligation, statutory audits have been performed. An additional two companies, Green Jade Gaming Ltd and Mr Green Australia Plc Ltd, have been added during the year and these are two companies which have not been included in our audit. Green Jade Gaming Ltd has had limited operations and Mr Green Australia has been dormant during 2017.

Our audit activities address close to 100% of the group's net sales and 100% of income before taxes.

We designed our audit by determining materiality and assessing the risk of material misstatement in the financial statements. In particular, we took consideration of management's subjective judgements; for example, in respect of significant accounting estimates involving assumptions and we also considered future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias representing a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Compliance with laws and regulations in consideration of the development of gaming operations in various national markets	
Mr Green's description and disclosures regarding compliance with laws and regulations are found in Note 2 Accounting principles, under Significant accounting judgments, estimates and assumptions. Gaming in the majority of national markets is regulated by law and all gaming operations are, in principle, subject to licensing. The majority of online operators have licenses from EU countries, for example, Malta. It is difficult to have an opinion as to the manner in which legal developments will impact the premises for Mr Green and other online gaming operators as the legislation in many domestic markets is continually changing and this is, therefore, a complex area in the audit. The potential risk of legal disputes and withdrawn licenses, and non-compliance with gaming legislation and license regulations can give rise to significant fines, penalties or legal disputes and, in the worst case, can imply suspension from certain markets. Mr Green blocks, amongst other things, IP addresses for users in markets in which Mr Green's gaming services are forbidden or where the legal situation is unclear due to other reasons.	Mr Green's gaming operations are established on, and operate from, Malta where the company has its gaming license. We have evaluated the company management's processes and the controls on which the management relies as regards compliance with laws and regulations in all of the various national markets in which Mr Green has operations. As a part of our examination, we have obtained evidence that there are established routines within Mr Green in terms of the company keeping up-to-date with changes in laws and regulations in the various national markets, and we have also obtained evidence regarding the company management's assessment of the possible impact such changes could imply for Mr Green's operations. In our examination of Mr Green's IT environment in which PwC experts within IT auditing are included as a part of the audit team, we have controlled the effectiveness of Mr Green in preventing/making difficult measures aimed at limiting certain users' access to Mr Green's services. We have also studied the group's reporting of ongoing legal cases or where there is uncertainty regarding the legal situation. We have discussed all significant cases to assess the company's estimations of the probability and magnitude of possible claims. We have also studied external legal advisors' positions and reporting to the degree this has taken place in given cases. Nothing was noted in the audit resulting in significant observations being reported to the Audit Committee.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment testing of goodwill and brands with indefinite lifetimes	
Mr. Green's description of the Impairment testing of goodwill and brands is found in Note 2, Accounting principles and in Note 13, Intangible assets. Intangible assets total a significant amount in Mr Green & Co AB, MSEK 1,082 (2016: MSEK 921), which is equivalent to approximately 62 % of total assets. Of these, approximately MSEK 625 comprise goodwill, that is, approximately 36%, and brands total MSEK 322, or approximately 19% of total assets. The remaining intangible assets are comprised of acquired customer contracts and capitalized development costs for gaming platforms, websites and apps.	In our audit, we have obtained copies of company management's cash flow forecasts and of the estimations and assessment providing the basis for these forecasts. We have examined and assessed the reasonability of the assumptions regarding annual growth, sales volumes and the discount rate which management presented to us. As a stage in our examination of management's estimations and assessments, we compare previous periods' estimations and assessments against actual outcome in order to assess the management' capability to execute realistic estimates. We also ensure that the cash flow forecasts agree with budget and the business plan adopted by the Board of Directors. This testing showed that the recoverable amount is in excess of the reported value and that there was no need of impairment as regards goodwill and other intangible assets. Company management's executed sensitivity analyses

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 26–27 and 96–99. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Board of Directors' Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things, oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditors' website: http://www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Mr Green & Co AB (publ) for the year 2017 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is part of the auditor's report.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, SE-113 97, Stockholm, Sweden, was appointed the auditor of Mr Green & Co AB (publ) by the General Meeting held on 23 April 2015, and has been the company's auditor since 29 April 2015.

Stockholm, 16 March 2018
Öhrlings PricewaterhouseCoopers AB

Bo Åsell
Authorized Public Accountant

AUDITOR'S STATEMENT REGARDING THE STATUTORY SUSTAINABILITY REPORT

To the annual meeting of shareholders in Mr Green & Co AB (publ), Corporate Identity Number 556883-1449

ASSIGNMENT AND DIVISION OF RESPONSIBILITIES

It is the Board of Directors who has the responsibility for the sustainability report for 2017 as found on pages 98–99 and that it has been prepared in accordance with the Annual Accounts Act.

FOCUS AND SCOPE OF THE AUDIT

Our examiniation has been conducted in accordance with to FAR's statment RevU 12 *The auditor's examiniation of the sustainability report*. This implies that our examination of the sustainability report has another focus and is significantly limited in scope compared with the focus and scope of an audit according to International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this aduit provides us sufficient grounds for our opinions.

OPINIONS

A sustainability report has been prepared.

Stockholm, 16 March
Öhrlings PricewaterhouseCoopers AB

Bo Åsell
Authorised Public Accountant

AUDITOR'S STATEMENT REGARDING THE CORPORATE GOVERANCE REPORT

To the annual meeting of shareholders in Mr Green & Co AB (publ), Corporate Identity Number 556883-1449

ASSIGNMENT AND DIVISION OF RESPONSIBILITIES

It is the Board of Directors who has the responsibility for the sustainability report for 2017 as found on pages 47–59 and that it has been prepared in accordance with the Annual Accounts Act.

FOCUS AND SCOPE OF THE AUDIT

Our examiniation has been conducted in accordance with to FAR's statment RevU 16 *The auditor's examiniation of the corporate governance report*. This implies that our examination of the corporate governance report has another focus and is significantly limited in scope compared with the foucs and scope of an audit according to International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this aduit provides us sufficient grounds for our opinions.

OPINIONS

A coporate governance report has been prepared. The information provided in accordance with Chapter 6, § 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, §31, second paragraph of the same law are consistent with the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm den 16 mars 2018
Öhrlings PricewaterhouseCoopers AB

Bo Åsell
Auktoriserad revisor

Sustainability notes

NOTE S1 ABOUT THE SUSTAINABILITY REPORT

Mr Green's sustainability report is an important element in the transparent presentation of Mr Green's position, initiatives and results linked to sustainable business.

The sustainability report is integrated in parts of the annual report not encompassed by the audit report and is therefore deemed prepared as a report separate from the annual report in accordance with 6:11 of the Swedish Annual Accounts Act. The sustainability report encompasses Mr Green & Co AB and its subsidiaries. Mr Green reports in accordance with GRI Standards at "Core" level. The transition from the fourth version (GRI G4) took place in 2017. The scope of the report is illustrated by the GRI index on pages 98–99.

GRI is a partnership body to the UN Environment Programme. The organisation is the most renowned and deployed, both worldwide and in Sweden. The website globalreporting.org offers a full illustration of GRI and its regulatory framework.

Mr Green's operations have a low environmental impact, and the focus of disclosures is therefore on issues concerning social conditions, employees, human rights and anti-corruption measures.

The previous sustainability report pertained to the 2016 financial year was published on 17 March 2017.

Mr Green's sustainability practices are underpinned by the Code of Conduct and the operation's policy documents. Mr Green uses the materiality analysis drafted by Group management to determine the matters on which Mr Green as a company has the greatest impact and that are most important to report on for the company's stakeholders. Mr Green based its materiality analysis on the general areas of finance, the environment and social conditions and identified the matters on which the Group can be considered as having the most impact.

Pursuant to a new legal requirement, the company must report its sustainability practices in the areas of human rights, anti-corruption measures, social matters and the environment. Mr Green has not identified human rights and the environment as the most material sustainability areas for the company, though it engages in structured efforts related to anti-corruption, as detailed in the sustainability report. In terms of human rights, Mr Green's most important contribution is that all of our employees are treated equally regardless of gender, sexual orientation, ethnicity or religion, as expressed in the Group-wide policy on equal treatment. In the area of human rights, we can also include Mr Green's efforts to prevent its affiliates from recruiting customers from websites with content not approved by Mr Green, such as pornography and file-sharing.

UN Global Compact

In January 2018, Mr Green joined the UN Global Compact sustainability initiative. Through its membership, Mr Green commits to working actively with the Global Compact's ten principles for sustainable development in the four areas of human rights, labour, the environment and anti-corruption. The Annual Report comprises Mr Green's Communication on Progress report in accordance with the UNGC's framework.

The sustainability report has not been reviewed by an independent third party.

NOTE S2 MATERIALITY ANALYSIS

Mr Green has conducted an analysis of its value chain to identify and pursue the most significant environmental, social and economic matters. In this analysis, the company has gained an insight into and an understanding of how its operations impact others.

In its materiality analysis, Mr Green has collectively considered the areas that the company deems to be strategically important and the matters that stakeholders consider the most important. Stakeholder dialogues were conducted in 2016 and comprised a total of 16 sustainability areas.

The stakeholder dialogues ranked fair terms of employment and employee training highly. Mr Green has organised these areas under the heading motivated employees.

Mr Green's Group management has opted to assign priority to the six sustainability areas and integrate these into the business strategy. The business strategy is presented on pages 11–14. The outcome for the sustainability goals for 2017 are presented on pages 26–27.

Long term profitability and a high level of customer satisfaction are basic requirements for successful enterprise and our entire external reporting comprises thorough reporting of how we work towards these two goals. Accordingly, we have chosen not to report these areas separately within the framework of our GRI reporting as of 2017.

Sustainability areas identified	Business goals 2018	GRI standard
Green Gaming	25% of our customers use the Green Gaming tool.	Incidents of non-compliance concerning the impacts of products and services on customers' health and safety Incidents of non-compliance concerning marketing of products and services.
Motivated employees	Motivated employee index at 75%	Percentage of employees who receive a regular performance and career development reviews New employee hires and employee turnover
Regulatory compliance	No confirmed cases of violations	Incidents of socioeconomic non-compliance
Data security and customer data protection	No leakage of customer information	Confirmed incidents of breaches of customer privacy and loss of customer data.

Sustainability notes

NOTE S3 STAKEHOLDER DIALOGUES

Mr Green has identified the stakeholders that affect and are affected by its operations. These stakeholder groups are: customers, employees, shareholders, suppliers and investors. During the autumn of 2016, structured stakeholder dialogues were conducted in accordance with GRI to assess their understanding of which sustainability areas they felt were the most important for Mr Green. The dialogues were conducted in the form of an anonymous online survey in which the stakeholders were asked to rank the sustainability areas in order of how important they were regarded as being for Mr Green.

Green Gaming Forum

In 2017, Mr Green initiated the Green Gaming Forum to broaden its stakeholder dialogues in Green Gaming matters. The forum is an interactive, online meeting in which various issues related to Green Gaming are discussed. The forum is open to everyone and is led by an independent moderator. The first Green Gaming Forum took place in January 2018.

Stakeholder group	Most significant areas raised in the dialogue
Employees	Long-term profitability High level of customer satisfaction Regulatory compliance Green Gaming
Customers	Secure payment solutions Online security Anti-corruption measures Data security and customer data protection
Suppliers	Fair terms of employment High level of customer satisfaction Green Gaming Online security
Shareholders	Long-term profitability Regulatory compliance Employee training High level of customer satisfaction
Investors	Long-term profitability Regulatory compliance High level of customer satisfaction Green Gaming

NOTE S4 REPORTING BOUNDARIES

Significant area	Reporting boundaries
Regulatory compliance	Regulatory compliance is a key aspect in the organisation and encompasses all units in the Group.
Green Gaming	Green Gaming is a key aspect in the organisation and encompasses all units in the Group.
Motivated employees	Motivated employees are a key aspect in the organisation and encompasses all units in the Group.
Data security and customer data protection	Data security and customer data protection is a key aspect in the organisation and encompasses all units in the Group.

Sustainability notes

NOTE S5 EMPLOYEE DATA

The information relates to the Mr Green Group on 31 December 2017 unless otherwise indicated. All employees presented have employment contracts with the Group. All information in parentheses refers to the 2016 financial year.

Dansk Underholdning, which was acquired in April 2017, is only included in information that refers to 31 December 2017.

Mr Green has deviated from GRI Standards 401-1 and has not reported new employee hires and employee turnover by age group. Mr Green also deviated from 404-3 and has not reported the percentage of women and men who have taken part in appraisals during 2017.

No. of employees

	Total	Women	Men
Permanent employees	239 (205)	40%	60%
– Of which part-time employees	1	–	0.4%
Permanent employees including fixed term employees	247	40%	60%
– Of which part-time employees	1	–	0.4%
Average number of employees in 2017	219 (182)	37%	63%
Consultants	51 (36)		
Number of managers with personnel responsibility	46	35%	65%
Number of persons in Group management	6	17%	83%
Number of persons on Board of Directors	6	33%	67%

Average age and age distribution

Average age	37	
Employees in different age groups	–29	43%
	30–49	54%
	50–	3%

Staff turnover 2017

Total Group	50%
Sweden	35%
Malta	55%
Number of women joined	63
Number of men joined	76
Number of women left	54
Number of men left	57

Total number of new employees	139 Of whom 45% women and 55% men. Of whom 9% in Sweden and 91% in Malta.
Total number of employees finishing	111 Of whom 47% women and 53% men. Of whom 10% in Sweden and 90% in Malta.

Net	28	
– Of whom, women	9	32%
– Of whom, men	19	68%

In certain functions, particularly in the customer service centre, the average age of our employees is lower than the Group average. Staff turnover for these functions is especially high as employees are young people who want to spend time working abroad.

Employees who have taken part in appraisals during 2017

Total Group	71%

Sickness absence

Sweden	1.7%
Malta	1.3%

Median salary for women in relation to men, %

Sweden	107
Malta	85

The comparison does not take into account the varying requirements for different positions, but simply provides an overall view of the salary structure by country.

NOTE S6 PRINCIPLES AND CONVENTIONS

Mr Green follows a number of principles and conventions based on the UN Global Compact and its ten principles on human rights, labour law, the environment and anti-corruption. Mr Green is also a member of the Swedish Trade Association for Online Gambling BOS and thereby the European Gaming and Betting Association EGBA. Through these memberships we comply with the European Committee for Standardization (CEN) agreement on Responsible Remote Gambling Measures. This is the first version of European consumer-protection measures for online gaming in the EU. Internal regulations include the sustainability policy and Code of Conduct, which have both been adopted by the Board. In Sweden, we also comply with the Swedish Advertising Ombudsman and have a link in our marketing to the national support hotline for gaming addicts and those close to them, www.stodlinjen.se.

GRI index

GENERAL STANDARD DISCLOSURES GRI 102 (2016)			
Disclosure	**Page**	**Corresponds to the disclosure requirements of the Swedish Annual Accounts Act**	**Comment**
Organisational profile			
102-1 – Name of the organisation	Cover	BM	
102-2 – Activities, brands, products, and services	22–25, 34–35		
102-3 – Location of headquarters	8 and Note 1		
102-4 – Location of operations	8, 28–29		
102-5 – Ownership and legal form	47		
102-6 – Markets served	20–21, 28–29		
102-7 – Scale of the organisation	3, 8–9, 63	BM	
102-8 – Information on employees and other workers	8–9, Note S5		
102-9 – Supply chain	6–7		
102-10 – Significant changes to the organisation and its supply chain	N/A		No significant changes to the organisation or its supply chain took place in the 2017 financial year.
102-11 – Precautionary Principle or approach	6–7		Following on from the signing of the UN Global Compact we take a precautionary approach to our operations.
102-12 – External initiatives	30–31, 47–55, Note S6		
102-13 – Membership of associations	28, 97		
Strategy			
102-14 – Statement from senior decision-maker	4–5, 46	BM	
Ethics and integrity			
102-16 – Values, principles, standards, and norms of behaviour	8, 49	BM, P	
Governance			
102-18 – Governance structure	47–55	BM, P	
Interactions with stakeholder groups			
102-40 – List of stakeholder groups	Note S3	–	
102-41 – Collective bargaining agreements	Note S5		Mr Green complies with local standards with respect to pensions and insurance. In Sweden, employees have employment group life insurance, employers' no-fault insurance and health care insurance. There is no collective agreement.
102-42 – Identifying and selecting stakeholders	Note S3		
102-43 – Approach to stakeholder engagement	Note S2 and S3		
102-44 – Key topics and concerns raised	Note S3		

In the GRI index, we have also chosen to show how our reporting fulfils the requirements of the Swedish Annual Accounts Act for disclosures using the following abbreviations:

BM = business model, **P** = policy, **R** = risks, **RM** = risk management, **RI** = performance indicator

GRI index

GENERAL STANDARD DISCLOSURES GRI 102 (2016) cont.			
Disclosure	**Page**	**Corresponds to the disclosure requirements of the Swedish Annual Accounts Act**	**Comment**
Reporting practice			
102-45 – Entities included in the consolidated financial statements	Note 1	–	No units are exempt.
102-46 – Defining report content and topic boundaries	Note S2 and S3		
102-47 – List of material topics	Note S2		
102-48 – Restatements of information			Page 18 of the annual report for the 2016 financial year states 80% as the result of whether employees consider Mr Green to be a very good workplace. The correct figure is 75%. 80% refers to the goal for 2017.
102-49 – Changes in reporting	Note S2		
102-50 – Reporting period	Note S1		
102-51 – Date of most recent report	16 March 2017		
102-52 – Reporting cycle	Note S1		
102-53 – Contact point for questions regarding the report	104		
102-54 – Claims of reporting in accordance with the GRI Standards	Note S1		
102-55 – GRI content index	97		
102-56 – External assurance	Note S1 and page 91		

SPECIFIC STANDARD DISCLOSURES				
Prioritised material topic	**GRI standards and disclosures**	**Page**	**Corresponds to the disclosure requirements of the Swedish Annual Accounts Act**	**Comment**
Regulatory compliance	GRI 103 (2016) 103-1, 2 & 3 – Management approach	6–7, 12–14, 26–33, 47–55	P, R, RM	
	GRI 419 (2016) 419-1 – Non-compliance with laws and regulations in the social and economic area	26–27	PI	
Responsible gaming	GRI 103 (2016) 103-1, 2 & 3 – Management approach	12–14, 26–27, 34–35, 47–55	P, R, RM	
	GRI 416 (2016) 416-2 – Incidents of non-compliance concerning the health and safety impacts of products and services	12–14, 26–27, 34–35	PI	
	GRI 417 (2016) 417-2 – Incidents of non-compliance concerning product and service information and labelling	12–13, 26–27, 30–31	PI	
Motivated employees – Employee training	GRI 103 (2016) 103-1, 2 & 3 – Management approach	8–9, 12–14, 26–27	P, R, RM	
	GRI 419 (2016) 404-3 – Percentage of employees receiving regular performance and career development reviews	Note S5	PI	
Motivated employees – Fair terms of employment	GRI 103 (2016) 103-1, 2 & 3 – Management approach	8–9, 12–14, 26–27	P, R, RM	
	GRI 419 (2016) 401-1 – New employee hires and employee turnover	Note S5	PI	
Data security and customer data protection	GRI 103 (2016) 103-1, 2 & 3 – Management approach	12–14, 26–27, 32–33, 47–55	P, R, RM	
	GRI 418 (2016) 418-1 – Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	32–33	PI	

With respect to risks and risk management, in addition to the references above a detailed description is available in the risk section on pages 44–45.

Definitions of key performance indicators

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 annual report. Comparative figures for prior periods are 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 annual 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

Alternative 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	EBITDA 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	EBITDA 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 PERFORMANCE MEASURES RELATED TO THE BUSINESS THAT IS NOT CALCULATED ACCORDING TO IFRS		
Performance measures	**Definition**	**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 average annual growth rate. 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.

Five-year overview

SEK '000	2017	2016	2015	2014	2013*
Profit					
Revenue	1,192,033	924,524	792,599	659,368	483,853
Revenue growth, year-over-year (%)	28.9%	16.6%	20.3%	36.3%	51.9%
Mobile revenues (% of revenue)	50.2%	42.5%	28.9%	21.1%	–
Cost of services sold (% of revenue)	31.6%	33.2%	25.1%	18.4%	17.4%
Cost of services sold excluding betting duties (% of revenue)	16.3%	18.8%	16.9%	17.9%	17.4%
Marketing (% of revenue)	33.9%	36.4%	36.2%	39.8%	40.8%
Personnel costs (% of revenue)**	12.0%	14.1%	12.6%	12.5%	11.7%
Other operating expenses (% of revenue)**	13.7%	12.5%	15.0%	15.5%	17.3%
EBITDA before non-recurring items	185,572	91,393	136,761	134,846	106,839
EBITDA after non-recurring items	185,572	75,582	55,130	22,765	102,172
Earnings before interest and tax (EBIT)	116,043	19,093	–36,034	–31,203	64,844
Net result for the period	109,355	33,101	–34,433	–26,520	59,298
EBITDA margin before non-recurring items (%)	15.6%	9.9%	17.3%	20.5%	22.1%
EBITDA margin after non-recurring items (%)	15.6%	8.2%	7.0%	3.5%	21.1%
EBIT margin (%)	9.7%	2.1%	–4.5%	–4.7%	13.4%
Financial position and Cash flow					
Return on equity (%)	13.3%	4.1%	–5.6%	–3.5%	8.0%
Equity/assets ratio (%)	59.3%	58.0%	59.2%	67.7%	78.5%
Investments in non-current assets	111,489	66,394	64,467	51,532	27,961
Cash flow from operating activities	328,465	128,822	149,360	147,200	76,540
Free cash flow	131,297	62,428	76,849	90,036	110,583
Number of customers					
Number of registered customers (thousands)	2,182.7	1,678.3	1,336.3	1,049.0	827.0
Registered customers growth, year-over-year (%)	30.1%	25.6%	27.4%	26.8%	35.9%
Number of active customers (thousands)	297.7	238.8	181.1	154.9	152.7
Active customers growth, year-over-year (%)	24.6%	31.9%	16.9%	1.4%	45.6%
Deposits					
Deposits from customers (SEKm)	3,468	2,696	2,207	1,706	1,043
Deposits growth, year-over-year (%)	28.6%	22.2%	29.4%	63.6%	65.5%
Employees					
Average number of employees	219	182	158	133	109
Number of employees at the end of the period	239	205	161	152	114

* 2013 is presented on a pro forma basis.

** For the 2013–2015 financial years, a reclassification has been made from other operating expenses to personnel costs compared to the annual report for each year, this according to the principles applied since 1 January 2016. The following amounts have been reclassified: SEK 4.7 million (2015), SEK 3.6 million (in both 2014 and 2013).

SEK '000	2017	2016	2015	2014	2013*
The Share					
Share capital	40,849	35,849	35,849	35,849	35,849
Number of outstanding shares at the end of the period (thousands)	40,849	35,849	35,849	35,849	35,849
Average number of shares outstanding (thousands)	38,575	35,849	35,849	35,849	35,849
Average number of shares outstanding after dilution (thousands)	39,815	35,849	35,849	35,849	35,849
Earnings per share (SEK)	2.83	0.92	–0.96	–0.74	1.65
Earnings per share after dilution, SEK	2.75	0.92	–0.96	–0.74	1.65
Cash flow from operating activities per share (SEK)	8.04	3.59	4.17	4.11	2.14
Free cash flow per share (SEK)	3.40	1.74	2.14	2.51	3.08
Equity per share (SEK)	25.24	19.82	17.88	20.59	20.75
Dividend or equivalent per share (SEK)	1.30	–	–	1.30	1.30
Game win revenue by region					
Nordic region	390,336	354,246	364,742	346,065	313,595
Western Europe	489,285	299,247	215,244	153,555	64,806
Central, Eastern and Southern Europe	285,711	249,649	192,184	155,232	104,036
Rest of the World	26,701	21,382	20,430	4,118	1,049
Game win revenue growth, year over year (%)					
Nordic region	10.2%	–2.9%	5.4%	10.4%	27.3%
Western Europe	63.5%	39.0%	40.2%	136.9%	298.5%
Central, Eastern and Southern Europe	14.4%	29.9%	23.8%	49.2%	89.9%
Rest of the World	24.9%	4.7%	396.1%	292.6%	106.5%
Share of game win revenue by region (%)					
Nordic region	32.8%	38.3%	46.0%	52.5%	64.9%
Western Europe	41.0%	32.4%	27.2%	23.3%	13.4%
Central, Eastern and Southern Europe	24.0%	27.0%	24.2%	23.6%	21.5%
Rest of the World	2.2%	2.3%	2.6%	0.6%	0.2%

* 2013 is presented on a pro forma basis.

Glossary

Affiliate Companies that convey advertising on the internet on behalf of various websites.

Agenda 2030 On 25 September 2015, the UN General Assembly adopted the Agenda 2030 resolution on sustainable development. The agenda entails that all 193 member countries have committed to work to achieve a socially, environmentally and economically sustainable world by 2030. The agenda contains 17 goals and 169 targets.

AI Artificial intelligence (AI) is intelligence demonstrated by machines.

Due diligence An investigation of a company or a person prior to signing a contract. A common example of due diligence is when a potential buyer evaluates a target company or its assets prior to acquisition.

EGR EGR Global is a leading publicist company and network for the online gaming industry.

GDPR Abbreviation of the English name General Data Protection Regulation. In Swedish, this is called the Allmänna dataskyddsförordningen. GDPR is a regulation adopted by the EU, which applies as of 25 May 2018. The aim is to strengthen protection for individuals in the handling of personal information and the regulation defines the handling of information that can be directly or indirectly linked to an individual.

UN Global Compact A UN initiative to encourage companies to use sustainable business practice. The Global Compact has ten principles in the areas of human rights, labour, the environment and anti-corruption.

Freespins Free spins on a slot machine on an online casino.

Green Gaming Responsible gaming. Processes and methods to reduce the risk of a players developing increased risk behaviours. Green Gaming also includes processes for identifying and offering players who have developed increased risk behaviours various methods to curb their risk behaviour. An important feature of Green Gaming is the responsibility assumed by the gaming operator for training its personnel in gaming behaviours and to take measures themselves, such as stopping marketing to players who have shown a strong increase in risk behaviours.

Green Gaming predictive tool Mr Green's proprietary tool that analyses the customer's actual gaming behaviour and combines this with the customer's own image of their gaming. The analysis is based on risk, intensity, change and volume. Through the tool, the customer receives individual information about their gaming and a chance to understand if there has been an increase in risk behaviour.

GRI Acronym of Global Reporting Initiative. GRI is an independent foundation under the UN. GRI issues standard-setting international guidelines for sustainability reporting. The aim is to create homogeneity and comparability between sustainability reports to facilitate the assessment and comparison of companies from a social, environmental and financial perspective.

Sustainability Report As of the 2017 financial year, it is compulsory for large companies to publish a sustainability report. The sustainability report must contain the non-financial disclosures required to understand the company's development, position, results and the consequences of its operations, including disclosures concerning the

Sustainability Report, cont. environment, employees and social conditions, respect for human rights and anti-corruption measures. The change in the law is based on an EU directive that has the aim of making it easier to analyse companies' sustainability work and to increase trust in companies.

IGA Acronym of the International Gaming Association. In Swedish: internationella spelföreningen.

IR Acronym for Investor Relations. In Swedish: investerarrelationer.

Jackpot Jackpot refers to the highest win in certain casino games, such as slot machines. Jackpot may also refer to a high win that is higher than usual. The Jackpot derives from nobody winning the highest win in the preceding round of the game and that the win amounts are carried over from the preceding round.

Casino games Slot machines and traditional card games such as Black Jack and Baccarat, as well as roulette.

Know-Your-Customer English for Känn-din-kund. Shortened to KYC. KYC is the process companies use to identify and verify customers' identities. The term is also used for the rules relating to money laundering for banks and payment service providers. KYC is also used by companies to ensure that their subcontractors and other contacts comply with anti-corruption regulations.

Live casino The possibility to play online with a real dealer.

Number games Games in which the player bets on certain numbers being drawn. Bingo, keno and lotto are examples of number games.

One-Minute-Keno There is a draw in the game keno every minute.

Money laundering The regulations on measures against money laundering and the financing of terrorism are aimed to prevent companies being used for money laundering and the financing of terrorism. Companies subject to the regulation are to report suspected money laundering or financing of terrorism in their operations to the relevant authorities.

Reel Thrill Online tournaments, in which players play casino games against each other. Developed by Mr Green.

SBC Awards The SBC Awards are presented by the Sports Betting Community association.

Betting duties Betting duties are excise duties on gaming. The tax is paid by anyone organising gaming for the public or organising games for business purposes.

Sportsbook Sportsbook is a site for betting.

Scorecard Used to related the organisation's strategy to various performance indicators, such as financial development, customer satisfaction, quality and development times, as well as various member perspectives.

Whistleblower function The possibility for people to anonymously report fraud or irregularities within the organisation.

Materiality analysis The materiality analysis is based on the stakeholder dialogues and entails the identification of the sustainability issues most relevant for the company.

Annual general meeting, financial calendar and contact

2018 ANNUAL GENERAL MEETING

Mr Green & Co AB invites its shareholders to participate in the company's Annual General Meeting on Monday 7 May 2018, at 4:00 p.m., in Epicenter, Mäster Samuelsgatan 36, Stockholm, Sweden. Shareholders who would like to participate in the AGM must be registered in the share register maintained by Euroclear Sweden AB by Wednesday 2 May 2018 and register their attendance with the company no later than Wednesday 2 May 2018.

NOTIFICATION

Shareholders who would like to participate in the AGM must be registered in the share register maintained by Euroclear Sweden AB by 2 May 2018 and register their attendance with the company no later than 2 May 2018 via email information@mrg.se, or the following address:

Mr Green & Co AB
Mäster Samuelsgatan 36
SE-111 57 Stockholm, Sweden

When registering, shareholders must include their name, personal identity or corporate registration number, address, telephone number, email address, the names of any assistants and their shareholding. Power-of-attorney forms for shareholders wishing to participate by proxy will be available on the company's website, www.mrg.se. Shareholders participating by proxy are required to provide their proxy with a dated power-of-attorney form. If the power of attorney is provided on behalf of a legal entity, a certified copy of a registration certificate or equivalent document for the legal entity must be enclosed with the notice of attendance. The power of attorney and registration certificate must be sent to the company at the above address well in advance of the meeting. The power of attorney may not be more than five years old.

NOMINEE-REGISTERED SHARES

Shareholders whose shares are registered with a bank's trust department or another nominee must temporarily have their shares re-registered in their own name with Euroclear Sweden AB to be able to participate in the AGM. Said re-registration must be completed by no later than 2 May 2018.

PROPOSED DIVIDEND

The Board proposes that the AGM resolve on a transfer of SEK 1.30 per share to shareholders, corresponding to SEK 53.1 million for the 2017 financial year. The Board of Directors intends to propose to the AGM that the transfer to shareholders take place on the basis of an automatic share-redemption programme. The full proposal will be presented in full well in advance of the AGM.

FINANCIAL CALENDAR

Mr Green intends to publish financial reports as follows:

- First-quarter report 2018: 27 April 2018
- Second-quarter report 2018: 20 July 2018
- Third-quarter report 2018: 26 October 2018
- Year-end Report for 2018: 8 February 2019

CONTACT

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BEST AT SUSTAINABILITY IN THE GAMING INDUSTRY

Per Norman, our CEO, was named the Best CEO in sustainability in the gaming industry by European CEO magazine in December 2017. Per Norman was awarded the prize for the long-term, strategic sustainability work that Mr Green has carried out ever since the company was founded in 2007. European CEO is a leading business magazine for senior executives in Europe. It is published in print every quarter in 28 countries throughout Europe and a digital edition is also available.

Watch the film where CEO Per Norman receives the award for Best CEO.

BUSINESS CHALLENGE

WE SUPPORT NEW BUSINESS IDEAS

Mr Green was a start-up company ten years ago. Today we are part of Business Challenge and support other start-up companies. Business Challenge is a competition for new companies. Companies that reach the final have the chance to present their business concepts to a jury of CEOs, experts, leaders and venture capitalists. The winning companies receive a tailored business development programme.

MR GREEN & Co.

EST. 2013

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