



## First quarter of 2021 (Q1 2020)

- Operating revenues increased by 105% to EUR 235.8 million (115.1)
- EBITDA increased by 150% to EUR 160.1 million (64.1), corresponding to a margin of 67.9% (55.7)
- Profit for the period amounted to EUR 132.0 million (54.2)
- Earnings per share before dilution amounted to EUR 0.62 (0.30)

## Events during the first quarter of 2021

- Continued high demand generates a positive effect on margin development.
- Completed synergy project related to NetEnt acquisition.
- After the end of the period, Evolution entered into an agreement to acquire online slot machine developer Big Time Gaming.

## Summary of the first quarter 2021

Group, EUR thousands	Jan-Mar 2021	Jan-Mar 2020	%	Apr 2020-Mar 2021	Jan-Dec 2020	%
Operating revenues	235,841	115,149	105%	681,826	561,134	22%
EBITDA	160,125	64,123	150%	428,215	332,213	29%
EBITDA margin	67.9%	55.7%	-	62.8%	59.2%	-
EBITDA excl non-recurring items	160,125	64,123	150%	447,601	351,599	27%
Adjusted EBITDA-margin	67.9%	55.7%	-	65.6%	62.7%	-
Operating profit	141,648	57,125	148%	384,223	299,700	28%
Operating margin	60.1%	49.6%	-	56.4%	53.4%	-
Profit for the period	132,038	54,196	144%	362,464	284,622	27%
Profit margin	56.0%	47.1%	-	53.2%	50.7%	-
Earnings per share before dilution, EUR	0.62	0.30	108%	1.89	1.55	22%
Equity per share, EUR	13.31	1.82	633%	13.31	12.84	4%
OCF per share before dilution, EUR	0.48	0.21	129%	1.98	1.72	15%
Average number of FTEs	7,055	5,739	23%	5,424	5,118	6%

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Evolution develops, produces, markets and licenses fully integrated B2B Online Casino solutions to gaming operators. Since its inception in 2006, Evolution has developed into a leading B2B provider with 500+ operators among its customers. The group currently employs 10,000+ people in studios across Europe and in North America. The parent company is based in Sweden and listed on Nasdaq Stockholm with the ticker EVO. Visit [www.evolution.com](http://www.evolution.com) for more information. Evolution is licensed and regulated by the Malta Gaming Authority under license MGA/B2B/187/2010. Evolution is also licensed and regulated in many other jurisdictions such as the United Kingdom, Belgium, Canada, Romania, South Africa, and others.

## CEO's comments

The positive trend from 2020 continues in to the first quarter of 2021 where we see a good momentum both in terms of growth and profitability. The integration of NetEnt has been successful. I am truly impressed by the work from our teams, who, without losing focus on the daily high-quality delivery, and in a very short time, have managed to merge both workflows and organizational structure. We can already see good results from this work in the first quarter and I believe that we are well-set to continue to capitalize on the growing interest in online casino world-wide.

The revenues for the first quarter, including the acquired NetEnt business, increased by 105 percent to EUR 235 million, compared to the first quarter of 2020. EBITDA increased to EUR 160 million, corresponding to a margin of 67.9 percent. During the quarter we have closed the synergy project reaching EUR 40 million in annual run-rate cost synergies related to the acquisition of NetEnt – 9 months earlier than our original plan. We will continue our constant aim towards cost-efficiency even if not reporting any synergies moving forward.

Our Live Casino business continued to show very strong year-on-year growth reaching 60 percent in the quarter. It is the highest growth rate we have ever recorded in a quarter. We had a great momentum during 2020 and the group has continued to see a strong underlying demand for online casino with operators also in the first quarter of 2021. The RNG business started the year 2021 with growth of 6 percent compared to NetEnt revenues Q1 2020. This is in line with our near-term expectations. For the second quarter, we face somewhat tougher comparable figures, relating, particularly for the NetEnt business driven by the pandemic effects for NetEnt in Q2 2020.

Beyond everything else, our focus has always been to innovate and push boundaries to enhance the player experience. This goes for live as well as for RNG, and I am excited about how the new games that we have in line-up for 2021 will further confirm this commitment. This summer will see the release of the first product coming out of the cross-functional collaboration between the live and the RNG product development teams, Gonzo's Treasure Hunt. This product will combine a popular IP with the best from the live and the RNG worlds. Our slots offering is being re-vamped during the year and will include a new take on some of the most popular titles as well as brand new games from both the NetEnt and Red Tiger brands. During 2021 we will also add new games to the Live Game Show segment as well as new innovative takes on traditional live table games. In short, from a product standpoint, we will 2021 take the entertainment factor to yet a new high level but delivering more unexpected and thrilling quality gaming experiences to all players.

In terms of regional performance, all regions delivered good growth in the first quarter, with very high growth rates in Asia and North America. Evolution is truly a global operation serving players all over the world. Our commercial organization is now structured in four regions: Europe, Asia, North America and Latin America & Africa. With dedicated commercial resources to each region, we look forward to explore further development for each region together with operators.

Due to the pandemic, several studios continue to operate with somewhat limited capacity to ensure all safety and protective measures for staff can be kept in place. It's simply has been and still is a tough period. As all operators have experienced increased traffic over the last year, the pent-up demand for new tables is an important driver of the capacity expansion now taking place in some of our existing studios as well as a reason to our continuous investment in new studio development. Going forward, we intend to keep the investment in operational capacity at similar rates but as always in a trade of between margin and revenue will always go for market shares. In the first quarter, we invested in additional studio capacity both in North America and in other regions.

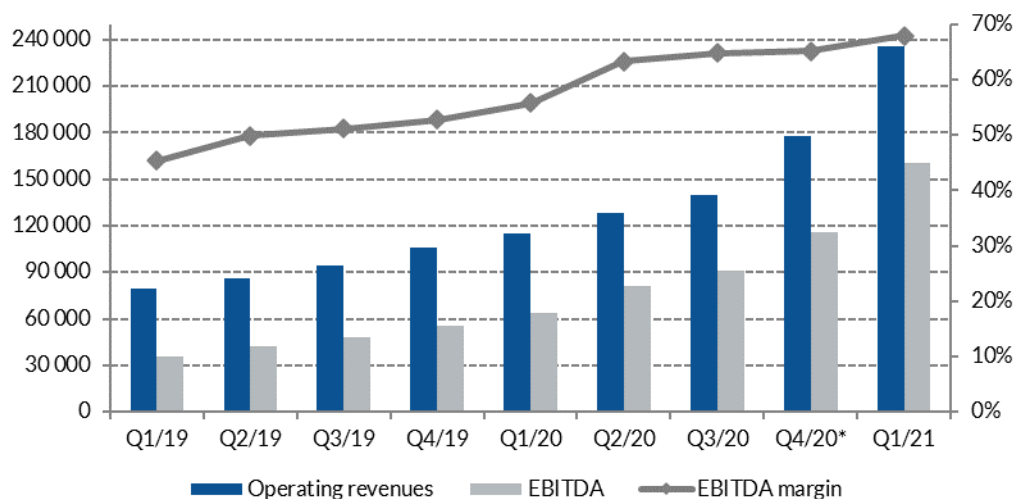
With the addition of NetEnt and Red Tiger brands to our product portfolio we push forward towards our vision of being a global market leader in online casino. In mid-April, after the closing of the first quarter, we

announced that Evolution had entered into an agreement to acquire Big Time Gaming. By adding Big Time Gaming to our portfolio of slot brands, we add more strong IPs and innovative fantastic talent. We take one step further towards the position as a leader in online casino products. The transaction is expected to be completed during the second quarter. I very much look forward to welcoming the Big Time Gaming team to Evolution and to work together on new innovative games.

Supported by a combination of underlying megatrends - like the digitalization of the world in general and the shift from land-based to online casinos in particular - Evolution has relentlessly continued to develop and drive the digitalization of the global casino market. This April marks 15 years since the company set up its first studio in Riga, Latvia, with the ambition to change the online casino industry. Since then, we have not only taken live casino to a quality level which was hard to imagine in 2006, we have also introduced a whole new product category in online casino, won multiple international awards for our products and our services and grown into a multinational group which operates from more than 20 countries world-wide and employs over 10,000 people. There is a lot to be proud of, but what is most exciting is that we have just begun. With the new opportunities now opening up in new markets, our recharged product offer and strong brand line-up and our continuously growing team of creative, talented and hardworking people - the next 15 years are bound to be more revolutionary and more exciting than what we have seen so far. It will be about every one of us, every day, striving to be just a bit better. That is simply how we will continue to widen the gap to competition.

**Martin Carlesund**  
CEO

Evolution quarterly reported figures



\*Q4/20 adjusted for non-recurring items

## Financial performance in the first quarter of 2021

### Revenues

Revenues amounted to EUR 235.8 million (115.1) in the first quarter, equivalent to an increase of 105 percent compared with the corresponding period in 2020. EUR 52.2 million of the revenue was derived from RNG-games. The positive revenue development within live casino mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games continues to grow, partly as a result of our continuous launch of new games and variations on traditional games. The number of bet spots from end users amounted to 17.2 billion (8.7).

Revenue by game type

Group, EUR millions	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021
Live	115.1	128.3	140.0	159.7	183.7
RNG	49.0	54.2	49.3	49.6	52.2

The acquisition of NetEnt was completed on 1 December 2020 and is included in the consolidated financial statements from that date. Thus, in the above table, the RNG revenue is the equivalent to the reported revenue for NetEnt for the first three quarters during 2020. Reported amounts in SEK are converted with SEK/EUR 10.56. The reported revenues October-December 2020 for Evolution Group amounted to EUR 177.7 million, including EUR 17.8 million from NetEnt.

### **Expenses**

Operating expenses amounted to EUR 94.2 million (58.0). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios and the expansion in general compared to the first quarter of 2020. The expansion has also increased other operating expenses compared with Q1 2020.

### **Profitability**

Operating profit amounted to EUR 141.6 million (57.1), corresponding to an increase of 148 percent. The operating margin was 60.1 percent (49.6). The EBITDA margin was 67.9 percent (55.7).

Net financial items only had a marginal impact on profits and relates mostly to interest expenses for leasing. The Group's effective tax rate for the quarter amounted to 6.2 percent (5.0). The tax rate is influenced by the countries in which earnings are generated and may vary between reported periods. Profit for the period amounted to EUR 132.0 million (54.2). Earnings per share before dilution were EUR 0.62 (0.30).

### **Investments**

Investments in intangible assets amounted to EUR 6.2 million (2.7) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 7.0 million (4.7) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 101.8 million (38.1) during the quarter. Cash flow from investing activities was negative in the amount of EUR 15.4 million (negative 8.9). Cash flow from financing activities amounted to EUR 15.2 million (negative 6.8). Cash and cash equivalents amounted to EUR 326.0 million (204.9) at the end of the quarter.

## **Market development**

### **Online Casino market**

The global online casino market (Live & RNG) has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total global online casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the first quarter 68.5 percent (69.4) of the operators' GGR via Evolution's platform was generated by mobile devices. RNG is the largest vertical of the online casino market. However, to a large extent, growth is driven by Live Casino having grown in importance for most gaming operators and has become an integrated and strategically important product for them.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. The UK includes the Crown Dependencies.

### Revenue per geographical region

Group, EUR millions	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021
Nordics	6.2	6.7	5.8	11.1	16.4
UK	9.9	10.6	9.5	13.9	21.4
Rest of Europe	59.8	62.4	65.6	81.1	104.1
Asia	20.8	28.2	34.8	41.9	53.2
North America	7.1	8.5	9.2	12.6	21.6
Other	11.4	12.1	15.1	17.1	19.1
<b>Total operating revenues</b>	<b>115.1</b>	<b>128.5</b>	<b>140.0</b>	<b>177.7</b>	<b>235.8</b>
Share of regulated markets	38%	33%	32%	36%	40%
Revenues, regulated markets	43.7	42.8	45.2	64.3	93.9

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the first quarter of 2021 amounted to EUR 4.6 million (2.2) and expenses to EUR 4.5 million (2.1). Operating profit amounted to EUR 115 thousand (60). Profit for the period amounted to EUR 88 thousand (30). The Parent Company's cash and cash equivalents amounted to EUR 39.1 million (93.9) at the end of the period and equity amounted to EUR 2,684 million (338.3). No significant investments were made in intangible or tangible assets.

### Employees

As of 31 March 2021, Evolution had 10,226 employees (8,240), corresponding to 7,174 (5,865) full-time positions. The average number of full-time equivalents for the quarter was 7,055 (5,739).

## Events following the balance sheet date

### Acquisition of Big Time Gaming

Evolution Gaming Group AB (publ) has entered into an agreement to acquire the entire issued share capital of Big Time Gaming Pty Ltd for a total consideration of up to EUR 450 million, payable in cash and Evolution shares. The total up-front consideration payable by Evolution in the Transaction is EUR 220 million. In addition, Evolution will pay earn-out payments, based on Big Time Gaming's EBITDA for the years 2022/23 and 2023/24, respectively. The earn-out payments will amount to a maximum of EUR 230 million, and become payable in 2023 and 2024, respectively.

The up-front consideration will be payable as to EUR 80 million in cash and the remainder in newly issued Evolution shares. The earn-out consideration will be payable 70 percent in cash and 30 percent in newly issued Evolution shares.

Big Time Gaming revenue amounted to EUR 33 million with an EBITDA of EUR 29 million for the calendar year 2020. The transaction is estimated to contribute positively to 2021 EPS for the Evolution Group and is expected to close in the second quarter 2021.

### Annual General Meeting

At the annual general meeting in Evolution Gaming Group AB (publ) on 16 April 2021, income statements and balance sheets for 2020 for the company and the group were adopted and it was resolved on, among

other things, a dividend of EUR 0.68 per share, discharge from liability for the board members and the managing director, re-election of the board members and the chairman of the board, authorisation for acquisition and transfer of own shares, authorisation for the board of directors to issue shares, warrants and convertible debt as well as authorisation for the board of directors to re-purchase warrants.

The AGM also resolved on amendment to the articles of association so that the registered name of the company is changed to Evolution AB (publ).

### **Significant risks and uncertainties**

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

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

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2020, which is available on the company's website.

### **Upcoming report dates**

Interim report January-June 2021	21 July 2021
Interim report January-September 2021	28 October 2021
Year-end report 2021	February 2022

### **Review**

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

## Condensed consolidated income statement

Group, EUR thousands	Jan-Mar 2021	Jan-Mar 2020	Apr 2020- Mar 2021	Jan-Dec 2020
Revenues - Live	183,674	115,149	611,840	543,315
Revenues - RNG	52,167	-	69,986	17,819
<b>Total operating revenues</b>	<b>235,841</b>	<b>115,149</b>	<b>681,826</b>	<b>561,134</b>
Personnel expenses	-48,800	-33,310	-149,242	-133,752
Depreciation, amortisation and impairments	-18,477	-6,998	-43,992	-32,513
Other operating expenses	-26,916	-17,716	-104,369	-95,169
<b>Total operating expenses</b>	<b>-94,193</b>	<b>-58,024</b>	<b>-297,603</b>	<b>-261,434</b>
<b>Operating profit</b>	<b>141,648</b>	<b>57,125</b>	<b>384,223</b>	<b>299,700</b>
Financial items	-953	-80	-1,891	-1,018
<b>Profit before tax</b>	<b>140,695</b>	<b>57,045</b>	<b>382,332</b>	<b>298,682</b>
Tax on profit for the period	-8,657	-2,849	-19,868	-14,060
<b>Profit for the period</b>	<b>132,038</b>	<b>54,196</b>	<b>362,464</b>	<b>284,622</b>
<i>Of which attributable to:</i>				
Shareholders of the Parent Company	132,038	54,196	362,464	284,622
Average number of shares before dilution	212,327,008	181,622,725	191,632,153	183,927,915
Earnings per share before dilution, EUR	0.62	0.30	1.89	1.55
Average number of shares after dilution	219,379,580	183,384,005	197,715,006	189,021,346
Earnings per share after dilution, EUR	0.60	0.30	1.83	1.51
Operating margin	60.1%	49.6%	56.4%	53.4%
Effective tax rate	6.2%	5.0%	5.2%	4.7%

## Condensed comprehensive income statement

Group, EUR thousands	Jan-Mar 2021	Jan-Mar 2020	Apr 2020- Mar 2021	Jan-Dec 2020
<b>Profit for the period</b>	<b>132,038</b>	<b>54,196</b>	<b>362,464</b>	<b>284,622</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit</i>				
Exchange differences arising from the translation of foreign operations	-49,791	44	-99,626	37,449
<b>Other comprehensive income</b>	<b>-49,791</b>	<b>44</b>	<b>-99,626</b>	<b>37,449</b>
<b>Total comprehensive income for the period</b>	<b>82,247</b>	<b>54,240</b>	<b>262,838</b>	<b>322,071</b>



## Condensed consolidated balance sheet

Group, EUR thousands	31/03/2021	31/03/2020	31/12/2020
<b>Assets</b>			
Customer relationships	181,260	2,274	191,257
Game software	167,863	14,158	172,466
Brand	328,798	261	335,534
Goodwill	1,800,799	12,715	1,834,333
Other intangible assets	21,594	6,788	23,930
Buildings	11,574	11,900	11,629
Right of use assets	39,668	23,354	44,104
Property, plant and equipment	53,616	36,731	50,632
Other non-current receivables	11,623	1,255	3,302
Deferred tax assets	2,307	170	2,696
<b>Total non-current assets</b>	<b>2,619,102</b>	<b>109,606</b>	<b>2,669,883</b>
Accounts receivable	150,488	81,590	120,481
Other receivables	138,538	69,438	146,490
Prepaid expenses and accrued income	32,418	6,733	10,583
Cash and cash equivalents	326,041	204,949	221,675
<b>Total current assets</b>	<b>647,485</b>	<b>362,710</b>	<b>499,229</b>
<b>TOTAL ASSETS</b>	<b>3,266,587</b>	<b>472,316</b>	<b>3,169,112</b>
<b>Equity and liabilities</b>			
Share capital	638	545	638
Other capital contributed	2,243,408	22,009	2,225,817
Reserves	-12,243	143	37,548
Retained earnings including profit for the period	594,598	307,267	462,168
<b>Total equity</b>	<b>2,826,401</b>	<b>329,964</b>	<b>2,726,171</b>
Deferred tax liabilities	35,566	73	36,666
Non-current lease liabilities	43,736	18,966	38,078
<b>Total non-current liabilities</b>	<b>79,302</b>	<b>19,039</b>	<b>74,744</b>
Accounts payable	6,344	2,375	15,335
Current liabilities to credit institutions	-	5,381	-
Provisions	5,414	-	11,377
Current tax liabilities	152,855	72,046	164,082
Other current liabilities	140,700	16,543	128,502
Current lease liabilities	11,563	4,387	11,891
Accrued expenses and prepaid income	44,008	22,581	37,010
<b>Total current liabilities</b>	<b>360,884</b>	<b>123,313</b>	<b>368,197</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,266,587</b>	<b>472,316</b>	<b>3,169,112</b>

## Condensed consolidated changes in equity

<b>Group 2020, EUR thousands</b>	<b>Share capital</b>	<b>Other capital contributed</b>	<b>Reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
Opening equity 01/01/2020	545	17,430	99	262,823	280,897
Dividend 29/06/2020	-	-	-	-76,140	-76,140
Warrants	-	4,504	-	717	5,221
Repurchase of own shares	-	-	-	-9,854	-9,854
New share issue	93	2,203,883	-	-	2,203,976
Profit for the period	-	-	-	284,622	284,622
Other comprehensive income	-	-	37,449	-	37,449
<b>Closing equity 31/12/2020</b>	<b>638</b>	<b>2,225,817</b>	<b>37,548</b>	<b>462,168</b>	<b>2,726,171</b>

<b>Group 2021, EUR thousands</b>	<b>Share capital</b>	<b>Other capital contributed</b>	<b>Reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
Opening equity 01/01/2021	638	2,225,817	37,548	462,168	2,726,171
Warrants	-	17,591	-	392	17,983
Profit for the period	-	-	-	132,038	132,038
Other comprehensive income	-	-	-49,791	-	-49,791
<b>Closing equity 31/03/2021</b>	<b>638</b>	<b>2,243,408</b>	<b>-12,243</b>	<b>594,598</b>	<b>2,826,401</b>

## Condensed consolidated statement of cash flows

Group, EUR thousands	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Operating profit	141,648	57,125	299,700
<i>Adjustment for items not included in cash flows:</i>			
Depreciation, amortisation and impairments	18,477	6,998	32,513
Provisions	-4,236	-	9,979
Other	-4,046	1,292	13,866
Interest received	58	12	2,468
Interest paid	-1,010	-87	-1,065
Tax paid	-11,385	-5,203	-6,517
<b>Cash flows from operating activities before changes in working capital</b>	<b>139,506</b>	<b>60,137</b>	<b>350,944</b>
Increase/decrease in accounts receivable	-27,702	-14,728	-32,345
Increase/decrease in accounts payable	-8,995	-2,864	-253
Increase/decrease in other working capital	-1,020	-4,465	-2,295
<b>Cash flows from operating activities</b>	<b>101,789</b>	<b>38,080</b>	<b>316,051</b>
Acquisition of intangible assets	-6,231	-2,699	-13,635
Acquisition of property, plant and equipment	-6,974	-4,709	-23,251
Acquisition of subsidiary	-2,356	-1,381	46,085
Increase/decrease in other financial assets	115	-83	-2,378
<b>Cash flows from investing activities</b>	<b>-15,446</b>	<b>-8,872</b>	<b>6,821</b>
Repayment of debt to credit institutions	-	-239	-190,351
Repayment of lease liability	-2,422	-1,254	-5,059
Repurchase of own shares	-	-9,854	-9,854
Warrant premiums	17,591	4,579	4,504
New share issue	-	-	-3,010
Dividend	-	-	-76,140
<b>Cash flows from financing activities</b>	<b>15,169</b>	<b>-6,768</b>	<b>-279,910</b>
<b>Cash flow for the period</b>	<b>101,512</b>	<b>22,440</b>	<b>42,962</b>
Cash and cash equivalents at start of period	221,675	182,520	182,520
Exchange rate differences	2,854	-11	-3,807
<b>Cash and cash equivalents at end of period</b>	<b>326,041</b>	<b>204,949</b>	<b>221,675</b>

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

## Consolidated key ratios

Group, EUR thousands	Jan-Mar 2021	Jan-Mar 2020	Apr 2020-Mar 2021	Jan-Dec 2020
Operating revenues (IFRS)	235,841	115,149	681,826	561,134
EBITDA margin	67.9%	55.7%	62.8%	59.2%
Operating margin	60.1%	49.6%	56.4%	53.4%
Profit margin	56.0%	47.1%	53.2%	50.7%
Equity/assets ratio	86.5%	69.9%	86.5%	86.0%
Cash and cash equivalents	326,041	204,949	326,041	221,675
Average number of full-time employees	7,055	5,739	5,424	5,118
Full-time employees at end of period	7,174	5,865	7,174	6,825
Earnings per share before dilution, EUR (IFRS)	0.62	0.30	1.89	1.55
Equity per share, EUR	13.31	1.82	13.31	12.84
Operating cash flow per share before dilution, EUR	0.48	0.21	1.98	1.72
Average number of outstanding shares before dilution	212,327,008	181,622,725	191,632,153	183,927,915
Number of outstanding shares	212,327,008	181,622,725	212,327,008	212,327,008

## Consolidated key ratios by quarter

Group, EUR thousands	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Operating revenues (IFRS)	235,841	177,658	140,020	128,307	115,149	105,998	94,729	85,728	79,297
EBITDA	160,125	96,219	90,728	81,143	64,123	55,830	48,470	42,730	35,918
EBITDA margin	67.9%	54.2%	64.8%	63.2%	55.7%	52.7%	51.2%	49.8%	45.3%
Operating profit	141,648	84,837	83,572	74,166	57,125	48,674	41,995	36,614	30,189
Operating margin	60.1%	47.8%	59.7%	57.8%	49.6%	45.9%	44.3%	42.7%	38.1%
Revenue growth vs prior year	122.5%	67.6%	47.8%	49.7%	45.2%	50.9%	47.2%	44.7%	53.7%
Revenue growth vs prior quarter	68.4%	26.9%	9.1%	11.4%	8.6%	11.9%	10.5%	8.1%	12.9%
Cash and cash equivalents	326,041	221,675	283,203	212,049	204,949	182,520	141,108	88,680	103,734

## Reconciliation of selected key ratios not defined in accordance with IFRS

Group, EUR thousands	Jan-Mar 2021	Jan-Mar 2020	Apr 2020- Mar 2021	Jan-Dec 2020
<b>Operating margin</b>				
Profit before tax	140,695	57,045	382,332	298,682
Net financial items	953	80	1,891	1,018
<b>Operating profit (EBIT)</b>	<b>141,648</b>	<b>57,125</b>	<b>384,223</b>	<b>299,700</b>
Divided by Total operating revenues	235,841	115,149	681,826	561,134
<b>Operating (EBIT) margin</b>	<b>60.1%</b>	<b>49.6%</b>	<b>56.4%</b>	<b>53.4%</b>
<b>EBITDA and EBITDA margin</b>				
Profit before tax	140,695	57,045	382,332	298,682
Net financial items	953	80	1,891	1,018
Depreciation/amortisation	18,477	6,998	43,992	32,513
<b>EBITDA</b>	<b>160,125</b>	<b>64,123</b>	<b>428,215</b>	<b>332,213</b>
Divided by Total operating revenues	235,841	115,149	681,826	561,134
<b>EBITDA margin</b>	<b>67.9%</b>	<b>55.7%</b>	<b>62.8%</b>	<b>59.2%</b>
<b>Profit margin</b>				
<b>Profit for the period</b>	132,038	54,196	362,464	284,622
Divided by Total operating revenues	235,841	115,149	681,826	561,134
<b>Profit margin</b>	<b>56.0%</b>	<b>47.1%</b>	<b>53.2%</b>	<b>50.7%</b>
<b>Equity/Assets ratio</b>				
Total equity	2,826,401	329,964	2,826,401	2,726,171
Divided by Total assets	3,266,587	472,316	3,266,587	3,169,112
<b>Equity/Assets ratio</b>	<b>86.5%</b>	<b>69.9%</b>	<b>86.5%</b>	<b>86.0%</b>

## Condensed Parent Company income statement and other comprehensive income

Parent company, EUR thousands	Jan-Mar 2021	Jan-Mar 2020	Apr 2020-Mar 2021	Jan-Dec 2020
Net sales	4,590	2,185	11,810	9,405
Other external expenses	-4,475	-2,125	-11,570	-9,220
<b>Operating profit</b>	<b>115</b>	<b>60</b>	<b>240</b>	<b>185</b>
Interest income and similar income	0	-	200,136	200,136
Interest expenses and similar expenses	0	0	0	0
<b>Profit before tax</b>	<b>115</b>	<b>60</b>	<b>200,376</b>	<b>200,321</b>
Tax on profit for the period	-27	-30	-85	-88
<b>Profit for the period*</b>	<b>88</b>	<b>30</b>	<b>200,291</b>	<b>200,233</b>

\*Profit for the period coincides with comprehensive income for the period.

## Condensed Parent Company balance sheet

Parent company, EUR thousands	31/03/2021	31/03/2020	31/12/2020
<b>Assets</b>			
Intangible assets	712	784	763
Property, plant and equipment	59	58	50
Participating interest in Group companies	2,495,279	206,000	2,495,279
Other non-current receivables	41	38	41
<b>Total non-current assets</b>	<b>2,496,091</b>	<b>206,880</b>	<b>2,496,133</b>
Receivables from Group companies	218,190	38,886	212,914
Other current receivables	1,145	275	751
Prepaid expenses and accrued income	15,343	285	368
Cash and cash equivalents	39,060	93,853	34,388
<b>Total current assets</b>	<b>273,738</b>	<b>133,299</b>	<b>248,421</b>
<b>TOTAL ASSETS</b>	<b>2,769,829</b>	<b>340,179</b>	<b>2,744,554</b>
<b>Equity and liabilities</b>			
Share capital	638	545	638
Retained earnings including profit for the period	2,683,336	337,786	2,665,657
<b>Total equity</b>	<b>2,683,974</b>	<b>338,331</b>	<b>2,666,295</b>
Accounts payable	287	89	2,620
Current tax liabilities	189	928	1,120
Other current liabilities	84,404	191	73,719
Accrued expenses and prepaid income	975	640	800
<b>Total current liabilities</b>	<b>85,855</b>	<b>1,848</b>	<b>78,259</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,769,829</b>	<b>340,179</b>	<b>2,744,554</b>

## Notes to the financial statements

### Note 1. Accounting principles

Evolution prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. The Group's interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company uses the same accounting principles as the Group, with the addition of the Swedish Financial Reporting Board's recommendation; RFR 2, Accounting for Legal Entities. The accounting policies are unchanged from the 2020 annual report. There are no amendments to IFRS standards in 2021 that have had material impact on the Group's results of operations and financial position.

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

### Note 2. Events following the balance sheet date

See page 6.

### Note 3. Incentive programme

The company has three incentive programmes. Upon full exercise of the warrants within the programme 2018/2021 (adopted by the Annual General Meeting in 2018), the dilution effect will be approximately 0.83 percent. Upon full exercise of the warrants within the programme 2020/2023 (adopted by the Extra General Meeting on 16 January 2020), the dilution effect will be approximately 0.46 percent, calculated on the closing price of the share, SEK 1,286, 31 March 2020. Upon full exercise of the warrants within the programme 2021/2024 (adopted by the Extra General Meeting on 28 January 2021), the dilution effect will be approximately 1.86 percent. More information about the programmes is available on the company's website.

### Note 4. Seasonality

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

### Note 5. Acquisition of group companies

During the quarter, the remaining additional purchase consideration regarding Ezugi of EUR 2,356 thousand was paid.

Stockholm, 27 April 2021

Martin Carlesund  
CEO

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Corporate ID number: 556994-5792

**Presentation for investors, analysts and the media**

CEO Martin Carlesund and CFO Jacob Kaplan will present the report and answer questions on Tuesday, 27 April 2021 at 09:00 am CET via a telephone conference. The presentation will be in English and can also be followed online.

Number for participation by telephone:

SE: +46 8 566 427 07

UK: +44 333 300 90 34

US: +1 833 526 83 96

Follow the presentation at <https://tv.streamfabriken.com/evolution-gaming-group-q1-2021>

*This information is such that Evolution Gaming Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact person set out above on 27 April 2021, at 7.30 am CET.*



## Definitions of key ratios

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