

Olympic Entertainment Group AS

Consolidated interim financial statements for the Q1 of 2018 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2018
End of reporting period	31 March 2018
Business name	Olympic Entertainment Group AS
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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 31 March 2018, the Group had a total of 115 casinos and 25 betting points. As at 31 March 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 31.03.2018	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
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%	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 after the balance sheet date.

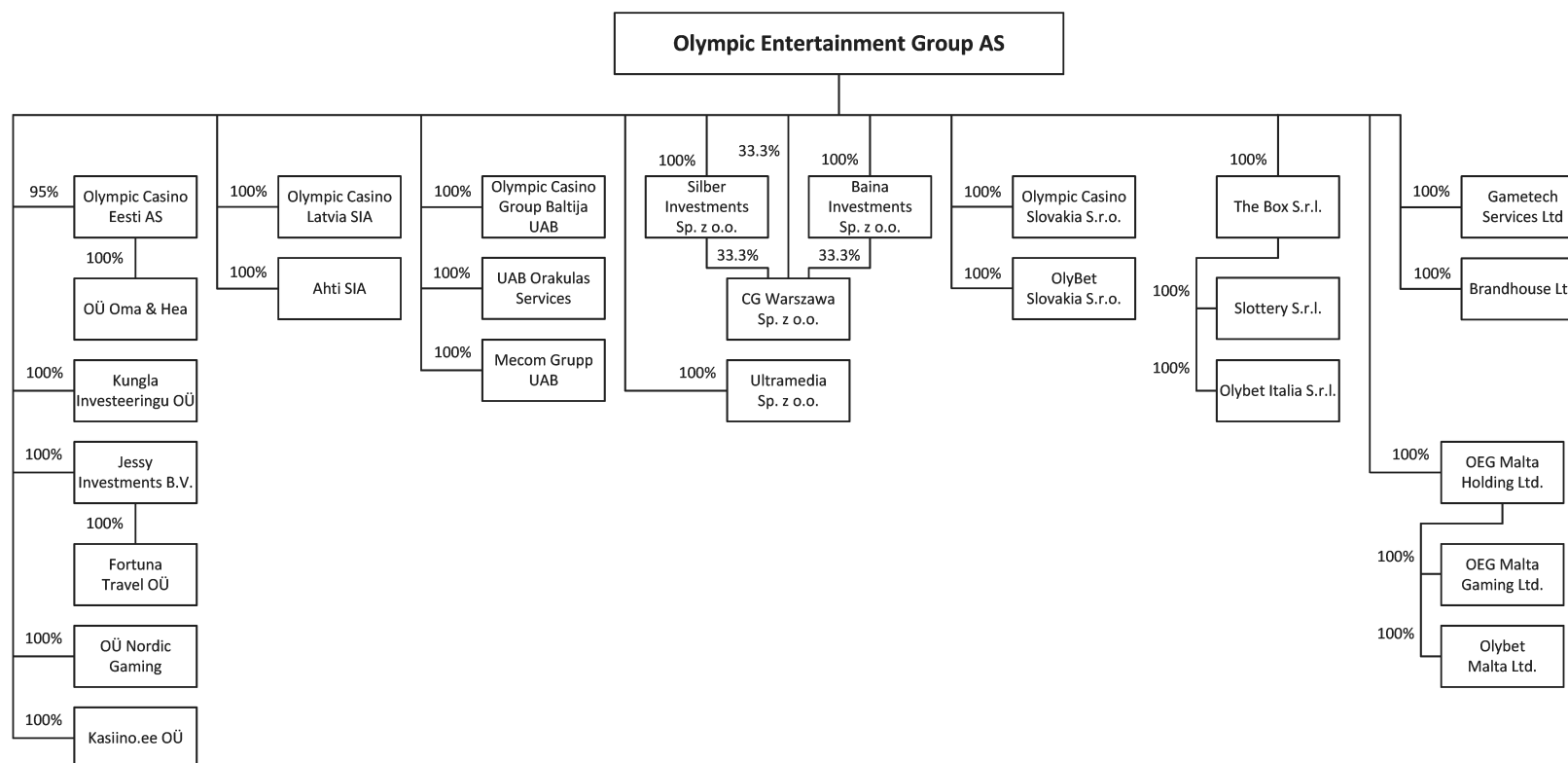
Our vision

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 31 March 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.

A stylized blue ink signature of Madis Jääger.

Madis Jääger
Chairman of the Management Board

A stylized blue ink signature of Meelis Pielberg.

Meelis Pielberg
Member of the Management Board

24 May 2018

Management report

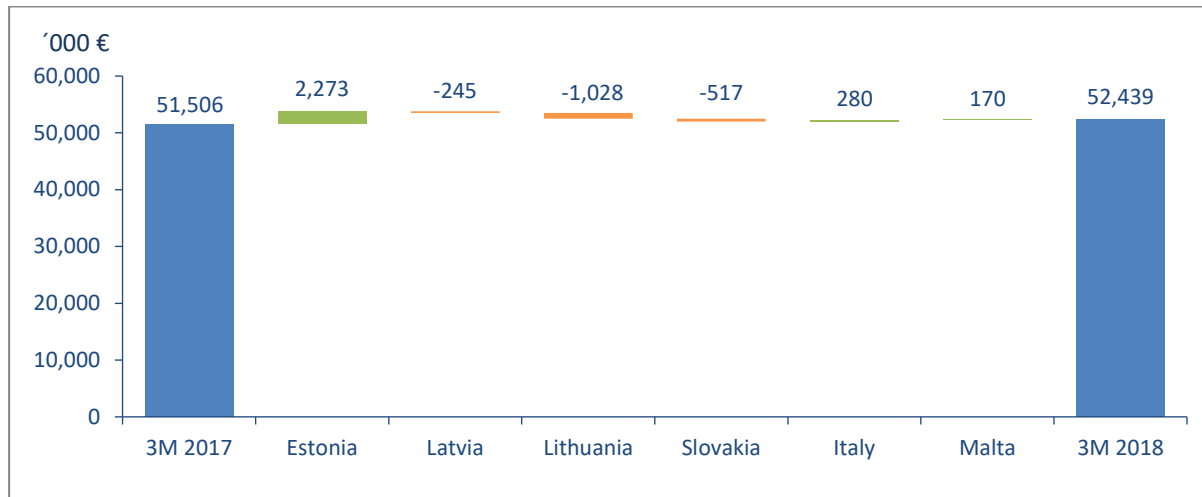
Overview of the economic activities

Key developments of the Group during Q1 of 2018:

- The Group's consolidated total revenue before gaming taxes for Q1 2018 amounted to EUR 52.4 million, up 1.8% or EUR 0.9 million y-o-y.
- Total gaming revenue before gaming taxes accounted for 90.0% (47,2 m€) and other revenues for 10.0% (5.3 m€) of the Group's consolidated total sales revenues for Q1 2018. A year before the revenue split was 91.3% (47.0 m€) and 8.7% (4.5 m€), respectively.
- The Group's consolidated EBITDA for Q1 2018 amounted to EUR 10.9 million, a growth of 10.6% from EUR 9.8 million a year before. The Group's consolidated operating profit increased EUR 0.9 million (12.7%) to EUR 7.6 million.
- The Group's consolidated net profit attributable to equity holders of the parent company for Q1 2018 totalled EUR 7.3 million compared to EUR 6.0 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 has 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 has appealed the decision to higher level court.

Key developments after the balance sheet date:

- 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. 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.

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

'000€	Q1 2018	Q1 2017	Change
Estonia	14,672	12,399	18.3%
Latvia	16,297	16,542	-1.5%
Lithuania	6,004	7,032	-14.6%
Slovakia	3,984	4,501	-11.5%
Italy	8,195	7,915	3.5%
Malta	3,287	3,117	5.4%
Total	52,439	51,506	1.8%

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

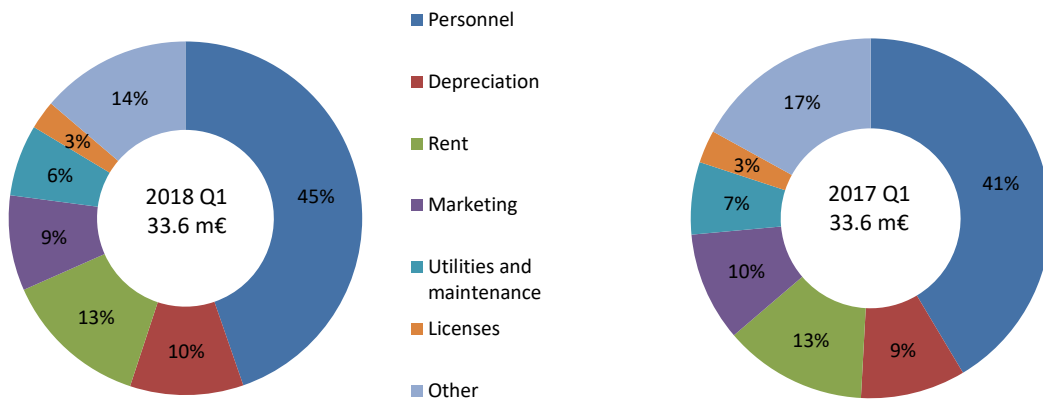
At the end of March 2018, the Group had 115 casinos with total floor area of 36,960 m² (-2,123 m²) and 25 betting points with total floor area of 689 m² (-149 m²).

Number of casinos by segment:

	31 March 2018	31 March 2017
Estonia	24	24
Latvia	53	54
Lithuania	17	18
Slovakia	6	8
Italy	14	15
Malta	1	1
Total	115	120

The Group's consolidated operating expenses for Q1 2018 amounted to EUR 33.6 million, up 0.1% or EUR 0.05 million y-o-y. The growth was highest in personnel expenses (+0.5 m€, +3.9%) and amortisation, depreciation and impairment costs (+0.2 m€, +5.9%). Personnel expenses (14.0 m€) and rent costs (4.2 m€) represented the largest cost items accounting for 52.5% of total operating expenses.

The income statement presents revenue before gaming taxes, then gaming taxes and thereafter net revenue. 2018 Q1 gaming taxes increased 0.3% (+0.03 m€) compared to Q1 2017.



Key performance indicators of the Group

		Q1 2018	Q1 2017	Q1 2016
Revenue before gaming taxes	m€	52.4	51.5	48.9
Gaming tax	m€	-11.2	-11.2	-11.3
Net revenue	m€	41.2	40.3	37.6
Total net revenue and income	m€	41.2	40.3	37.9
EBITDA	m€	10.9	9.8	9.0
EBIT	m€	7.6	6.8	6.5
Net profit	m€	7.4	5.6	5.5
EBITDA margin	%	26.4	24.4	23.8
Operating margin	%	18.5	16.8	17.3
Net margin	%	18.0	13.9	14.5
Assets	m€	176.2	158.4	169.9
Equity	m€	152.7	135.6	127.2
ROE	%	5.1	4.7	4.3
ROA	%	4.3	3.6	3.3
Current ratio	times	3.1	2.4	1.4
Casinos at end of period	#	115	120	124
Casino floor area at end of period	m ²	36,960	39,083	38,830
Betting points at the end of period	#	25	31	33
Betting points floor area at end of period	m ²	689	838	964
Employees	#	3,031	3,023	3,201
Slot machines at end of period	#	4,011	4,100	4,183
Electronic roulette terminals at the end of period	#	101	108	142
Gaming tables at end of period	#	161	167	183
Tournament poker gaming tables at the end of period	#	63	66	64

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

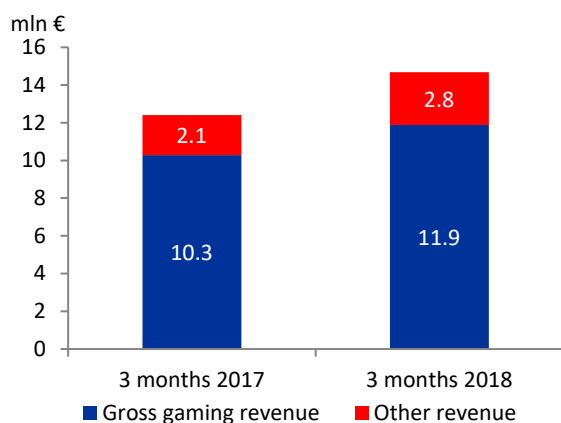
Overview by markets

Estonia

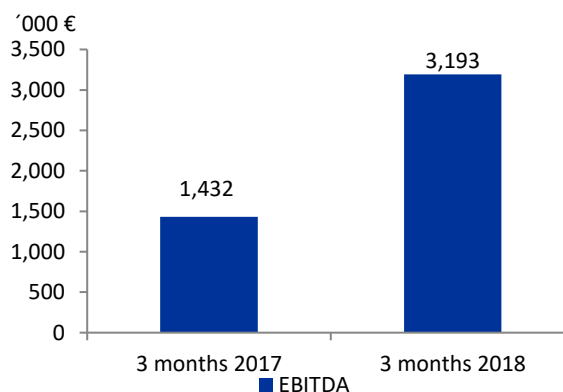
Total revenue before gaming taxes of Estonian segment for Q1 of 2018 amounted to EUR 14.7 million (+2.3 m€, +18.3%), EBITDA to EUR 3.2 million (+1.8 m€, +123.0%) and operating profit to EUR 2.3 million (+1.7 m€, +307.0%). Gaming revenue before gaming taxes increased 15.5% y-o-y amounting to EUR 11.9 million.

At the end of March 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 31 March 2018 Estonian operations employed 738 people.

Total revenue before gaming taxes



EBITDA

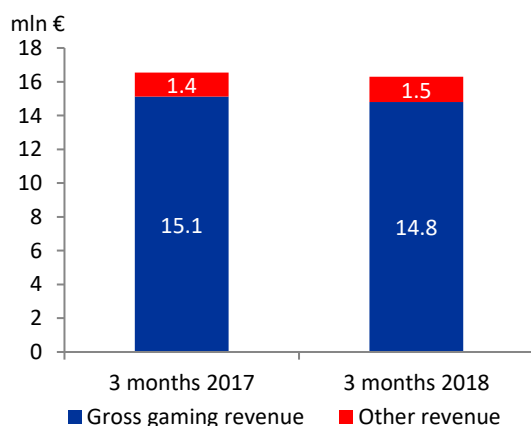


Latvia

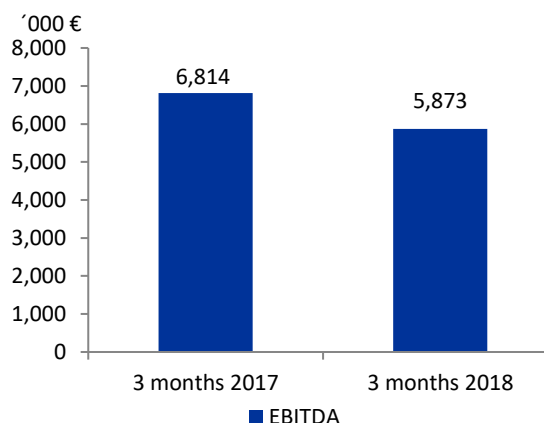
Total revenue before gaming taxes of Latvian segment for Q1 of 2018 amounted to EUR 16.3 million (-0.2 m€, -1.5%), EBITDA to EUR 5.9 million (-0.9 m€, -13.8%) and operating profit to EUR 4.8 million (-1.1 m€, -18.0%). Gaming revenue before gaming taxes decreased 2.1% y-o-y amounting to EUR 14.8 million.

At the end of March 2018, there were 53 Olympic casinos with 1,457 slot machines, 8 electronic roulette terminals, 24 gaming tables and 9 poker tournament tables operating in Latvia. As at 31 March 2018 Latvian operations employed 922 people.

Total revenue before gaming taxes



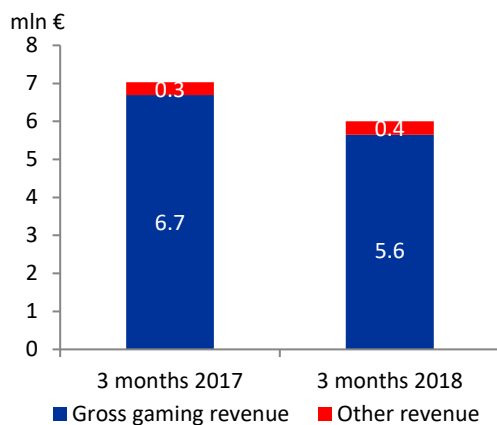
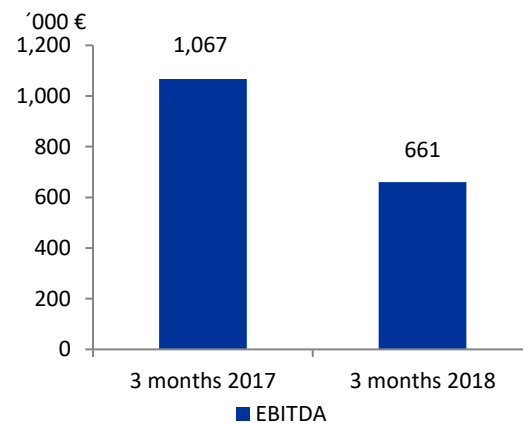
EBITDA



Lithuania

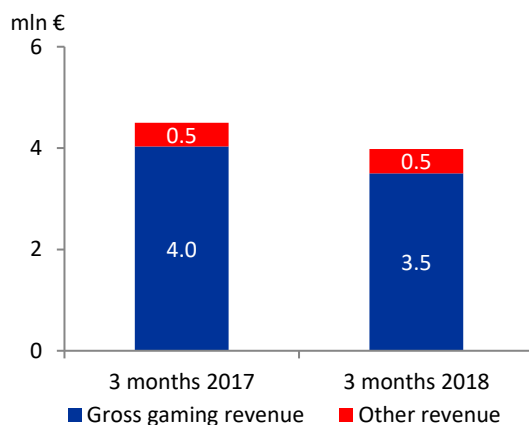
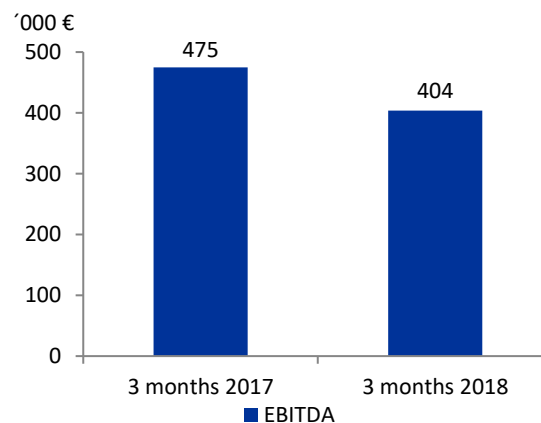
Total revenue before gaming taxes of Lithuanian segment for Q1 of 2018 amounted to EUR 6.0 million (-1.0 m€, -14.6%), EBITDA to EUR 0.7 million (-0.4 m€, -37.8%) and operating profit to EUR 0.2 million (-0.4 m€, -63.7%). Gaming revenue before gaming taxes decreased 15.6% y-o-y amounting to EUR 5.6 million.

At the end of March 2018, there were 17 Olympic casinos with 507 slot machines, 8 electronic roulette terminals, 53 gaming tables and 2 poker tournament tables and 25 betting shops operating in Lithuania. As at 31 March 2018 Lithuanian operations employed 742 people.

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

Total revenue before gaming taxes of Slovak segment for Q1 of 2018 amounted to EUR 4.0 million (-0.5 m€, -11.5%), EBITDA to EUR 0.4 million (-0.1 m€, -15.0%) and operating profit to EUR 0.1 million (-0.1 m€, -40.3%). Gaming revenue before gaming taxes decreased 13.2% y-o-y amounting to EUR 3.5 million.

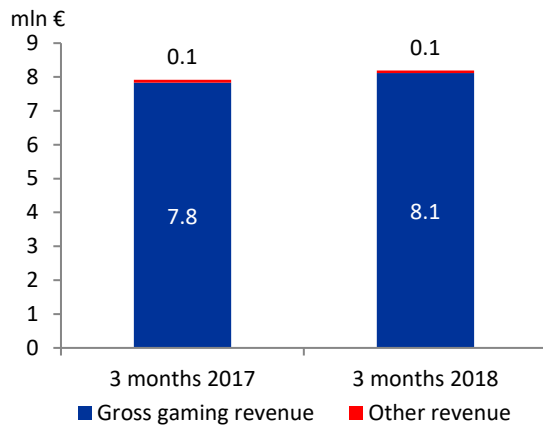
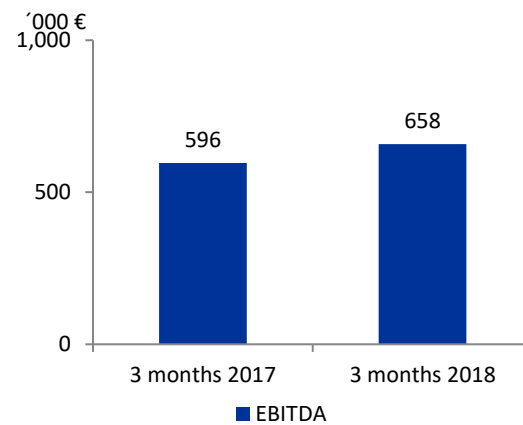
At the end of March 2018, there were 6 Olympic casinos with 251 slot machines, 30 electronic roulette terminals, 39 gaming tables and 18 poker tournament tables operating in Slovakia. As at 31 March 2018 Slovak operations employed 332 people.

Total revenue before gaming taxes**EBITDA**

Italy

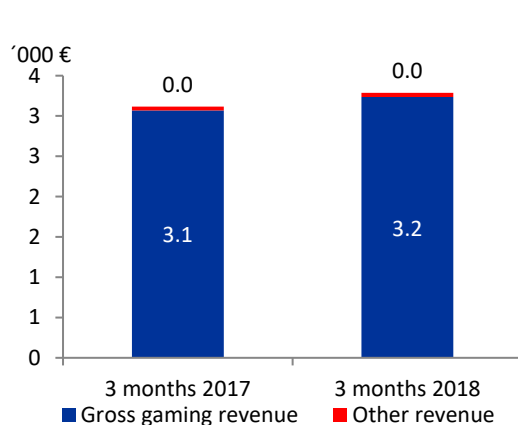
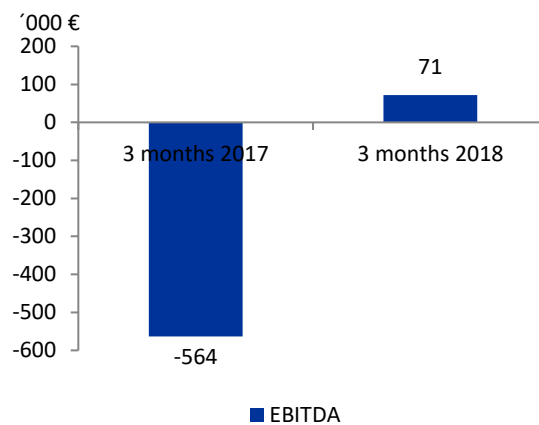
Total revenue before gaming taxes of Italian segment for Q1 of 2018 amounted to EUR 8.2 million (+0.3 m€, +3.5%), EBITDA to EUR 0.7 million (+0.1 m€, +10.4%) and operating profit to EUR 0.5 million (+0.05 m€, +11.6%). Gaming revenue before gaming taxes increased 3.6% y-o-y amounting to EUR 8.1 million.

At the end of March 2018, there were 14 VLT slot casinos with 523 slot machines operating in Italy. As at 31 March 2018 Italian operations employed 87 people.

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

Total revenue before gaming taxes of Maltese segment for Q1 of 2018 amounted to EUR 3.3 million (+0.2 m€, +5.5%), EBITDA to EUR 0.1 million (+0.6 m€) and operating loss to EUR 0.2 million (+0.6 m€). Gaming revenue before gaming taxes increased 5.5% y-o-y amounting to EUR 3.2 million.

At the end of March 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 31 March 2018 Maltese operations employed 210 people.

Total revenue before gaming taxes**EBITDA**

Financial position

As at 31 March 2018, the total assets of the Group amounted to EUR 176.2 million, up 11.2% or EUR 17.8 million compared to the same period a year ago.

Current assets totalled EUR 72.0 million or 40.9% of total assets, and non-current assets EUR 104.2 million or 59.1% of total assets. The liabilities amounted to EUR 23.5 million and equity to EUR 152.7 million. The largest liabilities included suppliers payables and advances (7.5 m€), tax liabilities (6.1 m€) and payables to employees (6.0 m€).

Investments

Within Q1 of 2018, the Group's expenditures on property, plant and equipment totalled EUR 2.4 million (+0.8 m€, +52.8%), of which EUR 2.3 million was invested into construction and reconstruction of casinos and EUR 0.1 million into new gaming equipment.

Cash flows

Group's Q1 2018 cash flows generated from operating activities amounted to EUR 10.1 million (-0.01 m€) and cash flows used in investing activities to EUR -4.2 million (-1.7 m€). Financing cash flows amounted to EUR 0 million (+0.03 m€). Net cash flows totalled EUR 5.9 million (-1.7 m€).

Staff

As at 31 March 2018 Group employed 3,031 people, up by 8 y-o-y.

Within Q1 of 2018, total personnel expenses amounted to EUR 14.0 million (+0.5 m€, +3.9%). For Q1 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 316 thousand (EUR 270 thousand for Q1 of 2017) and EUR 37 thousand (EUR 37 thousand for Q1 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.

- 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.
- Stephen Mark Peel – member of the Supervisory Board since 11 May 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.
- 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 – 31 March 2018:



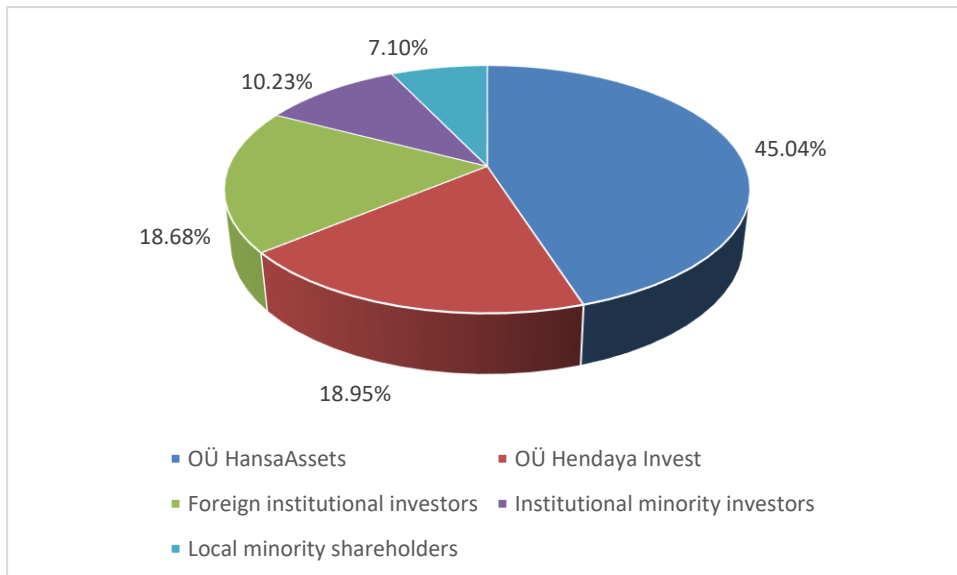
Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2015 – 31 March 2018:



Index/share	01 Jan 2015	31 Mar 2018	+/-%
— OMX Baltic Benchmark GI	566.56	984.48	73.76
— OMX Tallinn	755.05	1,269.20	68.09
— OEG1T	1.70 EUR	1.90 EUR	11.76

Largest shareholders of Olympic Entertainment Group AS at 31 March 2018:

OÜ HANSAASSETS	45.04%
OÜ Hendaya Invest	18.95%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	3.97%
SEB S.A. CLIENT ASSETS UCITS	2.02%
RBC INVESTOR SERVICES BANK S.A./ LUX-NON RESIDENTS / DOMESTIC RATE-UCITS	1.96%
CLIENTS ACCOUNT	
Odyssey Europe AS	1.93%
AS LHV Pank	1.41%
CITIBANK (NEW YORK) / GOVERNMENT OF NORWAY	1.37%
FIREBIRD REPUBLICS FUND LTD	1.26%
AB SEB BANKAS	1.06%

Structure of Olympic Entertainment Group AS shareholders as at 31 March 2018

Consolidated interim financial statements

Consolidated statement of financial position

	Notes	31.03.2018	31.12.2017
ASSETS			
Current assets			
Cash and cash equivalents		64,430	58,482
Financial investments		161	919
Receivables and prepayments		4,716	4,554
Prepaid income tax		1,039	286
Inventories		1,660	1,658
Total current assets		72,006	65,899
Non-current assets			
Deferred tax assets		527	507
Financial investments		1,137	457
Other long-term receivables and prepayments		3,963	3,957
Investment property	3	343	323
Property, plant and equipment	4	48,404	49,046
Intangible assets	5	49,836	49,935
Total non-current assets		104,210	104,225
TOTAL ASSETS		176,216	170,124
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		21,150	22,082
Income tax payable		635	612
Provisions		1,366	1,780
Total current liabilities		23,151	24,474
Non-current liabilities			
Other long-term payables		318	309
Total non-current liabilities		318	309
TOTAL LIABILITIES		23,469	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		574	566
Translation reserves		11	19
Retained earnings		78,507	71,209
Total equity attributable to equity holders of the parent		146,332	139,034
Non-controlling interest		6,415	6,307
TOTAL EQUITY		152,747	145,341
TOTAL LIABILITIES AND EQUITY		176,216	170,124

Consolidated statement of comprehensive income

	Notes	Q1 2018	Q1 2017
Gross gaming revenue	7	47,185	47,028
Other revenue	7	5,254	4,478
Total revenue before gaming taxes		52,439	51,506
Gaming taxes		-11,239	-11,210
Net revenue		41,200	40,296
Other income	7	13	10
Total net revenue and income		41,213	40,306
Cost of materials, goods and services		-1,444	-1,462
Other operating expenses		-14,909	-15,512
Staff costs		-13,972	-13,448
Depreciation, amortisation and impairment	4;5	-3,245	-3,065
Other expenses		-29	-64
Total operating expenses		-33,599	-33,551
Operating profit		7,614	6,755
Interest income		2	4
Foreign exchange losses		-12	-8
Other finance income and costs		-2	0
Total finance income and costs		-12	-4
Profit before income tax		7,602	6,751
Income tax expense		-196	-1,135
Net profit for the period		7,406	5,616
<i>Attributable to equity holders of the parent company</i>		<i>7,298</i>	<i>6,010</i>
<i>Attributable to non-controlling interest</i>		<i>108</i>	<i>-394</i>
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		-8	37
Total comprehensive profit for the period		7,398	5,653
<i>Attributable to equity holders of the parent company</i>		<i>7,290</i>	<i>6,047</i>
<i>Attributable to non-controlling interest</i>		<i>108</i>	<i>-394</i>
Basic earnings per share*	6	4.8	4.0
Diluted earnings per share*	6	4.8	4.0

* euro cents

Consolidated statement of cash flows

	Notes	Q1 2018	Q1 2017
Cash flows from operating activities			
Net profit		7,406	5,616
Adjustments:			
Depreciation, amortisation and impairment	4;5	3,245	3,065
Profit / loss on disposal of non-current assets (net)		-1	4
Income tax expense		196	1,135
Share option reserve		8	67
Other financial income and expenses (net)		12	4
Changes in working capital:			
Receivables and prepayments		-21	724
Inventories		-2	-158
Liabilities and prepayments		183	635
Corporate income tax paid		-945	-999
Net cash generated from operating activities		10,081	10,093
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-3,552	-2,393
Proceeds from sale of property, plant, equipment		23	2
Acquisition of investment property		-20	0
Purchase of financial investments		-599	-70
Proceeds from sale of financial investments		520	0
Acquisition of subsidiaries, net of cash acquired		-500	0
Interest received		1	4
Net cash used in investing activities		-4,127	-2,457
Cash flows from financing activities			
Repayments of loans received		0	-30
Net cash used in financing activities		0	-30
Net cash flows		5,954	7,606
Cash and cash equivalents at beginning of the period		58,482	37,933
Exchange gains and losses on cash and cash equivalents		-6	-2
Cash and cash equivalents at end of the period		64,430	45,537

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
Net profit for the period	0	0	0	0	0	0	6,010	6,010	-394	5,616
Other comprehensive expense	0	0	0	0	0	37	0	37	0	37
Total comprehensive income for the period	0	0	0	0	0	37	6,010	6,047	-394	5,653
Employee option programme	0	0	0	0	67	0	0	67	0	67
Total transactions with owners	0	0	0	0	67	0	0	67	0	67
Balance at 31.03.2017	60,716	258	0	4,860	605	11	63,835	130,285	5,308	135,593
Balance at 01.01.2018	60,716	252	-53	6,325	566	19	71,209	139,034	6,307	145,341
Net profit for the period	0	0	0	0	0	0	7,298	7,298	108	7,406
Other comprehensive income	0	0	0	0	0	-8	0	-8	0	-8
Total comprehensive income for the period	0	0	0	0	0	-8	7,298	7,290	108	7,398
Employee option programme	0	0	0	0	8	0	0	8	0	8
Total transactions with owners	0	0	0	0	8	0	0	8	0	8
Balance at 31.03.2018	60,716	252	-53	6,325	574	11	78,507	146,332	6,415	152,747

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 31 March 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 24 May 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	20	20
As at 31 March 2018	194	149	343

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	146	95	73	2,120	2,434
Reclassifications	733	224	9	-966	0
Disposals	0	-2	0	0	-2
Depreciation charge	-1,079	-1,595	-400	0	-3,074
As at 31 March 2018	15,333	22,606	8,045	2,420	48,404

Note 5 Intangible assets

	Goodwill	Software and licences	Prepayments	Total
As at 1 January 2018	47,307	2,580	48	49,935
Additions	0	29	43	72
Reclassifications	0	70	-70	0
Depreciation charge	0	-171	0	-171
As at 31 March 2018	47,307	2,508	21	49,836

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

	Q1 2018	Q1 2017
Net profit for the period	7,298	6,010
Weighted average number of shares outstanding (in thousands)	151,791	151,791
Basic earnings per share (euro cents)	4.8	4.0
Diluted earnings per share (euro cents)	4.8	4.0

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 31 March 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.

Q1 2018	Estonia	Latvia	Lithuania	Slovakia	Italy	Malta	Total
Gross gaming revenue	11,884	14,802	5,648	3,502	8,112	3,237	47,185
Other revenue	2,917	1,510	551	482	83	65	5,608
Inter-segment revenue	-129	-15	-195	0	0	-15	-354
Revenue before gaming taxes	14,672	16,297	6,004	3,984	8,195	3,287	52,439
Gaming taxes	-2,021	-1,900	-717	-709	-4,754	-1,138	-11,239
Net revenue	12,651	14,397	5,287	3,275	3,441	2,149	41,200
Other income	6	6	1	0	0	0	13
Total net revenue and income	12,657	14,403	5,288	3,275	3,441	2,149	41,213
Total expenses	-10,402	-9,627	-5,059	-3,167	-2,988	-2,356	-33,599
Incl. Depreciation, amortisation and impairment losses	-938	-1,097	-431	-296	-205	-278	-3,245
Total operating profit (-loss)	2,255	4,776	229	108	453	-207	7,614
Q1 2017	Estonia	Latvia	Lithuania	Slovakia	Italy	Malta	Total
Gross gaming revenue	10,288	15,116	6,691	4,033	7,830	3,070	47,028
Other revenue	2,240	1,426	341	468	85	47	4,607
Inter-segment revenue	-129	0	0	0	0	0	-129
Revenue before gaming taxes	12,399	16,542	7,032	4,501	7,915	3,117	51,506
Gaming taxes	-1,907	-1,508	-766	-966	-4,353	-1,710	-11,210
Net revenue	10,492	15,034	6,266	3,535	3,562	1,407	40,296
Other income	0	1	0	0	9	0	10
Total net revenue and income	10,492	15,035	6,266	3,535	3,571	1,407	40,306
Total expenses	-9,938	-9,209	-5,634	-3,355	-3,166	-2,249	-33,551
Incl. Depreciation, amortisation and impairment losses	-878	-988	-436	-294	-190	-279	-3,065
Total operating profit (-loss)	554	5,826	632	180	405	-842	6,755

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>Q1 2018</u>	<u>Q1 2017</u>
Shareholders with significant influence	0	1
Total	0	1

As at 31.03.2018 and 31.12.2017, there were no balances of receivables and liabilities.

In the 3 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 316 thousand (EUR 270 thousand in the 3 months of 2017) and EUR 37 thousand (EUR 37 thousand in the 3 months of 2017), respectively.