

# Olympic Entertainment Group AS

## Consolidated interim financial statements for the Q3 and 9 months of 2017 (unaudited)

(translation of the Estonian original)\*

Beginning of reporting period	1 January 2017
End of reporting period	30 September 2017
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	<a href="http://www.olympic-casino.com">www.olympic-casino.com</a>
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

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\*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 the Tallinn Stock Exchange (OMX: OEG1T).

As at 30 September 2017, the Group had a total of 117 casinos and 28 betting points. At 30 September 2017, the Group operated 24 casinos in Estonia, 52 in Latvia, 18 in Lithuania, 7 in Slovakia, 15 in Italy and 1 in Malta. The Group employed 3,009 employees in 7 countries.

Group entities include:

	<b>Domicile</b>	<b>Ownership 30.09.2017</b>	<b>Ownership 31.12.2016</b>	<b>Area of activity</b>
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*****	Lithuania	0%	100%	Gaming services
UAB Orakulas Services	Lithuania	100%	0%	Software services
Silber Investments Sp. z o.o.*	Poland	100%	100%	Holding activities
Baina Investments Sp. z o.o.*	Poland	100%	100%	Holding activities
Casino-Polonia Wroclaw 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
Olympic Casino Bel IP***	Belarus	0%	100%	Gaming services
The Box S.r.l.	Italy	100%	100%	Holding activities
Jackpot Game S.r.l.****	Italy	0%	100%	Gaming services
Slottery S.r.l.	Italy	100%	100%	Gaming services
Jessy Investments B.V.	Holland	100%	100%	Holding activities
Gameteck 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%	0%	Gaming services

\* Polish subsidiaries Silber Investments Sp. z o.o., Baina Investments Sp. z o.o. and Casino-Polonia Wroclaw Sp. z o.o. have submitted their bankruptcy petition to the court on 20 January 2017.

\*\* Polish subsidiary Casino-Polonia Wroclaw Sp. z o.o. bankruptcy petition was approved by the court.

\*\*\* Olympic Casino Bel IP was liquidated on 29 May 2017, therefore the ownership at 30 September 2017 equals 0.

\*\*\*\* On 28 June 2017 Jackpot Game S.r.l. was merged with Slottery S.r.l., therefore the ownership at 30 September 2017 equals 0.

\*\*\*\*\* On 31 August 2017 UAB Orakulas was merged with Olympic Casino Group Baltija UAB, therefore the ownership at 30 September 2017 equals 0.

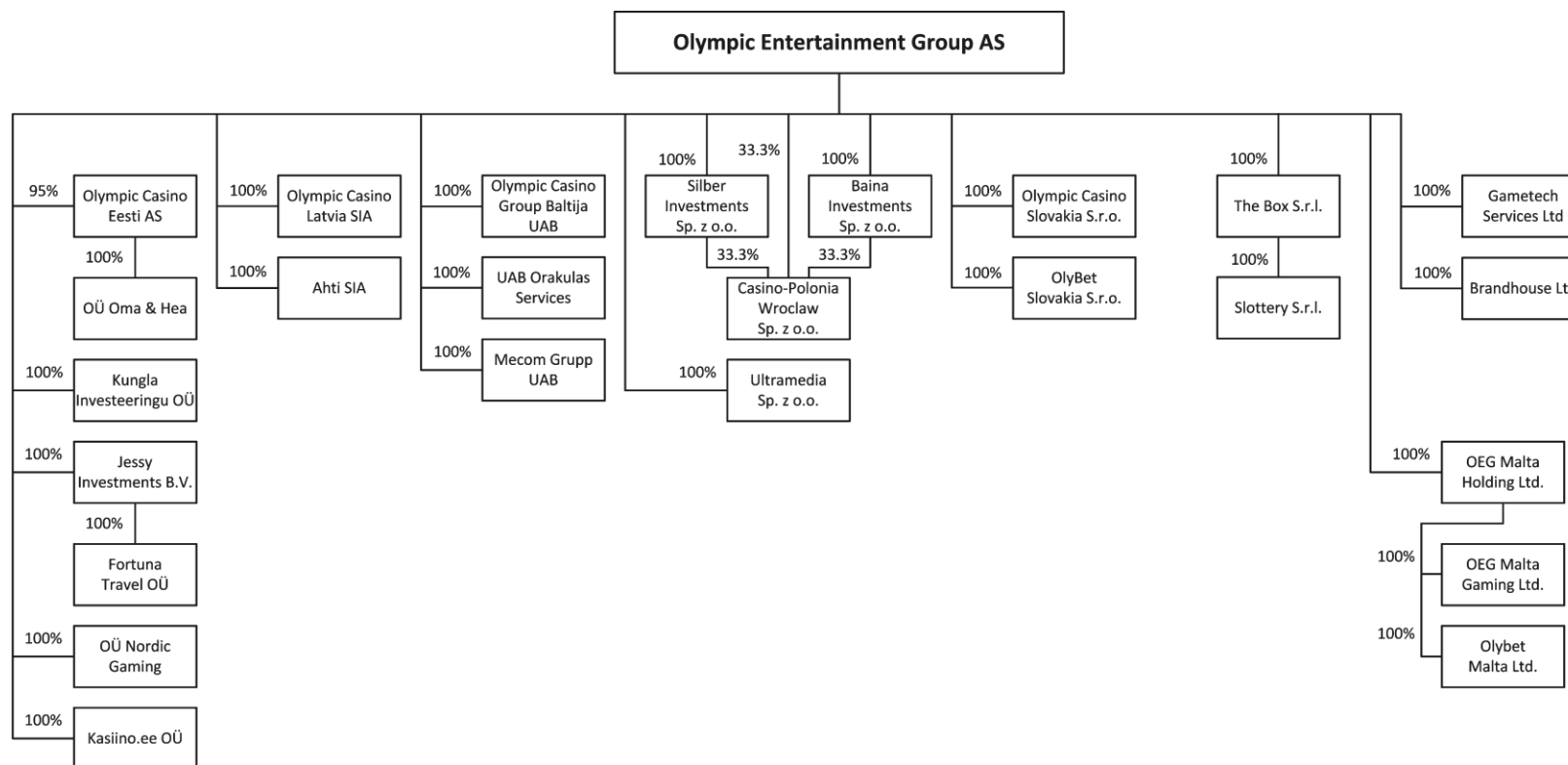
### Our vision

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 September 2017



## 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 Jääger  
Chairman of the Management Board



Meelis Pielberg  
Member of the Management Board

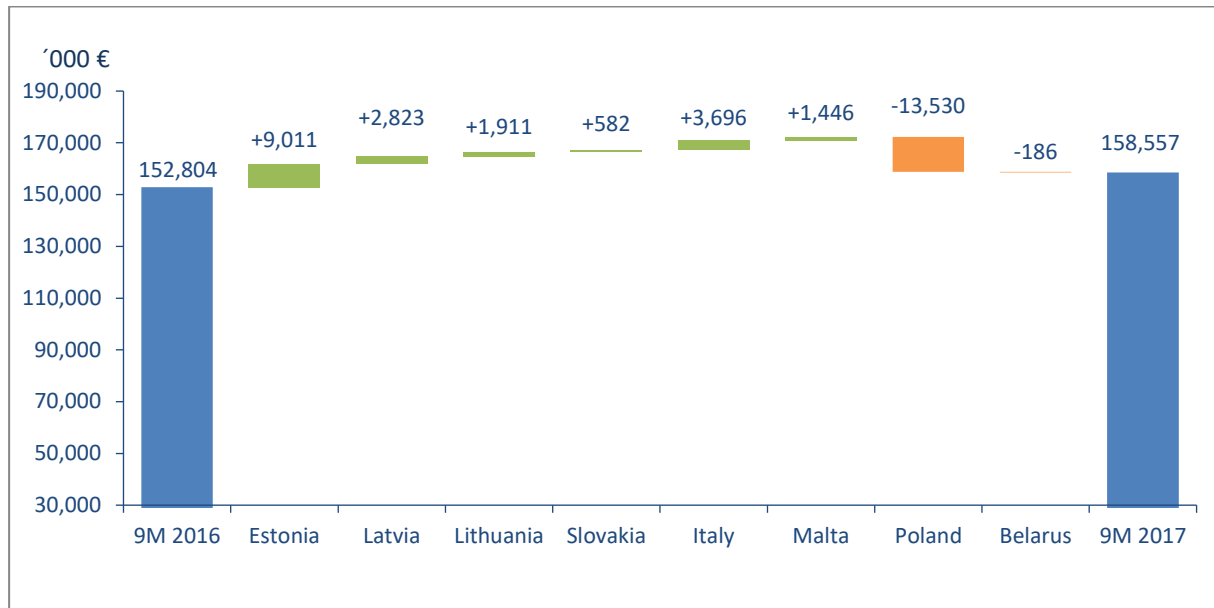
26 October 2017

## Management report

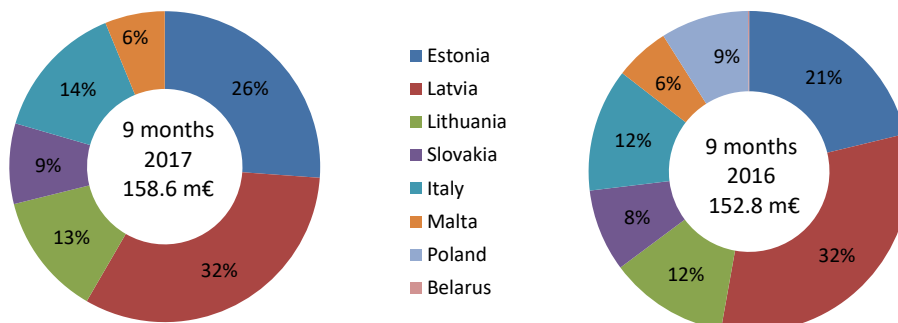
### Overview of the economic activities

#### Key developments of the Group during 9 months of 2017:

- The financial results in the management report section of this report have been presented together with discontinued operations Poland and Belarus, whereas in the statement of comprehensive income the results of discontinued operations have been separated and presented in a single line. Please see page 13 for the income statements of continued and discontinued operations.
- The Group's consolidated total revenue before gaming taxes for 9 months of 2017 amounted to EUR 158.6 million, up 3.8% or EUR 5.8 million y-o-y.
- Total gaming revenue before gaming taxes accounted for 89.7% (142,2 m€) and other revenues for 10.3% (16.3 m€) of the Group's consolidated total sales revenues for 9 months of 2017. A year before the revenue split was 93.1% (142.2 m€) and 6.9% (10.6 m€), respectively.
- The Group's consolidated EBITDA for 9 months of 2017 amounted to EUR 33.9 million, a decline of 23.4% from EUR 44.2 million a year before. The Group's consolidated operating profit decreased EUR 3.2 million (11.7%) to EUR 24.5 million. 2016 respective numbers included profit from the hotel real estate sales transaction in amount of EUR 17.8 million and impairment of goodwill and assets in Poland (Polish segment's operating loss for 9 months of 2016 was EUR -8.8 million).
- The Group's consolidated net profit attributable to equity holders of the parent company for 9 months of 2017 totalled EUR 21.1 million compared to EUR 23.7 million a year ago.
- In the current financial statements, Polish and Belarusian segments have been classified as discontinued operations, for which the net profit for 9 months of 2017 amounted to EUR 0 million (in 9 months of 2016 net loss of EUR 9.4 m€).
- Group Polish subsidiary Casino Polonia-Wrocław sp. z o.o. that operated the flagship casino of OEG in Warsaw until September 2016 submitted to the court its bankruptcy petition on 2 January 2017.
- On 11 January 2017 Group established and registered the company Olybet Malta Limited in Malta with share capital of EUR 5,000. Group owns through a subsidiary 100% of the shares of Olybet Malta Limited. The aim of establishing the subsidiary is to develop the legal platform for the expansion of OEG group's activities in the business of remote gambling.
- Group Polish subsidiaries Baina Investments sp. z o.o. and Silber Investments sp. z o.o. submitted to the court their bankruptcy petitions on 20 January 2017. These holding companies own shares in the OEG subsidiary Casino Polonia-Wrocław sp. z o.o.
- On 27 February 2017 Group announced that the Lithuanian subsidiary of OEG, UAB Orakulas will be demerged into two entities within the first half of this year. The aim of the demerger was to adjust the group structure by separating the technology platform of online operations and trading and risk management for sports betting services from the operational activities of the subsidiary. OEG would own 100% of the shares in both entities after the demerger. Demerger was completed on 16 May 2017.
- On 28 March 2017 Group initiated proceedings for delisting its shares from the main market of the Warsaw Stock Exchange. After receiving permission from the Polish Financial Supervision Authority the Group announced that its shares are delisted from Warsaw Stock Exchange as of 19 September 2017.
- The general meeting of shareholders held on 20 April 2017 decided to pay out dividends in amount of EUR 15,179,120.60 (EUR 0.1 per share), that were paid out to shareholders on 9 May 2017.
- On 9 May 2017 Group announced that Italian subsidiaries of OEG, casino operating companies Slottery S.r.l. and Jackpot Game S.r.l., have concluded a merger agreement. The merger was finalised on 28 June 2017 and during the course of the merger Jackpot Game S.r.l. was merged with Slottery S.r.l. The aim of the merger was the adjustment of the group's structure.
- On 29 May 2017 OEG announced of the liquidation of its Belarusian subsidiary Olympic Casino Bel IP. The aim of the liquidation was the adjustment of the group's structure.
- On 9 June 2017 the Group announced that its Lithuanian subsidiaries, Olympic Casino Group Baltija UAB and Orakulas UAB have concluded a merger agreement on 7 June 2017. The merger was completed on 31 August 2017 and during the course of the merger Orakulas UAB was merged with Olympic Casino Group Baltija UAB. The aim of the merger was the adjustment of the group's structure.

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

'000€	Q3 2017	Q3 2016	Change	9M 2017	9M 2016	Change
Estonia	14,724	12,319	19.5%	41,452	32,441	27.8%
Latvia	17,883	17,034	5.0%	51,086	48,263	5.8%
Lithuania	6,535	6,038	8.2%	20,240	18,330	10.4%
Slovakia	4,471	3,966	12.7%	13,261	12,680	4.6%
Italy	6,969	6,259	11.3%	22,634	18,938	19.5%
Malta	3,624	3,699	-2.0%	9,884	8,437	17.1%
Poland	0	4,300	-100.0%	0	13,530	-100.0%
Belarus	0	0	n/a	0	185	-100.0%
<b>Total</b>	<b>54,206</b>	<b>53,615</b>	<b>1.1%</b>	<b>158,557</b>	<b>152,804</b>	<b>3.8%</b>

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

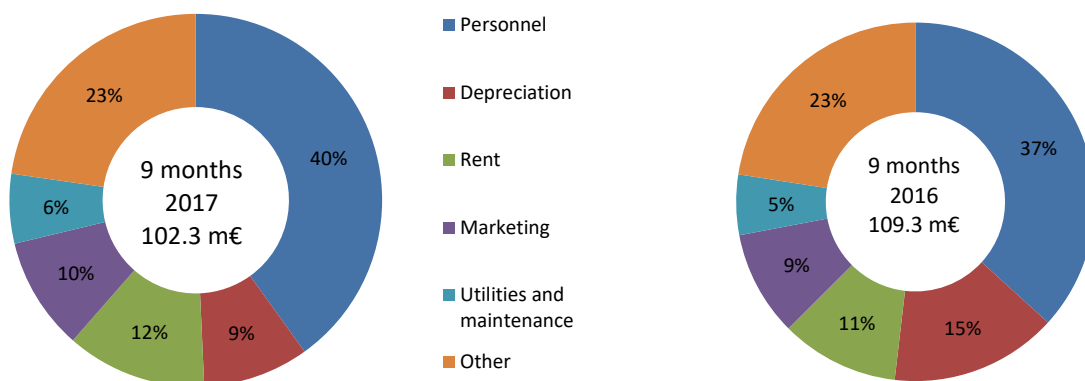
At the end of September 2017, the Group had 117 casinos with total floor area of 38,141 m<sup>2</sup> (-294 m<sup>2</sup>) and 28 betting points with total floor area of 735 m<sup>2</sup> (-165 m<sup>2</sup>).

**Number of casinos by segment:**

	<u>30 September 2017</u>	<u>30 September 2016</u>
Estonia	24	24
Latvia	52	57
Lithuania	18	18
Slovakia	7	8
Italy	15	15
Malta	1	1
Poland	0	0
Belarus	0	0
<b>Total</b>	<b>117</b>	<b>123</b>

The Group's consolidated operating expenses for 9 months of 2017 amounted to EUR 102.3 million, down 6.4% or EUR 7.0 million y-o-y. Costs decline is caused by the fact that last year's costs included impairment of goodwill and assets in Poland. Depreciation and impairment costs declined by 43% (-7.1 m€). The growth was highest in rent expenses (+0.8 m€, +6.9%), personnel expenses (+0.8 m€, +2.1%) and utilities and maintenance costs (+0.2 m€, +3.8%). Personnel expenses (41.0 m€) and rent costs (12.5 m€) represented the largest cost items accounting for 52.0% of total operating expenses.

The income statement now presents revenue before gaming taxes, then gaming taxes and thereafter net revenue. Therefore, gaming taxes are no longer presented under operating expenses. Gaming taxes for 9 months of 2017 decreased 6.9% (-2.3 m€) compared to 9 months of 2016.





**Key performance indicators of the Group**

		9M 2017	9M 2016	9M 2015
Revenue before gaming taxes	m€	158.6	152.8	129.3
Gaming tax	m€	-31.8	-34.1	-29.7
Net revenue	m€	126.8	118.7	99.6
Total net revenue and income	m€	126.8	137.0	100.0
EBITDA	m€	33.9	44.2	29.2
EBIT	m€	24.5	27.7	23.3
Net profit	m€	21.1	24.5	20.4
EBITDA margin	%	26.8	37.3	29.3
Operating margin	%	19.3	23.4	23.4
Net margin	%	16.7	20.7	20.5
Assets	m€	158.9	153.7	135.3
Equity	m€	135.8	123.8	115.0
ROE	%	16.6	20.3	18.4
ROA	%	13.6	15.5	15.6
Current ratio	times	2.5	1.7	2.5
Casinos at end of period	#	117	123	97
Casino floor area at end of period	m <sup>2</sup>	38,141	38,435	30,343
Betting points at the end of period	#	28	32	0
Betting points floor area at end of period	m <sup>2</sup>	735	900	0
Employees	#	3,009	3,069	2,636
Slot machines at end of period	#	4,067	4,137	3,372
Electronic roulette terminals at the end of period	#	116	112	104
Gaming tables at end of period	#	167	164	185
Tournament poker gaming tables at the end of period	#	66	64	46

## 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

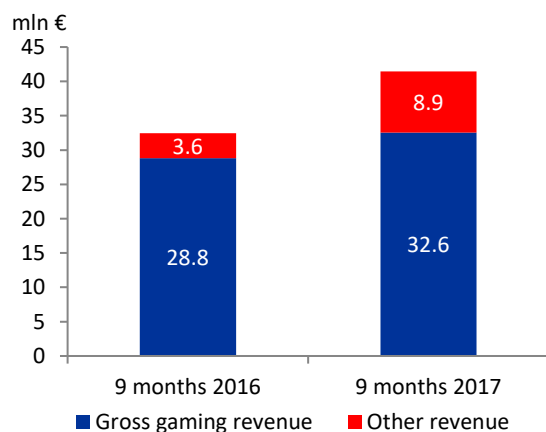
## Overview by markets

### Estonia

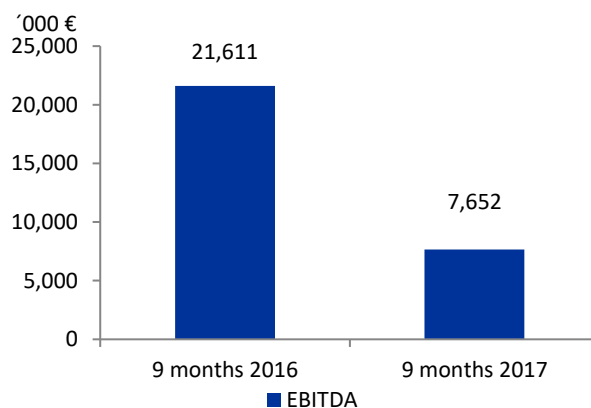
Total revenue before gaming taxes of Estonian segment for 9 months of 2017 amounted to EUR 41.5 million (+9.0 m€, +27.8%), EBITDA to EUR 7.7 million (-14.0 m€, -64.6%) and operating profit to EUR 5.0 million (-14.1 m€, -73.9%). The reason for the EBITDA and operating profit decline is that last year's numbers included profit from the hotel real estate sales transaction in amount of EUR 17.8 million. Gaming revenue before gaming taxes increased 12.9% y-o-y amounting to EUR 32.6 million.

At the end of September 2017, there were 24 Olympic casinos with 988 slot machines, 46 electronic roulette terminals, 24 gaming tables and 24 poker tournament tables operating in Estonia. At 30 September 2017 Estonian operations employed 711 people.

#### Total revenue before gaming taxes



#### EBITDA

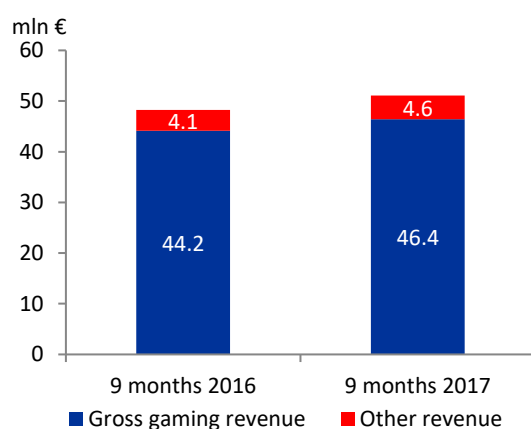


### Latvia

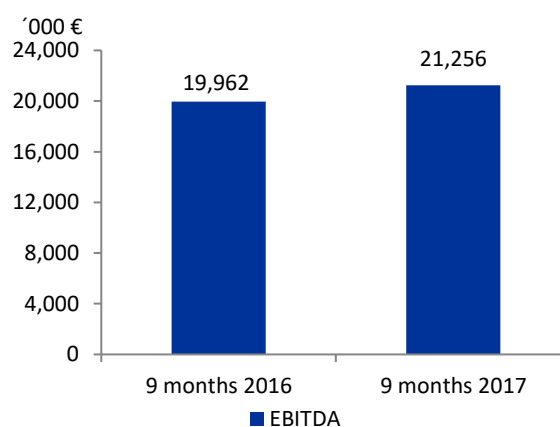
Total revenue before gaming taxes of Latvian segment for 9 months of 2017 amounted to EUR 51.1 million (+2.8 m€, +5.9%), EBITDA to EUR 21.3 million (+1.3 m€, +6.5%) and operating profit to EUR 18.2 million (+0.9 m€, +5.3%). Gaming revenue before gaming taxes increased 5.2% y-o-y amounting to EUR 46.4 million.

At the end of September 2017, there were 52 Olympic casinos with 1,454 slot machines, 8 electronic roulette terminals, 24 gaming tables and 9 poker tournament tables operating in Latvia. At 30 September 2017 Latvian operations employed 931 people.

#### Total revenue before gaming taxes



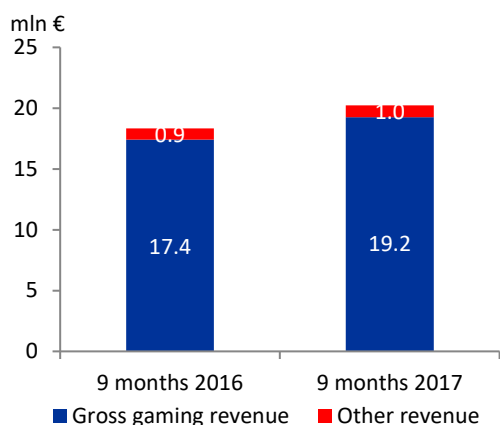
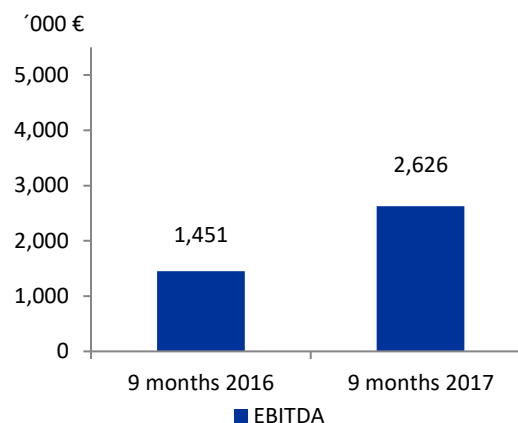
#### EBITDA



**Lithuania**

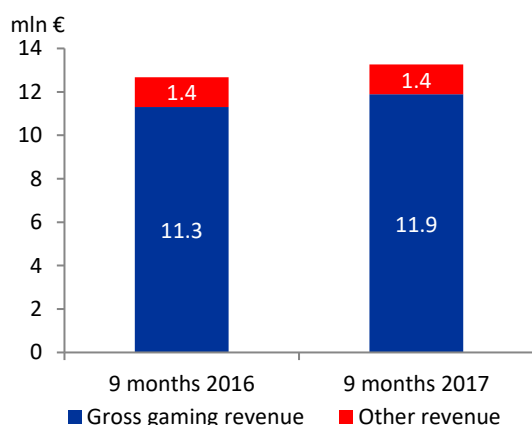
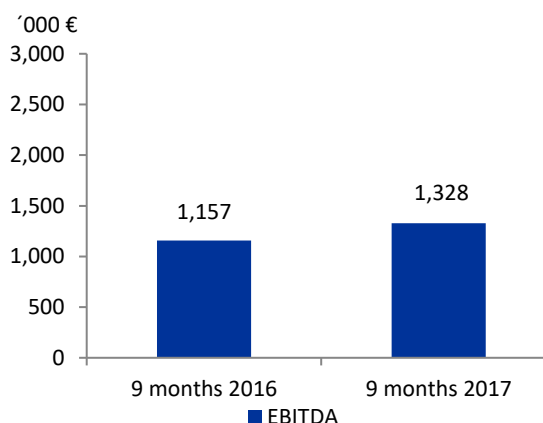
Total revenue before gaming taxes of Lithuanian segment for 9 months of 2017 amounted to EUR 20.2 million (+1.9 m€, +10.4%), EBITDA to EUR 2.6 million (+1.2 m€, +80.9%) and operating profit to EUR 1.3 million (+1.0 m€, +344.1%). Gaming revenue before gaming taxes increased 10.5% y-o-y amounting to EUR 19.2 million.

At the end of September 2017, there were 18 Olympic casinos with 527 slot machines, 8 electronic roulette terminals, 53 gaming tables and 2 poker tournament tables and 28 betting shops operating in Lithuania. At 30 June 2017 Lithuanian operations employed 753 people.

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

Total revenue before gaming taxes of Slovak segment for 9 months of 2017 amounted to EUR 13.3 million (+0.6 m€, +4.6%), EBITDA to EUR 1.3 million (+0.2 m€, +14.7%) and operating profit to EUR 0.4 million (+0.1 m€, +36.3%). Gaming revenue before gaming taxes increased 5.2% y-o-y amounting to EUR 11.9 million.

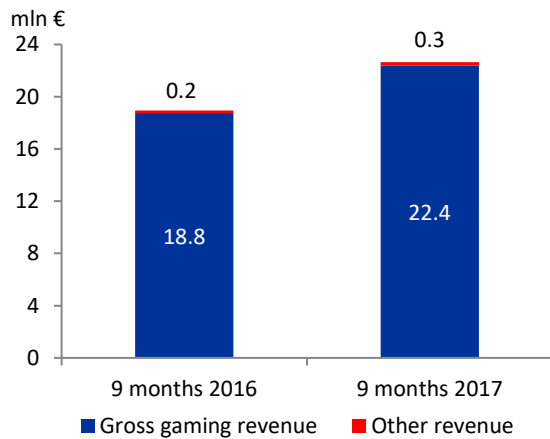
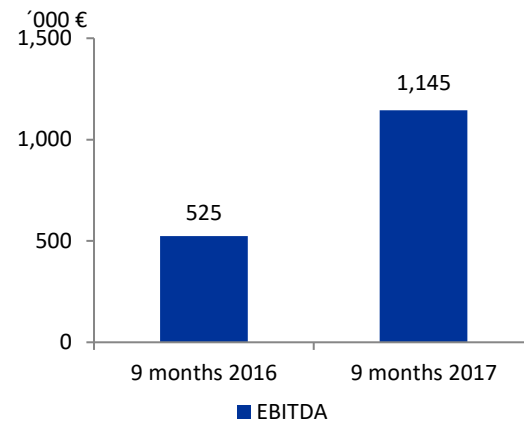
At the end of September 2017, there were 7 Olympic casinos with 268 slot machines, 36 electronic roulette terminals, 45 gaming tables and 21 poker tournament tables operating in Slovakia. At 30 September 2017 Slovak operations employed 341 people.

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

**Italy**

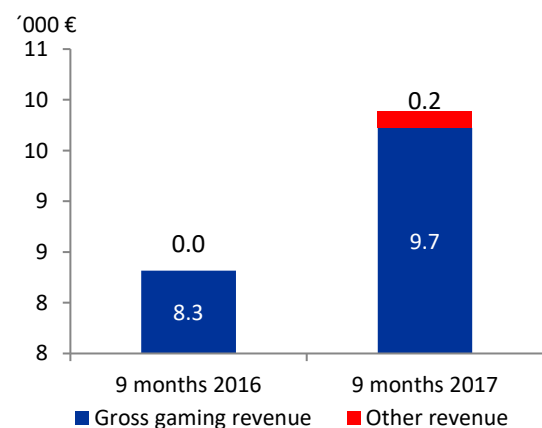
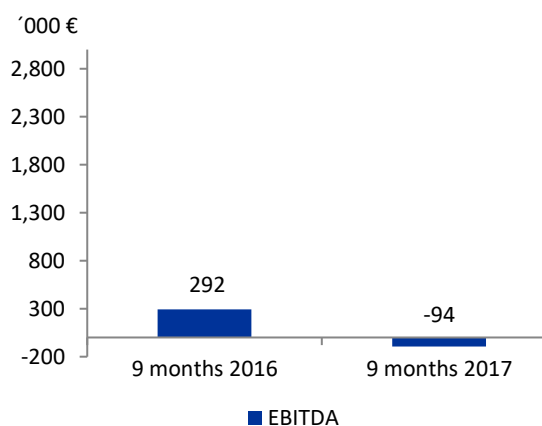
Total revenue before gaming taxes of Italian segment for 9 months of 2017 amounted to EUR 22.6 million (+3.7 m€, +19.5%), EBITDA to EUR 1.1 million (+0.6 m€, +118.2%) and operating profit to EUR 0.5 million (+0.3 m€, +98.5%). Gaming revenue before gaming taxes increased 19.3% y-o-y amounting to EUR 22.4 million.

At the end of September 2017, there were 15 VLT slot casinos with 545 slot machines operating in Italy. At 30 September 2017 Italian operations employed 91 people.

**Total revenue before gaming taxes****EBITDA****Malta**

Total revenue before gaming taxes of Maltese segment for 9 months of 2017 amounted to EUR 9.9 million (+1.4 m€, +17.1%), EBITDA to EUR -0.1 million (-0.4 m€) and operating loss to EUR 0.9 million (-0.5 m€). Gaming revenue before gaming taxes increased 16.9% y-o-y amounting to EUR 9.7 million.

At the end of September 2017, there was 1 casino with 285 slot machines, 18 electronic roulette terminals, 21 gaming tables and 10 poker tournament tables operating in Malta. At 30 September 2017 Maltese operations employed 181 people.

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

**Discontinued operations****Poland**

Polish flagship casino was closed on 23 September 2016 due to expiration of location specific activity license. The Group remains to be interested in continuing its operations in the Polish market and plans to participate in the upcoming public tenders for the licenses. The main purpose of freezing the active operations was to minimise the everyday costs and expenses.

**Belarus**

The Group has announced of its decision to exit Belarusian gaming market due to the inefficient operations caused by the macroeconomic situation and poor prospects to increase profitability in Belarus.

**The Group's income statements for continued and discontinued operations**

Polish and Belarusian segments have been classified as discontinued operations.

	Q3 2017			Q3 2016		
	Continued operations	Discontinued operations	Group total	Continued operations	Discontinued operations	Group total
Gross gaming revenue	47,912	0	47,912	44,753	4,212	48,965
Other revenue	6,294	0	6,294	4,562	88	4,650
<b>Total revenue before gaming taxes</b>	<b>54,206</b>	<b>0</b>	<b>54,206</b>	<b>49,315</b>	<b>4,300</b>	<b>53,615</b>
Gaming taxes	-10,213	0	-10,213	-9,144	-2,100	-11,244
<b>Net revenue</b>	<b>43,993</b>	<b>0</b>	<b>43,993</b>	<b>40,171</b>	<b>2,200</b>	<b>42,371</b>
Other income	6	0	6	17,857	32	17,889
<b>Total net revenue and income</b>	<b>43,999</b>	<b>0</b>	<b>43,999</b>	<b>58,028</b>	<b>2,232</b>	<b>60,260</b>
Cost of materials, goods and services	-1,553	0	-1,553	-1,454	-31	-1,485
Other operating expenses	-15,922	0	-15,922	-15,426	-800	-16,226
Staff costs	-13,473	0	-13,473	-12,496	-1,273	-13,769
Depreciation, amortisation and impairment	-3,190	0	-3,190	-3,303	-8,087	-11,390
Other expenses	-65	0	-65	-231	-1,448	-1,679
<b>Total operating expenses</b>	<b>-34,203</b>	<b>0</b>	<b>-34,203</b>	<b>-32,910</b>	<b>-11,639</b>	<b>-44,549</b>
<b>Operating profit</b>	<b>9,796</b>	<b>0</b>	<b>9,796</b>	<b>25,118</b>	<b>-9,407</b>	<b>15,711</b>
Interest income	1	0	1	5	6	11
Interest expense	-1	0	-1	-25	0	-25
Foreign exchange gains (losses)	-7	0	-7	-2	7	5
Other finance income and costs	-12	0	-12	-20	0	-20
<b>Total finance income and costs</b>	<b>-19</b>	<b>0</b>	<b>-19</b>	<b>-42</b>	<b>13</b>	<b>-29</b>
<b>Profit before income tax</b>	<b>9,777</b>	<b>0</b>	<b>9,777</b>	<b>25,076</b>	<b>-9,394</b>	<b>15,682</b>
Income tax expense	-1,227	0	-1,227	-927	-351	-1,278
<b>Net profit for the period</b>	<b>8,550</b>	<b>0</b>	<b>8,550</b>	<b>24,149</b>	<b>-9,745</b>	<b>14,404</b>
<i>Attributable to equity holders of the parent company</i>	<i>8,307</i>	<i>0</i>	<i>8,307</i>	<i>23,655</i>	<i>-9,745</i>	<i>13,910</i>
<i>Attributable to non-controlling interest</i>	<i>243</i>	<i>0</i>	<i>243</i>	<i>494</i>	<i>0</i>	<i>494</i>

	9M 2017			9M 2016		
	Continued operations	Discontinued operations	Group total	Continued operations	Discontinued operations	Group total
Gross gaming revenue	142,230	0	142,230	128,787	13,459	142,246
Other revenue	16,327	0	16,327	10,302	256	10,558
<b>Total revenue before gaming taxes</b>	<b>158,557</b>	<b>0</b>	<b>158,557</b>	<b>139,089</b>	<b>13,715</b>	<b>152,804</b>
Gaming taxes	-31,788	0	-31,788	-27,466	-6,671	-34,137
<b>Net revenue</b>	<b>126,769</b>	<b>0</b>	<b>126,769</b>	<b>111,623</b>	<b>7,044</b>	<b>118,667</b>
Other income	27	0	27	18,142	209	18,351
<b>Total net revenue and income</b>	<b>126,796</b>	<b>0</b>	<b>126,796</b>	<b>129,765</b>	<b>7,253</b>	<b>137,018</b>
Cost of materials, goods and services	-4,399	0	-4,399	-3,826	-116	-3,942
Other operating expenses	-47,294	0	-47,294	-43,132	-3,571	-46,703
Staff costs	-40,997	0	-40,997	-37,381	-2,779	-40,160
Depreciation, amortisation and impairment	-9,403	0	-9,403	-8,232	-8,262	-16,494
Other expenses	-194	0	-194	-428	-1,545	-1,973
<b>Total operating expenses</b>	<b>-102,287</b>	<b>0</b>	<b>-102,287</b>	<b>-92,999</b>	<b>-16,273</b>	<b>-109,272</b>
<b>Operating profit</b>	<b>24,509</b>	<b>0</b>	<b>24,509</b>	<b>36,766</b>	<b>-9,020</b>	<b>27,746</b>
Interest income	5	0	5	24	34	58
Interest expense	-1	0	-1	-41	0	-41
Foreign exchange gains (losses)	-37	0	-37	14	13	26
Other finance income and costs	-20	0	-20	-23	-8	-30
<b>Total finance income and costs</b>	<b>-53</b>	<b>0</b>	<b>-53</b>	<b>-26</b>	<b>39</b>	<b>13</b>
<b>Profit before income tax</b>	<b>24,456</b>	<b>0</b>	<b>24,456</b>	<b>36,740</b>	<b>-8,981</b>	<b>27,759</b>
Income tax expense	-3,340	0	-3,340	-2,792	-449	-3,241
<b>Net profit for the period</b>	<b>21,116</b>	<b>0</b>	<b>21,116</b>	<b>33,948</b>	<b>-9,430</b>	<b>24,518</b>
<i>Attributable to equity holders of the parent company</i>	<i>21,143</i>	<i>0</i>	<i>21,143</i>	<i>33,101</i>	<i>-9,440</i>	<i>23,661</i>
<i>Attributable to non-controlling interest</i>	<i>-27</i>	<i>0</i>	<i>-27</i>	<i>847</i>	<i>10</i>	<i>857</i>

**Financial position**

At 30 September 2017, the total assets of the Group amounted to EUR 158.9 million, up 3.4% or EUR 5.2 million compared to the same period a year ago.

Current assets totalled EUR 53.3 million or 33.6% of total assets, and non-current assets EUR 105.6 million or 66.5% of total assets. The liabilities amounted to EUR 23.1 million and equity to EUR 135.8 million. The largest liabilities included suppliers payables and advances (8.2 m€), tax liabilities (5.2 m€) and payables to employees (4.7 m€).

**Investments**

Within 9 months of 2017, the Group's expenditures on property, plant and equipment totalled EUR 6.7 million (-21.8 m€, -76.5%), of which EUR 4.6 million was invested into construction and reconstruction of casinos and EUR 1.6 million into new gaming equipment. First 9 months of 2016 also includes investments into the hotel construction, which is why investments for the 9 months of 2017 were lower.

**Cash flows**

Group's cash flows generated within 9 months of 2017 from operating activities amounted to EUR 31.8 million (+5.8 m€) and cash flows used in investing activities to EUR -7.2 million (+14.9 m€). Financing cash flows amounted to EUR -15.4 million (-17.0 m€). Net cash flows totalled EUR 9.2 million (+3.7 m€).

**Staff**

At 30 September 2017 Group employed 3,009 people, down by 60 y-o-y.

Within 9 months of 2017, total personnel expenses amounted to EUR 41.0 million (+0.8 m€, +2.1%). In 9 months 2017, 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 755 thousand (9M 2016: EUR 1,032 thousand) and EUR 111 thousand (9M 2016: EUR 111 thousand), 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 seven 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.

The functional currencies of subsidiaries within the Group and the US dollar (USD) can be used for managing the currency risk.

**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 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 owns directly and through the companies controlled by him a total of 75,000 Company's shares.



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 owns directly and through the companies controlled by him a total of 50,000 Company's shares.

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

- Armin Karu – Chairman of the Supervisory Board since 2008. Armin Karu is the founder of the Company. He graduated from Haaga Institute in Finland (International Management Diploma 1998; MBA 2005). Armin Karu owns directly and through the companies controlled by him a total of 68,364,790 Company's shares.
- Jaan Korpusev – member of the Supervisory Board since 2006. Jaan Korpusev graduated from University of Tartu in 1985 the faculty of history. Jaan Korpusev owns directly and through the companies controlled by him a total of 28,761,910 Company's shares.
- Liina Linsi – member of the Supervisory Board since 2006. Liina Linsi graduated from University of Tartu (law) in 1984 *cum laude*. Liina Linsi owns directly and through the companies controlled by her a total of 26,000 Company's shares.



## Shares of Olympic Entertainment Group AS

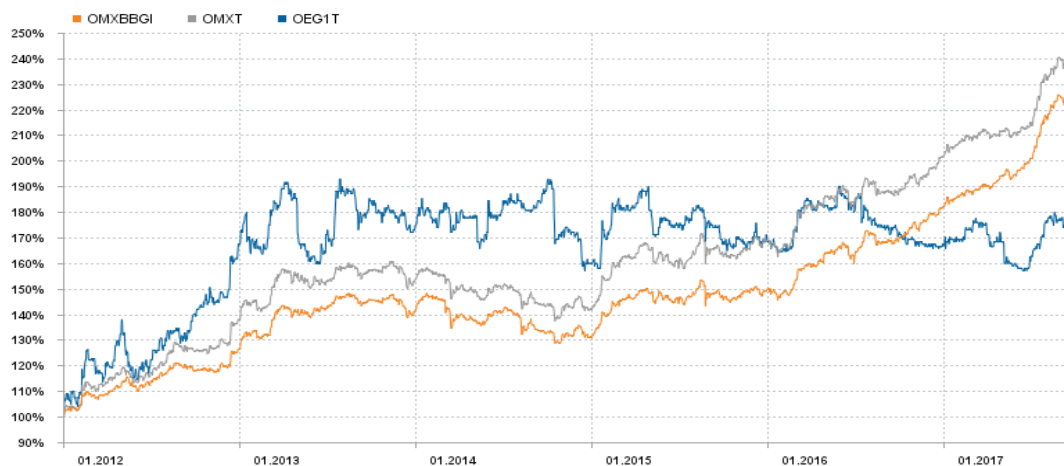
The shares of Olympic Entertainment Group AS are listed in the main list of Tallinn Stock Exchange since 23 October 2006. The Company's registered share capital is EUR 60,716,482.40. The share capital is divided into 151,791,206 ordinary shares with the book value of EUR 0.40 each.

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 2012 – 30 September 2017:



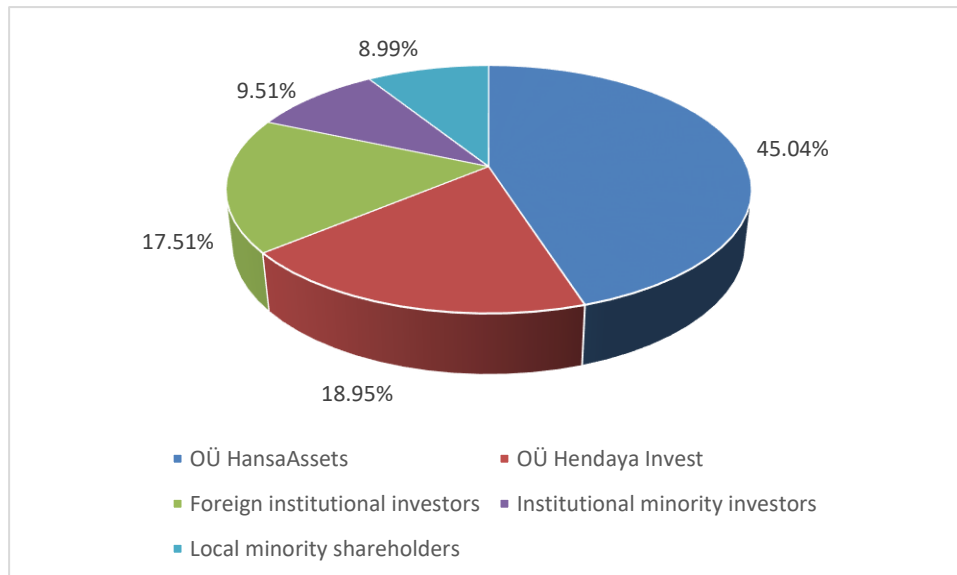
Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2012 – 30 September 2017:



Index/share	01 Jan 2012	30 Sep 2017	+/-%
OMX Baltic Benchmark GI	431.94	939.54	117.52
OMX Tallinn	531.17	1,225.95	130.80
OEG1T	1.062 EUR	1.830 EUR	72.32

**Largest shareholders of Olympic Entertainment Group AS at 30 September 2017:**

OÜ HANSAASSETS	45.04%
OÜ Hendaya Invest	18.95%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	3.56%
RBC INVESTOR SERVICES BANK / LUX-NON RESIDENTS / DOMESTIC RATE	1.69%
AB SEB BANKAS	1.41%
SEB S.A. CLIENT ASSETS UCITS	1.30%
NORDEA BANK AB FINLAND BRANCH-NON-TREATY CLIENTS	1.22%
FIREBIRD REPUBLICS FUND LTD	1.21%
CITIBANK ( NEW YORK) / GOVERNMENT OF NORWAY	1.08%
THE NORTHERN TRUST COMPANY/ HARDING LOEVNER FRONTIER EMERGING MARKETS PORTFOLIO	0.97%

**Structure of Olympic Entertainment Group AS shareholders as at 30 September 2017**

## Consolidated interim financial statements

### Consolidated statement of financial position

	Notes	30.09.2017	31.12.2016
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		47,125	37,933
Financial investments		93	99
Receivables and prepayments		4,257	4,552
Prepaid income tax		275	913
Inventories		1,567	1,532
<b>Total current assets</b>		<b>53,317</b>	<b>45,029</b>
<b>Non-current assets</b>			
Deferred tax assets		479	426
Financial investments		5,033	4,988
Other long-term receivables and prepayments		1,022	776
Investment property	4	295	295
Property, plant and equipment	5	49,011	51,250
Intangible assets	6	49,758	49,932
<b>Total non-current assets</b>		<b>105,598</b>	<b>107,667</b>
<b>TOTAL ASSETS</b>		<b>158,915</b>	<b>152,696</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables		19,278	19,806
Income tax payable		642	292
Provisions		1,734	1,329
<b>Total current liabilities</b>		<b>21,654</b>	<b>21,427</b>
<b>Non-current liabilities</b>			
Deferred tax liability		682	693
Other long-term payables		788	703
<b>Total non-current liabilities</b>		<b>1,470</b>	<b>1,396</b>
<b>TOTAL LIABILITIES</b>		<b>23,124</b>	<b>22,823</b>
<b>EQUITY</b>			
Share capital		60,716	60,716
Share premium		252	258
Treasury shares		-53	0
Statutory reserve capital		6,325	4,860
Other reserves		554	538
Translation reserves		-2	-26
Retained earnings		62,324	57,825
<b>Total equity attributable to equity holders of the parent</b>		<b>130,116</b>	<b>124,171</b>
Non-controlling interest		5,675	5,702
<b>TOTAL EQUITY</b>		<b>135,791</b>	<b>129,873</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>158,915</b>	<b>152,696</b>

**Consolidated statement of comprehensive income**

	Notes	Q3 2017	Q3 2016	9M 2017	9M 2016
<b>Continuing operations</b>					
Gross gaming revenue	8	47,912	44,753	142,230	128,787
Other revenue	8	6,294	4,562	16,327	10,302
<b>Total revenue before gaming taxes</b>		<b>54,206</b>	<b>49,315</b>	<b>158,557</b>	<b>139,089</b>
Gaming taxes		-10,213	-9,144	-31,788	-27,466
<b>Net revenue</b>		<b>43,993</b>	<b>40,171</b>	<b>126,769</b>	<b>111,623</b>
Other income	8	6	17,857	27	18,142
<b>Total net revenue and income</b>		<b>43,999</b>	<b>58,028</b>	<b>126,796</b>	<b>129,765</b>
Cost of materials, goods and services		-1,553	-1,454	-4,399	-3,826
Other operating expenses		-15,922	-15,426	-47,294	-43,132
Staff costs		-13,473	-12,496	-40,997	-37,381
Depreciation, amortisation and impairment	5;6	-3,190	-3,303	-9,403	-8,232
Other expenses		-65	-231	-194	-428
<b>Total operating expenses</b>		<b>-34,203</b>	<b>-32,910</b>	<b>-102,287</b>	<b>-92,999</b>
<b>Operating profit</b>		<b>9,796</b>	<b>25,118</b>	<b>24,509</b>	<b>36,766</b>
Interest income		1	5	5	24
Interest expense		-1	-25	-1	-41
Foreign exchange gains (losses)		-7	-2	-37	14
Other finance income and costs		-12	-20	-20	-23
<b>Total finance income and costs</b>		<b>-19</b>	<b>-42</b>	<b>-53</b>	<b>-26</b>
<b>Profit before income tax</b>		<b>9,777</b>	<b>25,076</b>	<b>24,456</b>	<b>36,740</b>
Income tax expense		-1,227	-927	-3,340	-2,792
<b>Net profit for the period from continuing operations</b>		<b>8,550</b>	<b>24,149</b>	<b>21,116</b>	<b>33,948</b>
Net profit for the period from discontinued operations		0	-9,745	0	-9,430
<b>Net profit for the period</b>		<b>8,550</b>	<b>14,404</b>	<b>21,116</b>	<b>24,518</b>
<i>Attributable to equity holders of the parent company</i>		<i>8,307</i>	<i>13,910</i>	<i>21,143</i>	<i>23,661</i>
<i>Attributable to non-controlling interest</i>		<i>243</i>	<i>494</i>	<i>-27</i>	<i>857</i>
<b>Other comprehensive income</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
Currency translation differences		-13	618	24	453
<b>Total comprehensive profit for the period</b>		<b>8,537</b>	<b>15,022</b>	<b>21,140</b>	<b>24,971</b>
<i>Attributable to equity holders of the parent company</i>		<i>8,294</i>	<i>14,528</i>	<i>21,167</i>	<i>24,114</i>
<i>Attributable to non-controlling interest</i>		<i>243</i>	<i>494</i>	<i>-27</i>	<i>857</i>
<b>Basic earnings per share*</b>					
	7	5.5	9.2	13.9	15.6
<i>From continuing operations</i>		<i>5.5</i>	<i>15.6</i>	<i>13.9</i>	<i>21.8</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>-6.4</i>	<i>0.0</i>	<i>-6.2</i>
<b>Diluted earnings per share*</b>					
		5.5	9.2	13.9	15.6
<i>From continuing operations</i>		<i>5.5</i>	<i>15.6</i>	<i>13.9</i>	<i>21.8</i>
<i>From discontinuing operations</i>	7	<i>0.0</i>	<i>-6.4</i>	<i>0.0</i>	<i>-6.2</i>

\* euro cents

**Consolidated statement of cash flows**

	Notes	9M 2017	9M 2016
<b>Cash flows from operating activities</b>			
Net profit		21,116	24,518
Adjustments:			
Depreciation, amortisation and impairment	5;6	9,403	16,494
Profit / loss on disposal of non-current assets (net)		6	-17,916
Income tax expense		3,340	3,241
Share option reserve		17	141
Other financial income and expenses (net)		53	-13
Changes in working capital:			
Receivables and prepayments		669	1,659
Inventories		-35	-252
Liabilities and prepayments		-288	2,298
Interest paid		0	-72
Corporate income tax paid		-2,473	-4,118
<b>Net cash generated from operating activities</b>		<b>31,808</b>	<b>25,980</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant, equipment and intangible assets		-7,178	-33,223
Proceeds from sale of property, plant, equipment		7	16,522
Purchase of financial investments		-70	-588
Proceeds from sale of financial investments		0	71
Acquisition of subsidiaries, net of cash acquired		0	-10,366
Repayments of loans given		0	5,400
Interest received		5	46
<b>Net cash used in investing activities</b>		<b>-7,236</b>	<b>-22,138</b>
<b>Cash flows from financing activities</b>			
Loans received		0	21,871
Repayments of loans received		-120	-5,055
Repayments of finance leases		0	-9
Payments for treasury shares bought back		-59	0
Dividends paid		-15,179	-15,179
<b>Net cash used in (generated from) financing activities</b>		<b>-15,358</b>	<b>1,628</b>
<b>Net cash flows</b>		<b>9,214</b>	<b>5,470</b>
Cash and cash equivalents at beginning of the period		37,933	34,710
Exchange gains and losses on cash and cash equivalents		-22	22
<b>Cash and cash equivalents at end of the period</b>		<b>47,125</b>	<b>40,202</b>

**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 01.01.2016	60,716	258	0	3,574	329	-1 156	51,822	115,543	7,326	122,869
Net profit for the period	0	0	0	0	0	0	23,661	23,661	857	24,518
Other comprehensive expense	0	0	0	0	0	453	0	453	0	453
Total comprehensive income for the period	0	0	0	0	0	453	23,661	24,114	857	24,971
Increase of statutory reserve capital	0	0	0	1,286	0	0	-1,286	0	0	0
Dividends paid	0	0	0	0	0	0	-22,769	-22,769	0	-22,769
Employee option programme	0	0	0	0	141	0	0	141	0	141
Total transactions with owners	0	0	0	1,286	141	0	-24,055	-22,628	0	-22,628
Acquired through business combinations	0	0	0	0	0	0	0	0	118	118
Other adjustments	0	0	0	0	0	0	761	761	-2,251	-1,490
Balance at 30.09.2016	60,716	258	0	4,860	470	-703	52,189	117,790	6,050	123,840
Balance at 01.01.2017	60,716	258	0	4,860	538	-26	57,825	124,171	5,702	129,873
Net profit for the period	0	0	0	0	0	0	21,143	21,143	-27	21,116
Other comprehensive income	0	0	0	0	0	24	0	24	0	24
Total comprehensive income for the period	0	0	0	0	0	24	21,143	21,167	-27	21,140
Increase of statutory reserve capital	0	0	0	1,465	0	0	-1,465	0	0	0
Dividends paid	0	0	0	0	0	0	-15,179	-15,179	0	-15,179
Acquisition of treasury shares	0	-6	-53	0	0	0	0	-59	0	-59
Employee option programme	0	0	0	0	16	0	0	16	0	16
Total transactions with owners	0	-6	-53	1,465	16	0	-16,644	-15,222	0	-15,222
Balance at 30.09.2017	60,716	252	-53	6,325	554	-2	62,324	130,116	5,675	135,791

## 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 September 2017 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 October 2017.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2016 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](http://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 2016.

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 2016.

### 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 2016, 48% of the income from gaming transactions accumulated in the first half of the year, with 52% accumulating in the second half.

### Note 3 Discontinued operations

On 23 September 2016 the Group announced that it is forced to freeze active operations in Poland from 24 September 2016 due to the lack of valid location specific activity license.

On 23 September 2016 the Group announced of its decision to exit Belarusian gaming market due to the inefficient operations caused by the macroeconomic situation and poor prospects to increase profitability in Belarus.

Therefore, the Polish and Belarusian segments have been classified as discontinued operations in these interim financial statements.

#### Consolidated income statement of discontinued operations

	Poland		Belarus	
	Q3 2017	Q3 2016	Q3 2017	Q3 2016
Gross gaming revenue	0	4,212	0	0
Other revenue	0	88	0	0
<b>Total revenue before gaming taxes</b>	<b>0</b>	<b>4,300</b>	<b>0</b>	<b>0</b>
Gaming taxes	0	-2,100	0	0
<b>Net revenue</b>	<b>0</b>	<b>2,200</b>	<b>0</b>	<b>0</b>
Other income	0	28	0	4
<b>Total net revenue and income</b>	<b>0</b>	<b>2,228</b>	<b>0</b>	<b>4</b>
Cost of materials, goods and services	0	-31	0	0
Other operating expenses	0	-778	0	-22
Staff costs	0	-1,251	0	-22
Depreciation, amortisation and impairment	0	-8,086	0	-1
Other expenses	0	-1,447	0	-1
<b>Total operating expenses</b>	<b>0</b>	<b>-11,593</b>	<b>0</b>	<b>-46</b>
<b>Operating loss</b>	<b>0</b>	<b>-9,365</b>	<b>0</b>	<b>-42</b>
Interest income	0	4	0	2
Foreign exchange gains	0	7	0	0
<b>Total finance income and costs</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>2</b>
<b>Loss before income tax</b>	<b>0</b>	<b>-9,354</b>	<b>0</b>	<b>-40</b>
Income tax expense	0	-351	0	0
<b>Net loss for the period from discontinued operations</b>	<b>0</b>	<b>-9,705</b>	<b>0</b>	<b>-40</b>



	Poland		Belarus	
	9M 2017	9M 2016	9M 2017	9M 2016
Gross gaming revenue	0	13,283	0	176
Other revenue	0	247	0	9
<b>Total revenue before gaming taxes</b>	<b>0</b>	<b>13,530</b>	<b>0</b>	<b>185</b>
Gaming taxes	0	-6,630	0	-41
<b>Net revenue</b>	<b>0</b>	<b>6,900</b>	<b>0</b>	<b>144</b>
Other income	0	162	0	47
<b>Total net revenue and income</b>	<b>0</b>	<b>7,062</b>	<b>0</b>	<b>191</b>
Cost of materials, goods and services	0	-109	0	-7
Other operating expenses	0	-3,368	0	-203
Staff costs	0	-2,680	0	-99
Depreciation, amortisation and impairment	0	-8,260	0	-2
Other expenses	0	-1,473	0	-72
<b>Total operating expenses</b>	<b>0</b>	<b>-15,890</b>	<b>0</b>	<b>-383</b>
<b>Operating loss</b>	<b>0</b>	<b>-8,828</b>	<b>0</b>	<b>-192</b>
Interest income	0	28	0	6
Foreign exchange gains	0	13	0	0
Other finance income and costs	0	-8	0	0
<b>Total finance income and costs</b>	<b>0</b>	<b>33</b>	<b>0</b>	<b>6</b>
<b>Loss before income tax</b>	<b>0</b>	<b>-8,795</b>	<b>0</b>	<b>-186</b>
Income tax expense	0	-449	0	0
<b>Net loss for the period from discontinued operations</b>	<b>0</b>	<b>-9,244</b>	<b>0</b>	<b>-186</b>

#### Consolidated statement of cash flows of discontinued operations

	Poland		Belarus	
	Q3 2017	Q3 2016	Q3 2017	Q3 2016
Net cash used in operating activities	0	-35	0	-119
Net cash from (used in) investing activities	0	241	0	75
<b>Net cash flows</b>	<b>0</b>	<b>206</b>	<b>0</b>	<b>-44</b>
Cash and cash equivalents at beginning of the period	0	2,552	0	69
Exchange gains on cash and cash equivalents	0	7	0	1
<b>Cash and cash equivalents at end of the period</b>	<b>0</b>	<b>2,765</b>	<b>0</b>	<b>26</b>

	Poland		Belarus	
	9M 2017	9M 2016	9M 2017	9M 2016
Net cash used in operating activities	0	731	0	-304
Net cash from (used in) investing activities	0	-76	0	278
<b>Net cash flows</b>	<b>0</b>	<b>655</b>	<b>0</b>	<b>-26</b>
Cash and cash equivalents at beginning of the period	0	2,092	0	50
Exchange gains on cash and cash equivalents	0	18	0	2
<b>Cash and cash equivalents at end of the period</b>	<b>0</b>	<b>2,765</b>	<b>0</b>	<b>26</b>

**Note 4 Investment property**

	Land	Buildings	Total
As at 1 January 2017	166	129	295
As at 30 September 2017	166	129	295

**Note 5 Property, plant and equipment**

	Renovation expenditures	Machinery & equipment	Other PP&E	Construction in progress	Total
As at 1 January 2017	15,504	24,586	9,222	1,938	51,250
Additions	1,128	1,635	474	3,447	6,684
Reclassifications	1,693	1,962	144	-3,841	-42
Disposals	0	-13	0	0	-13
Write-offs	-107	-18	-13	0	-138
Depreciation charge	-2,895	-4,584	-1,251	0	-8,730
As at 30 September 2017	15,323	23,568	8,576	1,544	49,011

**Note 6 Intangible assets**

	Goodwill	Software and licences	Prepayments	Total
As at 1 January 2017	47,307	2,519	106	49,932
Addition	0	98	221	319
Reclassifications	0	117	-75	42
Depreciation charge	0	-535	0	-535
As at 30 September 2017	47,307	2,199	252	49,758

**Note 7 Equity**

The General Meeting of Shareholders held at 20 April 2017 decided to pay dividends to the shareholders of 0.10 euros per share in the total amount of 15,179,120.60 euros. The dividends were paid out to the shareholders on 9 May 2017.

During 9 months of 2017 Olympic Entertainment Group AS repurchased 31,040 own shares and paid EUR 59 thousand for these shares.

**Earnings per share**

	Q3 2017	Q3 2016	9M 2017	9M 2016
Net profit for the period	8,307	13,910	21,143	23,661
Weighted average number of shares outstanding (in thousands)	151,791	151,791	151,791	151,791
Basic earnings per share (euro cents)	5.5	9.2	13.9	15.6
Diluted earnings per share (euro cents)	5.5	9.2	13.9	15.9

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 2014 share option agreements were concluded with Olympic Entertainment Group AS management board members and Group's key employees. According to concluded share option agreement management board member is eligible to subscribe to 100,000 Olympic Entertainment Group AS shares till the end of share option program; number of shares that can be subscribed by Group's key employees is individual. Exact number of shares that can be subscribed by each member of management board and key employee depends on fulfilment of Group's financial objectives and objectives connected with specific areas of responsibilities of each member of management board and key employee. The price for exercising the share option will be the nominal value of the share or the calculated value per one share. Options are conditional based on the 4-year employment relationship at the time of options realisation. Option holder has a right to subscribe for shares starting from 1 January 2019. Share option program ends on 28 February 2019.

## Note 8 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 September 2017, the Group had operations in the Estonian, Latvian, Lithuanian, Slovak, Italian and Maltese markets. Polish and Belarusian segments have been classified as discontinued operations with results presented in Note 3.

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.

<b>Q3 2017</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Slovakia</b>	<b>Italy</b>	<b>Malta</b>	<b>Total</b>
Gross gaming revenue	11,022	16,199	6,210	4,031	6,880	3,570	<b>47,912</b>
Other revenue	3,828	1,697	488	442	89	54	<b>6,598</b>
Inter-segment revenue	-126	-13	-163	-2	0	0	<b>-304</b>
<b>Revenue before gaming taxes</b>	<b>14,724</b>	<b>17,883</b>	<b>6,535</b>	<b>4,471</b>	<b>6,969</b>	<b>3,624</b>	<b>54,206</b>
Gaming taxes	-1,933	-1,460	-708	-868	-4,029	-1,215	<b>-10,213</b>
<b>Net revenue</b>	<b>12,791</b>	<b>16,423</b>	<b>5,827</b>	<b>3,603</b>	<b>2,940</b>	<b>2,409</b>	<b>43,993</b>
Other income	5	1	0	0	0	0	<b>6</b>
<b>Total net revenue and income</b>	<b>12,796</b>	<b>16,424</b>	<b>5,827</b>	<b>3,603</b>	<b>2,940</b>	<b>2,409</b>	<b>43,999</b>
							<b>0</b>
<b>Total expenses</b>	<b>-10,341</b>	<b>-9,688</b>	<b>-5,376</b>	<b>-3,452</b>	<b>-2,962</b>	<b>-2,384</b>	<b>-34,203</b>
Incl. Depreciation, amortisation and impairment losses	-927	-1,035	-449	-285	-214	-280	<b>-3,190</b>
<b>Total operating profit (-loss)</b>	<b>2,455</b>	<b>6,736</b>	<b>451</b>	<b>151</b>	<b>-22</b>	<b>25</b>	<b>9,796</b>

<b>Q3 2016</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Slovakia</b>	<b>Italy</b>	<b>Malta</b>	<b>Total</b>
Gross gaming revenue	10,059	15,568	5,738	3,543	6,196	3,649	<b>44,753</b>
Other revenue	2,377	1,466	300	423	63	50	<b>4,679</b>
Inter-segment revenue	-117	0	0	0	0	0	<b>-117</b>
<b>Revenue before gaming taxes</b>	<b>12,319</b>	<b>17,034</b>	<b>6,038</b>	<b>3,966</b>	<b>6,259</b>	<b>3,699</b>	<b>49,315</b>
Gaming taxes	-1,874	-1,460	-749	-811	-3,512	-738	<b>-9,144</b>
<b>Net revenue</b>	<b>10,445</b>	<b>15,574</b>	<b>5,289</b>	<b>3,155</b>	<b>2,747</b>	<b>2,961</b>	<b>40,171</b>
Other income	17,838	1	0	-3	21	0	<b>17,857</b>
<b>Total net revenue and income</b>	<b>28,283</b>	<b>15,575</b>	<b>5,289</b>	<b>3,152</b>	<b>2,768</b>	<b>2,961</b>	<b>58,028</b>
<b>Total expenses</b>	<b>-10,134</b>	<b>-9,065</b>	<b>-5,132</b>	<b>-3,266</b>	<b>-2,733</b>	<b>-2,580</b>	<b>-32,910</b>
Incl. Depreciation, amortisation and impairment losses	-1,365	-901	-388	-295	-108	-246	<b>-3,303</b>
<b>Total operating profit (-loss)</b>	<b>18,149</b>	<b>6,510</b>	<b>157</b>	<b>-114</b>	<b>35</b>	<b>381</b>	<b>25,118</b>

<b>9M 2017</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Slovakia</b>	<b>Italy</b>	<b>Malta</b>	<b>Total</b>
Gross gaming revenue	32,560	46,438	19,247	11,888	22,372	9,725	<b>142,230</b>
Other revenue	9,255	4,661	1,156	1,375	262	159	<b>16,868</b>
Inter-segment revenue	-363	-13	-163	-2	0	0	<b>-541</b>
<b>Revenue before gaming taxes</b>	<b>41,452</b>	<b>51,086</b>	<b>20,240</b>	<b>13,261</b>	<b>22,634</b>	<b>9,884</b>	<b>158,557</b>
Gaming taxes	-5,815	-4,443	-2,203	-2,703	-12,732	-3,892	<b>-31,788</b>
<b>Net revenue</b>	<b>35,637</b>	<b>46,643</b>	<b>18,037</b>	<b>10,558</b>	<b>9,902</b>	<b>5,992</b>	<b>126,769</b>
Other income	8	6	0	4	9	0	<b>27</b>
<b>Total net revenue and income</b>	<b>35,645</b>	<b>46,649</b>	<b>18,037</b>	<b>10,562</b>	<b>9,911</b>	<b>5,992</b>	<b>126,796</b>
<b>Total expenses</b>	<b>-30,686</b>	<b>-28,406</b>	<b>-16,727</b>	<b>-10,174</b>	<b>-9,370</b>	<b>-6,924</b>	<b>-102,287</b>
Incl. Depreciation, amortisation and impairment losses	-2,692	-3,011	-1,317	-941	-603	-839	<b>-9,403</b>
<b>Total operating profit (-loss)</b>	<b>4,959</b>	<b>18,243</b>	<b>1,310</b>	<b>388</b>	<b>541</b>	<b>-932</b>	<b>24,509</b>
<b>9M 2016</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Slovakia</b>	<b>Italy</b>	<b>Malta</b>	<b>Total</b>
Gross gaming revenue	28,827	44,156	17,423	11,306	18,758	8,317	<b>128,787</b>
Other revenue	3,938	4,125	940	1,374	180	120	<b>10,677</b>
Inter-segment revenue	-324	-18	-33	0	0	0	<b>-375</b>
<b>Revenue before gaming taxes</b>	<b>32,441</b>	<b>48,263</b>	<b>18,330</b>	<b>12,680</b>	<b>18,938</b>	<b>8,437</b>	<b>139,089</b>
Gaming taxes	-5,416	-4,465	-2,244	-2,496	-10,726	-2,119	<b>-27,466</b>
<b>Net revenue</b>	<b>27,025</b>	<b>43,798</b>	<b>16,086</b>	<b>10,184</b>	<b>8,212</b>	<b>6,318</b>	<b>111,623</b>
Other income	17,961	56	1	86	34	4	<b>18,142</b>
<b>Total net revenue and income</b>	<b>44,986</b>	<b>43,854</b>	<b>16,087</b>	<b>10,270</b>	<b>8,246</b>	<b>6,322</b>	<b>129,765</b>
<b>Total expenses</b>	<b>-25,953</b>	<b>-26,522</b>	<b>-15,791</b>	<b>-9,984</b>	<b>-7,975</b>	<b>-6,774</b>	<b>-92,999</b>
Incl. Depreciation, amortisation and impairment losses	-2,578	-2,630	-1,157	-873	-251	-743	<b>-8,232</b>
<b>Total operating profit (-loss)</b>	<b>19,033</b>	<b>17,332</b>	<b>296</b>	<b>286</b>	<b>271</b>	<b>-452</b>	<b>36,766</b>

## Note 9 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>9M 2017</u>	<u>9M 2016</u>
Shareholders with significant influence	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

As at 30.09.2017 and 31.12.2016, there were no balances of receivables and liabilities.

In 9 months 2017, 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 755 thousand (9M 2016: EUR 1,032 thousand) and EUR 111 thousand (9M 2016: EUR 111 thousand), respectively.