

Olympic Entertainment Group AS

Consolidated interim financial statements for the Q2 and 6 months of 2018 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2018
End of reporting period	30 June 2018
Business name	Olympic Entertainment Group AS
Registration number	10592898
Address	Pronksi 19, Tallinn 10124
Telephone	+372 667 1250
Fax	+372 667 1270
E-mail	info@oc.eu
Website	www.olympic-casino.com
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

*This version of consolidated interim financial statements is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of consolidated interim financial statements takes precedence over this translation.

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Corporate profile

Olympic Entertainment Group AS with its subsidiaries (hereinafter the “Group”) is the leading provider of gaming services in the Baltic States (Estonia, Latvia and Lithuania) and operates casinos in Slovakia, Italy and Malta.

Olympic Entertainment Group AS is the Group’s ultimate holding company, organising the strategic management and financing of the Group. The operations of local casinos are controlled by local subsidiaries.

The shares of Olympic Entertainment Group AS are listed on Tallinn Stock Exchange (OMX: OEG1T).

As at 30 June 2018, the Group had a total of 115 casinos and 25 betting points. As at 30 June 2018, the Group operated 24 casinos in Estonia, 53 in Latvia, 17 in Lithuania, 6 in Slovakia, 14 in Italy and 1 in Malta. The Group employed 3,031 employees in 6 countries.

Group entities include:

	Domicile	Ownership 30.06.2018	Ownership 31.12.2017	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Gaming services
Kungla Investeeringu OÜ	Estonia	100%	100%	Bar services
OÜ Oma & Hea	Estonia	95%	95%	Bar services
Fortuna Travel OÜ	Estonia	100%	100%	Hotel operations
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	100%	100%	Gaming services
Ahti SIA	Latvia	100%	100%	Bar services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Gaming services
Mecom Grupp UAB	Lithuania	100%	100%	Bar services
UAB Orakulas Services	Lithuania	100%	100%	Software services
Silber Investments Sp. z o.o.*	Poland	100%	100%	Holding activities
Baina Investments Sp. z o.o.*	Poland	100%	100%	Holding activities
CG Warszawa Sp. z o.o.**	Poland	100%	100%	Gaming services
Ultramedia Sp. z o.o.	Poland	100%	100%	Holding activities
Olympic Casino Slovakia S.r.o.	Slovakia	100%	100%	Gaming services
OlyBet Slovakia S.r.o.	Slovakia	100%	100%	Gaming services
The Box S.r.l.	Italy	100%	100%	Holding activities
Slottery S.r.l.	Italy	100%	100%	Gaming services
Olybet Italia S.r.l.	Italy	100%	0%	Gaming services
Jessy Investments B.V.	Holland	100%	100%	Holding activities
Gametech Services Ltd	Jersey	100%	100%	Software services
Brandhouse Ltd	Jersey	100%	100%	Holding activities
OEG Malta Holding Ltd	Malta	100%	100%	Holding activities
OEG Malta Gaming Ltd	Malta	100%	100%	Holding activities
Olybet Malta Ltd	Malta	100%	100%	Gaming services

* Polish subsidiaries Silber Investments Sp. z o.o. and Baina Investments Sp. z o.o. have submitted their bankruptcy petition to the court on 20th of January 2017.

** Polish subsidiary CG Warszawa Sp. z o.o. bankruptcy petition was approved by the court.

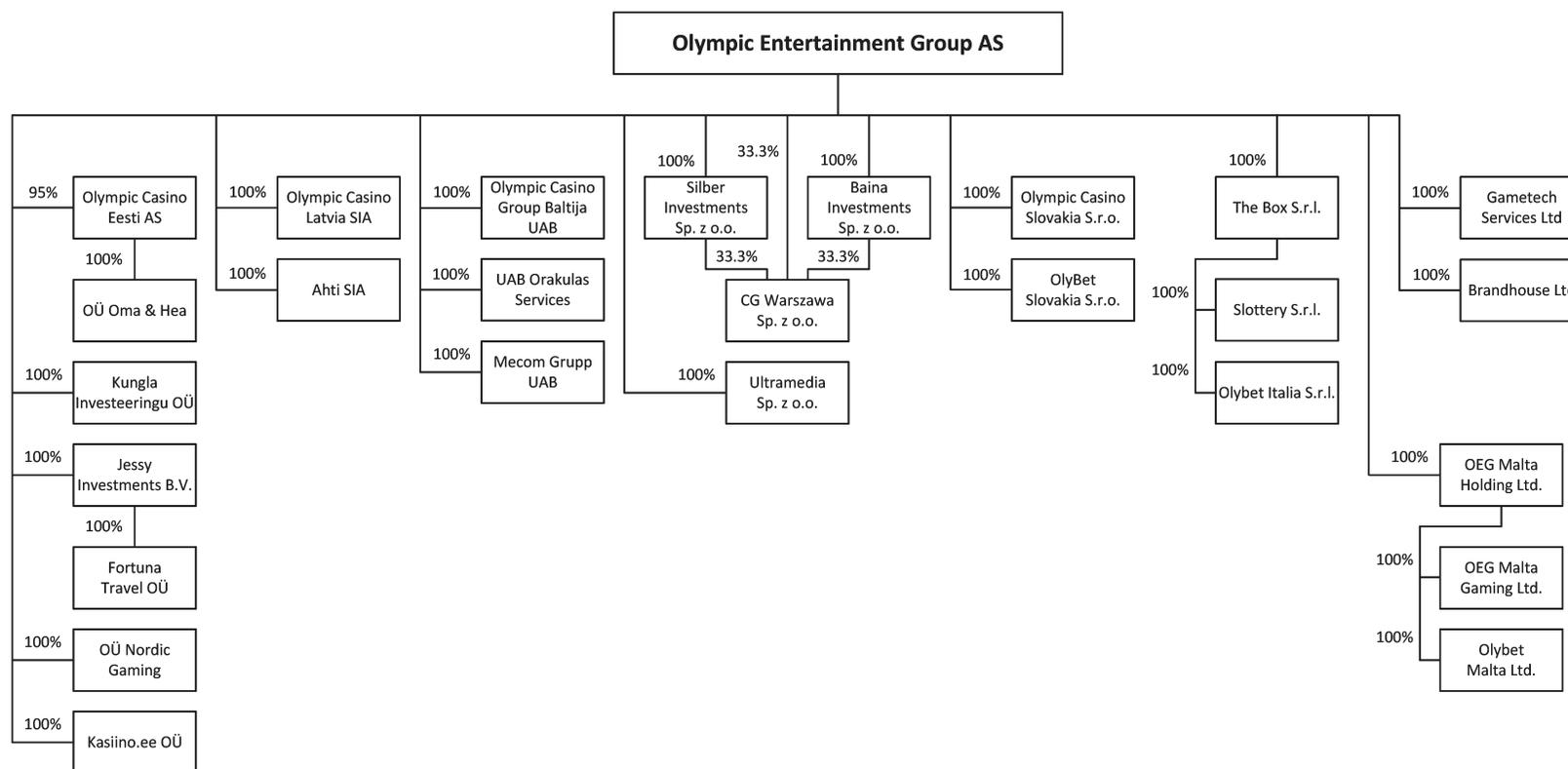
Our vision

Our vision is to be a global casino and resort operator, best known for our excellent service and creative design.

Our mission

To give our guests a customer orientated, secure and safe environment with the finest design and craftsmanship, unparalleled in the industry and supported by the excellence of our name and reputation.

Group's structure at 30 June 2018



Declaration of the management

The members of the management confirm that according to their best knowledge, the interim financial statements, prepared in accordance with the accounting standards in force, give a true and fair view of the assets, liabilities, financial position and profit or loss of Olympic Entertainment Group AS and the Group entities involved in the consolidation as a whole, and the management report gives a true and fair view of the development and results of the business activities and financial position of Olympic Entertainment Group AS and the Group entities involved in the consolidation as a whole and contains a description of the main risks and doubts.



Madis Jäger
Chairman of the Management Board



Meelis Pielberg
Member of the Management Board

26 July 2018

Management report

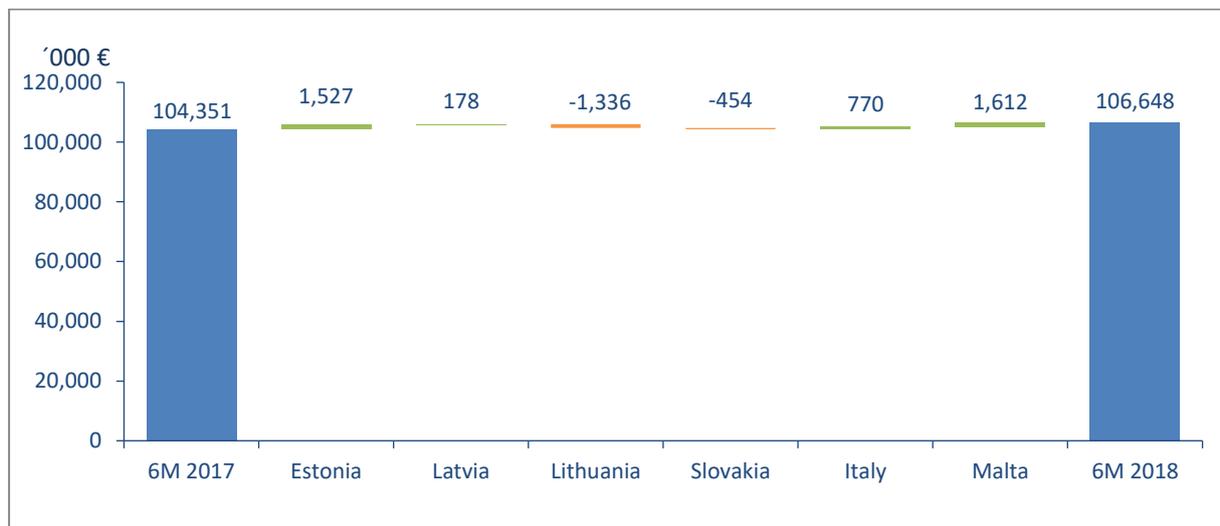
Overview of the economic activities

Key developments of the Group during 6 months of 2018:

- The Group's consolidated total revenue before gaming taxes for 6 months of 2018 amounted to EUR 106.6 million, up 2.2% or EUR 2.3 million y-o-y.
- Total gaming revenue before gaming taxes accounted for 89.5% (95.5 m€) and other revenues for 10.5% (11.2 m€) of the Group's consolidated total sales revenues for 6 months of 2018. A year before the revenue split was 90.4% (94.3 m€) and 9.6% (10.0 m€), respectively.
- The Group's consolidated EBITDA for 6 months of 2018 amounted to EUR 21.7 million, a growth of 3.7% from EUR 20.9 million a year before. The Group's consolidated operating profit increased EUR 0.4 million (3.0%) to EUR 15.2 million.
- The Group's consolidated net profit attributable to equity holders of the parent company for 6 months of 2018 totalled EUR 14.1 million compared to EUR 12.8 million a year ago.
- On 19 February 2018 Group established and registered the company Olybet Italia S.r.l. in Italy. The aim of establishing the subsidiary is to develop the legal platform for the expansion of Group's activities in the business of remote gambling.
- On 19 March 2018 Group announced of the contemplated exit by major shareholders, voluntary takeover offer and business combination agreement. On 19 March 2018, two major shareholders of the Group OÜ HansaAssets (a company under the sole control of Mr Armin Karu, the former Chairman of the Supervisory Board of OEG) and OÜ Hendaya Invest (a company under the sole control of Mr Jaan Korpusov, the former member of the Supervisory Board of OEG), entered into a share sale and purchase agreement with Odyssey Europe AS, under which OÜ HansaAssets and OÜ Hendaya Invest sold and transferred all the shares of OEG held by them. The purchase price of the shares was EUR 1.9 per one share. The transactions were settled by the selling shareholders tendering their shares in the voluntary takeover offer. On 4 April 2018 the Buyer launched a voluntary takeover offer to all the shareholders of OEG for the same price of EUR 1.9 per one share. The voluntary takeover offer ended on 2 May 2018. The settlement date of the voluntary takeover offer was 10 May 2018.
- On 29 March 2018 Group announced that it has received the decision of the District Administrative Court in Riga regarding one of the casinos located in Riga (Marijas street 2). The court ruled in favour of Riga City Council. According to the Riga City Council decision the casino has to be closed in October 2022. OEG appealed the decision to higher level court.
- On 7 May 2018 Group announced that it has received the decision of the District Administrative Court in Riga regarding one of the casinos located in Riga (Raina blv 15). The court ruled in favour of Riga City Council. According to the Riga City Council decision the casino has to be closed in October 2022. OEG appealed the decision to higher level court.
- On 10 May 2018 the voluntary takeover offer was settled, after which Novalpina Capital Partners I GP S.à r.l. informed OEG that on 10 May 2018 the shareholding of Odyssey Europe AS in OEG increased above 2/3. As of 10 May 2018 Odyssey Europe AS held 135,024,430 shares of OEG, representing 88.95% of all the votes represented by the shares of OEG. At 30 June 2018 Odyssey Europe AS held 135,604,521 shares of OEG (89.34% of all the votes represented by the shares of OEG). Novalpina Capital Partners I GP S.à r.l. is the ultimate parent of Odyssey Europe AS.
- On 11 May 2018 the annual general meeting of shareholders was held, where in addition to regular agenda items the delisting of the Company's shares from Nasdaq Tallinn Stock Exchange was approved, a new supervisory board was elected and a decision not to pay dividends was taken.
- On 15 May 2018 the management board of OEG submitted the application for the immediate and unconditional termination of listing of OEG shares to the Nasdaq Tallinn Listing and Surveillance Committee. The Listing and Surveillance Committee of Nasdaq Tallinn Stock Exchange decided on 31 May 2018 not to approve the application of OEG and to refuse to terminate the listing/trading in shares on Baltic Main List before the takeover of the shares. OEG filed a claim with the Court of Arbitration of the Nasdaq Tallinn Stock Exchange to appeal the resolution of the Listing and Surveillance Committee.
- On 25 May 2018 Group announced that it has received the decision of the District Administrative Court in Riga regarding one of the casinos located in Riga (Pragas street 1). The court ruled in favour of Riga City Council. According to the Riga City Council decision the casino has to be closed in October 2022. OEG appealed the decision to higher level court.
- On 7 June 2018 Regional Court in Bratislava overturned the Bratislava City Council decision to ban gambling operations in Bratislava as of 1 May 2017, in a way that ensures the continuity of operations to the current licence holders until the expiration dates of the existing licences and decided that the ban on gambling in Bratislava is not in accordance with the law.

- On 25 June 2018 Group announced that it has received the decision of the District Administrative Court in Riga regarding one of the casinos located in Riga (Meistarų street 10). The court ruled in favour of Riga City Council. According to the Riga City Council decision the casino has to be closed in October 2022. OEG appealed the decision to higher level court.
- On 29 June 2018 an extraordinary general meeting was held, where it was decided to amend Group articles of association.

The Group's consolidated total revenue before gaming taxes bridge by segments:



The Group's consolidated total revenue before gaming taxes by segments:

'000€	Q2 2018	Q2 2017	Change	6M 2018	6M 2017	Change
Estonia	13,584	14,329	-5.2%	28,256	26,729	5.7%
Latvia	17,084	16,662	2.5%	33,381	33,203	0.5%
Lithuania	6,365	6,673	-4.6%	12,369	13,705	-9.8%
Slovakia	4,352	4,288	1.5%	8,336	8,790	-5.2%
Italy	8,240	7,750	6.3%	16,435	15,665	4.9%
Malta	4,584	3,143	45.8%	7,871	6,259	25.8%
Total	54,209	52,845	2.6%	106,648	104,351	2.2%

Share of segments in the Group's total revenue before gaming taxes:



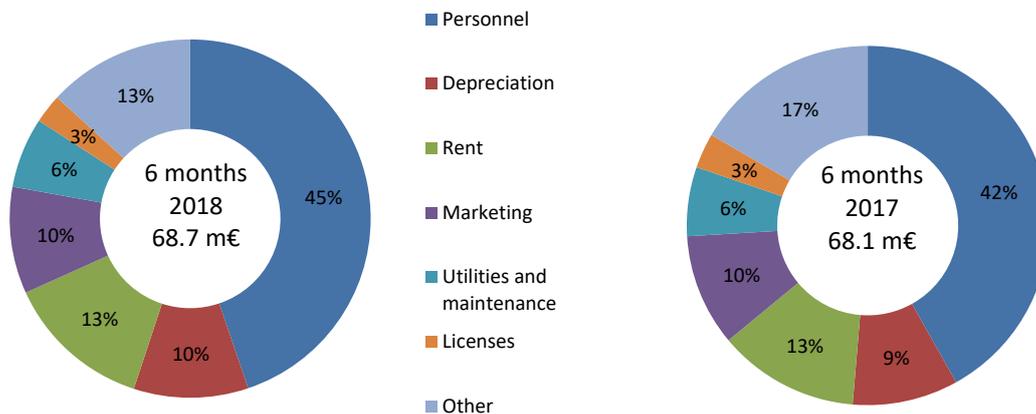
At the end of June 2018, the Group had 115 casinos with total floor area of 37,389 m² (-1,395 m²) and 25 betting points with total floor area of 690 m² (-156 m²).

Number of casinos by segment:

	30 June 2018	30 June 2017
Estonia	24	24
Latvia	53	52
Lithuania	17	18
Slovakia	6	7
Italy	14	15
Malta	1	1
Total	115	117

The Group's consolidated operating expenses for 6 months of 2018 amounted to EUR 68.7 million, up 0.9% or EUR 0.6 million y-o-y. The growth was highest in personnel expenses (+1.0 m€, +3.7%), amortisation, depreciation and impairment costs (+0.3 m€, +5.3%) and other external services (+0.3m€, +10.8%). Personnel expenses (28.5 m€) and rent costs (8.4 m€) represented the largest cost items accounting for 53.7% of total operating expenses.

The income statement presents revenue before gaming taxes, then gaming taxes and thereafter net revenue. Gaming taxes for 6 months of 2018 increased 6% (+1.3 m€) compared to the same period a year ago.



Key performance indicators of the Group

		6M 2018	6M 2017	6M 2016
Revenue before gaming taxes	m€	106.6	104.4	99.2
Gaming tax	m€	-22.9	-21.6	-22.9
Net revenue	m€	83.8	82.8	76.3
Total net revenue and income	m€	83.9	82.8	76.8
EBITDA	m€	21.7	20.9	17.1
EBIT	m€	15.2	14.7	12.0
Net profit	m€	14.7	12.6	10.1
EBITDA margin	%	25.9	25.3	22.5
Operating margin	%	18.1	17.8	15.8
Net margin	%	17.6	15.2	13.3
Assets	m€	183.2	150.1	188.9
Equity	m€	160.2	127.2	108.8
ROE	%	9.6	10.4	8.9
ROA	%	8.3	8.3	5.8
Current ratio	times	3.4	2.0	0.8
Casinos at end of period	#	115	117	125
Casino floor area at end of period	m ²	37,389	38,784	39,223
Betting points at the end of period	#	25	30	34
Betting points floor area at end of period	m ²	690	846	899
Employees	#	3,031	3,059	3,260
Slot machines at end of period	#	4,021	4,098	4,159
Electronic roulette terminals at the end of period	#	109	116	148
Gaming tables at end of period	#	156	165	198
Tournament poker gaming tables at the end of period	#	63	66	63

Underlying formulas:

- EBITDA = earnings before financial expenses, taxes, depreciation and amortisation and impairment losses
- Operating profit = profit before financial expenses and taxes
- Net profit = net profit for the period before non-controlling interests
- EBITDA margin = EBITDA / net revenue
- Operating margin = operating profit / net revenue
- Net margin = net profit / net revenue
- ROE = net profit attributable to the shareholders of the parent company / average total equity attributable to the shareholders of the parent company
- ROA = net profit / average total assets
- Current ratio = current assets / current liabilities

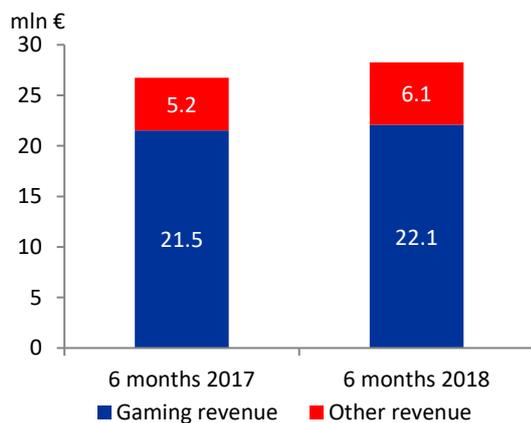
Overview by markets

Estonia

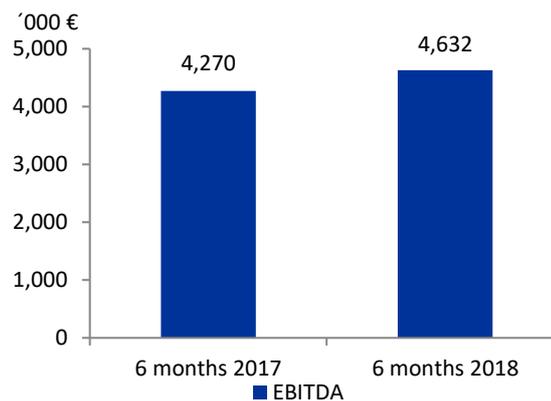
Total revenue before gaming taxes of Estonian segment for 6 months of 2018 amounted to EUR 28.3 million (+1.5 m€, +5.7%), EBITDA to EUR 4.6 million (+0.4 m€, +8.5%) and operating profit to EUR 2.7 million (+0.2 m€, +9.3%). Gaming revenue before gaming taxes increased 2.6% y-o-y amounting to EUR 22.1 million.

At the end of June 2018, there were 24 Olympic casinos with 988 slot machines, 37 electronic roulette terminals, 24 gaming tables and 24 poker tournament tables operating in Estonia. As at 30 June 2018 Estonian operations employed 723 people.

Total revenue before gaming taxes



EBITDA

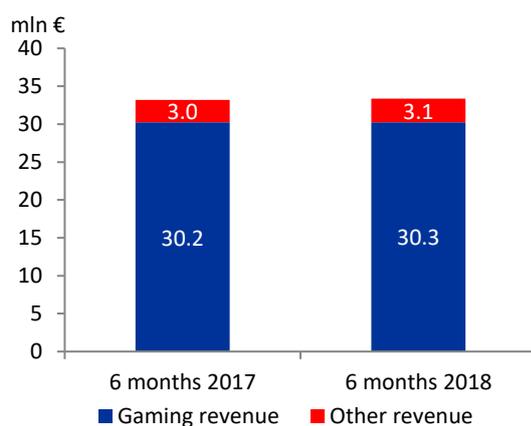


Latvia

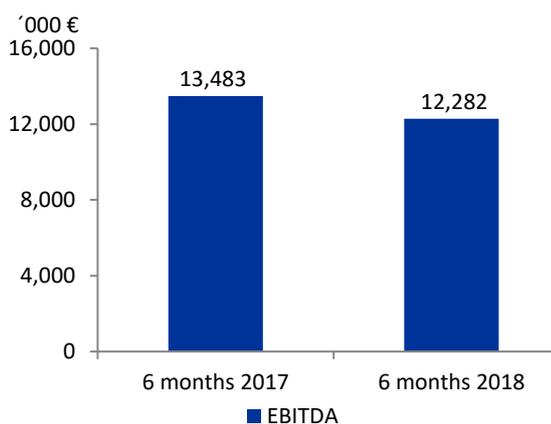
Total revenue before gaming taxes of Latvian segment for 6 months of 2018 amounted to EUR 33.4 million (+0.2 m€, +0.5%), EBITDA to EUR 12.3 million (-1.2 m€, -8.9%) and operating profit to EUR 10.1 million (-1.5 m€, -12.6%). Gaming revenue before gaming taxes increased 0.1% y-o-y amounting to EUR 30.3 million.

At the end of June 2018, there were 53 Olympic casinos with 1,469 slot machines, 16 electronic roulette terminals, 24 gaming tables and 9 poker tournament tables operating in Latvia. As at 30 June 2018 Latvian operations employed 923 people.

Total revenue before gaming taxes



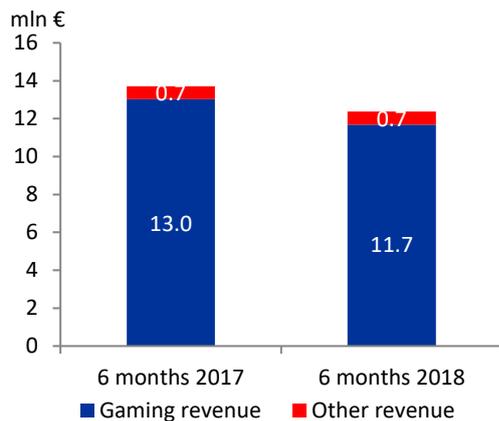
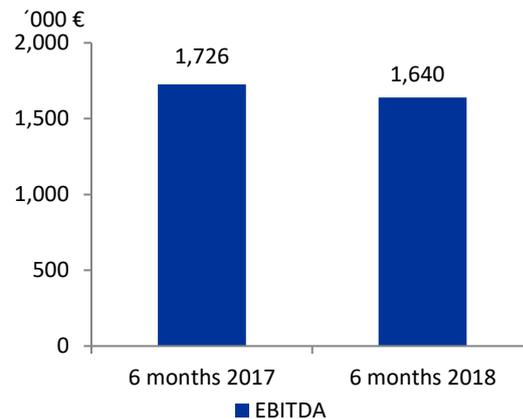
EBITDA



Lithuania

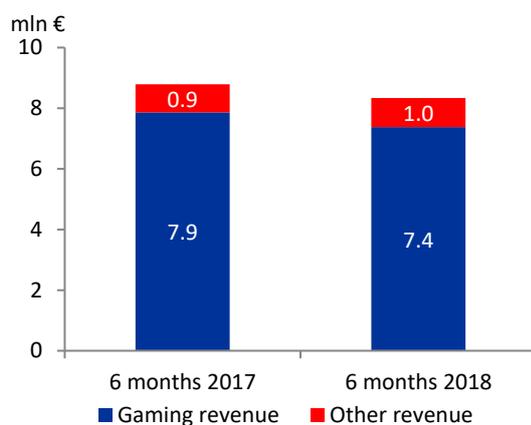
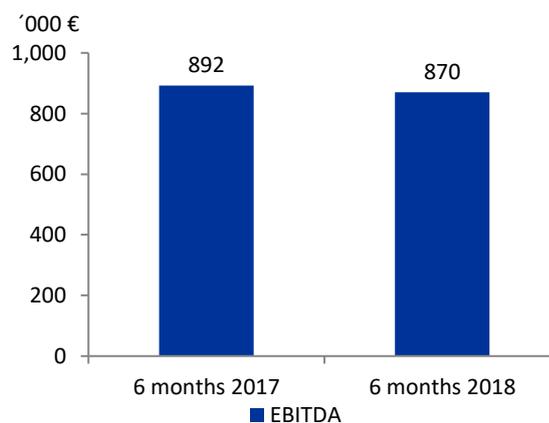
Total revenue before gaming taxes of Lithuanian segment for 6 months of 2018 amounted to EUR 12.4 million (-1.3 m€, -9.8%), EBITDA to EUR 1.6 million (-0.1 m€, -5.0%) and operating profit to EUR 0.8 million (-0.1 m€, -10.6%). Gaming revenue before gaming taxes decreased 10.3% y-o-y amounting to EUR 11.7 million.

At the end of June 2018, there were 17 Olympic casinos with 504 slot machines, 8 electronic roulette terminals, 48 gaming tables and 2 poker tournament tables and 25 betting shops operating in Lithuania. As at 30 June 2018 Lithuanian operations employed 720 people.

Total revenue before gaming taxes**EBITDA****Slovakia**

Total revenue before gaming taxes of Slovak segment for 6 months of 2018 amounted to EUR 8.3 million (-0.5 m€, -5.2%), EBITDA to EUR 0.9 million (-0.02 m€, -2.5%) and operating profit to EUR 0.3 million (+0.1 m€, +23.6%). Gaming revenue before gaming taxes decreased 6.1% y-o-y amounting to EUR 7.4 million.

At the end of June 2018, there were 6 Olympic casinos with 249 slot machines, 30 electronic roulette terminals, 39 gaming tables and 18 poker tournament tables operating in Slovakia. As at 30 June 2018 Slovak operations employed 319 people.

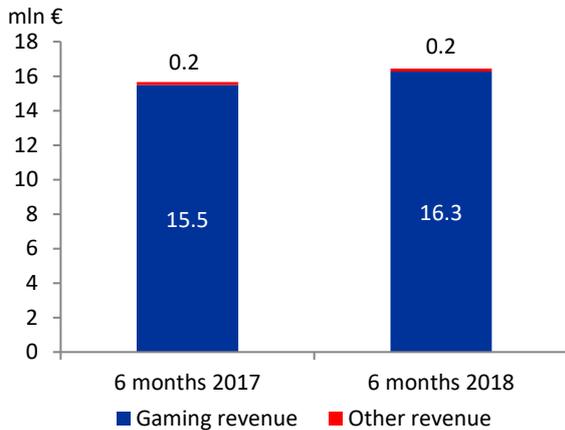
Total revenue before gaming taxes**EBITDA**

Italy

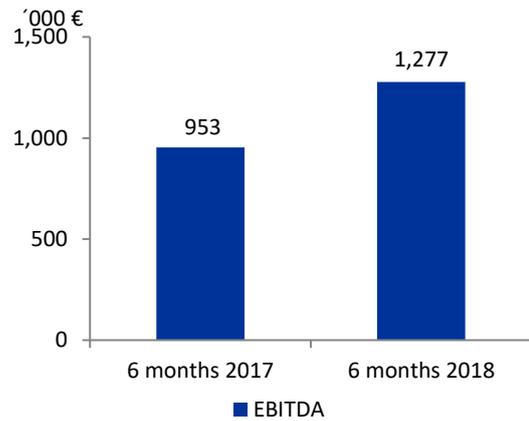
Total revenue before gaming taxes of Italian segment for 6 months of 2018 amounted to EUR 16.4 million (+0.8 m€, +4.9%), EBITDA to EUR 1.3 million (+0.3 m€, +34.0%) and operating profit to EUR 0.9 million (+0.3 m€, +53.5%). Gaming revenue before gaming taxes increased 5.0% y-o-y amounting to EUR 16.3 million.

At the end of June 2018, there were 14 VLT slot casinos with 526 slot machines operating in Italy. As at 30 June 2018 Italian operations employed 89 people.

Total revenue before gaming taxes



EBITDA

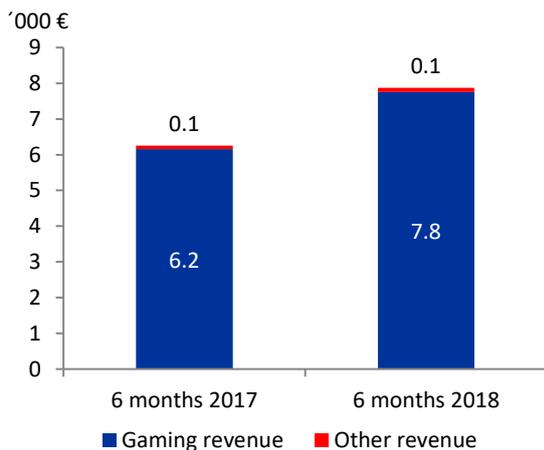


Malta

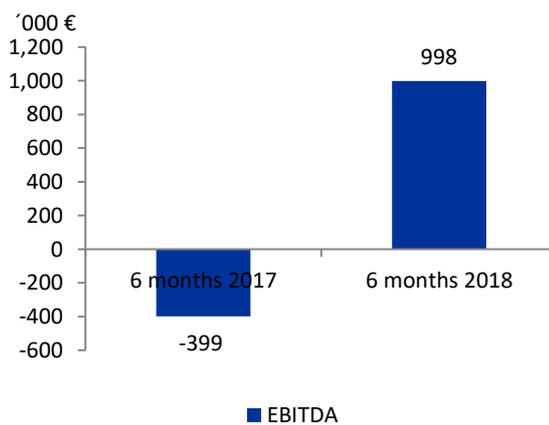
Total revenue before gaming taxes of Maltese segment for 6 months of 2018 amounted to EUR 7.9 million (+1.6 m€, +25.8%), EBITDA to EUR 1.0 million (+1.4 m€) and operating profit to EUR 0.4 million (+1.4 m€). Gaming revenue before gaming taxes increased 26.0% y-o-y amounting to EUR 7.8 million.

At the end of June 2018, there was 1 casino with 285 slot machines, 18 electronic roulette terminals, 21 gaming tables and 10 poker tournament tables operating in Malta. As at 30 June 2018 Maltese operations employed 196 people.

Total revenue before gaming taxes



EBITDA



Financial position

As at 30 June 2018, the total assets of the Group amounted to EUR 183.2 million, up 22.1% or EUR 33.1 million compared to the same period a year ago.

Current assets totalled EUR 77.5 million or 42.3% of total assets, and non-current assets EUR 105.7 million or 57.7% of total assets. The liabilities amounted to EUR 23.0 million and equity to EUR 160.2 million. The largest liabilities included suppliers payables and advances (7.6 m€), tax liabilities (5.7 m€) and payables to employees (5.6 m€).

Investments

Within 6 months of 2018, the Group's expenditures on property, plant and equipment totalled EUR 6.7 million (+2.2 m€, +47.9%), of which EUR 4.8 million was invested into construction and reconstruction of casinos and EUR 1.7 million into new gaming equipment.

Cash flows

Group's 6 months 2018 cash flows generated from operating activities amounted to EUR 19.5 million (+0.1 m€) and cash flows used in investing activities to EUR -9.3 million (-4.5 m€). Financing cash flows amounted to EUR 0 million (+15.3 m€). Net cash flows totalled EUR 10.2 million (+11.0 m€).

Staff

As at 30 June 2018 Group employed 3,031 people, down by 28 y-o-y.

Within 6 months of 2018, total personnel expenses amounted to EUR 28.5 million (+1.0 m€, +3.7%). For 6 months of 2018, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 680 thousand (EUR 511 thousand for 6 months of 2017) and EUR 54 thousand (EUR 74 thousand for 6 months of 2017), respectively.

Description of main risks

The risk management policy of the Group is based on the requirements established by regulative bodies, generally accepted practices and internal regulations of the Group. The Group is guided by the principle to manage risks in a manner that ensures an optimal risk to income ratio. As part of the risk management of the Group, all potential risks, their measurement and control are defined, and an action plan is prepared to reduce risks, thereby ensuring the achievement of financial and other strategic objectives of the Group.

Business risks

The macro-economic development of operated markets and related changes in the consumption habits of clients are the factors that influence the Group the most. To manage risks, the Group monitors and analyses the general development of markets and the activities of competitors, as a result of which the Group will adjust operational activities, including marketing activities, if necessary.

The gaming sector as a whole is significantly influenced by regulative changes and supervisory activities at the state and local level. The Group estimates that the regulative risk is managed by presence in six different jurisdictions.

Currency risk

The Group earns income in euros, thus changes in exchange rates of foreign currencies against the euro have no major effect on the Group's operating profit.

Credit risk

The Group's settlements with clients are to a great extent immediately carried out in cash or by payment cards. The Group accepts banks with the credit rating of A and B where the most of the Group's funds have been deposited. Credit risk of the Group is related to cash, its equivalents and other positions of financial assets.

Management and Supervisory Boards

The Management Board of Olympic Entertainment Group AS is comprised of two members. In the daily management activities, the Management Board of the Company is independent and is guided by the best interests of all shareholders, thereby ensuring sustainable development of the Company according to the set objectives and strategy. The Management Board also ensures the functioning of internal control and risk management procedures in the Company. The Supervisory Board of Olympic Entertainment Group AS elects members of the Management Board for a term of up to three years.



Madis Jääger – Chairman of the Management Board and CEO since 2012 (member of the Management Board since 2010). Madis Jääger graduated from Estonian Business School in 2002 with a degree in International Business Administration major in accounting and banking *cum laude*. Madis Jääger does not own directly or through the companies controlled by him any shares in the Company.



Meelis Pielberg – member of the Management Board and head of casino operations since 2012. Meelis Pielberg graduated from Estonian Maritime Academy in 2000. Meelis Pielberg does not own directly or through the companies controlled by him any shares in the Company.

The Supervisory Board of Olympic Entertainment Group AS is comprised of five members. The General Meeting of Shareholders of Olympic Entertainment Group AS elects members of the Supervisory Management Board for five years.

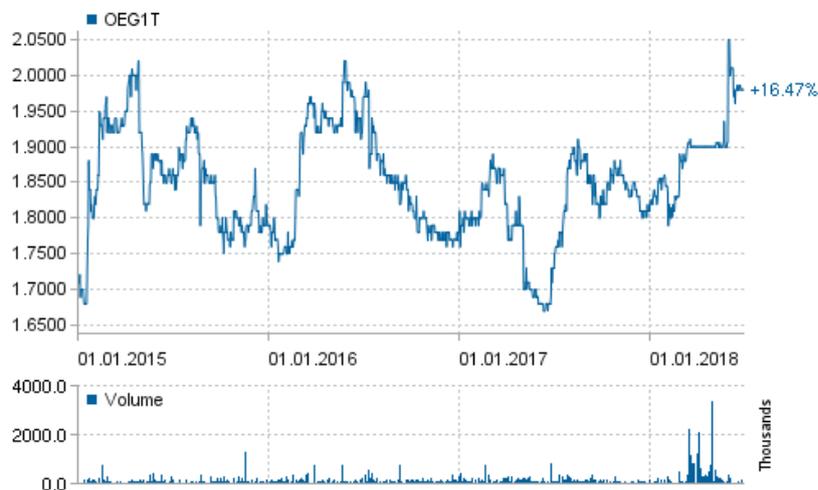
- Stephen Mark Peel – member of the Supervisory Board since 11 May 2018 and chairman of the Supervisory Board since 6 June 2018. Stephen Mark Peel received his BA/MA from Downing College, Cambridge in 1987 and received a Master of Advanced Study from the Jackson Institute of Global Affairs at Yale University in 2015. Stephen Mark Peel does not hold any shares with voting rights in the Company.
- Stefan Kowski – member of the Supervisory Board since 11 May 2018. Stefan Kowski graduated from Leopold-Franzens University, Innsbruck, Austria in 2002 with a degree in International Economic and Business Studies (MMag. rer.soc. oec.) and received a M.B.A. with high distinction from Harvard Business School, Boston, USA in 2006, where he was a George F. Baker Scholar. Stefan Kowski does not hold any shares with voting rights in the Company.
- Mickael Betito – member of the Supervisory Board since 11 May 2018. Mickael Betito graduated from ESSEC Business School in 2012 with a degree in Management. Mickael Betito does not hold any shares with voting rights in the Company.
- Corey David Plummer – member of the Supervisory Board since 11 May 2018. Corey David Plummer graduated from Michigan State University in 1996 with a degree in Political Science and Economics, earned a Master of Business Administration from Arizona State University in 1999 and received an Executive Finance Certificate from INSEAD in 2016. Corey David Plummer does not hold any shares with voting rights in the Company.
- Dr. Günter Maximilian Schmid – member of the Supervisory Board since 11 May 2018. Dr. Günter Maximilian Schmid graduated from Massachusetts Institute of Technology in 1994 as Doctor of Philosophy and from TU München in 1991 as Diplom-Chemiker. Dr. Günter Maximilian Schmid does not hold any shares with voting rights in the Company.

Shares of Olympic Entertainment Group AS

The shares of Olympic Entertainment Group AS are listed in the main list of Tallinn Stock Exchange since 23 October 2006. The Company's registered share capital is EUR 60,716,482.40. The share capital is divided into 151,791,206 ordinary shares with the book value of EUR 0.40 each.

ISIN	EE3100084021
Ticker symbol	OEG1T
Market	BALTIC MAIN LIST
Number of securities issued	151,791,206
Number of listed securities	151,791,206
Listing date	23 October 2006

Movements in the share price (in EUR) and traded volume (number of securities) of Olympic Entertainment Group AS during the period of 01 January 2015 – 30 June 2018:



Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2015 – 30 June 2018:

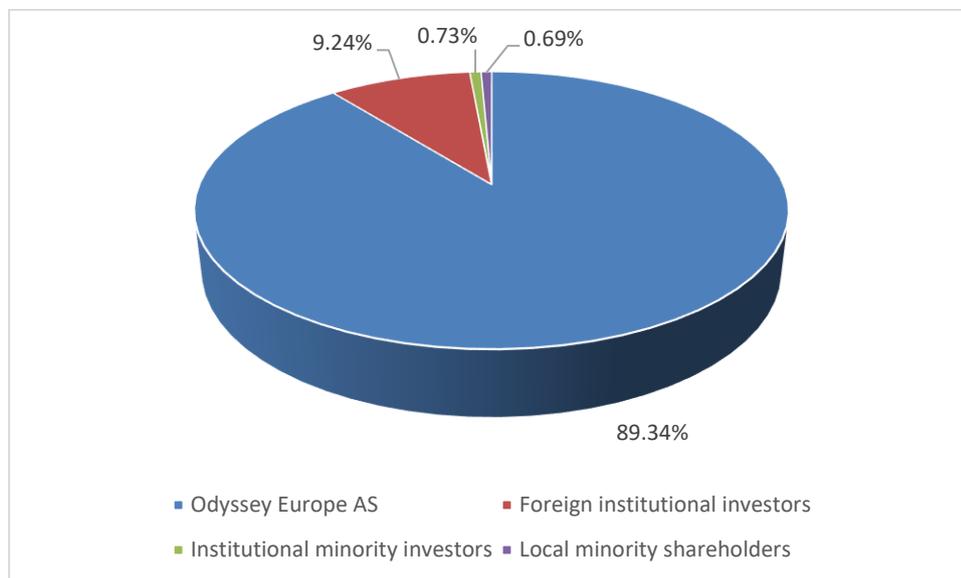


Index/share	01 Jan 2015	30 June 2018	+/-%
— OMX Baltic Benchmark GI	566.56	974.87	72.07
— OMX Tallinn	755.05	1,261.60	67.09
— OEG1T	1.70 EUR	1.98 EUR	16.47

Largest shareholders of Olympic Entertainment Group AS at 30 June 2018:

Odyssey Europe AS	89.34%
SEB S.A. CLIENT ASSETS UCITS	3.71%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.47%
Clearstream Banking Luxembourg S.A. Clients	1.22%
FIREBIRD REPUBLICS FUND LTD	1.00%
NORDEA BANK AB (PUBL)/ NON-TREATY CLIENTS	0.46%
AB SEB BANKAS	0.38%
SEB/DANSKE INVEST BALTIC EQUITY FUND	0.35%
BPSS FFT/CLIENTS ASSETS	0.27%
DANSKE BANK CLIENTS HOLDINGS	0.22%

Structure of Olympic Entertainment Group AS shareholders as at 30 June 2018



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	30.06.2018	31.12.2017
ASSETS			
Current assets			
Cash and cash equivalents		68,711	58,482
Financial investments		160	919
Receivables and prepayments		5,058	4,554
Prepaid income tax		1,869	286
Inventories		1,680	1,658
Total current assets		77,478	65,899
Non-current assets			
Deferred tax assets		511	507
Financial investments		1,133	457
Other long-term receivables and prepayments		3,964	3,957
Investment property	3	357	323
Property, plant and equipment	4	49,529	49,046
Intangible assets	5	50,217	49,935
Total non-current assets		105,711	104,225
TOTAL ASSETS		183,189	170,124
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		20,530	22,082
Income tax payable		531	612
Provisions		1,628	1,780
Total current liabilities		22,689	24,474
Non-current liabilities			
Other long-term payables		336	309
Total non-current liabilities		336	309
TOTAL LIABILITIES		23,025	24,783
EQUITY			
Share capital		60,716	60,716
Share premium		252	252
Treasury shares		-53	-53
Statutory reserve capital		6,325	6,325
Other reserves		690	566
Translation reserves		-24	19
Retained earnings		85,274	71,209
Total equity attributable to equity holders of the parent		153,180	139,034
Non-controlling interest		6,984	6,307
TOTAL EQUITY		160,164	145,341
TOTAL LIABILITIES AND EQUITY		183,189	170,124

Consolidated statement of comprehensive income

	Notes	Q2 2018	Q2 2017	6M 2018	6M 2017
Gross gaming revenue	7	48,279	47,291	95,465	94,319
Other revenue	7	5,930	5,554	11,183	10,032
Total revenue before gaming taxes		54,209	52,845	106,648	104,351
Gaming taxes		-11,628	-10,365	-22,867	-21,575
Net revenue		42,581	42,480	83,781	82,776
Other income	7	67	10	80	20
Total net revenue and income		42,648	42,490	83,861	82,796
Cost of materials, goods and services		-1,588	-1,382	-3,032	-2,845
Other operating expenses		-15,641	-15,860	-30,551	-31,373
Staff costs		-14,565	-14,077	-28,537	-27,524
Depreciation, amortisation and impairment	4;5	-3,297	-3,148	-6,542	-6,213
Other expenses		-14	-66	-42	-129
Total operating expenses		-35,105	-34,533	-68,704	-68,084
Operating profit		7,543	7,957	15,157	14,712
Interest income		1	0	3	4
Interest expense		0	0	-1	0
Foreign exchange losses		-1	-21	-12	-29
Other finance income and costs		0	-9	-2	-9
Total finance income and costs		0	-30	-12	-34
Profit before income tax		7,543	7,927	15,145	14,678
Income tax expense		-208	-978	-403	-2 113
Net profit for the period		7,335	6,949	14,742	12,565
<i>Attributable to equity holders of the parent company</i>		<i>6,766</i>	<i>6,825</i>	<i>14,065</i>	<i>12,835</i>
<i>Attributable to non-controlling interest</i>		<i>569</i>	<i>124</i>	<i>677</i>	<i>-270</i>
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Currency translation differences		-35	0	-43	37
Total comprehensive profit for the period		7,300	6,949	14,699	12,602
<i>Attributable to equity holders of the parent company</i>		<i>6,731</i>	<i>6,825</i>	<i>14,022</i>	<i>12,872</i>
<i>Attributable to non-controlling interest</i>		<i>569</i>	<i>124</i>	<i>677</i>	<i>-270</i>
Basic earnings per share*	6	4.5	4.5	9.3	8.5
Diluted earnings per share*	6	4.5	4.5	9.3	8.4

* euro cents

Consolidated statement of cash flows

	Notes	6M 2018	6M 2017
Cash flows from operating activities			
Net profit		14,742	12,565
Adjustments:			
Depreciation, amortisation and impairment	4;5	6,542	6,213
Profit / loss on disposal of non-current assets (net)		-24	-1
Income tax expense		403	2,113
Share option reserve		124	-33
Other financial income and expenses (net)		12	34
Changes in working capital:			
Receivables and prepayments		-397	674
Inventories		-22	-194
Liabilities and prepayments		139	-268
Interest paid		0	-1
Corporate income tax paid		-1,997	-1,705
Net cash generated from operating activities		19,522	19,397
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-8,760	-4,769
Proceeds from sale of property, plant, equipment		82	6
Acquisition of investment property		-34	0
Purchase of financial investments		-738	-70
Proceeds from sale of financial investments		662	0
Acquisition of subsidiaries, net of cash acquired		-500	0
Interest received		2	5
Net cash used in investing activities		-9,286	-4,828
Cash flows from financing activities			
Repayments of loans received		0	-60
Acquisition of treasury shares		0	-59
Dividends paid		0	-15,179
Net cash used in financing activities		0	-15,298
Net cash flows		10,236	-729
Cash and cash equivalents at beginning of the period		58,482	37,933
Exchange gains and losses on cash and cash equivalents		-7	-24
Cash and cash equivalents at end of the period		68,711	37,180

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent									
	Share capital	Share premium	Treasury shares	Statutory reserve capital	Other reserves	Currency translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 01.01.2017	60,716	258	0	4,860	538	-26	57,825	124,171	5,702	129,873
<i>Net profit for the period</i>	0	0	0	0	0	0	12,835	12,835	-270	12,565
<i>Other comprehensive expense</i>	0	0	0	0	0	37	0	37	0	37
Total comprehensive income for the period	0	0	0	0	0	37	12,835	12,872	-270	12,602
<i>Increase of statutory reserve capital</i>	0	0	0	1,465	0	0	-1,465	0	0	0
<i>Dividends paid</i>	0	0	0	0	0	0	-15,179	-15,179	0	-15,179
<i>Acquisition of treasury shares</i>	0	-6	-53	0	0	0	0	-59	0	-59
<i>Employee option programme</i>	0	0	0	0	-34	0	0	-34	0	-34
Total transactions with owners	0	-6	-53	1,465	-34	0	-16,644	-15,272	0	-15,272
Balance at 30.06.2017	60,716	252	-53	6,325	504	11	54,016	121,771	5,432	127,203
Balance at 01.01.2018	60,716	252	-53	6,325	566	19	71,209	139,034	6,307	145,341
<i>Net profit for the period</i>	0	0	0	0	0	0	14,065	14,065	677	14,742
<i>Other comprehensive income</i>	0	0	0	0	0	-43	0	-43	0	-43
Total comprehensive income for the period	0	0	0	0	0	-43	14,065	14,022	677	14,699
<i>Employee option programme</i>	0	0	0	0	124	0	0	124	0	124
Total transactions with owners	0	0	0	0	124	0	0	124	0	124
Balance at 30.06.2018	60,716	252	-53	6,325	690	-24	85,274	153,180	6,984	160,164

Notes to the consolidated interim financial statements

Note 1 Summary of significant accounting policies

Olympic Entertainment Group AS (hereinafter the "Company") is a company registered in Estonia at 15 November 1999. The consolidated interim financial statements of the Company prepared for the reporting period ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as the "Group").

This condensed consolidated interim financial information was approved by the management for issue on 26 July 2018.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2017 are available upon request from the Company's registered office at Pronksi 19, Tallinn and at the Company's website at www.olympic-casino.com.

Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial statements do not include all of the information required by complete set of financial statements and should be read in conjunction with annual consolidated financial statements of the Group as at and for the year ended 31 December 2017.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2017.

Note 2 Seasonality of operations

Due to the slight seasonal nature of the gaming market, higher revenues are generated in the second half of the year. In the financial year ended 31 December 2017, 49% of the income from gaming transactions accumulated in the first half of the year, with 51% accumulating in the second half.

Note 3 Investment property

	Land	Buildings	Total
As at 1 January 2018	194	129	323
Additions	0	34	34
As at 30 June 2018	194	163	357

Note 4 Property, plant and equipment

	Renovation expenditures	Machinery & equipment	Other PP&E	Construction in progress	Total
As at 1 January 2018	15,533	23,884	8,363	1,266	49,046
Additions	258	1,696	185	4,580	6,719
Reclassifications	999	981	103	-2,083	0
Disposals	0	-39	0	0	-39
Write-offs	0	-1	0	0	-1
Depreciation charge	-2,171	-3,228	-797	0	-6,196
As at 30 June 2018	14,619	23,293	7,854	3,763	49,529

Note 5 Intangible assets

	Goodwill	Software and licences	Prepayments	Total
As at 1 January 2018	47,307	2,580	48	49,935
Additions	0	534	93	627
Reclassifications	0	74	-74	0
Depreciation charge	0	-345	0	-345
As at 30 June 2018	47,307	2,843	67	50,217

Note 6 Equity

The General Meeting of Shareholders held on 11 May 2018 decided not to pay dividends from 2017 net profits.

Earnings per share

	Q2 2018	Q2 2017	6M 2018	6M 2017
Net profit for the period	6,766	6,825	14,065	12,835
Weighted average number of shares outstanding (in thousands)	151,791	151,791	151,791	151,791
Basic earnings per share (euro cents)	4.5	4.5	9.3	8.5
Diluted earnings per share (euro cents)	4.5	4.5	9.3	8.4

Basic earnings per share are calculated by dividing profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the period. The calculation of diluted earnings per share also takes into consideration the share options granted to employees.

At 31 December 2017 share option agreements were concluded with the Members of the Management Board of Olympic Entertainment Group AS and Group's key employees. According to concluded share option agreement each Member of the Management Board is eligible to subscribe to 100,000 Olympic Entertainment Group AS shares till the end of the share option program. The number of shares that can be subscribed to by Group's key employees is individual. Exact number of shares that can be subscribed to by each Member of Management Board and key employee depends on the fulfilment of Group's financial objectives and objectives related to specific areas of responsibilities of each member of management board and key employee. Option holder has a right to subscribe to the shares starting from 1 January 2021. Share option program ends on 28 February 2021.

At 31 December 2014 share option agreements were concluded with the Members of the Management Board of Olympic Entertainment Group AS and Group's key employees. According to concluded share option agreement each Member of the Management Board is eligible to subscribe to 100,000 Olympic Entertainment Group AS shares till the end of the share option program. The number of shares that can be subscribed to by Group's key employees is individual. Exact number of shares that can be subscribed to by each Member of Management Board and key employee depends on the fulfilment of Group's financial objectives and objectives related to specific areas of responsibilities of each member of management board and key employee. Option holder has a right to subscribe to the shares starting from 1 January 2020. Share option program ends on 28 February 2020.

Note 7 Segment reporting

The Group's segments have been determined on the basis of reports monitored and analysed by the parent company's Management Board. Financial results are monitored by geographical regions. The results of operating segments are evaluated on the basis on external sales revenue and operating profit. At 30 June 2018, the Group had operations in the Estonian, Latvian, Lithuanian, Slovak, Italian and Maltese markets.

All segments generate majority of their income from gaming transactions. In addition, Estonian segment is engaged in hotel services from the 1st of June 2016. Management estimates that inter-segment transactions have been concluded at market prices and under market conditions.

	Estonia	Latvia	Lithuania	Slovakia	Italy	Malta	Total
Q2 2018							
Gross gaming revenue	10,222	15,463	6,043	3,877	8,153	4,521	48,279
Other revenue	3,504	1,638	497	475	87	274	6,475
Inter-segment revenue	-142	-17	-175	0	0	-211	-545
Revenue before gaming taxes	13,584	17,084	6,365	4,352	8,240	4,584	54,209
Gaming taxes	-1,883	-1,912	-692	-883	-4,837	-1,421	-11,628
Net revenue	11,701	15,172	5,673	3,469	3,403	3,163	42,581
Other income	37	2	0	3	25	0	67
Total net revenue and income	11,738	15,174	5,673	3,472	3,428	3,163	42,648
Total expenses	-11,254	-9,897	-5,134	-3,288	-3,016	-2,516	-35,105
Incl. Depreciation, amortisation and impairment losses	-956	-1,132	-441	-282	-207	-279	-3,297
Total operating profit	484	5,277	539	184	412	647	7,543
Q2 2017							
Gross gaming revenue	11,249	15,124	6,346	3,825	7,662	3,085	47,291
Other revenue	3,188	1,538	327	463	88	58	5,662
Inter-segment revenue	-108	0	0	0	0	0	-108
Revenue before gaming taxes	14,329	16,662	6,673	4,288	7,750	3,143	52,845
Gaming taxes	-1,974	-1,475	-729	-869	-4,350	-968	-10,365
Net revenue	12,355	15,187	5,944	3,419	3,400	2,175	42,480
Other income	3	3	0	4	0	0	10
Total net revenue and income	12,358	15,190	5,944	3,423	3,400	2,175	42,490
Total expenses	-10,407	-9,509	-5,717	-3,367	-3,242	-2,291	-34,533
Incl. Depreciation, amortisation and impairment losses	-887	-988	-432	-362	-199	-280	-3,148
Total operating profit (-loss)	1,951	5,681	227	56	158	-116	7,957
6M 2018							
Gross gaming revenue	22,106	30,266	11,691	7,379	16,265	7,758	95,465
Other revenue	6,421	3,147	1,048	957	170	339	12,082
Inter-segment revenue	-271	-32	-370	0	0	-226	-899
Revenue before gaming taxes	28,256	33,381	12,369	8,336	16,435	7,871	106,648
Gaming taxes	-3,904	-3,812	-1,409	-1,592	-9,591	-2,559	-22,867
Net revenue	24,352	29,569	10,960	6,744	6,844	5,312	83,781
Other income	43	8	1	3	25	0	80
Total net revenue and income	24,395	29,577	10,961	6,747	6,869	5,312	83,861
Total expenses	-21,656	-19,524	-10,193	-6,455	-6,004	-4,872	-68,704
Incl. Depreciation, amortisation and impairment losses	-1,894	-2,229	-872	-578	-412	-557	-6,542
Total operating profit	2,739	10,053	768	292	865	440	15,157
6M 2017							
Gross gaming revenue	21,538	30,239	13,037	7,858	15,492	6,155	94,319
Other revenue	5,428	2,964	668	932	173	104	10,269
Inter-segment revenue	-237	0	0	0	0	0	-237
Revenue before gaming taxes	26,729	33,203	13,705	8,790	15,665	6,259	104,351
Gaming taxes	-3,882	-2,983	-1,495	-1,835	-8,703	-2,677	-21,575
Net revenue	22,847	30,220	12,210	6,955	6,962	3,582	82,776
Other income	3	4	0	4	9	0	20
Total net revenue and income	22,850	30,224	12,210	6,959	6,971	3,582	82,796
Total expenses	-20,345	-18,718	-11,351	-6,722	-6,408	-4,540	-68,084
Incl. Depreciation, amortisation and impairment losses	-1,765	-1,976	-868	-656	-389	-559	-6,213
Total operating profit (-loss)	2,505	11,506	859	237	563	-958	14,712

Note 8 Transactions with related parties

For the purposes of these consolidated interim financial statements, related parties include:

- a) shareholders with significant influence;
- b) key management personnel (members of the Management Board and Supervisory Board of Group entities);
- c) close family members of and companies related to the above.

<u>Purchase of goods and services</u>	<u>6M 2018</u>	<u>6M 2017</u>
Shareholders with significant influence	0	1
Total	0	1

As at 30.06.2018 and 31.12.2017, there were no balances of receivables and liabilities.

In 6 months 2018, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 680 thousand (6M 2017: EUR 511 thousand) and EUR 54 thousand (6M 2017: EUR 74 thousand), respectively.