

First quarter of 2016 (Q1 2015)

- Revenues increased by 59% to EUR 24.8 million (15.6)
- Profit for the period amounted to EUR 7.6 million (1.4)
- Earnings per share amounted to EUR 0.21 (0.04)
- Adjusted EBITDA increased by 67% to EUR 10.3 million (6.2), with a margin of 42% (39)
- Mobile penetration amounted to 34% (20)

Events during the quarter

- New and extended platform partnerships
- Strong demand for dedicated tables and environments
- Acquisition of studio property in Riga completed

Summary of the first quarter of 2016

Group (EUR thousands)	Jan-Mar 2016	Jan-Mar 2015	Change %	Jan-Dec 2015
Operating revenues	24,794	15,623	59%	76,359
Adjusted EBITDA ¹⁾	10,294	6,161	67%	31,020
Adjusted EBITDA margin ¹⁾	41.5%	39.4%	-	40.6%
Adjusted operating profit ¹⁾	8,267	4,935	68%	25,075
Adjusted operating margin ¹⁾	33.3%	31.6%	-	32.8%
Adjusted profit for the period ²⁾	7,640	4,570	67%	23,899
Adjusted profit margin ²⁾	30.8%	29.3%	-	31.3%
Adjusted earnings per share (EUR) ²⁾	0.21	0.13	63%	0.67
Equity per share (EUR)	1.43	0.71	101%	1.22
OCF per share (EUR)	0.21	0.12	66%	0.66
Average number of FTEs	1,476	1,004	47%	1,156

¹⁾ Adjusted for non-recurring IPO expenses of EUR 4.0m in 1Q 2015.

²⁾ Adjusted for non-recurring IPO expenses and taxes associated with these expenses in 1Q 2015.

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CEO's comments

The strong growth of 2015 has continued into 2016 and in the first quarter Evolution's revenues rose by 59 percent compared with the same quarter last year. EBITDA amounted to EUR 10.3 million, corresponding to a margin of 42%. Mobile growth also continued, with mobile penetration amounting to 34% for the quarter.

To date, the year has been characterised by a high level of activity. Among other things, we have entered into a new platform partnership with Aspire Global, and also extended our previous deal with BetConstruct. Platform partnerships are good sales channels and through them we gain a continuous stream of smaller operators who start using our services, and who, over time, can potentially grow into large customers. During the quarter, last year's strategic agreement with Microgaming also began to produce results, with Betway having now integrated our services fully, including a number of dedicated tables. Additional customers can be expected through this agreement over the year, with 32Red being one in the starting blocks.

We also continue to expand existing customers' offerings. During the quarter, among others, William Hill went live with a new Vegas environment in Riga, while Betsson went live with new dedicated environments in both Riga and Malta. Other customers who have increased their number of dedicated tables are Unibet, Mr. Green, 888 and GVC. The very strong demand for dedicated offerings requires space and we are continuously expanding our studio space in both Riga and Malta. We have also expanded in Belgium with a dedicated environment for Napoleon Games, built on-premise at the customer's facility in Aalst.

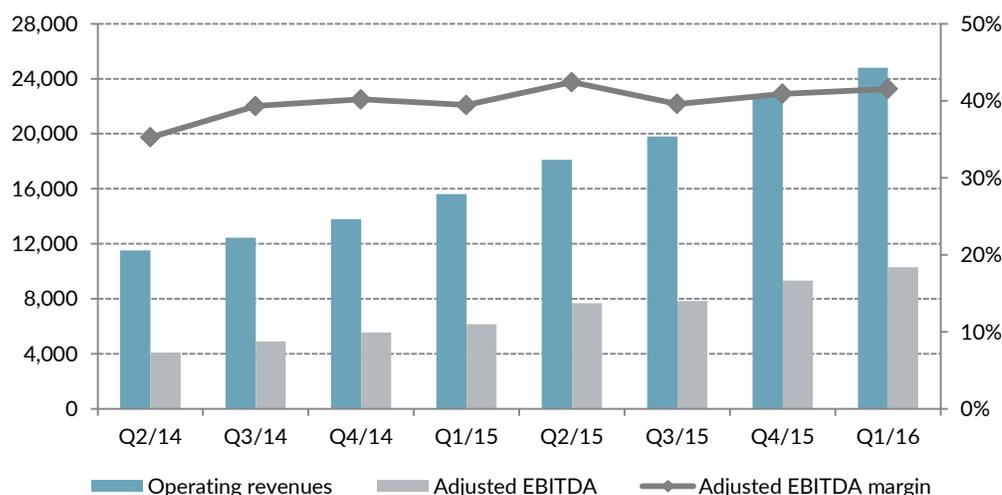
On the product side, we have entered an agreement with Scientific Games for an exclusive live version of Ultimate Texas Hold'em to be launched later this year. We are also preparing the launch of Double Ball Roulette through the strategic partnership with Games Marketing. Live Baccarat Squeeze, which was launched at the end of last year, is progressing very well, particularly in the VIP segment where many players have greatly increased the amount of game time. Live Caribbean Stud Poker, which was launched in November last year, is also starting to gain in popularity and many operators integrated the game during the quarter.

In addition to the exciting development of the game portfolio, during the quarter, we also began to roll out our new Live Lobby, which will be another manifestation of our ongoing mission to further distance ourselves from the competition. This involves much more than a cosmetic upgrade, among other things, by making it easier for end users to choose their favourite table and dealer. The new function, in which you see live snapshots even before having joined a particular table, enhances credibility and, at the same time, builds confidence in the product.

On the whole, I view the continued development of both the market and Evolution with the same confidence as previously. Although Live Casino remains a small part of the total online gaming market, with its social interaction and customisable content, it has what it takes to continuing growing at a high pace over the coming years. At the same time, we will continue working according to our clear strategy to support both existing customers to develop their live offerings, while also benefitting from future growth areas such as land-based casinos.

Jens von Bahr, CEO

Quarterly results trend, excluding non-recurring items and expenses for the IPO



Financial performance in the first quarter of 2016

Revenues

Revenues amounted to EUR 24.8 million (15.6) in the first quarter, equivalent to an increase of 59% on the corresponding period in 2015. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers demanding customised live casino environments.

Expenses

Operating expenses amounted to EUR 16.5 million (14.7). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and, to a certain extent, to the recent recruitment of key personnel in strategic areas. Non-recurring expenses for the IPO of EUR 4.0 million is included in the comparison quarter.

Profitability

Operating profit amounted to EUR 8.3 million (0.9). Excluding non-recurring expenses for the IPO of EUR 4.0 million in the comparison quarter, this is equivalent to an increase of 67%. The adjusted operating margin was 33% (32). The adjusted EBITDA margin was 42% (39). Evolution's medium to long-term profitability target is to maintain a sustainable EBITDA margin of at least 35%.

Net financial items only had a marginal impact on profits and related to the interest expense on loans for the property acquired in Riga. The Group had an effective tax rate of 7.4% (negative 47.8) for the quarter. The comparison quarter included non-recurring expenses for the listing of the Swedish parent company, which generated a tax asset since the company lacked income at the time. Adjusted for the non-recurring expenses, the tax rate was 7.4 percent in the comparison quarter. The tax rate is normally affected by the countries in which the Group conducts its operations and thus where its profits are generated. Consequently the effective tax rate can vary between reporting periods. Profit for the period amounted to EUR 7.6 million (1.4). Earnings per share were EUR 0.21 (0.04).

Investments

Investments in intangible assets amounted to EUR 2.5 million (1.4) during the quarter. Investments in tangible fixed assets amounted to EUR 1.4 million (0.6), where the increase is mainly due to expanded studio space at the production studios in Riga and Malta. Investment in buildings amounted to EUR 12.7 million (-) and is entirely attributable to the acquisition of the company's studio property in Riga.

Investments in intangible assets refer to the development of new games for smartphones, tablets and computers and technical improvements of the platform, such as new functionality, higher capacity and adjustments for requirements on regulated markets.

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

Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 7.4 million (4.4) during the quarter. Cash flow from investing activities was negative in the amount of EUR 16.6 million (1.9). Cash flow from financing activities amounted to EUR 9.2 million (0). Cash and cash equivalents amounted to EUR 19.9 million (10.8) at the end of the quarter.

Market development

In recent years, Live Casino has grown substantially in Europe and is, according to data from H2GC, expected to grow by about 30% in terms of gross gaming revenues in 2016. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as increased use of mobile phones, technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Growth is also driven to a large extent by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their live offerings to customers more extensively than before.

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

Other

Parent company

The parent company is a holding company. Operating revenues for the first quarter amounted to EUR 0.8 million (-) and expenses to EUR 0.8 million (-). Operating profit amounted to EUR 0 million (loss 3.6). Profit for the period amounted to EUR 0 million (7.3). The Parent Company's cash and cash equivalents amounted to EUR 2.3 million (0.1) at the end of the period and equity amounted to EUR 213.5 million (213.3). No significant investments were made in intangible or tangible assets.

Employees

As of 31 March 2016, Evolution employed 2,128 (1,382) people, corresponding to 1,525 (1,061) full-time equivalents. The average number of full-time equivalents for the first quarter was 1,476 (1,004).

Changes in the management team

After 8 years as a key player in Evolution's development, Chief Operating Officer Svante Liljevall has decided to leave the company. Svante's last day of employment will be 30 June 2016, and Evolution would like to thank Svante for his years with the company and everything he has contributed to. The organisation is now being evaluated, but by giving bigger responsibility to others, the company currently does not see the need for a replacement recruitment.

Acquisition of studio property in Riga

As a stage in securing Evolution's opportunities to effectively expand its studio space in the future, in November 2015, the Board decided to acquire the company that owns the property that houses most of the operations in Riga. Payment was made in cash (EUR 3.4 million) and loans (EUR 9.3 million). The purchase consideration was less than the external valuation of the property. Interest expenses and amortisation will be less than the expected rental expenses over the coming years. The acquisition was completed in February.

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 company'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 positive impact on the Group.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2015, which is available on the company's website.

Accounting policies

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

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

Annual General Meeting 2016

Evolution's Annual General Meeting will be held on 28 April at 3.00 p.m. at Strandvägen 7A in Stockholm. Notice of the Meeting was published by press release and on the company's website on 23 March, and in Post- och Inrikes Tidningar (Swedish official gazette) on 30 March.

Dividend

The Board of Directors proposes that the Annual General Meeting resolve to transfer EUR 11.5 million (-) to shareholders, corresponding to EUR 0.32 per share (-) and 57% of net profit. Evolution has adopted a

dividend policy according to which, 50% of the company's consolidated net profit is to be distributed over time, with a certain degree of flexibility in terms of the proportion distributed in dividends.

Upcoming report dates

Interim report January-June 2016	17 August 2016
Interim report January-September 2016	25 October 2016
Year-end report 2016	February 2017

Review

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

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

Stockholm, 27 April 2016

Joel Citron
Chairman of the Board

Jens von Bahr
Board Member, CEO

Jonas Engwall
Board Member

Ian Livingstone
Board Member

Fredrik Österberg
Board Member

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The information in this report is such that Evolution Gaming Group AB (publ) is required to publish pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 27 April 2016 at 8:00 a.m. (CET).

Condensed consolidated income statements

Group (EUR thousands)	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Revenues	24,731	15,623	76,359
Other revenues	63	0	0
Total operating revenues	24,794	15,623	76,359
Personnel expenses	-11,003	-6,929	-33,527
Depreciation, amortisation and impairments	-2,027	-1,226	-5,945
Other operating expenses	-3,497	-6,528	-15,807
Total operating expenses	-16,527	-14,683	-55,279
Operating profit	8,267	940	21,080
Financial items	-17	0	-4
Profit before tax	8,250	941	21,076
Tax on profit for the period	-611	450	-1,047
Profit for the period	7,640	1,391	20,028
<i>Of which attributable to:</i>			
Shareholders of the Parent Company	7,640	1,391	20,028
Average number of shares before dilution	35,970,377	35,703,671	35,904,968
Earnings per share before dilution (EUR) ¹⁾	0.21	0.04	0.56
Average number of shares after dilution	35,970,377	35,703,671	35,904,968
Earnings per share after dilution (EUR) ¹⁾	0.21	0.04	0.56
Operating margin	33.3%	6.1%	27.6%
Effective tax rate	7.4%	-47.8%	5.0%

¹⁾ For accurate comparison, the EPS for the comparative periods has been recalculated based on the number of shares at the end of 1Q 2016.

Condensed comprehensive income statement

Group (EUR thousands)	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Profit for the period	7,640	1,391	20,028
Other comprehensive income			
<i>Items that may be reclassified to profit</i>			
Exchange differences arising from the translation of foreign operations	-89	77	55
Other comprehensive income, net after tax	-89	77	55
Total comprehensive income for the period	7,550	1,468	20,083

Consolidated balance sheets

Group (EUR thousands)	31/3/2016	31/3/2015	31/12/2015
Assets			
Intangible assets	11,323	7,183	10,034
Buildings	12,610	-	-
Property, plant and equipment	8,011	4,913	7,343
Other long-term receivables	320	49	320
Deferred tax assets	617	786	617
Total non-current assets	32,882	12,931	18,314
Accounts receivable	14,015	9,593	12,087
Other receivables	8,040	3,615	7,817
Prepaid expenses and accrued income	1,740	932	1,465
Cash and cash equivalents	19,922	10,790	19,930
Total current assets	43,716	24,930	41,299
TOTAL ASSETS	76,598	37,860	59,613
Equity and liabilities			
Share capital	540	540	540
Other capital contributed	4,698	4,698	4,698
Reserves	80	192	169
Retained earnings including profit for the period	46,045	19,767	38,405
Total equity	51,363	25,197	43,812
Deferred tax liability	407	227	324
Long-term debt to credit institutions	8,226	-	-
Total long-term liabilities	8,634	227	324
Accounts payable	1,535	3,666	2,293
Short-term debt to credit institutions	954	-	-
Current tax liabilities	7,767	3,744	7,227
Other current liabilities	3,843	2,179	3,249
Accrued expenses and prepaid income	2,503	2,847	2,708
Total current liabilities	16,602	12,436	15,477
TOTAL EQUITY AND LIABILITIES	76,598	37,860	59,613

Consolidated changes in equity

Group, 2015 (EUR thousands)	Share Capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 01/01/2015	526	4,698	115	18,376	23,715
Non-cash transfer, 05/01/2015	1	-	-	-	1
New share issue, 27/01/2015	13	-	-	-	13
Total comprehensive income for Jan-Mar	-	-	77	1,391	1,468
Total comprehensive income for Apr-Jun	-	-	25	5,899	5,924
Total comprehensive income for Jul-Sep	-	-	-51	5,790	5,739
Total comprehensive income for Oct-Dec	-	-	4	6,949	6,953
Closing equity 31/12/2015	540	4,698	169	38,405	43,812
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Group, 2016 (EUR thousands)	Share Capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 01/01/2016	540	4,698	169	38,405	43,812
Total comprehensive income for Jan-Mar	-	-	-	7,550	7,550
Closing equity 31/3/2016	540	4,698	169	45,956	51,363

Consolidated statement of cash flows

Group (EUR thousands)	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Operating profit	8,267	940	21,080
<i>Adjustment for items not included in cash flows:</i>			
Depreciation, amortization and impairments	2,027	1,226	5,945
Interest received	0	0	6
Interest paid	-17	-	-10
Tax paid	-34	-51	-1,051
Cash flows from operating activities before changes in working capital	10,243	2,116	25,970
Changes in working capital	-2,836	2,306	-2,137
Cash flows from operating activities	7,407	4,422	23,833
Acquisition of intangible assets	-2,516	-1,364	-7,156
Acquisition of property, plant and equipment	-1,415	-572	-4,780
Acquisition of building	-12,665	-	-
Cash flows from investing activities	-16,595	-1,936	-11,936
Long-term liabilities and receivables	9,180	-4	-276
New share issue	-	13	13
Cash flows from financing activities	9,180	9	-262
Cash flow for the period	-8	2,495	11,635
Cash and cash equivalents at start of period	19,930	8,295	8,295
Cash flow for the period	-8	2,495	11,635
Cash and cash equivalents at end of period	19,922	10,790	19,930

Consolidated key ratios

Group (EUR thousands)	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Operating revenues	24,794	15,623	76,359
Adjusted EBITDA margin	41.5%	39.4%	40.6%
Adjusted operating margin	33.3%	31.6%	32.8%
Adjusted profit margin	30.8%	29.3%	31.3%
Equity/assets ratio	67.1%	66.6%	73.5%
Quick ratio	263.3%	200.5%	266.8%
Average number of full-time employees	1,476	1,004	1,156
Full-time employees at end of period	1,525	939	1,338
Earnings per share (EUR)	0.21	0.04	0.56
Equity per share (EUR)	1.43	0.70	1.22
Operating cash flow per share (EUR)	0.21	0.12	0.66
Average number of outstanding shares	35,970,377	35,703,671	35,904,968
Number of outstanding shares at end of period	35,970,377	35,703,671	35,904,968

Consolidated key ratios by quarter

Group (EUR thousands)	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14
Operating revenues*	24,794	22,802	19,813	18,121	15,623	13,797	12,447	11,527
Adjusted EBITDA	10,294	9,326	7,845	7,687	6,161	5,545	4,893	4,062
Adjusted EBITDA margin	41.5%	40.9%	39.6%	42.4%	39.4%	40.2%	39.3%	35.2%
Adjusted operating profit	8,267	7,510	6,289	6,340	4,935	4,436	3,904	3,142
Adjusted operating margin	33.3%	32.9%	31.7%	35.0%	31.6%	32.2%	31.4%	27.3%
Revenue growth vs prior year	58.7%	62.5%	56.6%	55.0%	43.4%	32.7%	35.6%	20.2%
Revenue growth vs prior quarter	8.7%	15.0%	9.1%	15.8%	11.8%	10.9%	8.0%	7.1%
Cash and cash equivalents	19,922	19,930	15,672	11,374	10,790	8,295	8,766	8,485

*In this interim report, royalty fees that Evolution pays for rights to certain games and side bets are reported gross, and the historical operating revenues for 2015 have been adjusted accordingly. There has been no change in the outcome for 2014 compared with previously.

Adjusted key figures do not include non-recurring expenses, IPO expenses and taxes associated with the latter. To enable correct comparison, key figures per share for comparison periods have been recalculated taking into account the number of shares at the end of the first quarter of 2016.

Condensed Parent Company income statements and other comprehensive income

Parent company (EUR thousands)	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Operating revenues	819	-	1,853
Other external expenses	-812	-3,574	-5,117
Operating profit	6	-3,574	-3,264
Financial items	0	10,088	10,087
Profit before taxes	6	6,514	6,823
Tax on profit for the period	-1	786	617
Result for the period	5	7,300	7,440
Parent company (EUR thousands)	Jan-Mar 2016	Jan-Mar 2,015	Jan-Dec 2015
Profit for the period	5	7,300	7,440
Other comprehensive income	-	-	-
Other comprehensive income, net after tax	-	-	-
Total comprehensive income for the period	5	7,300	7,440

Condensed Parent Company balance sheets

Parent company (EUR thousands)	31/3/2016	31/3/2015	31/12/2015
Assets			
Intangible assets	59	-	64
Property, plant and equipment	122	-	122
Participating interest in Group companies	210,701	210,701	210,701
Deferred tax receivables	617	786	617
Total non-current assets	211,499	211,487	211,504
Receivables from Group companies	12,567	15,617	10,567
Other current receivables	40	88	63
Prepaid expenses and accrued income	207	99	81
Cash and cash equivalents	2,272	113	5,186
Total current assets	15,085	15,917	15,896
TOTAL ASSETS	226,583	227,404	227,400
Equity and liabilities			
Share capital	540	540	540
Retained earnings including profit for the period	212,918	212,774	212,914
Total equity	213,458	213,313	213,453
Accounts payable	116	2,612	42
Liabilities to Group companies	12,900	10,330	13,719
Other current liabilities	-	-	16
Accrued expenses and prepaid revenues	108	1,149	170
Total current liabilities	13,124	14,091	13,947
TOTAL EQUITY AND LIABILITIES	226,583	227,404	227,400

Definitions

EBITDA margin

Operating profit excluding depreciation and amortisation in relation to operating revenues.

Operating margin

Operating profit in relation to operating revenues.

Profit margin

Profit for the period in relation to operating revenues.

Equity/assets ratio

Equity at the end of period in relation to total assets at the end of period.

Quick ratio

Current assets in relation to current liabilities.

Average number of full-time employees

The average number of full-time employees during the period. Full-time equivalents include part-time positions.

Full-time employees at end of period

Full-time employees at end of period. Full-time equivalents include part-time positions.

Earnings per share

Profit/loss for the period in relation to the average number of shares outstanding over the period.

Equity per share

Shareholders' equity divided by the number of shares outstanding at the end of the period.

Operational cash flow per share

Cash flow from operating activities in relation to the average number of shares outstanding during the period.

Average number of shares outstanding

The average number of shares outstanding during the period.

Number of shares outstanding

Number of shares outstanding at the end of the period.