

Olympic Entertainment Group AS

Consolidated interim financial statements for the Q2 and H1 of 2016 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2016
End of reporting period	30 June 2016
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 Poland, Slovakia, Belarus, 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 and Warsaw Stock Exchanges (OMX: OEG1T / WSE: OEG).

As at 30 June 2016, the Group had a total of 125 casinos. The Group operates 24 casinos in Estonia, 57 in Latvia, 19 in Lithuania, 1 in Poland, 8 in Slovakia, 1 in Belarus, 14 in Italy and 1 in Malta. The Group employed 3,260 employees in 8 countries.

Group entities include:

	Domicile	Ownership 30.06.2016	Ownership 31.12.2015	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Gaming services
Kungla Investeeringu AS	Estonia	100%	100%	Bar services
OÜ Oma & Hea	Estonia	95%	0%	Bar services
Kesklinna Hotelli OÜ	Estonia	100%	100%	Hotel real estate development
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
SIA Garkalns	Latvia	100%	100%	Gaming services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Gaming services
Mecom Grupp UAB	Lithuania	100%	100%	Bar services
UAB Orakulas	Lithuania	100%	100%	Gaming 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%	80%	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 F & B S.r.o.*	Slovakia	0%	100%	Bar services
Olympic Casino Bel IP	Belarus	100%	100%	Gaming services
The Box S.r.l.	Italy	100%	100%	Holding activities
Jackpot Game S.r.l.	Italy	100%	100%	Gaming services
Slottery S.r.l.	Italy	100%	100%	Gaming services
Siquia Holding B.V.	Holland	0%	95%	Liquidated
Jessy Investments B.V.	Holland	100%	100%	Holding activities
Gametech Services Ltd	Jersey	100%	100%	Software services
Brandhouse Ltd	Jersey	100%	100%	Holding activities
OEG Malta Holding Ltd	Malta	100%	100%	Holding activities
OEG Malta Gaming Ltd	Malta	100%	100%	Holding activities

* On 1 April 2016 Olympic F & B S.r.o. was merged with Olympic Casino Slovakia S.r.o., therefore the ownership as at 30 June 2016 equals 0%.

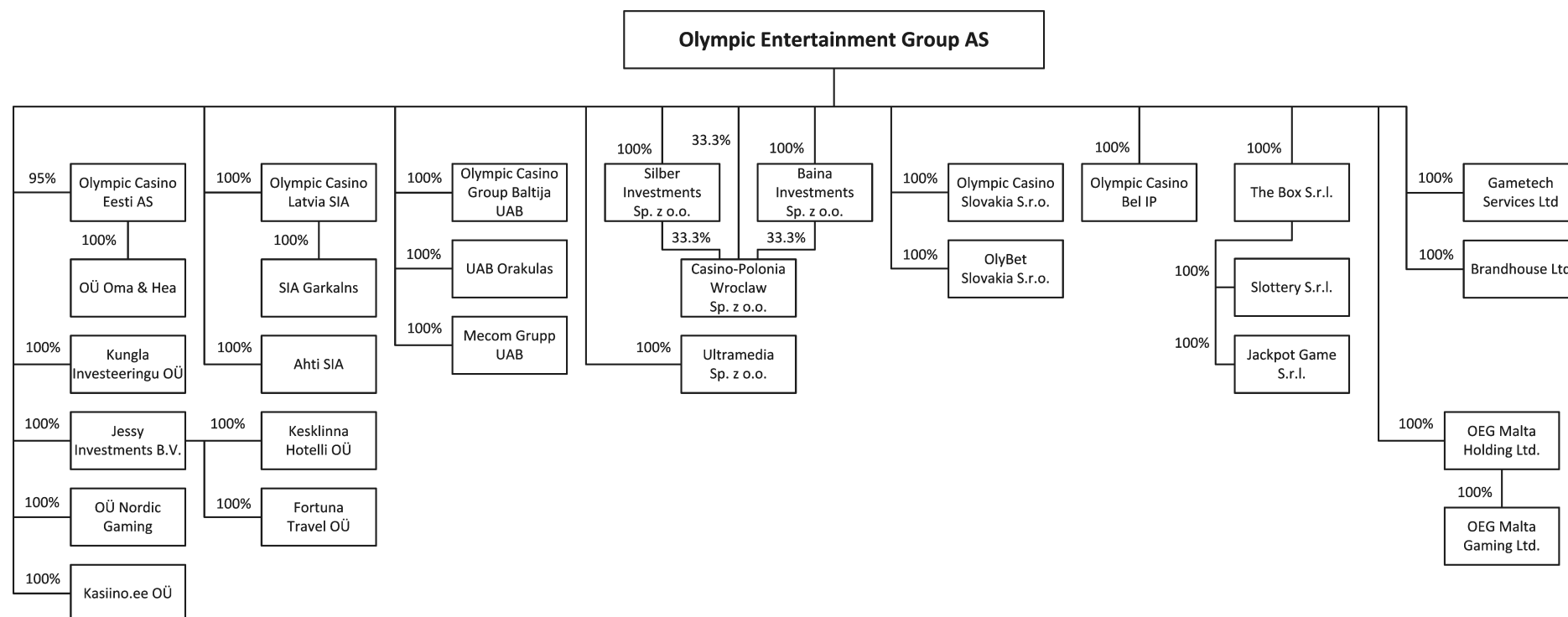
Our vision

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 June 2016



Declaration of the management

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



Madis Jäger
Chairman of the Management Board



Meelis Pielberg
Member of the Management Board

26 July 2016

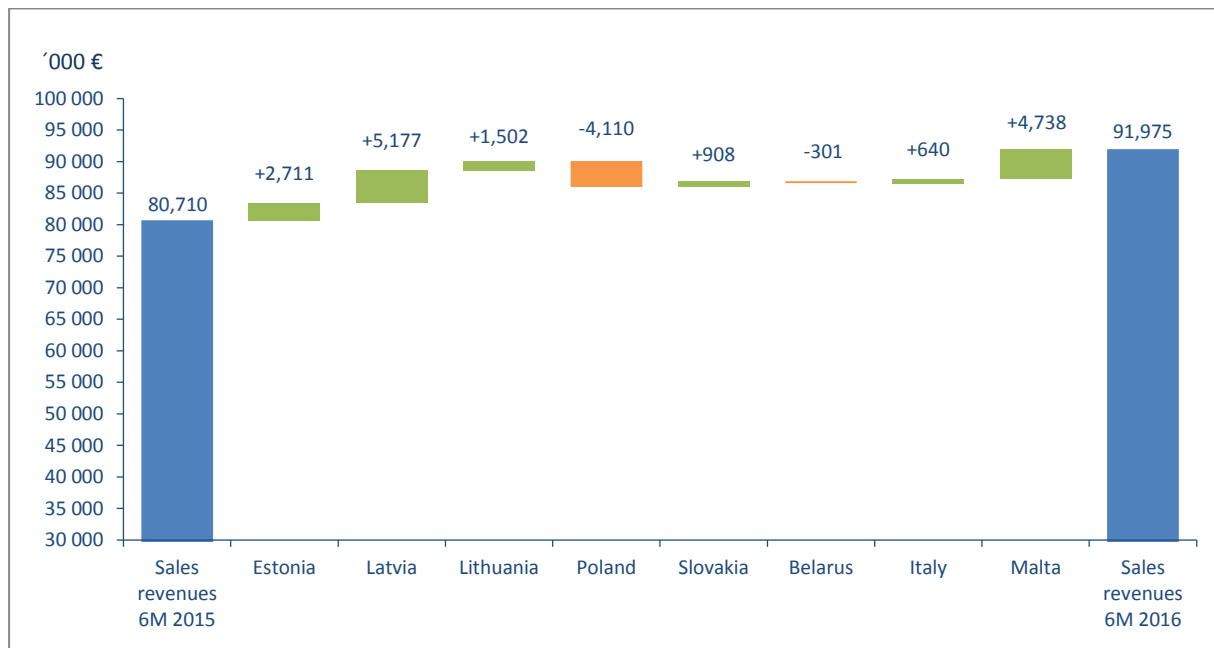
Management report

Overview of the economic activities

Key developments of the Group during the first half-year of 2016:

- The Group's consolidated sales revenues for H1 2016 amounted to EUR 92.0 million, up 14.0% or EUR 11.3 million y-o-y.
- Gaming revenues accounted for 93.6% (86.1 m€) and other revenues for 6.4% (5.9 m€) of the Group's consolidated sales revenues for H1 2016. A year before the revenue split was 94.0% (75.9 m€) and 6.0% (4.8 m€), respectively.
- The Group's consolidated EBITDA for H1 2016 amounted to EUR 17.1 million, a decline of 6.9% from EUR 18.4 million a year before. The Group's consolidated operating profit decreased EUR 2.4 million (-16.9%) to EUR 12.0 million.
- The Group's consolidated net profit attributable to equity holders of the parent company for H1 2016 totalled EUR 9.8 million compared to EUR 11.8 million a year ago.
- Group company Baina Investments Sp. z o.o. signed the agreement on 14 January 2016 to acquire a 20% holding in the Polish subsidiary Casino Polonia-Wroclaw Sp. z o.o., increasing Group holding to 100%.
- After receiving an approval from the Estonian Competition Authority, on 16 February 2016 Group completed the acquisition of 100% shareholding in Estonian casino operator AS MC Kasiinod, which is also the 100% owner of the subsidiary OÜ Oma & Hea, which is providing casino bar services. As a result of the completion of the transaction Group owns 24 casinos in Estonia.
- The Estonian subsidiaries of Group, Olympic Casino Eesti AS and the casino operating company AS MC Kasiinod which was acquired in winter of 2016, concluded a merger agreement on 21 March 2016. The merger was finalised in May 2016 and during the course of the merger AS MC Kasiinod merged with Olympic Casino Eesti AS.
- The Slovak subsidiaries of Group, Olympic Casino Slovakia S.r.o. and Olympic F&B S.r.o., concluded a merger agreement on 22 March 2016. The merger was finalised in April 2016 and during the course of the merger Olympic F&B S.r.o. merged with Olympic Casino Slovakia S.r.o.
- On 31 March 2016 Group decided to liquidate its Dutch subsidiary Siquia Holding B.V., which does not have any business activity. The area of activity for the subsidiary was holding activities. The liquidation was finalised on 30 June 2016.
- The Latvian subsidiaries of Group, Olympic Casino Latvia SIA AS and the casino operating company SIA Garkalns which was acquired in autumn 2015, concluded a merger agreement on 20 May 2016. The merger will be finalised within the current year and during the course of the merger SIA Garkalns will be merged with Olympic Casino Latvia SIA.
- On 1 June 2016 Group opened a new hotel and entertainment complex in Tallinn investing over 45 million euros in the building that accommodates the Baltic's first Hilton and the flagship casino of OEG.
- The general meeting of shareholders held on 16 June 2016 decided to pay out dividends in amount of EUR 22,768,680.90 (EUR 0.15 per share), of which EUR 0.10 per share was paid out to shareholders on 15 July 2016 and EUR 0.05 will be paid out to shareholders on 14 October 2016.

The Group's consolidated sales revenue bridge by segments:



The Group's consolidated sales revenues by segments:

'000€	Q2 2016	Q2 2015	Change	H1 2016	H1 2015	Change
Estonia	10,592	9,068	16.8%	20,123	17,412	15.6%
Latvia	15,205	13,959	8.9%	31,229	26,052	19.9%
Lithuania	6,003	4,923	21.9%	12,291	10,789	13.9%
Poland	4,656	6,843	-32.0%	9,229	13,339	-30.8%
Slovakia	4,791	4,076	17.5%	8,714	7,806	11.6%
Belarus	64	203	-68.4%	186	487	-61.9%
Italy	2,759	2,525	9.3%	5,465	4,825	13.3%
Malta	2,552	0	N/A	4,738	0	N/A
Total	46,622	41,597	12.1%	91,975	80,710	14.0%

Share of segments in the Group's sales revenues:

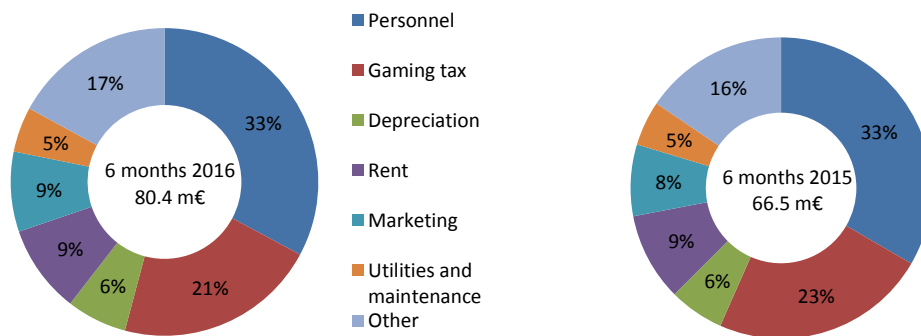


At the end of H1 2016, the Group had 125 casinos with total floor area of 40,122 m² (+9,859 m²) and 33 betting points with total floor area of 898 m².

Number of casinos by segment:

	30 June 2016	30 June 2015
Estonia	24	20
Latvia	57	37
Lithuania	19	17
Poland	1	1
Slovakia	8	7
Belarus	1	2
Italy	14	12
Malta	1	
Total	125	96

The Group's consolidated operating expenses for H1 2016 amounted to EUR 80.4 million, up 20.9% or EUR 13.9 million y-o-y. The growth was highest in personnel expenses (+4.2 m€, +18.9%), gaming tax (+1.7 m€, +10.9%), marketing expenses (+1.7 m€, +32.5%), amortisation and depreciation costs (+1.2 m€, +29.9%) and rent expenses (+1.2 m€, +18.5%). Personnel expenses (26.4 m€) and gaming tax (17.1 m€) represented the largest cost items accounting for 54.1% of total operating expenses.



Key performance indicators of the Group

		H1 2016	H1 2015	H1 2014
Revenues	m€	92.4	81.0	72.2
Gaming tax	m€	17.1	15.5	14.3
EBITDA	m€	17.1	18.4	16.7
EBIT	m€	12.0	14.5	12.6
Net profit	m€	9.8	11.8	10.3
EBITDA margin	%	18.5	22.7	23.1
Operating margin	%	13.0	17.9	17.5
Net margin	%	10.5	14.6	14.3
Assets	m€	188.9	125.0	115.4
Equity	m€	108.8	106.8	97.8
ROE	%	9.2	12.2	10.8
ROA	%	5.8	9.8	8.8
Current ratio	times	0.8	2.2	2.3
Casinos at end of period	#	125	96	93
Casino floor area at end of period	m ²	40,122	30,263	31,060
Employees	#	3,260	2,653	2,593
Slot machines at end of period	#	4,159	3,275	3,072
Electronic roulette terminals at the end of period	#	148	104	102
Gaming tables at end of period	#	198	182	190
Tournament poker gaming tables at the end of period	#	63	44	32

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 less non-controlling interests
- EBITDA margin = EBITDA / revenue
- Operating margin = operating profit / revenue
- Net margin = net profit / revenue
- ROE = net profit / average total equity attributable to the shareholders of the parent company
- ROA = net profit / average total assets
- Current ratio = current assets / current liabilities

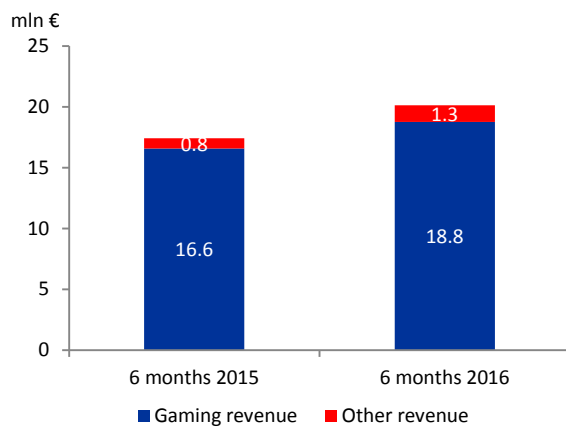
Overview by markets

Estonia

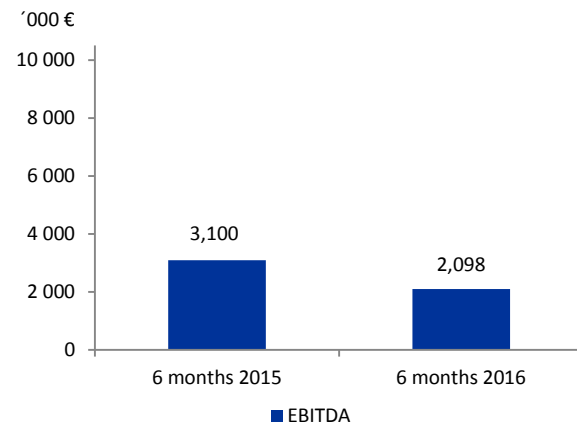
The sales revenues of Estonian segment for H1 2016 amounted to EUR 20.1 million (+2.7 m€, +15.6%), EBITDA to EUR 2.1 million (-1.0 m€, -32.3%) and operating profit to EUR 0.9 million (-1.3 m€, -59.5%). Gaming revenue increased 13.2% y-o-y amounting to EUR 18.8 million.

At the end of H1 2016, there were 24 Olympic casinos with 973 slot machines, 26 electronic roulette terminals, 22 gaming tables and 17 poker tournament tables operating in Estonia. As at 30 June 2016 Estonian operations employed 667 people.

Sales revenues



EBITDA

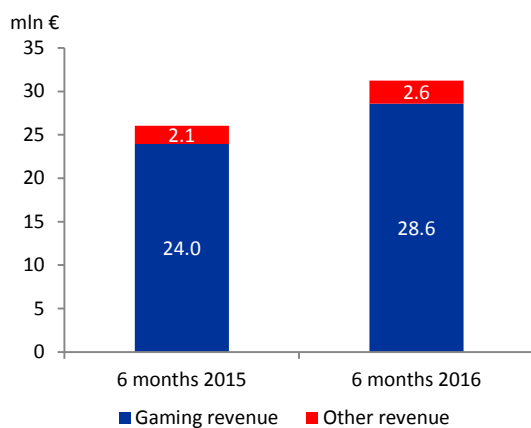


Latvia

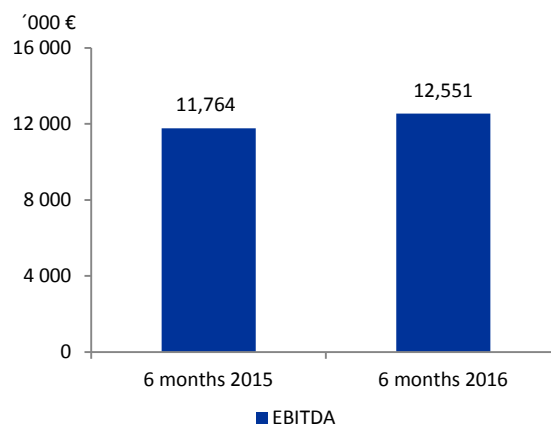
The sales revenues of Latvian segment for H1 2016 amounted to EUR 31.2 million (+5.2 m€, +19.9%), EBITDA to EUR 12.6 million (+0.8 m€, +6.7%) and operating profit to EUR 10.8 million (+0.5 m€, +4.7%). Gaming revenue increased 19.3% y-o-y amounting to EUR 28.6 million.

At the end of H1 2016, there were 57 Olympic casinos with 1,511 slot machines, 8 electronic roulette terminals, 19 gaming tables and 9 poker tournament tables operating in Latvia. As at 30 June 2016 Latvian operations employed 932 people.

Sales revenues



EBITDA

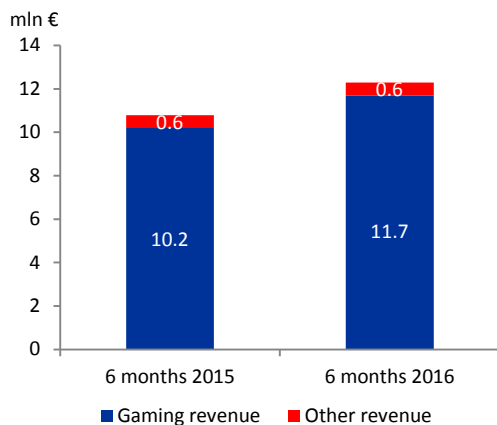


Lithuania

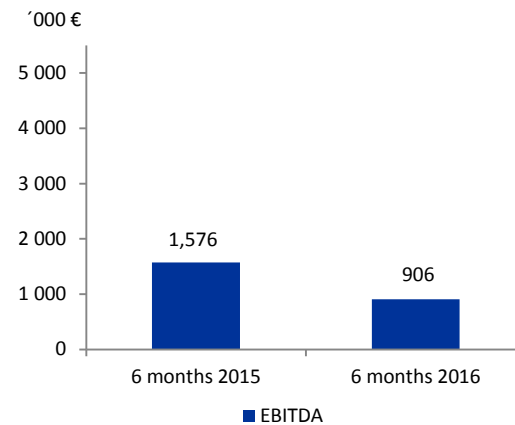
The sales revenues of Lithuanian segment for H1 2016 amounted to EUR 12.3 million (+1.5 m€, +13.9%), EBITDA to EUR 0.9 million (-0.7 m€, -42.6%) and operating profit to EUR 0.1 million (-0.9 m€, -87.0%). Gaming revenue increased 14.7% y-o-y amounting to EUR 11.7 million.

At the end of H1 2016, there were 19 Olympic casinos with 536 slot machines, 8 electronic roulette terminals, 62 gaming tables and 2 poker tournament tables operating in Lithuania. As at 30 June 2016 Lithuanian operations employed 791 people.

Sales revenues



EBITDA

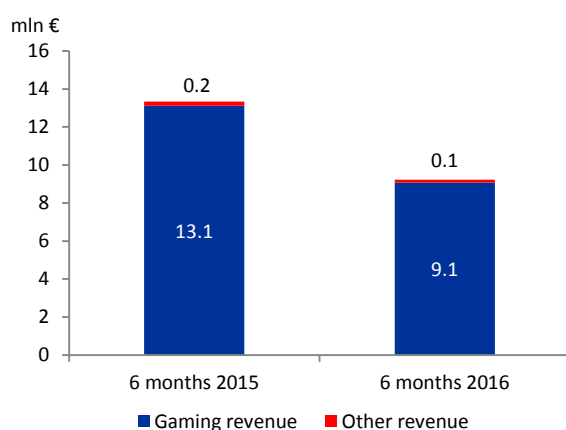


Poland

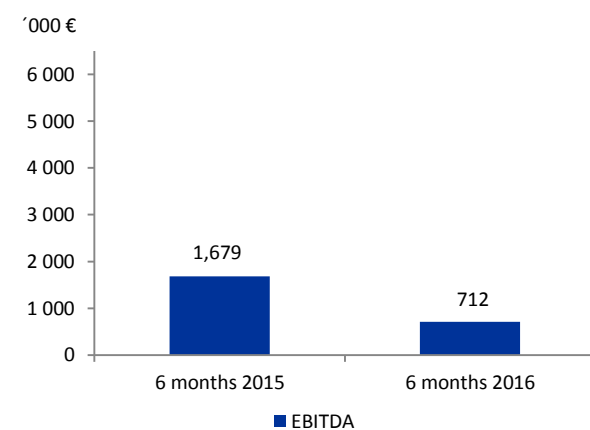
The sales revenues of Polish segment for H1 2016 amounted to EUR 9.2 million (-4.1 m€, -30.8%), EBITDA to EUR 0.7 million (-1.0 m€, -57.6%) and operating profit to EUR 0.5 million (-0.8 m€, -60.0%). Gaming revenue decreased 30.9% y-o-y amounting to EUR 9.1 million.

At the end H1 2016, there was 1 Olympic casino with 64 slot machines, 46 electronic roulette terminals, 32 gaming tables and 4 poker tournament tables operating in Poland. As at 30 June 2016 Polish operations employed 245 people.

Sales revenues



EBITDA

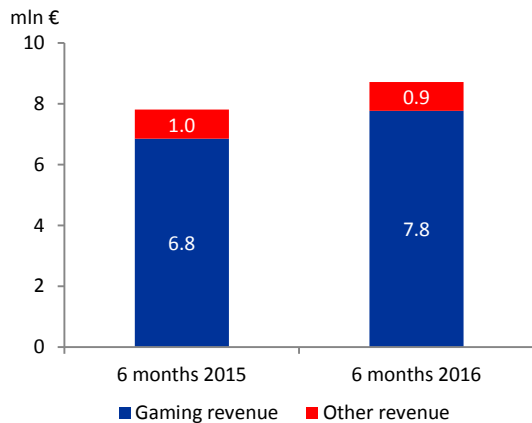


Slovakia

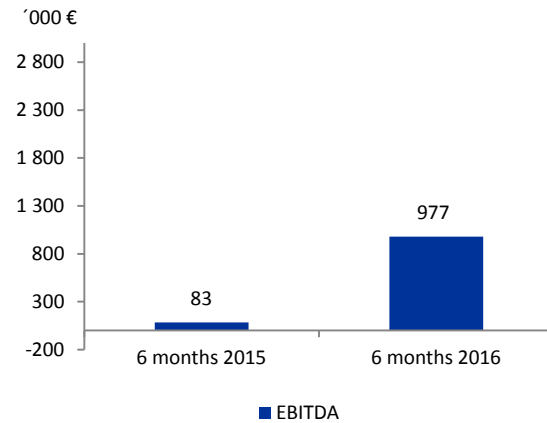
The sales revenues of Slovak segment for H1 2016 amounted to EUR 8.7 million (+0.9 m€, +11.6%), EBITDA to EUR 1.0 million (+0.9 m€, +1081.5%) and operating profit to EUR 0.4 million (+0.8 m€). Gaming revenue increased 13.3% y-o-y amounting to EUR 7.8 million.

At the end of H1 2016, there were 8 Olympic casinos with 292 slot machines, 42 electronic roulette terminals, 44 gaming tables and 21 poker tournament tables operating in Slovakia. As at 30 June 2016 Slovak operations employed 334 people.

Sales revenues



EBITDA

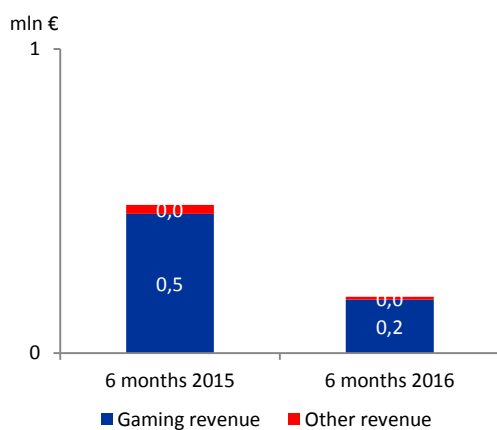


Belarus

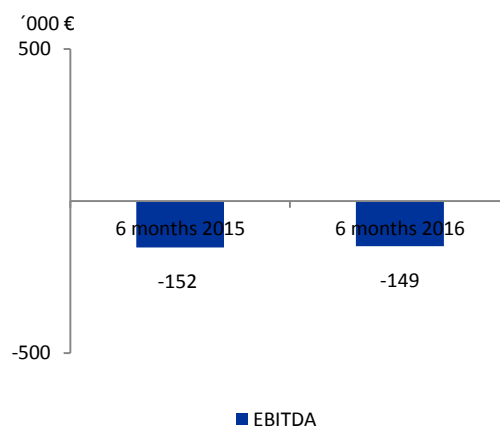
The sales revenues of Belarus segment for H1 2016 amounted to EUR 0.2 million (-0.3 m€, -61.9%), EBITDA to EUR -0.1 million (+0.0 m€, -2.3%) and operating loss to EUR -0.1 million (+0.0 m€, -2.1%). Gaming revenue decreased 61.5% y-o-y amounting to EUR 0.2 million.

At the end of H1 2016, there were 1 Olympic casinos with 33 slot machines operating in Belarus. As at 30 June 2016 Belarus operations employed 6 people.

Sales revenues



EBITDA

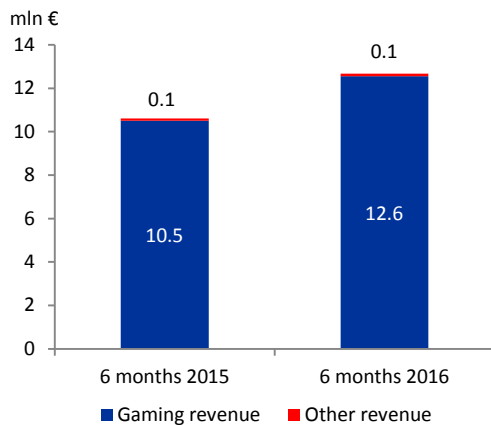


Italy

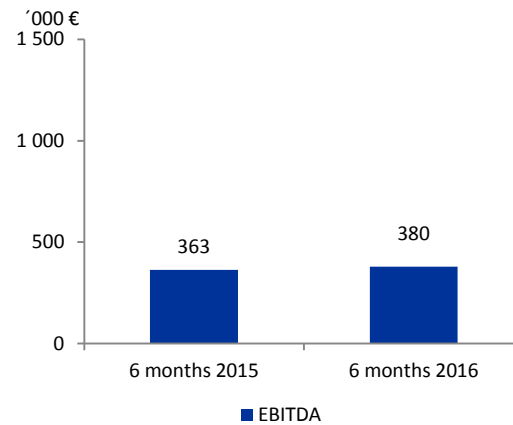
The sales revenues of Italian segment before deducting the gaming tax of Italy for H1 2016 amounted to EUR 12.7 million (+2.1 m€, +19.6%), EBITDA to EUR 0.4 million (+0.0 m€, +4.5%) and operating profit to EUR 0.2 million (+0.1 m€, +53.2%).

At the end of H1 2016, there were 14 VLT slot casinos with 465 slot machines operating in Italy. As at 30 June 2016 Italian operations employed 78 people.

Sales revenues



EBITDA



Malta

The sales revenues of Maltese segment for H1 2016 amounted to EUR 4.7 million, EBITDA to EUR -0.3 million and operating loss to EUR 0.8 million.

At the end of H1 2016, there was 1 Olympic casino with 285 slot machines, 18 electronic roulette terminals, 19 gaming tables and 10 poker tournament tables operating in Malta. As at 30 June 2016 Maltese operations employed 207 people.

Financial position

As at 30 June 2016, the total assets of the Group amounted to EUR 188.9 million, up 51.1% or EUR 34.4 million compared to the same period a year ago.

Current assets totalled EUR 45.1 million or 23.9% of total assets, and non-current assets EUR 143.8 million or 76.1% of total assets. The liabilities amounted to EUR 80.2 million and equity to EUR 108.7 million. The largest liabilities included dividend liabilities (22.8 m€), loans and borrowings (22.0m€), suppliers payables and advances (14.8 m€), tax liabilities (6.9 m€) and payables to employees (5.3 m€).

Investments

In H1 2016, the Group's expenditures on property, plant and equipment totalled EUR 26.0 million (+14.1 m€, +118.5%), of which EUR 21.8 million was invested into construction of hotel and construction and reconstruction of casinos (+13.0 m€, +147.7%) and EUR 2.5 million into new gaming equipment (-0.4 m€, -13.8%).

Cash flows

In H1 2016, the Group's cash flows generated from operating activities amounted to EUR 14.4 million (-2.4 m€, -14.5%) and cash flows used in investing activities to EUR -31.0 million (-21.3 m€). Financing cash flows amounted to EUR 13.8 million (+29.2 m€). Net cash flows totalled EUR -2.7 million (+5.5 m€).

Staff

As at 30 June 2016 Group employed 3,260 people, up by 607 y-o-y mostly due to expansion in Estonia, Latvia and Malta.

In H1 2016, total personnel expenses amounted to EUR 26.4 million (+4.2 m€, +18.9%). In H1 2016, 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 741 thousand (EUR 518 thousand in H1 2015) and EUR 74 thousand (EUR 74 thousand in H1 2015), 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, Polish zloty, Belarusian rubles and until 31.12.2014 in Lithuanian litas. Most of the Group's expenses are incurred in these currencies in its operating markets. The changes in exchange rates of these currencies against the euro impact both the Group's revenues and expenses, as a result of which there is no major effect on the Group's operating profit.

Internal transactions of the Group are primarily concluded in euros. The equity of the Group is influenced by a change in the exchange rate of the Polish zloty and Belarusian ruble to the euro. The functional currencies of subsidiaries within the Group, the US dollar (USD) and the Swiss franc (CHF).

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 Korpusov – member of the Supervisory Board since 2006. Jaan Korpusov graduated from University of Tartu in 1985 the faculty of history. Jaan Korpusov 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

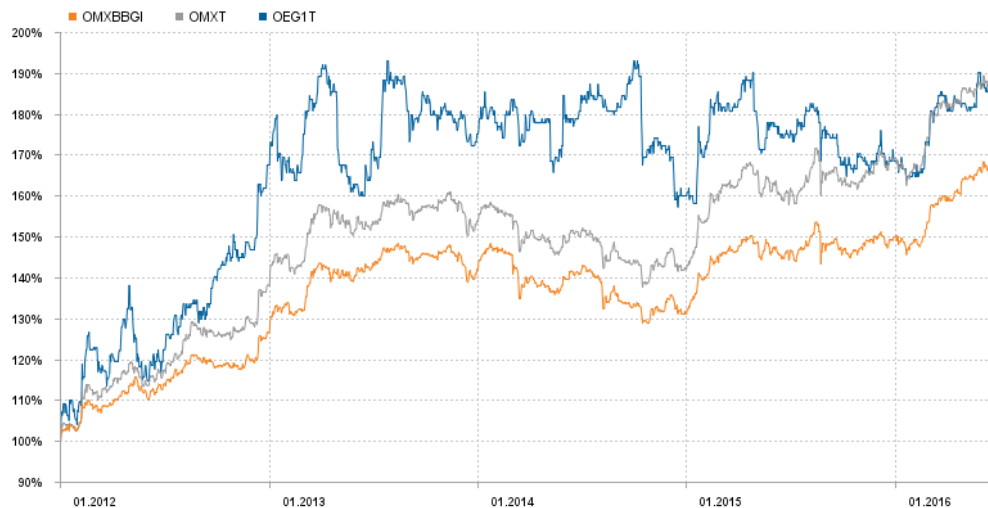
The shares of Olympic Entertainment Group AS are listed in the main list of Tallinn Stock Exchange since 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on Warsaw Stock Exchange. The Company's registered share capital is EUR 60,716,482.40. The share capital 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 June 2016:



Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2012 – 30 June 2016:

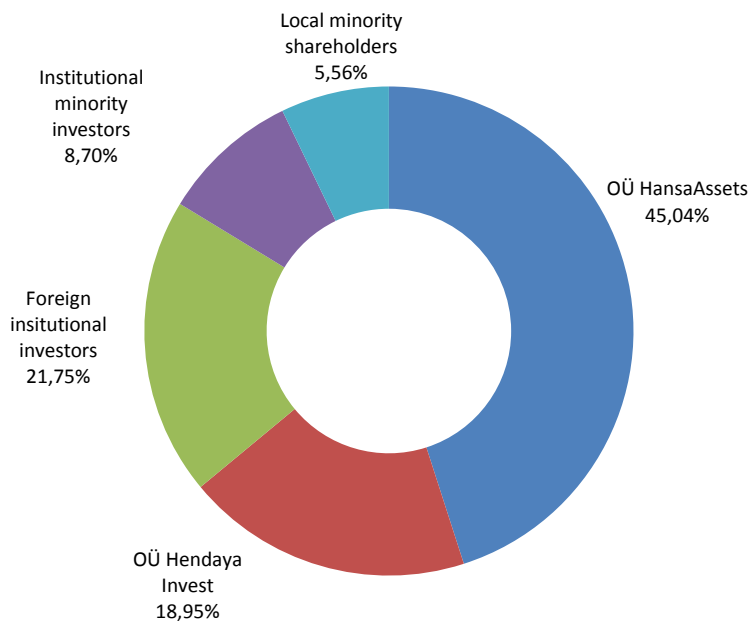


Index/share	01 Jan 2012	30 June 2016	+/-%
— OMX Baltic Benchmark GI	431.94	711.29	64.67
— OMX Tallinn	531.17	980.37	84.57
— OEG1T	1.062 EUR	1.940 EUR	82.67

Largest shareholders of Olympic Entertainment Group AS at 30 June 2016:

OÜ HANSAASSETS	45.04%
OÜ Hendaya Invest	18.95%
NORDEA BANK FINLAND PLC, CLIENTS	2.30%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	2.15%
J.P.MORGAN BANK LUXEMBOURG S.A/ JPML SA RE UCITS CLIENTS ASSETS	1.90%
RBC INVESTOR SERVICES BANK / LUX-NON RESIDENTS / DOMESTIC RATE	1.39%
Central Securities Depository of Lithuania	1.26%
FIREBIRD REPUBLICS FUND LTD	1.18%
THE NORTHERN TRUST COMPANY/ HARDING LOEVNER FRONTIER EMERGING MARKETS PORTFOLIO	1.13%
SEB S.A. CLIENT ASSETS UCITS	1.03%

Structure of Olympic Entertainment Group AS shareholders as at 30 June 2016



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	30.06.2016	31.12.2015
ASSETS			
Current assets			
Cash and cash equivalents		31,980	34,710
Financial investments		2,024	1,835
Receivables and prepayments		8,879	5,537
Prepaid income tax		567	551
Inventories		1,642	1,366
Total current assets		45,092	43,999
Non-current assets			
Deferred tax assets		793	801
Financial investments		4,214	3,512
Other long-term receivables and prepayments		1,016	914
Investment property	3	288	288
Property, plant and equipment	4	80,022	58,877
Intangible assets	5	57,508	53,942
Total non-current assets		143,841	118,334
TOTAL ASSETS		188,933	162,333
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	6	223	292
Trade and other payables		54,659	27,680
Income tax payable		219	1,058
Provisions		1,756	1,842
Total current liabilities		56,857	30,872
Non-current liabilities			
Borrowings		22,872	8,079
Deferred tax liability	6	442	513
Total non-current liabilities		23,314	8,592
TOTAL LIABILITIES		80,171	39,464
EQUITY			
Share capital		60,716	60,716
Share premium		258	258
Statutory reserve capital		4,860	3,574
Other reserves		416	329
Translation reserves		-1,322	-1,156
Retained earnings		38,277	51,822
Total equity attributable to equity holders of the parent		103,205	115,543
Non-controlling interest		5,557	7,326
TOTAL EQUITY		108,762	122,869
TOTAL LIABILITIES AND EQUITY		188,933	162,333

Consolidated statement of comprehensive income

	Notes	Q2 2016	Q2 2015	H1 2016	H1 2015
Income from gaming transactions	8	43,552	39,165	86,066	75,888
Revenue	8	3,070	2,432	5,909	4,822
Other income	8	168	190	462	275
Total revenue and income		46,790	41,787	92,437	80,985
Cost of materials, goods and services		-1,346	-884	-2,457	-1,776
Other operating expenses		-23,583	-19,850	-46,157	-38,421
Staff costs		-13,565	-11,409	-26,391	-22,189
Depreciation, amortisation and impairment	4;5	-2,641	-2,095	-5,104	-3,931
Other expenses		-120	-57	-294	-186
Total operating expenses		-41,255	-34,295	-80,403	-66,503
Operating profit		5,535	7,492	12,034	14,482
Interest income		8	15	47	31
Interest expense		-15	-7	-15	-14
Foreign exchange income		31	15	21	15
Other finance income and costs		-8	-2	-10	-4
Total finance income and costs		16	21	43	28
Profit from operating activities		5,551	7,513	12,077	14,510
Income tax expense		-901	-969	-1,964	-2,148
Net profit for the period		4,650	6,544	10,113	12,362
<i>Attributable to equity holders of the parent company</i>		<i>4,652</i>	<i>6,330</i>	<i>9,750</i>	<i>11,800</i>
<i>Attributable to non-controlling interest</i>		<i>-2</i>	<i>214</i>	<i>363</i>	<i>562</i>
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Currency translation differences		-347	-274	-166	247
Total comprehensive profit for the period		4,303	6,270	9,947	12,609
<i>Attributable to equity holders of the parent company</i>		<i>4,305</i>	<i>6,056</i>	<i>9,584</i>	<i>12,047</i>
<i>Attributable to non-controlling interest</i>		<i>-2</i>	<i>214</i>	<i>363</i>	<i>562</i>
Basic earnings per share*	7	3.1	4.2	6.4	7.8
Diluted earnings per share*	7	3.1	4.2	6.4	7.8

* euro cents

Consolidated statement of cash flows

	Notes	H1 2016	H1 2015
Cash flows from operating activities			
Net profit		10,113	12,362
Adjustments:			
Depreciation, amortisation and impairment	4;5	5,104	3,931
Profit / loss on disposal of non-current assets (net)		-72	-136
Income tax expense		1,964	2,148
Other financial income and expenses (net)		-43	-28
Changes in working capital:			
Receivables and prepayments		-4,080	265
Inventories		-276	-2
Liabilities and prepayments		4,669	505
Interest paid		-56	-3
Corporate income tax paid		-2,937	-2,212
Net cash generated from operating activities		14,386	16,830
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-23,419	-10,210
Proceeds from sale of property, plant, equipment		301	248
Proceeds from sale of investment property		0	24
Proceeds from disposal of assets held for sale		0	1,016
Purchase of financial investments		-589	-75
Proceeds from sale of financial investments		71	0
Acquisition of subsidiaries, net of cash acquired		-7,366	0
Acquisition of business activity		0	-750
Interest received		39	62
Net cash used in from investing activities		-30,963	-9,685
Cash flows from financing activities			
Loans received		14,000	0
Repayments of loans received	6	-154	-126
Repayments of finance leases		-9	0
Dividends paid		0	-15,268
Net cash used in financing activities		13,837	-15,394
Net cash flows		-2,740	-8,249
Cash and cash equivalents at beginning of the period		34,710	40,117
Exchange gains and losses on cash and cash equivalents		10	22
Cash and cash equivalents at end of the period		31,980	31,890

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent								
	Share capital	Share premium	Statutory reserve capital	Other reserves	Currency translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 01.01.2015	60,716	258	2,495	0	-1,420	41,816	103,865	5,339	109,204
<i>Net profit for the period</i>	0	0	0	0	0	11,800	11,800	562	12,362
<i>Other comprehensive expense</i>	0	0	0	0	247	0	247	0	247
Total comprehensive income for the period	0	0	0	0	247	11,800	12,047	562	12,609
<i>Increase of statutory reserve capital</i>	0	0	1,079	0	0	-1,079	0	0	0
<i>Dividends paid</i>	0	0	0	0	0	-15,179	-15,179	0	-15,179
<i>Employee option programme</i>	0	0	0	165	0	0	165	0	165
Total transactions with owners	0	0	1,079	165	0	-16,258	-15,014	0	-15,014
Other adjustments	0	0	0	0	0	2	2	0	2
Balance at 30.06.2015	60,716	258	3,574	165	-1,173	37,360	100,900	5,901	106,801
Balance at 01.01.2016	60,716	258	3,574	329	-1,156	51,822	115,543	7,326	122,869
<i>Net profit for the period</i>	0	0	0	0	0	9,750	9,750	363	10,113
<i>Other comprehensive income</i>	0	0	0	0	-166	0	-166	0	-166
Total comprehensive income for the period	0	0	0	0	-166	9,750	9,584	363	9,947
<i>Increase of statutory reserve capital</i>	0	0	1,286	0	0	-1,286	0	0	0
<i>Dividends paid</i>	0	0	0	0	0	-22,769	-22,769	0	-22,769
<i>Employee option programme</i>	0	0	0	87	0	0	87	0	87
Total transactions with owners	0	0	1,286	87	0	-24,055	-22,682	0	-22,682
Acquired through business combinations	0	0	0	0	0	0	0	118	118
Other adjustments	0	0	0	0	0	760	760	-2,250	-1,490
Balance at 30.06.2016	60,716	258	4,860	416	-1,322	38,277	103,205	5,557	108,762

Notes to the consolidated interim financial statements

Note 1 Summary of significant accounting policies

Olympic Entertainment Group AS (hereinafter the "Company") is a company registered in Estonia at 15 November 1999. The consolidated interim financial statements of the Company prepared for the reporting period ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the "Group").

This condensed consolidated interim financial information was approved by the management for issue on 26 July 2016.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2015 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 2015.

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 2015.

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 2015, 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 01 January 2016	159	129	288
As at 30 June 2016	159	129	288

Note 4 Property, plant and equipment

	Renovation expenditures	Machinery & equipment	Other PP&E	Construction in progress	Total
As at 01 January 2016	10,293	23,707	2,004	22,873	58,877
Additions	1,104	2,526	545	21,842	26,017
Acquired through business combinations	3	194	18	0	215
Sales	-3	-92	-9	0	-104
Write-offs	-4	-64	-18	0	-86
Transfers	32,566	2,543	6,740	-41,864	-15
Depreciation charge	-1,560	-2,577	-492	0	-4,629
Exchange differences	-11	-244	2	0	-253
As at 30 June 2016	42,388	25,993	8,790	2,851	80,022

Note 5 Intangible assets

	Goodwill	Software and licences	Prepayments	Total
As at 01 January 2016	50,775	3,106	61	53,942
Additions	0	318	212	530
Acquired through business combinations	3,674	13	0	3,687
Write-offs	0	-1	0	-1
Reclassifications	0	264	-249	15
Amortisation charge	0	-388	0	-388
Exchange differences	-275	-2	0	-277
As at 30 June 2016	54,174	3,310	24	57,508

Note 6 Borrowings

	30.06.2015	31.12.2015
Short-term borrowings		
Current portion of financial lease liability	0	4
Current portion of a long-term bank loan	223	288
Total short-term borrowings	223	292
Long-term borrowings		
Non-current portion of financial lease liability	0	5
Non-current portion of a long-term bank loan	21,777	7,777
Non-current portion of a long-term loan	80	170
Other borrowings	1,015	127
Total long-term borrowings	22,872	8,079
Total borrowings	23,095	8,371

The Group has concluded a loan agreement with Swedbank with the due date of 31 August 2018, with a limit of EUR 25,000 thousand. The annual interest rate is 6 months Euribor + 0.8%.

Note 7 Equity

The General Meeting of Shareholders held at 16 June 2016 decided to pay dividends to the shareholders of 0.15 euros per share in the total amount of 22,768,680.90 euros, whereas 0.10 Euros per share was paid to the shareholders on 15 July 2016 and 0.05 Euros per share shall be paid to the shareholders on 14 October 2016.

Earnings per share

	Q2 2016	Q2 2015	H1 2016	H1 2015
Net profit for the period	4,652	6,330	9,750	11,800
Weighted average number of shares outstanding (in thousands)	151,791	151,791	151,791	151,791
Basic earnings per share (euro cents)	3.1	4.2	6.4	7.8
Diluted earnings per share (euro cents)	3.1	4.2	6.4	7.8

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 3-year employment relationship at the time of options realisation. Option holder has a right to subscribe for shares starting from 1 January 2018. Share option program ends 28 February 2018.

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 June 2016, the Group had operations in the Estonian, Latvian, Lithuanian, Polish, Slovak, Belarusian, 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.

Q2 2016	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Malta	Total
Income from gaming transactions	9,720	13,881	5,795	4,555	4,329	61	6,332	2,512	47,185
Gaming tax of Italy	0	0	0	0	0	0	-3,633	0	-3,633
Revenue	979	1,325	212	118	462	3	60	40	3,199
Inter-segment revenue	-107	-1	-4	-17	0	0	0	0	-129
External revenue	10,592	15,205	6,003	4,656	4,791	64	2,759	2,552	46,622
Other external revenue	10	48	0	31	58	17	0	4	168
Total revenue	10,602	15,253	6,003	4,687	4,849	81	2,759	2,556	46,790
									0
Total expenses	-10,561	-10,380	-5,971	-4,315	-4,388	-99	-2,690	-2,851	-41,255
Incl. Depreciation, amortisation and impairment losses	-684	-878	-378	-85	-290	0	-77	-249	-2,641
Total operating profit (-loss)	41	4,873	32	372	461	-18	69	-295	5,535

Q2 2015	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Malta	Total
Income from gaming transactions	8,647	12,872	4,611	6,737	3,634	191	5,453	0	42,145
Gaming tax of Italy	0	0	0	0	0	0	-2,980	0	-2,980
Revenue	557	1,087	312	122	442	12	52	0	2,584
Inter-segment revenue	-136	0	0	-16	0	0	0	0	-152
External revenue	9,068	13,959	4,923	6,843	4,076	203	2,525	0	41,597
Other external revenue	16	28	1	2	12	88	43	0	190
Total revenue	9,084	13,987	4,924	6,845	4,088	291	2,568	0	41,787
Total expenses	-8,089	-8,150	-4,852	-6,239	-4,228	-272	-2,465	0	-34,295
Incl. Depreciation, amortisation and impairment losses	-485	-732	-274	-232	-261	0	-111	0	-2,095
Total operating profit (-loss)	995	5,837	72	606	-140	19	103	0	7,492

H1 2016	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Malta	Total
Income from gaming transactions	18,768	28,588	11,684	9,070	7,763	177	12,562	4,668	93,280
Gaming tax of Italy	0	0	0	0	0	0	-7,214	0	-7,214
Revenue	1,562	2,659	640	176	951	9	117	70	6,184
Inter-segment revenue	-208	-18	-33	-17	0	0	0	0	-276
External revenue	20,123	31,229	12,291	9,229	8,714	186	5,465	4,738	91,975
Other external revenue	123	55	1	135	89	42	13	4	462
Total revenue	20,246	31,284	12,292	9,364	8,803	228	5,478	4,742	92,437
Total expenses	-19,361	-20,463	-12,155	-8,826	-8,404	-378	-5,242	-5,574	-80,403
Incl. Depreciation, amortisation and impairment losses	-1,212	-1,729	-770	-174	-579	0	-143	-497	-5,104
Total operating profit (-loss)	885	10,821	137	538	399	-150	236	-832	12,034

H1 2015	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Malta	Total
Income from gaming transactions	16,583	23,959	10,191	13,125	6,849	457	10,501	0	81,665
Gaming tax of Italy	0	0	0	0	0	0	-5,777	0	-5,777
Revenue	1,055	2,093	598	230	957	30	101	0	5,064
Inter-segment revenue	-226	0	0	-16	0	0	0	0	-242
External revenue	17,412	26,052	10,789	13,339	7,806	487	4,825	0	80,710
Other external revenue	19	34	1	6	14	145	56	0	275
Total revenue	17,431	26,086	10,790	13,345	7,820	632	4,881	0	80,985
Total expenses	-15,244	-15,748	-9,736	-12,012	-8,252	-786	-4,725	0	-66,503
Incl. Depreciation, amortisation and impairment losses	-914	-1,426	-522	-346	-514	0	-209	0	-3,931
Total operating profit (-loss)	2,187	10,338	1,054	1,333	-432	-154	156	0	14,482

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>H1 2016</u>	<u>H1 2015</u>
Shareholders with significant influence	1	1
Total	1	1

As at 30.06.2016 and 31.12.2015, there were no balances of receivables and liabilities.

In H1 2016, 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 741 thousand (H1 2015: EUR 518 thousand) and EUR 74 thousand (H1 2015: EUR 74 thousand), respectively.