



Interim report | January–March 2020 | Evolution Gaming Group AB (publ)

First quarter of 2020 (Q1 2019)

- Operating revenues increased by 45% to EUR 115.1 million (79.3)
- EBITDA increased by 79% to EUR 64.1 million (35.9), corresponding to a margin of 55.7% (45.3)
- Profit for the period amounted to EUR 54.2 million (28.6)
- Earnings per share before dilution amounted to EUR 0.30 (0.16)

Events during the first quarter of 2020

- Continued high demand generates a positive effect on margin development.
- Adaptation of operations as a result of covid-19 to ensure the operation and safety of employees.
- Repurchase of 338,000 shares in order to improve the capital structure by reducing the capital, and thereby creating added shareholder value.

Summary of the first quarter 2020

Group (EUR thousands)	Jan-Mar 2020	Jan-Mar 2019	%	Apr 2019- Mar 2020	Jan-Dec 2019	%
Operating revenues	115 149	79 297	45%	401 604	365 752	10%
EBITDA	64 123	35 918	79%	211 153	182 948	15%
EBITDA margin	55,7%	45,3%	-	52,6%	50,0%	-
Operating profit	57 125	30 189	89%	184 408	157 472	17%
Operating margin	49,6%	38,1%	-	45,9%	43,1%	-
Profit for the period	54 196	28 576	90%	175 346	149 726	17%
Profit margin	47,1%	36,0%	-	43,7%	40,9%	-
Earnings per share before dilution (EUR)	0,30	0,16	88%	0,97	0,83	17%
Equity per share (EUR)	1,82	1,06	71%	1,82	1,55	17%
OCF per share before dilution (EUR)	0,21	0,20	6%	0,98	0,97	1%
Average number of FTEs	5 739	4 447	29%	5 209	4 894	6%

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CEO's comments

The spread of COVID-19 has put the world in an exceptional and challenging situation which has also meant operational trials for Evolution. So far, we have handled the situation in a good way, and financially, Evolution has started 2020 very strongly in terms of both growth and profitability.

Revenues for the first quarter amounted to EUR 115 million, an increase of 45 percent compared to the first quarter of 2019. EBITDA amounted to EUR 64 million with a margin of 55.7 percent. With a good financial start to the year, great confidence ahead of the upcoming product launches and a good momentum at the start of the second quarter, I am more certain of our objective for 2020 to improve the margin level compared to 2019. Together, all employees did a fantastic job during the first quarter. I am deeply grateful for the energy and determination with which we have taken up the challenge - we have step-by-step, methodically moved forward every day. Of course, this work continues as we work to stay ahead of the developing situation.

Our main priorities in dealing with the COVID-19 situation are to minimize the risk of spreading the virus and to create a safe workplace for our employees as well as to maintain the operation for our operators. We continue to comply with all the requirements from the authorities in the countries we operate in, and in many cases we have taken more far-reaching initiatives. Thanks to the extensive measures that have been implemented in terms of social distancing, changed working processes and routines for our employees, our operations have been able to continue without any large negative effects. However, in several of our studios, we operate with fewer tables compared to normal, and our studios in Georgia and Spain have been temporarily closed during limited periods. During these periods, a large share of the traffic has been managed by the company's other studios. To be a global company with sites across multiple territories has been an important factor during these times. With that said, our studios in Latvia and Malta are important hubs from which several of our most popular titles are broadcasted.

We have seen an increased and strong demand for our products all through the first quarter. During the end of the quarter the absence of sporting betting games likely also favoured growth in our products. This circumstance effects also the start of the second quarter and we now see many new players being introduced to the Live segment. All in all, this means that we have a very good start to the year so far, but there will be also continuous challenges as we have not seen the end of the development of COVID-19 yet.

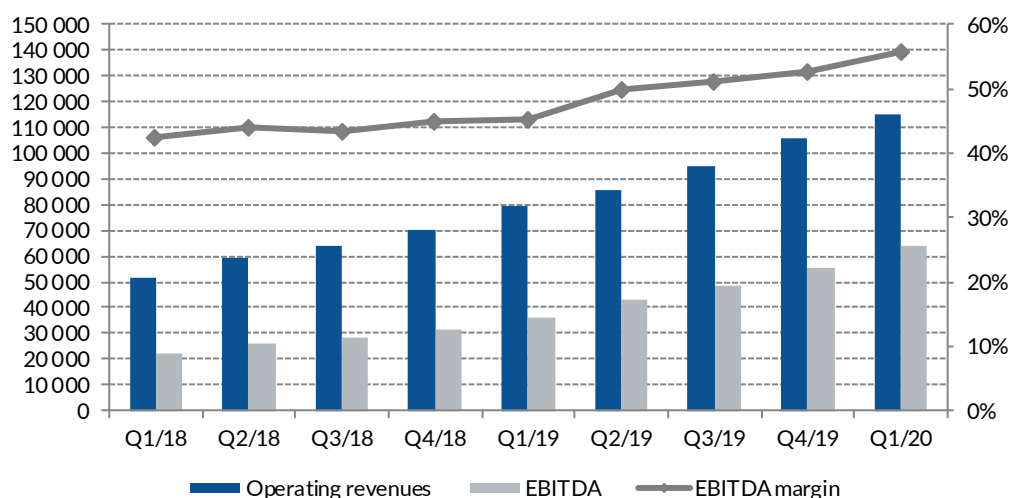
We continue unabated with investments in both studios and new games. During ICE in London earlier this year, 12 new titles were announced, of which two went live during the first quarter; Speed Blackjack and Lightning Baccarat. Today, 23 April, we are launching Mega Ball - including a First Person version. Mega Ball is our first game in the lottery vertical. During its beta phase, the game has exhibited a high attraction and it will be interesting to follow the games development. In addition, we will extend our First Person portfolio with three more launching in the second quarter. Another two table games will also be launched during the quarter, Power Blackjack and Baccarat Multiplay.

The construction of our new studio in Pennsylvania continues but with a postponed timetable due to the COVID-19 situation. However, our aim to launch it before year-end remains. Michigan has accelerated its casino regulation process and we hope that the state soon will be the third regulated market in the US. In South Africa we have received a National Manufacturer license. The license means that Evolution now is able to offer its and the subsidiary Ezugi's products to all licensed gaming operators in South Africa.

To conclude, I am proud of how we have started off the year from a financial perspective, but even prouder of how we have handled these difficult times from an operational standpoint. All employees have showed that they are fast-paced, flexible and that even in hard circumstances they are able to maintain their focus on our given path; to continue to increase the gap to the competition and to strengthen our leading position.

Martin Carlesund, CEO

Quarterly results trend



Financial performance in the first quarter of 2020

Revenues

Revenues amounted to EUR 115.1 million (79.3) in the first quarter, equivalent to an increase of 45 percent compared with the corresponding period in 2019. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games continues to grow, partly as a result of several successful game launches in 2019, and the number of bet spots from end users amounted to 8.7 billion (5.1). Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

Expenses

Operating expenses amounted to EUR 58.0 million (49.1). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios compared to the first quarter of 2019. The expansion has also increased other operating expenses compared with Q1 2019.

Profitability

Operating profit amounted to EUR 57.1 million (30.2), corresponding to an increase of 89 percent. The operating margin was 49.6 percent (38.1). The EBITDA margin was 55.7 percent (45.3).

Net financial items only had a marginal impact on profits and related mostly to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 5.0 percent (5.2). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the period amounted to EUR 54.2 million (28.6). Earnings per share before dilution were EUR 0.30 (0.16).

Investments

Investments in intangible assets amounted to EUR 2.7 million (2.3) 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 4.7 million (3.1) 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 38.1 million (35.6) during the quarter. Cash flow from investing activities was negative in the amount of EUR 8.9 million (negative 15.9). Cash flow from financing activities was negative in the amount of EUR 6.8 million (negative 1.0). Cash and cash equivalents amounted to EUR 204.9 million (103.7) at the end of the quarter.

Market development

Live Casino market

In Europe, Live Casino has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the first quarter 69 percent (64) of the operators' GGR via Evolution's platform was generated by mobile devices. To a large extent, growth is also driven 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.

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 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020
Nordics	6,1	6,0	6,1	6,1	6,2
UK	12,4	12,7	12,8	12,0	9,9
Rest of Europe	40,7	43,8	46,5	53,3	59,8
Asia	8,0	10,0	13,9	17,7	20,8
North America	4,6	4,7	6,1	6,6	7,1
Other	7,5	8,5	9,3	10,2	11,4
Total operating revenues	79,3	85,7	94,7	106,0	115,1
Share of regulated markets	46%	44%	42%	40%	38%
Revenues, regulated markets	36,6	37,5	40,2	42,4	43,7

Other

Parent Company

The Parent Company is a holding company. Net sales for the first quarter of 2020 amounted to EUR 2.2 million (1.4) and expenses to EUR 2.1 million (1.4). Operating profit amounted to EUR 60 thousands (58). Result for the period amounted to EUR 30 thousands (-50). The Parent Company's cash and

cash equivalents amounted to EUR 93.9 million (0.3) at the end of the period and equity amounted to EUR 338.3 million (275.5). No significant investments were made in intangible or tangible assets.

Employees

As of 31 March 2020, Evolution had 8,240 employees (6,497), corresponding to 5,865 (4,671) full-time positions. The average number of full-time equivalents for the quarter was 5,739 (4,447).

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 2019, which is available on the company's website.

Acquisitions of own shares

During the first quarter the Board of Directors decided to exercise its authorisation from the Annual General Meeting 2019 to repurchase own shares such that its holding of own shares does not exceed 10 per cent of the total number of shares in the company. Evolution has in the first quarter acquired a total of 338,000 own shares for EUR 9.854 thousands. All acquisitions were carried out on Nasdaq Stockholm.

2020 Annual General Meeting

As a result of the outbreak of the coronavirus COVID-19, Evolution Gaming's board of directors has made the decision to postpone the annual general meeting. Evolution will communicate a new AGM date no later than in connection with the new notice of the annual general meeting. Evolution will call for the annual general meeting no later than four weeks prior to the new date. The meeting will be held no later than on 30 June 2020. There are no decisions to amend the board's proposals to the postponed AGM.

Upcoming report dates

Interim report January-June 2020	17 July 2020
Interim report January-September 2020	22 October 2020
Year-end report 2020	February 2021

Review

This year-end report has not been reviewed by the company's auditors.

Condensed consolidated income statements

Group (EUR thousands)	Jan-Mar 2020	Jan-Mar 2019	Apr 2019- Mar 2020	Jan-Dec 2019
Total operating revenues	115 149	79 297	401 604	365 752
Personnel expenses	-33 310	-29 035	-130 694	-126 419
Depreciation, amortisation and impairments	-6 998	-5 729	-26 745	-25 476
Other operating expenses	-17 716	-14 344	-59 757	-56 385
Total operating expenses	-58 024	-49 108	-217 196	-208 280
Operating profit	57 125	30 189	184 408	157 472
Financial items	-80	-45	-235	-200
Profit before tax	57 045	30 144	184 173	157 272
Tax on profit for the period	-2 849	-1 568	-8 827	-7 546
Profit for the period	54 196	28 576	175 346	149 726
<i>Of which attributable to:</i>				
Shareholders of the Parent Company	54 196	28 576	175 346	149 726
Average number of shares before dilution	181 622 725	179 851 885	181 180 015	180 737 304
Earnings per share before dilution (EUR)	0,30	0,16	0,97	0,83
Average number of shares after dilution	183 384 005	183 394 010	183 718 173	183 387 341
Earnings per share after dilution (EUR)	0,30	0,16	0,95	0,82
Operating margin	49,6%	38,1%	45,9%	43,1%
Effective tax rate	5,0%	5,2%	4,8%	4,8%

Condensed comprehensive income statement

Group (EUR thousands)	Jan-Mar 2020	Jan-Mar 2019	Apr 2019- Mar 2020	Jan-Dec 2019
Profit for the period	54 196	28 576	175 346	149 726
Other comprehensive income				
<i>Items that may be reclassified to profit</i>				
Exchange differences arising from the translation of foreign operations	44	122	129	207
Other comprehensive income, net after tax	44	122	129	207
Total comprehensive income for the period	54 240	28 698	175 475	149 933

Consolidated balance sheets

Group (EUR thousands)	31/03/2020	31/03/2019	31/12/2019
Assets			
Intangible assets	23 481	23 826	23 743
Goodwill	12 715	14 937	12 485
Buildings	11 900	12 111	11 991
Right of use assets	23 354	15 441	19 419
Property, plant and equipment	36 731	29 233	36 079
Other non-current receivables	1 255	1 030	1 118
Deferred tax assets	170	176	156
Total non-current assets	109 606	96 754	104 991
Accounts receivable	81 590	47 916	66 457
Other receivables	69 438	38 744	76 984
Prepaid expenses and accrued income	6 733	4 143	3 208
Cash and cash equivalents	204 949	103 734	182 520
Total current assets	362 710	194 537	329 169
TOTAL ASSETS	472 316	291 291	434 160
Equity and liabilities			
Share capital	545	540	545
Other capital contributed	22 009	5 727	17 430
Reserves	143	4	99
Retained earnings including profit for the period	307 267	184 666	262 823
Total equity	329 964	190 937	280 897
Deferred tax liabilities	73	150	69
Non-current lease liabilities	18 966	12 600	15 483
Non-current liabilities to credit institutions	-	5 382	-
Total non-current liabilities	19 039	18 132	15 552
Accounts payable	2 375	3 512	5 300
Current liabilities to credit institutions	5 381	950	5 619
Current tax liabilities	72 046	42 881	81 524
Other current liabilities	16 543	19 742	19 604
Current lease liabilities	4 387	2 841	3 936
Accrued expenses and prepaid income	22 581	12 296	21 728
Total current liabilities	123 313	82 222	137 711
TOTAL EQUITY AND LIABILITIES	472 316	291 291	434 160

Intangible assets comprise Game software EUR 14,158 thousand (15,043), Licenses and patents EUR 6,014 thousand (5,782) and Other EUR 3,309 thousand (3 001).

Consolidated changes in equity

Group, 2019 (EUR thousands)	Share Capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 01/01/2019	540	5 867	-108	155 971	162 270
Dividend payout 08/05/2019	-	-	-	-43 164	-43 164
Warrants	-	-152	-	290	138
New share issue	5	11 715	-	-	11 720
Profit for the period	-	-	-	149 726	149 726
Other comprehensive income	-	-	207	-	207
Closing equity 31/12/2019	545	17 430	99	262 823	280 897

Group, 2020 (EUR thousands)	Share Capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 01/01/2020	545	17 430	99	262 823	280 897
Warrants	-	4 579	-	102	4 681
Repurchase of own shares	-	-	-	-9 854	-9 854
Profit for the period	-	-	-	54 196	54 196
Other comprehensive income	-	-	44	-	44
Closing equity 31/03/2020	545	22 009	143	307 267	329 964

Consolidated statement of cash flows

Group (EUR thousands)	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Operating profit	57 125	30 188	157 472
<i>Adjustment for items not included in cash flows:</i>			
Depreciation, amortisation and impairments	6 998	5 729	25 476
Other	1 292	110	1 216
Interest received	12	0	23
Interest paid	-87	-45	-245
Tax paid	-5 203	-3 472	-5 293
Cash flows from operating activities before changes in working capital	60 137	32 510	178 649
Increase / Decrease in Accounts receivables	-14 728	-294	-17 276
Increase / Decrease in Accounts payables	-2 864	321	1 358
Increase / Decrease in other working capital	-4 465	3 036	13 055
Cash flows from operating activities	38 080	35 573	175 786
Acquisition of intangible assets	-2 699	-2 250	-11 158
Acquisition of property, plant and equipment	-4 709	-3 086	-18 950
Acquisition of subsidiary	-1 381	-10 460	-11 812
Increase / Decrease in other financial assets	-83	-78	-604
Cash flows from investing activities	-8 872	-15 874	-42 524
Repayment of debt to credit institutions	-239	-237	-950
Repayment of lease liability	-1 254	-658	-3 508
Repurchase of own shares	-9 854	-	-
Warrant premiums	4 579	-140	-152
Newshare issue	-	-	11 720
Dividend	-	-	-43 164
Cash flows from financing activities	-6 768	-1 035	-36 054
Cash flow for the period	22 440	18 664	97 208
Cash and cash equivalents at start of period	182 520	84 951	84 951
Exchange rate differences	-11	119	361
Cash and cash equivalents at end of period	204 949	103 734	182 520

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 2020	Jan-Mar 2019	Apr 2019- Mar 2020	Jan-Dec 2019
Operating revenues (IFRS)	115 149	79 297	401 604	365 752
EBITDA margin	55,7%	45,3%	52,6%	50,0%
Operating margin	49,6%	38,1%	45,9%	43,1%
Profit margin	47,1%	36,0%	43,7%	40,9%
Equity/assets ratio	69,9%	65,5%	69,9%	64,7%
Cash and cash equivalents	204 949	103 734	182 520	182 520
Average number of full-time employees	5 739	4 447	5 209	4 894
Full-time employees at end of period	5 865	4 671	5 865	5 554
Earnings per share before dilution (EUR) (IFRS)	0,30	0,16	0,97	0,83
Equity per share (EUR)	1,82	1,06	1,82	1,55
Operating cash flow per share before dilution (EUR)	0,21	0,20	0,98	0,97
Average number of outstanding shares before dilution	181 622 725	179 851 885	181 180 015	180 737 304
Number of outstanding shares	181 622 725	179 851 885	181 622 725	181 622 725

Consolidated key ratios by quarter

Group (EUR thousands)	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18
Operating revenues (IFRS)	115 149	105 998	94 729	85 728	79 297	70 226	64 346	59 252
EBITDA	64 123	55 830	48 470	42 730	35 918	31 568	27 992	26 168
EBITDA margin	55,7%	52,7%	51,2%	49,8%	45,3%	45,0%	43,5%	44,2%
Operating profit	57 125	48 674	41 995	36 614	30 189	26 734	23 225	21 688
Operating margin	49,6%	45,9%	44,3%	42,7%	38,1%	38,1%	36,1%	36,6%
Revenue growth vs prior year	45,2%	50,9%	47,2%	44,7%	53,7%	38,5%	40,8%	40,1%
Revenue growth vs prior quarter	8,6%	11,9%	10,5%	8,1%	12,9%	9,1%	8,6%	14,8%
Cash and cash equivalents	204 949	182 520	141 108	88 680	103 734	84 951	63 548	37 163

Reconciliation of selected key ratios not defined in accordance with IFRS

Group (EUR thousands)	Jan-Mar 2020	Jan-Mar 2019	Apr 2019- Mar 2020	Jan-Dec 2019
<i>Operating margin</i>				
Profit before tax	57 045	30 144	184 173	157 272
Excluding net financial items	80	45	235	200
Operating profit (EBIT)	57 125	30 189	184 408	157 472
Divided by Total operating revenues	115 149	79 297	401 604	365 752
Operating (EBIT) margin	49,6%	38,1%	45,9%	43,1%
<i>EBITDA and EBITDA margin</i>				
Profit before tax	57 045	30 144	184 173	157 272
Net financial items	80	45	235	200
Depreciation/amortisation	6 998	5 729	26 745	25 476
EBITDA	64 123	35 918	211 153	182 948
Divided by Total operating revenues	115 149	79 297	401 604	365 752
EBITDA margin	55,7%	45,3%	52,6%	50,0%
<i>Profit margin</i>				
Profit for the period	54 196	28 576	175 346	149 726
Divided by Total operating revenues	115 149	79 297	401 604	365 752
Profit margin	47,1%	36,0%	43,7%	40,9%
<i>Equity/Assets ratio</i>				
Total equity	329 964	190 937	329 964	280 897
Divided by Total assets	472 316	291 291	472 316	434 160
Equity/Assets ratio	69,9%	65,5%	69,9%	64,7%

Condensed Parent Company income statements and other comprehensive income

Parent company (EUR thousands)	Jan-Mar 2020	Jan-Mar 2019	Apr 2019- Mar 2020	Jan-Dec 2019
Net sales	2 185	1 437	7 868	7 120
Other external expenses	-2 125	-1 379	-7 631	-6 885
Operating profit	60	58	237	235
Other interest income and similar income	-	-	100 124	100 124
Interest expenses and similar expenses	0	0	0	0
Profit before tax	60	58	100 361	100 359
Tax on profit for the period	-30	-108	-826	-904
Profit for the period	30	-50	99 535	99 455

Parent company (EUR thousands)	Jan-Mar 2020	Jan-Mar 2019	Apr 2019- Mar 2020	Jan-Dec 2019
Profit for the period	30	-50	99 535	99 455
Other comprehensive income	-	-	-	-
Other comprehensive income, net after tax	-	-	-	-
Total comprehensive income for the period	30	-50	99 535	99 455

Condensed Parent Company balance sheets

Parent company (EUR thousands)	31/03/2020	31/03/2019	31/12/2019
Assets			
Intangible assets	784	490	828
Property, plant and equipment	58	34	65
Participating interest in Group companies	206 000	206 000	206 000
Other non-current receivables	38	33	40
Total non-current assets	206 880	206 557	206 933
Receivables from Group companies	38 886	69 414	137 451
Other current receivables	275	298	219
Prepaid expenses and accrued income	285	126	228
Cash and cash equivalents	93 853	342	1 112
Total current assets	133 299	70 180	139 010
TOTAL ASSETS	340 179	276 737	345 943
Equity and liabilities			
Share capital	545	540	545
Retained earnings including profit for the period	337 786	274 989	343 031
Total equity	338 331	275 529	343 576
Accounts payable	89	-	128
Current tax liabilities	928	583	1 399
Other current liabilities	191	158	173
Accrued expenses and prepaid income	640	467	667
Total current liabilities	1 848	1 208	2 367
TOTAL EQUITY AND LIABILITIES	340 179	276 737	345 943

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.

Amounts are expressed in thousands of Euro (EUR) unless otherwise indicated. Amounts or figures in parentheses indicate comparative figures for the corresponding period last year. The accounting policies are unchanged from the 2019 annual report.

Note 2. Events following the balance sheet date

No significant events.

Note 3. Incentive programme

The company has two 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 0.97 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 2.20 percent. More information about the programmes are 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.

Stockholm, 23 April 2020

Martin Carlesund
CEO

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Presentation for investors, analysts and the media

CEO Martin Carlesund and CFO Jacob Kaplan will present the report and answer questions on Wednesday, 23 April 2020 at 09:00 a.m. CET via a telephone conference. The presentation will be in English and can also be followed online. Number for participation by telephone: +46 8 505 58 369 / +44 3333 00 92 71 / +1 833 823 0589

Follow the presentation at <https://tv.streamfabriken.com/evolution-gaming-group-q1-2020>

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, under the agency of the contact person set out above, on 23 April 2020, at 7.30 am CET.

Definitions of key ratios

Key ratios	Definition	Purpose
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.
Per share		
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.