



## First quarter of 2022 (Q1 2021)

- Operating revenues increased by 38.6% to EUR 326.8 million (235.8)
- EBITDA increased by 43.4% to EUR 229.7 million (160.1), corresponding to a margin of 70.3% (67.9)
- Profit for the period amounted to EUR 197.7 million (132.0)
- Earnings per share before dilution amounted to EUR 0.93 (0.62)

## Events during the first quarter of 2022

- In the quarter 747,000 own shares were acquired. A total of 1,905,865 shares have been acquired and the repurchase program, announced 3 December 2021, is thereby completed.
- Launch of Lightning Roulette in New Jersey with other states to follow.
- After the end of the period, Evolution went live with an extensive set of online casino services for multiple operators in the new regulated online gaming market in Ontario, Canada.
- After the end of the period the first tables are live in our new Madrid studio.

## Summary of the first quarter

Group, EUR thousands	Jan-Mar 2022	Jan-Mar 2021	%	Apr 2021- Mar 2022	Jan-Dec 2021	%
Operating revenues	326,767	235,841	38.6%	1,159,703	1,068,777	8.5%
EBITDA	229,678	160,125	43.4%	804,203	734,650	9.5%
EBITDA margin	70.3%	67.9%	-	69.3%	68.7%	-
Operating profit	207,085	141,648	46.2%	719,441	654,004	10.0%
Operating margin	63.4%	60.1%	-	62.0%	61.2%	-
Profit for the period	197,689	132,038	49.7%	671,086	605,435	10.8%
Profit margin	60.5%	56.0%	-	57.9%	56.6%	-
Earnings per share before dilution, EUR	0.93	0.62	48.9%	3.14	2.83	10.7%
Equity per share, EUR	15.45	13.31	16.0%	15.45	14.91	3.6%
OCF per share before dilution, EUR	0.91	0.48	89.9%	3.23	2.80	15.3%
Average number of FTEs	9,635	7,055	36.6%	8,547	7,917	8.0%

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Evolution develops, produces, markets and licenses fully integrated B2B Online Casino solutions to gaming operators. Since its inception in 2006, Evolution has developed into a leading B2B provider with 600+ operators among its customers. The group currently employs 14,000+ people in studios across Europe and in North America. The parent company is based in Sweden and listed on Nasdaq Stockholm with the ticker EVO. Visit [www.evolution.com](http://www.evolution.com) for more information. Evolution is licensed and regulated by the Malta Gaming Authority under license MGA/B2B/187/2010. Evolution is also licensed and regulated in many other jurisdictions such as the United Kingdom, Belgium, Canada, Romania, South Africa, and others.

## CEO's comments

I'm very happy to see the great work of all Evolution employees producing yet another strong quarter. We continued the strong development from 2021 also during the first quarter of this year. Revenues in the quarter increased by 38.6 percent to EUR 326.8 million, supported by continued strong demand for Live Casino, and the EBITDA increased to EUR 229.7 million, which corresponds to an EBITDA margin of 70.3 percent.

Looking back at the start of this year the developments outside of Evolution are very much in my thoughts. Even though we were happy to see the effects of the pandemic slowly subsiding in Europe and North America during the quarter our attention moved to the war and the humanitarian catastrophe in Ukraine created by the unprovoked invasion from Russia. At the start of the war Evolution had approximately 100 co-workers based in Kyiv. As for now, the war has limited direct financial impact on our business but emotionally it has affected us all. We will naturally continue to follow the development closely.

The first quarter for Live Casino has started very well with good momentum on most metrics resulting in a strong growth of 44.0 percent. We experienced exceptional growth in the first half of 2021 so the comparable figures are demanding. 2022 has started very well and the entertainment and excitement that Live games offer continues to drive new as well as existing customers to our games.

RNG growth of 1.8 percent year on year pro-forma is in line with our expectations. While structural efforts, such as the One Stop Shop and other cross sales activities are important elements, at the end of the day the key for improved growth is developing great games to all players. End-user satisfaction is always key and taking us there is not done overnight. The road to success will not be straight-lined but the focus and ambition is clear and I'm convinced that we will reach our growth ambitions over time.

The EBITDA margin of 70.3 percent is a step up from the same period last year and within our guidance of 69-71 percent for 2022. I'm happy with this delivery during Q1, especially considering the situation in the world with general cost increases not only relating to transport and energy. Looking ahead we see that the guidance of 69-71 percent EBITDA margin remains.

For us at Evolution, launching new games is what we live for. Creating new fantastic end-user experiences and simply put - to innovate! New games build loyalty among our existing players, introduce existing players to new games they have not played before and attract completely new categories of players. In Q1 we launched Bac Bo, a unique dice game which combines elements of the classic games Baccarat and Sic Bo. We also released Peek Baccarat which is another version of the classic Baccarat. In the quarter we also introduced new RNG titles such as Narcos Mexico and Knight Rider, as well as home grown brands like Doggy Riches Megaways and Zillard King. During the remaining part of the year, we have a very strong line up of new games both in RNG as well as in Live - a very exciting time indeed.

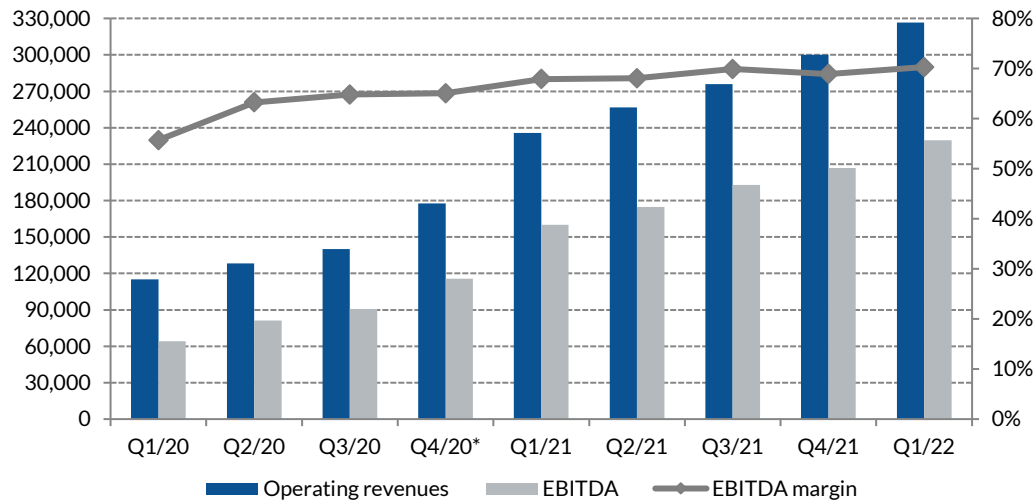
There is a continued strong demand for online casino across the globe. In North America we continue to expand all our studios, with Connecticut as the next studio to be launched during 2022. In Asia we also continue to experience good growth, while the more mature European markets are, in general, in slower growth mode - some due to regulatory changes affecting operators. However, we still see growth opportunities in Europe. LatAm also offers good potential going forward and continues to develop with several markets in discussions regarding regulation of their market for online gaming.

As I write this we are in the final preparations of Go-Live in our new studio in Madrid and as you read this the first tables are just opening! Also, we are moving closer to open our Yerevan studio to add even more capacity to the Evolution network. A lesson learned during the pandemic years is to not be too dependent on any one studio. Today we can efficiently allocate our resources within our network of fifteen studios and shift resources from one site to another when needed, without any impact on our delivery capacity. As we add studios to the network this becomes even more of a strength benefiting our operators. As earlier communicated, we expect total investments in new studios to increase also in 2022.

We are well on our way into 2022, leaving the first quarter with good delivery and momentum. We strive to be better every single day, every single one of us, and we fight every day to increase the gap to our competitors. With our 88 new games 2022 we have shown what thousands and thousands of fantastic Evolution employees can achieve together. Evolution is a workplace where everyone is accepted and respected. Together, we hope for a brighter end of 2022 than the beginning.

**Martin Carlesund**  
CEO

### Quarterly results trend



\*Q4/20 adjusted for non-recurring items

## Financial performance in the first quarter of 2022

### Revenues

Revenues amounted to EUR 326.8 million (235.8) in the first quarter, equivalent to an increase of 38.6 percent compared with the corresponding period in 2021. EUR 62.3 million (52.2) of the revenue was derived from RNG-games. The positive revenue development within live casino mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for online casino games continues to grow, partly as a result of our continuous launch of new games and variations on traditional games. The number of bet spots from end users amounted to 22.6 billion (17.2).

### Revenue by game type

Group, EUR millions	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021	Jan-Mar 2022
Live	183.7	203.7	214.5	237.4	264.5
RNG, as reported	52.2	53.0	61.5	62.9	62.3
<b>Total</b>	<b>235.8</b>	<b>256.7</b>	<b>276.0</b>	<b>300.2</b>	<b>326.8</b>
RNG incl. BTG, pro-forma	61.2	61.7	-	-	-

Big Time Gaming is included in the consolidated financial statements from 1 July 2021.

### Expenses

Operating expenses amounted to EUR 119.7 million (94.2). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios and the expansion in general compared to the first quarter of 2021. The expansion has also increased other operating expenses compared with Q1 2021.

### **Profitability**

Operating profit amounted to EUR 207.1 million (141.6), corresponding to an increase of 46.2 percent. The operating margin was 63.4 percent (60.1). The EBITDA margin was 70.3 percent (67.9).

A positive amount of EUR 5 million related to the final redemption of outstanding shares in NetEnt is included in net financial items. Other financial items, mainly interest expenses for leasing and currency exchange differences, only had a marginal impact on profits. The Group's effective tax rate for the quarter amounted to 6.5 percent (6.2). The tax rate is influenced by the countries in which earnings are generated and may vary between reported periods. Profit for the period amounted to EUR 197.7 million (132.0). Earnings per share before dilution were EUR 0.93 (0.62).

### **Investments**

Investments in intangible assets amounted to EUR 7.1 million (6.2) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 14.0 million (7.0) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 194.3 million (101.8) during the quarter. Cash flow from investing activities was negative in the amount of EUR 96.1 million (negative 15.4) and included final redemption of outstanding shares in NetEnt of EUR 63.8 million. Cash flow from financing activities was negative in the amount of EUR 80.1 million (15.2) and included repurchase of own shares of EUR 75.6 million. Cash and cash equivalents amounted to EUR 439.5 million (326.0) at the end of the quarter.

## **Market development**

### **Online Casino market**

The global online casino market (Live & RNG) has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total global online casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the first quarter 66.0 percent (68.5) of the operators' GGR via Evolution's platform was generated by mobile devices. RNG is the largest vertical of the online casino market. However, to a large extent, growth is driven by Live Casino having grown in importance for most gaming operators and has become an integrated and strategically important product for them.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. The UK includes the Crown Dependencies.

### Revenue per geographical region

Group, EUR millions	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021	Jan-Mar 2022
Nordics	16.4	16.4	19.5	20.9	21.8
UK	21.4	19.8	19.1	21.0	21.8
Rest of Europe	104.1	104.0	103.2	105.6	108.8
Asia	53.2	65.7	76.7	90.8	103.4
North America	21.6	27.2	31.9	33.8	36.8
Other	19.1	23.5	25.6	28.0	34.3
<b>Total operating revenues</b>	<b>235.8</b>	<b>256.7</b>	<b>276.0</b>	<b>300.2</b>	<b>326.8</b>
Share of regulated markets	40%	40%	38%	41%	40%
Revenues, regulated markets	93.9	102.9	103.8	123.0	131.1

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the first quarter of 2022 amounted to EUR 5.2 million (4.6) and expenses to EUR 4.7 million (4.5). Operating profit amounted to EUR 461 thousand (115). Profit for the period amounted to EUR 243 thousand (88). The Parent Company's cash and cash equivalents amounted to EUR 142.2 million (39.1) at the end of the period and equity amounted to EUR 2,752.9 million (2,684.0). No significant investments were made in intangible or tangible assets.

### Employees

As of 31 March 2022, Evolution had 14,341 employees (10,226), corresponding to 9,805 (7,174) full-time positions. The average number of full-time equivalents for the quarter was 9,635 (7,055).

### Acquisitions of own shares

The Company has, during the period 9 February 2022 – 18 February 2022, acquired a total of 747,000 own shares within the framework of the repurchase programme introduced by the Board of Directors. Since 6 December 2021 up to and including 18 February 2022, a total of 1,905,865 shares have been acquired within the scope of the programme. The repurchase program, announced 3 December 2021, is thereby completed and closed.

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme

weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2021, which is available on the company's website.

**Upcoming report dates**

Interim report January-June 2022	21 July 2022
Interim report January-September 2022	27 October 2022
Year-end report 2022	February 2023

**Stockholm, 28 April 2022**

**Martin Carlesund**  
**CEO**

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**Presentation for investors, analysts and the media**

CEO Martin Carlesund and CFO Jacob Kaplan will present the report and answer questions on Thursday, 28 April 2022 at 09:00 am CET via a telephone conference. The presentation will be in English and can also be followed online. Number for participation by telephone:

SE: +46 8 505 583 73                      UK: +44 33 330 092 74                      US: +1 646 722 49 03

Follow the presentation at <https://tv.streamfabriken.com/evolution-gaming-group-q1-2022>

*This information is such that Evolution AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact person set out above on 28 April 2022, at 07.30 am CET.*

*This report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall apply. This report has not been subject to review by the company's independent auditor.*

## Condensed consolidated income statement

Group, EUR thousands	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Revenues - Live	264,502	183,674	920,066	839,238
Revenues - RNG	62,265	52,167	239,637	229,539
<b>Total operating revenues</b>	<b>326,767</b>	<b>235,841</b>	<b>1,159,703</b>	<b>1,068,777</b>
Personnel expenses	-63,468	-48,800	-221,833	-207,165
Depreciation, amortisation and impairments	-22,593	-18,477	-84,762	-80,646
Other operating expenses	-33,621	-26,916	-133,667	-126,962
<b>Total operating expenses</b>	<b>-119,682</b>	<b>-94,193</b>	<b>-440,262</b>	<b>-414,773</b>
<b>Operating profit</b>	<b>207,085</b>	<b>141,648</b>	<b>719,441</b>	<b>654,004</b>
Financial items	4,311	-953	-1,249	-6,513
<b>Profit before tax</b>	<b>211,396</b>	<b>140,695</b>	<b>718,192</b>	<b>647,491</b>
Tax on profit for the period	-13,707	-8,657	-47,106	-42,056
<b>Profit for the period</b>	<b>197,689</b>	<b>132,038</b>	<b>671,086</b>	<b>605,435</b>
<i>Of which attributable to:</i>				
Shareholders of the Parent Company	197,689	132,038	671,086	605,435
Average number of shares before dilution	213,454,250	212,327,008	213,996,386	213,714,575
Earnings per share before dilution, EUR	0.93	0.62	3.14	2.83
Average number of shares after dilution	218,671,369	219,379,580	221,641,768	221,818,828
Earnings per share after dilution, EUR	0.90	0.60	3.03	2.73
Operating margin	63.4%	60.1%	62.0%	61.2%
Effective tax rate	6.5%	6.2%	6.6%	6.5%

## Condensed comprehensive income statement

Group, EUR thousands	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
<b>Profit for the period</b>	<b>197,689</b>	<b>132,038</b>	<b>671,086</b>	<b>605,435</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit</i>				
Exchange differences arising from the translation of foreign operations	-19,466	-49,791	-25,509	-55,834
<b>Other comprehensive income</b>	<b>-19,466</b>	<b>-49,791</b>	<b>-25,509</b>	<b>-55,834</b>
<b>Total comprehensive income for the period</b>	<b>178,223</b>	<b>82,247</b>	<b>645,577</b>	<b>549,601</b>



## Condensed consolidated balance sheet

Group, EUR thousands	31/03/2022	31/03/2021	31/12/2021
<b>Assets</b>			
Goodwill	2,183,203	1,800,799	2,188,482
Other intangible assets	743,367	699,515	757,250
Buildings	11,354	11,574	11,409
Right of use assets	52,741	39,668	54,313
Property, plant and equipment	78,680	53,616	68,745
Other non-current receivables	10,233	11,623	11,096
Deferred tax assets	2,727	2,307	2,360
<b>Total non-current assets</b>	<b>3,082,305</b>	<b>2,619,102</b>	<b>3,093,655</b>
Accounts receivable	234,459	150,488	200,700
Other receivables	216,926	138,538	155,495
Prepaid expenses and accrued income	36,897	32,418	31,785
Cash and cash equivalents	439,516	326,041	421,432
<b>Total current assets</b>	<b>927,798</b>	<b>647,485</b>	<b>809,412</b>
<b>TOTAL ASSETS</b>	<b>4,010,103</b>	<b>3,266,587</b>	<b>3,903,067</b>
<b>Equity and liabilities</b>			
Share capital	647	638	647
Other capital contributed	2,404,609	2,243,408	2,405,622
Reserves	-37,752	-12,243	-18,286
Retained earnings including profit for the period	925,780	594,598	802,967
<b>Total equity</b>	<b>3,293,284</b>	<b>2,826,401</b>	<b>3,190,950</b>
Deferred tax liabilities	56,800	35,566	58,816
Non-current lease liabilities	50,164	43,736	53,171
Other non-current liabilities	230,000	-	230,000
<b>Total non-current liabilities</b>	<b>336,964</b>	<b>79,302</b>	<b>341,987</b>
Accounts payable	14,573	6,344	8,578
Provisions	1,995	5,414	2,253
Current tax liabilities	258,532	152,855	189,053
Other current liabilities	43,912	140,700	111,127
Current lease liabilities	15,927	11,563	14,639
Accrued expenses and prepaid income	44,916	44,008	44,480
<b>Total current liabilities</b>	<b>379,855</b>	<b>360,884</b>	<b>370,130</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,010,103</b>	<b>3,266,587</b>	<b>3,903,067</b>

## Condensed consolidated changes in equity

<b>Group 2021, EUR thousands</b>	<b>Share capital</b>	<b>Other capital contributed</b>	<b>Reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
Opening equity 01/01/2021	638	2,225,817	37,548	462,168	2,726,171
Dividend	-	-	-	-144,382	-144,382
Warrants	-	8,826	-	3,061	11,887
Repurchase of own shares	-	-	-	-123,315	-123,315
Non cash issue	3	147,801	-	-	147,804
New share issue	6	23,178	-	-	23,184
Profit for the period	-	-	-	605,435	605,435
Other comprehensive income	-	-	-55,834	-	-55,834
<b>Closing equity 31/12/2021</b>	<b>647</b>	<b>2,405,622</b>	<b>-18,286</b>	<b>802,967</b>	<b>3,190,950</b>

<b>Group 2022, EUR thousands</b>	<b>Share capital</b>	<b>Other capital contributed</b>	<b>Reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
Opening equity 01/01/2022	647	2,405,622	-18,286	802,967	3,190,950
Warrants	-	-1,013	-	715	-298
Repurchase of own shares	-	-	-	-75,591	-75,591
Profit for the period	-	-	-	197,689	197,689
Other comprehensive income	-	-	-19,466	-	-19,466
<b>Closing equity 31/03/2022</b>	<b>647</b>	<b>2,404,609</b>	<b>-37,752</b>	<b>925,780</b>	<b>3,293,284</b>

## Condensed consolidated statement of cash flows

Group, EUR thousands	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Operating profit	207,085	141,648	719,441	654,004
<i>Adjustment for items not included in cash flows:</i>				
Depreciation, amortisation and impairments	22,593	18,477	84,762	80,646
Provisions	-142	-4,236	-3,602	-7,696
Other	1,649	-4,046	2,855	-2,840
Interest received	47	58	219	230
Interest paid	-624	-1,010	-2,986	-3,372
Tax paid	-3,841	-11,385	-19,250	-26,794
<b>Cash flows from operating activities before changes in working capital</b>	<b>226,767</b>	<b>139,506</b>	<b>781,439</b>	<b>694,178</b>
Increase/decrease in accounts receivable	-33,464	-27,702	-76,204	-70,442
Increase/decrease in accounts payable	5,936	-8,995	7,817	-7,114
Increase/decrease in other working capital	-4,897	-1,020	-21,604	-17,727
<b>Cash flows from operating activities</b>	<b>194,342</b>	<b>101,789</b>	<b>691,448</b>	<b>598,895</b>
Acquisition of intangible assets	-7,135	-6,231	-29,189	-28,285
Acquisition of property, plant and equipment	-14,016	-6,974	-40,349	-33,307
Acquisition of subsidiary	-74,085	-2,356	-163,959	-92,230
Increase/decrease in other financial assets	-904	115	-2,149	-1,130
<b>Cash flows from investing activities</b>	<b>-96,140</b>	<b>-15,446</b>	<b>-235,646</b>	<b>-154,952</b>
Repayment of lease liability	-3,480	-2,422	-13,892	-12,834
Repurchase of own shares	-75,591	-	-198,906	-123,315
Warrants	-1,013	17,591	-9,778	8,826
New share issue	-	-	23,189	23,189
Dividend	-	-	-144,382	-144,382
<b>Cash flows from financing activities</b>	<b>-80,084</b>	<b>15,169</b>	<b>-343,769</b>	<b>-248,516</b>
<b>Cash flow for the period</b>	<b>18,118</b>	<b>101,512</b>	<b>112,033</b>	<b>195,427</b>
Cash and cash equivalents at start of period	421,432	221,675	326,041	221,675
Exchange rate differences	-34	2,854	1,442	4,330
<b>Cash and cash equivalents at end of period</b>	<b>439,516</b>	<b>326,041</b>	<b>439,516</b>	<b>421,432</b>

The company presents certain financial measures in the interim report that are not defined under IFRS. The company believes that these measures provide useful supplemental information to investors and the company's management as they permit the evaluation of the company's financial performance and position. Since not all companies calculate financial measures in the same way, these are not always comparable to the measures used by other companies. Consequently, these financial measures should not be seen as a substitute for measures defined under IFRS. The tables below include measurements that are not defined in accordance with IFRS, unless otherwise stated. For definitions and purposes, see also the last page of the report.

## Consolidated key ratios

Group, EUR thousands	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	Jan-Dec 2021
Operating revenues (IFRS)	326,767	235,841	1,159,703	1,068,777
EBITDA margin	70.3%	67.9%	69.3%	68.7%
Operating margin	63.4%	60.1%	62.0%	61.2%
Profit margin	60.5%	56.0%	57.9%	56.6%
Equity/assets ratio	82.1%	86.5%	82.1%	81.8%
Cash and cash equivalents	439,516	326,041	439,516	421,432
Average number of full-time employees	9,635	7,055	8,547	7,917
Full-time employees at end of period	9,805	7,174	9,805	8,987
Earnings per share before dilution, EUR (IFRS)	0.93	0.62	3.14	2.83
Equity per share, EUR	15.45	13.31	15.45	14.91
Operating cash flow per share before dilution, EUR	0.91	0.48	3.23	2.80
Average number of outstanding shares before dilution	213,454,250	212,327,008	213,996,386	213,714,575
No of outstanding shares excl. shares in own custody	213,205,250	212,327,008	213,205,250	213,952,250

## Consolidated key ratios by quarter

Group, EUR thousands	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20
Operating revenues (IFRS)	326,767	300,233	276,016	256,687	235,841	177,658	140,020	128,307	115,149
EBITDA	229,678	206,915	192,942	174,668	160,125	96,219	90,728	81,143	64,123
EBITDA margin	70.3%	68.9%	69.9%	68.0%	67.9%	54.2%	64.8%	63.2%	55.7%
Operating profit	207,085	184,541	171,963	155,852	141,648	84,837	83,572	74,166	57,125
Operating margin	63.4%	61.5%	62.3%	60.7%	60.1%	47.8%	59.7%	57.8%	49.6%
Revenue growth vs prior year	38.6%	69.0%	97.1%	100.1%	104.8%	67.6%	47.8%	49.7%	45.2%
Revenue growth vs prior quarter	8.8%	8.8%	7.5%	8.8%	32.8%	26.9%	9.1%	11.4%	8.6%
Cash and cash equivalents	439,516	421,432	391,931	200,392	326,041	221,675	283,203	212,049	204,949

## Reconciliation of selected key ratios not defined in accordance with IFRS

Group, EUR thousands	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
<b>Operating margin</b>				
Profit before tax	211,396	140,695	718,192	647,491
Net financial items	-4,311	953	1,249	6,513
<b>Operating profit (EBIT)</b>	<b>207,085</b>	<b>141,648</b>	<b>719,441</b>	<b>654,004</b>
Divided by Total operating revenues	326,767	235,841	1,159,703	1,068,777
<b>Operating (EBIT) margin</b>	<b>63.4%</b>	<b>60.1%</b>	<b>62.0%</b>	<b>61.2%</b>
<b>EBITDA and EBITDA margin</b>				
Profit before tax	211,396	140,695	718,192	647,491
Net financial items	-4,311	953	1,249	6,513
Depreciation/amortisation	22,593	18,477	84,762	80,646
<b>EBITDA</b>	<b>229,678</b>	<b>160,125</b>	<b>804,203</b>	<b>734,650</b>
Divided by Total operating revenues	326,767	235,841	1,159,703	1,068,777
<b>EBITDA margin</b>	<b>70.3%</b>	<b>67.9%</b>	<b>69.3%</b>	<b>68.7%</b>
<b>Profit margin</b>				
<b>Profit for the period</b>	197,689	132,038	671,086	605,435
Divided by Total operating revenues	326,767	235,841	1,159,703	1,068,777
<b>Profit margin</b>	<b>60.5%</b>	<b>56.0%</b>	<b>57.9%</b>	<b>56.6%</b>
<b>Equity/Assets ratio</b>				
Total equity	3,293,284	2,826,401	3,293,284	3,190,950
Divided by Total assets	4,010,103	3,266,587	4,010,103	3,903,067
<b>Equity/Assets ratio</b>	<b>82.1%</b>	<b>86.5%</b>	<b>82.1%</b>	<b>81.8%</b>

## Condensed Parent Company income statement and other comprehensive income

Parent company, EUR thousands	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	Jan-Dec 2021
Net sales	5,182	4,590	19,767	19,175
Other external expenses	-4,721	-4,475	-19,157	-18,911
<b>Operating profit</b>	<b>461</b>	<b>115</b>	<b>610</b>	<b>264</b>
Interest income and similar income	-	-	250,750	250,941
Interest expenses and similar expenses	-191	-	-	-
<b>Profit before tax</b>	<b>270</b>	<b>115</b>	<b>251,360</b>	<b>251,205</b>
Tax on profit for the period	-27	-27	-355	-323
<b>Profit for the period*</b>	<b>243</b>	<b>88</b>	<b>251,005</b>	<b>250,882</b>

\*Profit for the period coincides with comprehensive income for the period.

## Condensed Parent Company balance sheet

Parent company, EUR thousands	31/03/2022	31/03/2021	31/12/2021
<b>Assets</b>			
Intangible assets	619	712	681
Property, plant and equipment	19	59	23
Participating interest in Group companies	2,630,780	2,495,279	2,635,756
Other non-current receivables	14	41	14
<b>Total non-current assets</b>	<b>2,631,432</b>	<b>2,496,091</b>	<b>2,636,474</b>
Receivables from Group companies	53,719	218,190	258,537
Other current receivables	1,487	1,145	958
Prepaid expenses and accrued income	10,312	15,343	11,524
Cash and cash equivalents	142,172	39,060	79,952
<b>Total current assets</b>	<b>207,690</b>	<b>273,738</b>	<b>350,971</b>
<b>TOTAL ASSETS</b>	<b>2,839,122</b>	<b>2,769,829</b>	<b>2,987,445</b>
<b>Equity and liabilities</b>			
Share capital	647	638	647
Retained earnings including profit for the period	2,752,254	2,683,336	2,828,647
<b>Total equity</b>	<b>2,752,901</b>	<b>2,683,974</b>	<b>2,829,294</b>
Accounts payable	219	287	247
Current tax liabilities	469	189	390
Liabilities to Group companies	84,347	13	84,347
Other current liabilities	329	84,391	72,345
Accrued expenses and prepaid income	857	975	822
<b>Total current liabilities</b>	<b>86,221</b>	<b>85,855</b>	<b>158,151</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,839,122</b>	<b>2,769,829</b>	<b>2,987,445</b>

## Notes to the financial statements

### Note 1. Accounting principles

Evolution prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. The Group's interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company uses the same accounting principles as the Group, with the addition of the Swedish Financial Reporting Board's recommendation; RFR 2, Accounting for Legal Entities. The accounting policies are unchanged from the 2021 annual report. There are no amendments to IFRS standards in 2022 that have had material impact on the Group's results of operations and financial position.

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

### Note 2. Events following the balance sheet date

At the annual general meeting in Evolution AB (publ) on 8 April 2022, income statements and balance sheets for 2021 for the company and the group were adopted and it was resolved on, among other things, a dividend of EUR 1.42 per share, discharge from liability for the board members and the managing director, re-election of the board members and the chairman of the board, authorisation for acquisition and transfer of own shares, authorisation for the board of directors to issue shares, warrants and convertible debt as well as authorisation for the board of directors to re-purchase warrants.

### Note 3. Incentive programme

The company has two incentive programmes. Upon full exercise of the warrants within the programme 2020/2023 (adopted by the Extra General Meeting on 16 January 2020), the dilution effect will be approximately 1.8 percent. Upon full exercise of the warrants within the programme 2021/2024 (adopted by the Extra General Meeting on 28 January 2021), the dilution effect will be approximately 1.8 percent. More information about the programmes is available in the 2021 annual report.

### Note 4. Seasonality

Evolution's operations are, to a certain extent, influenced by seasonal patterns in end-user activity. The Group's customers generally notice increased end-user activity and an increased volume of operations in the fourth quarter of each year, which is consistent with the Group's experience of increased online casino traffic and commission income earned in the fourth quarter.

### Note 5. Acquisition of group companies

During the quarter, the redemption of outstanding shares in NetEnt was finalised and an amount of EUR 63.8 million has been paid. Working capital adjustment for BTG was also paid during the quarter, amounting to EUR 10.3 million.

## Definitions of key ratios

Key ratios	Definition	Purpose
Operating profit (EBIT)	Profit before tax excluding net financial items.	Key ratio used by management to monitor the earnings trend in the Group.
Operating margin (EBIT)margin	Operating profit in relation to operating revenues.	Key ratio used by management to monitor the earnings trend in the Group.
EBITDA	Operating profit less depreciation.	Key ratio used by management to monitor the earnings trend in the Group.
EBITDA margin	Operating profit excluding depreciation and amortisation in relation to operating revenues.	Key ratio used by management to monitor the earnings trend in the Group.
Profit margin	Profit for the period in relation to operating revenues.	Key ratio used by management to monitor the earnings trend in the Group.
Equity/assets ratio	Equity at the end of period in relation to total assets at the end of period.	Key ratio indicates the Group's long-term payment capacity.
Cash and cash equivalents	Cash and bank assets.	Used by management to monitor the Group's short-term payment capacity.
Revenue growth compared with the previous year	Operating revenues for the period divided by operating revenues in the same period last year.	Key ratio used by management to monitor the Group's revenue growth.
Revenue growth compared with the preceding quarter	Operating revenues for the period divided by operating revenues for the preceding quarter.	Key ratio used by management to monitor the Group's revenue growth.
Average number of full-time employees	The average number of full-time employees during the period. Full-time equivalents include part-time positions.	Key ratio used by management to monitor the Group's number of employees' growth.
<b>Per share</b>		
Earnings per share before dilution	Profit for the period in relation to the average number of shares outstanding before dilution during the period.	Key ratio used by management to monitor the earnings trend in the Group.
Equity per share	Shareholders' equity divided by the number of shares outstanding at the end of the period.	Key ratio used by management to monitor the earnings trend in the Group.
Operational cash flow per share before dilution	Cash flow from operating activities in relation to the average number of shares outstanding before dilution during the period.	Key ratio used by management to monitor the cash flow trend in the Group.
Average number of shares outstanding	The average number of shares outstanding before dilution during the period.	Used to calculate key ratios in relation to the number of shares during the period.
Number of shares outstanding	Number of shares outstanding at the end of the period.	Used to calculate key ratios in relation to the number of shares at the end of the period.