

Olympic Entertainment Group AS

Consolidated interim financial statements
for the Q1 of 2017 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2017
End of reporting period	31 March 2017
Business name	Olympic Entertainment Group AS
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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 the Tallinn and Warsaw Stock Exchanges (OMX: OEG1T / WSE: OEG).

As at 31 March 2017, the Group had a total of 120 casinos and 31 betting points. As at 31 March 2017, the Group operated 24 casinos in Estonia, 54 in Latvia, 18 in Lithuania, 8 in Slovakia, 15 in Italy and 1 in Malta. The Group employed 3,023 employees in 7 countries.

Group entities include:

	Domicile	Ownership 31.03.2017	Ownership 31.12.2016	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	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%	100%	Gaming services
Ultramedia Sp. z o.o.	Poland	100%	100%	Holding activities
Olympic Casino Slovakia S.r.o	Slovakia	100%	100%	Gaming services
OlyBet Slovakia S.r.o.	Slovakia	100%	100%	Gaming services
Olympic Casino Bel IP	Belarus	100%	100%	Under liquidation
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
Jessy Investments B.V.	Holland	100%	100%	Holding activities
Gametech Services Ltd	Jersey	100%	100%	Software services
Brandhouse Ltd	Jersey	100%	100%	Holding activities
OEG Malta Holding Ltd	Malta	100%	100%	Holding activities
OEG Malta Gaming Ltd	Malta	100%	100%	Holding activities
Olybet Malta Ltd	Malta	100%	0%	Gaming services

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

** Polish subsidiary Casino-Polonia Wroclaw 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.

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

27 April 2017

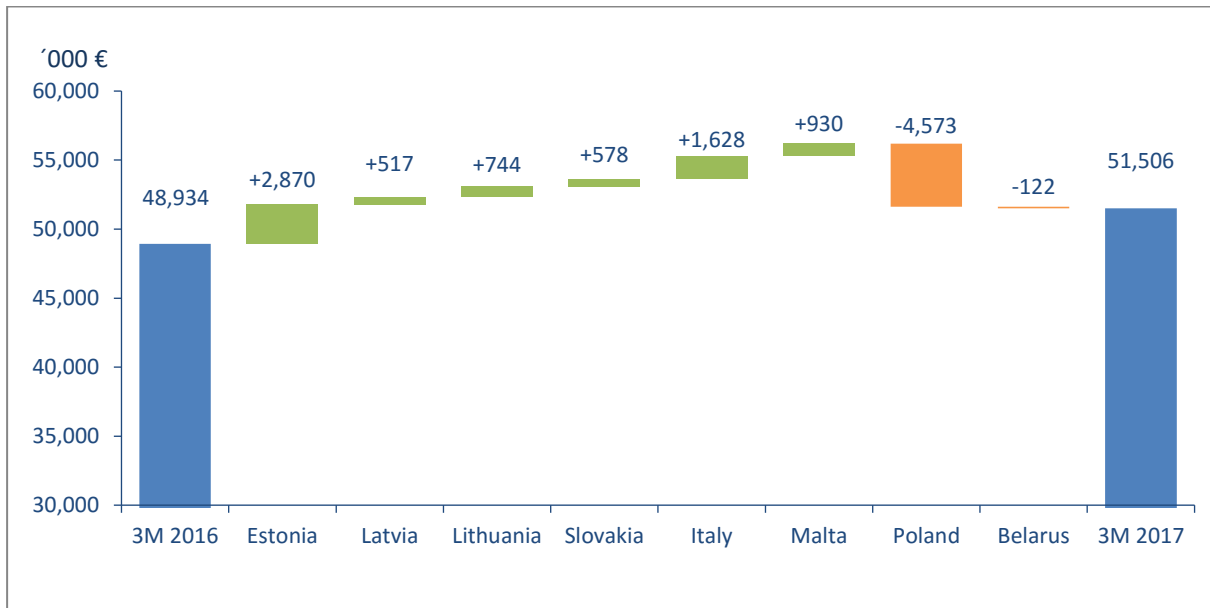
Management report

Overview of the economic activities

Key developments of the Group during Q1 of 2017:

- The financial results in the management report section of this report have been presented together with discontinued operations Poland and Belarus, whereas in the statement of comprehensive income the results of discontinued operations have been separated and presented in a single line. Please see page 13 for the income statements of continued and discontinued operations.
- The Group's consolidated total revenue before gaming taxes for Q1 2017 amounted to EUR 51.5 million, up 5.3% or EUR 2.6 million y-o-y.
- Total gaming revenue before gaming taxes accounted for 91.3% (47,0 m€) and other revenues for 8.7% (4.5 m€) of the Group's consolidated total sales revenues for Q1 2017. A year before the revenue split was 94.2% (46.1 m€) and 5.8% (2.8 m€), respectively.
- The Group's consolidated EBITDA for Q1 2017 amounted to EUR 9.8 million, a growth of 9.6% from EUR 9.0 million a year before. The Group's consolidated operating profit increased EUR 0.3 million (3.9%) to EUR 6.8 million.
- The Group's consolidated net profit attributable to equity holders of the parent company for Q1 2017 totalled EUR 6.0 million compared to EUR 5.1 million a year ago.
- In the current financial statements, Polish and Belarus segments have been classified as discontinued operations, for which the net profit for Q1 2017 amounted to EUR 0 million (in Q1 2016 net profit of EUR 0 million).
- Group Polish subsidiary Casino Polonia-Wrocław sp. z o.o. that operated the flagship casino of OEG in Warsaw until September 2016 submitted to the court its bankruptcy petition on 2 January 2017.
- On 11 January 2017 Group has established and registered the company Olybet Malta Limited in Malta with share capital of EUR 5,000. Group owns through a subsidiary 100% of the shares of Olybet Malta Limited. The aim of establishing the subsidiary is to develop the legal platform for the expansion of OEG group's activities in the business of remote gambling.
- Group Polish subsidiaries Baina Investments sp. z o.o. and Silber Investments sp. z o.o. submitted to the court their bankruptcy petitions on 20 January 2017. These holding companies own shares in the OEG subsidiary Casino Polonia-Wrocław sp. z o.o.
- On 27 February 2017 Group announced that the Lithuanian subsidiary of OEG, UAB Orakulas will be demerged into two entities within the first half of this year. The aim of the demerger is to adjust the group structure by separating the technology platform of online operations and trading and risk management for sports betting services from the operational activities of the subsidiary. OEG will own 100% of the shares in both entities after the demerger.
- On 28 March 2017 Group initiated proceedings for delisting its shares from the main market of the Warsaw Stock Exchange.

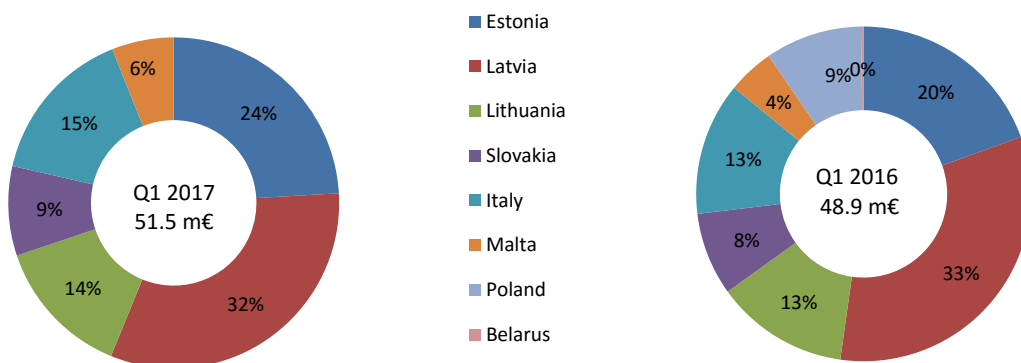
The Group's consolidated total revenue before gaming taxes bridge by segments:



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

'000€	Q1 2017	Q1 2016	Change
Estonia	12,399	9,530	30.1%
Latvia	16,542	16,024	3.2%
Lithuania	7,032	6,288	11.8%
Slovakia	4,501	3,923	14.7%
Italy	7,915	6,287	25.9%
Malta	3,117	2,187	42.5%
Poland	0	4,573	-100.0%
Belarus	0	122	-100.0%
Total	51,506	48,934	5.3%

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



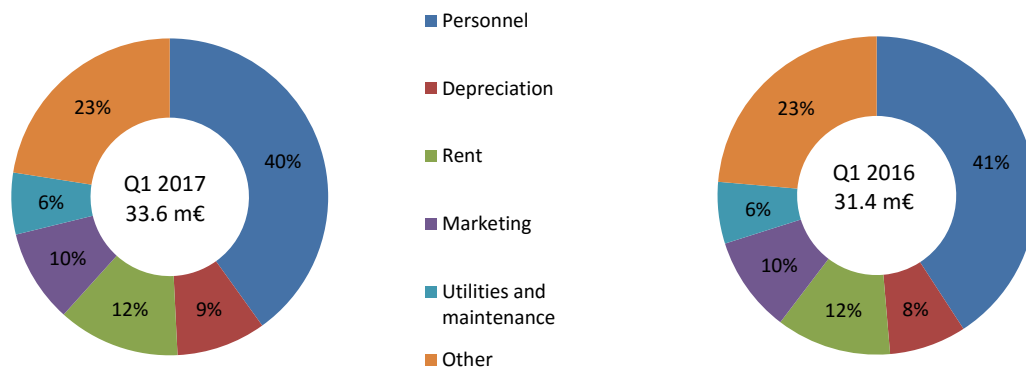
At the end of March 2017, the Group had 120 casinos with total floor area of 39,083 m² (+253 m²) and 31 betting points with total floor area of 838 m² (-126 m²).

Number of casinos by segment:

	31 March 2017	31 March 2016
Estonia	24	24
Latvia	54	57
Lithuania	18	19
Slovakia	8	7
Italy	15	14
Malta	1	1
Poland	0	1
Belarus	0	1
Total	120	124

The Group's consolidated operating expenses for Q1 2017 amounted to EUR 33.6 million, up 6.8% or EUR 2.1 million y-o-y. The growth was highest in personnel expenses (+0.6 m€, +4.8%), amortisation, depreciation and impairment costs (+0.6 m€, +24.4%), rent expenses (+0.5 m€, +13.8%) and utilities and maintenance costs (+0.1 m€, +7.3%). Personnel expenses (13.5 m€) and rent costs (4.2 m€) represented the largest cost items accounting for 52.5% of total operating expenses.

The income statement now presents revenue before gaming taxes, then gaming taxes and thereafter net revenue. Therefore, gaming taxes are no longer presented under operating expenses. 2017 Q1 gaming taxes decreased 0.8% (-0.1 m€) compared to Q1 2016.



Key performance indicators of the Group

		Q1 2017	Q1 2016	Q1 2015
Revenue before gaming taxes	m€	51.5	48.9	41.9
Gaming tax	m€	-11.2	-11.3	-9.9
Net revenue	m€	40.3	37.6	32.0
Total net revenue and income	m€	40.3	37.9	32.1
EBITDA	m€	9.8	9.0	8.8
EBIT	m€	6.8	6.5	7.0
Net profit	m€	5.6	5.5	5.8
EBITDA margin	%	24.4	23.8	27.5
Operating margin	%	16.8	17.3	21.8
Net margin	%	13.9	14.5	18.2
Assets	m€	158.4	169.9	135.5
Equity	m€	135.6	127.2	115.6
ROE	%	4.7	4.3	5.1
ROA	%	3.6	3.3	4.4
Current ratio	times	2.4	1.4	2.8
Casinos at end of period	#	120	124	96
Casino floor area at end of period	m ²	39,083	38,830	31,603
Betting points at the end of period	#	31	33	0
Betting points floor area at end of period	m ²	838	964	0
Employees	#	3,023	3,201	2,656
Slot machines at end of period	#	4,100	4,183	3,317
Electronic roulette terminals at the end of period	#	108	142	120
Gaming tables at end of period	#	167	183	171
Tournament poker gaming tables at the end of period	#	66	64	55

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

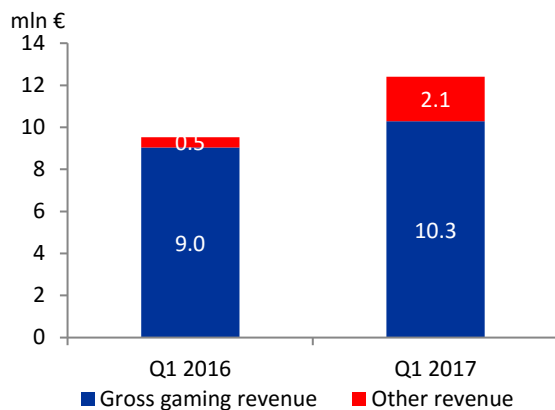
Overview by markets

Estonia

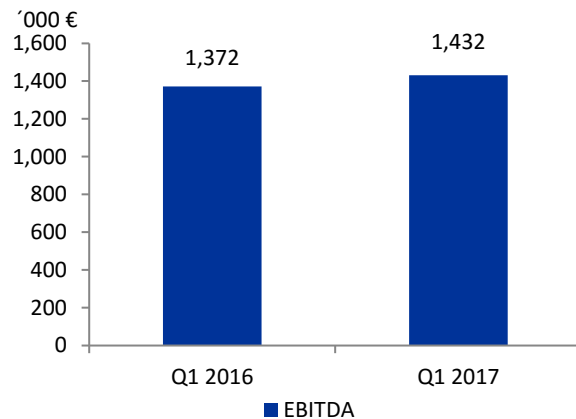
Total revenue before gaming taxes of Estonian segment for Q1 of 2017 amounted to EUR 12.4 million (+2.9 m€, +30.1%), EBITDA to EUR 1.4 million (+0.1 m€, +4.4%) and operating profit to EUR 0.6 million (-0.3 m€, -34.3%). Gaming revenue before gaming taxes increased 13.7% y-o-y amounting to EUR 10.3 million.

At the end of March 2017, there were 24 Olympic casinos with 988 slot machines, 38 electronic roulette terminals, 24 gaming tables and 24 poker tournament tables operating in Estonia. As at 31 March 2017 Estonian operations employed 720 people.

Total revenue before gaming taxes



EBITDA

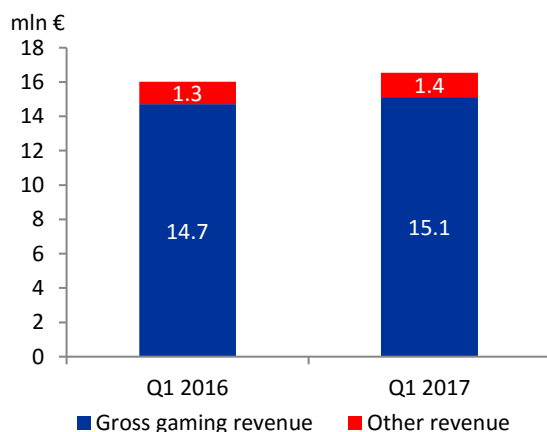


Latvia

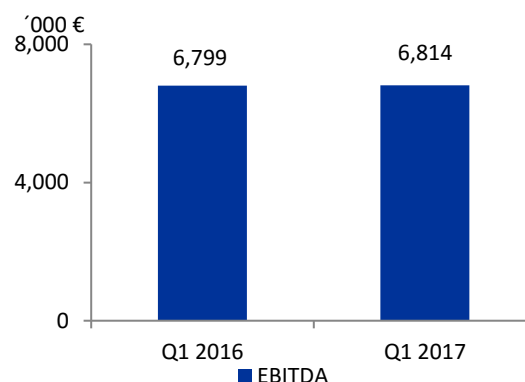
Total revenue before gaming taxes of Latvian segment for Q1 of 2017 amounted to EUR 16.5 million (+0.5 m€, +3.2%), EBITDA to EUR 6.8 million (+0.0 m€, +0.2%) and operating profit to EUR 5.8 million (-0.1 m€, -2.1%). Gaming revenue before gaming taxes increased 2.8% y-o-y amounting to EUR 15.1 million.

At the end of March 2017, there were 54 Olympic casinos with 1,476 slot machines, 8 electronic roulette terminals, 24 gaming tables and 9 poker tournament tables operating in Latvia. As at 31 March 2017 Latvian operations employed 917 people.

Total revenue before gaming taxes



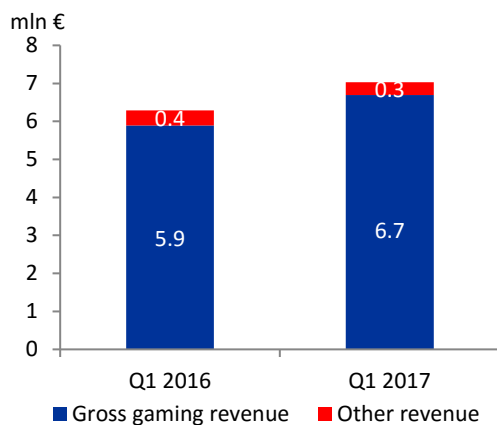
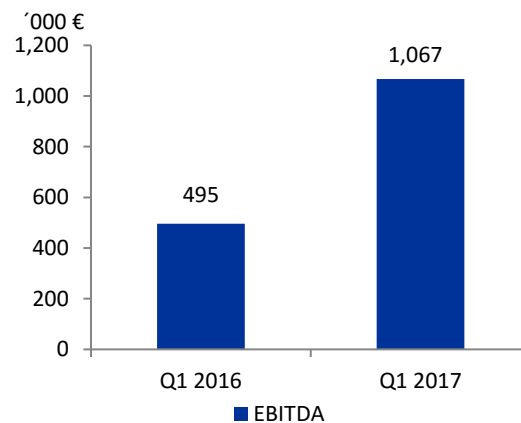
EBITDA



Lithuania

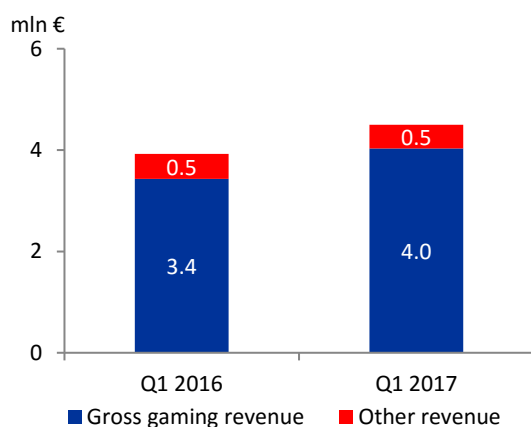
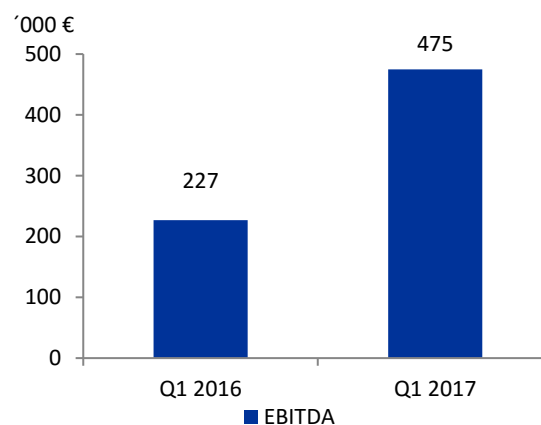
Total revenue before gaming taxes of Lithuanian segment for Q1 of 2017 amounted to EUR 7.0 million (+0.7 m€, +11.8%), EBITDA to EUR 1.1 million (+0.6 m€, +115.4%) and operating profit to EUR 0.6 million (+0.5 m€, +503.3%). Gaming revenue before gaming taxes increased 13.6% y-o-y amounting to EUR 6.7 million.

At the end of March 2017, there were 18 Olympic casinos with 544 slot machines, 8 electronic roulette terminals, 56 gaming tables and 2 poker tournament tables and 31 betting shops operating in Lithuania. As at 31 March 2017 Lithuanian operations employed 774 people.

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

Total revenue before gaming taxes of Slovak segment for Q1 of 2017 amounted to EUR 4.5 million (+0.6 m€, +14.8%), EBITDA to EUR 0.5 million (+0.2 m€, +109.3%) and operating profit to EUR 0.2 million (+0.2 m€). Gaming revenue before gaming taxes increased 17.5% y-o-y amounting to EUR 4.0 million.

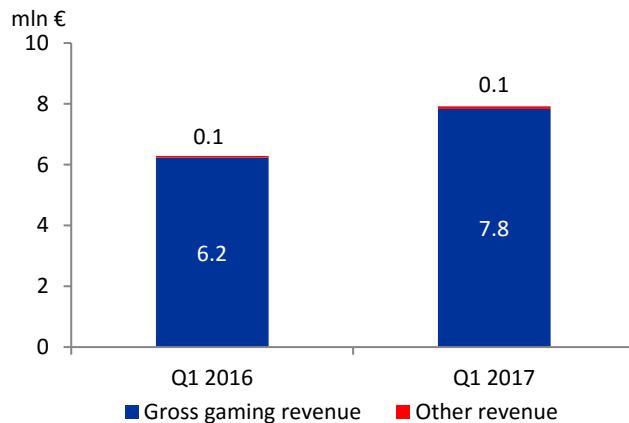
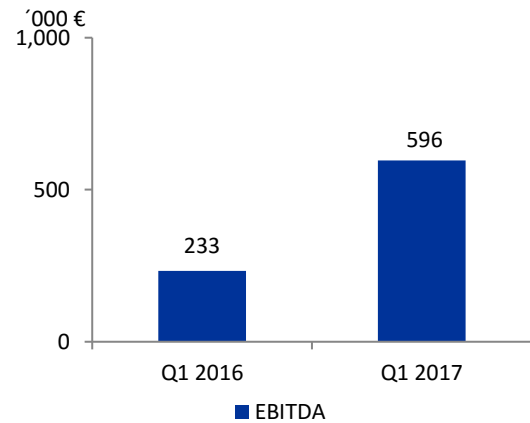
At the end of March 2017, there were 8 Olympic casinos with 268 slot machines, 36 electronic roulette terminals, 44 gaming tables and 21 poker tournament tables operating in Slovakia. As at 31 March 2017 Slovak operations employed 324 people.

Total revenue before gaming taxes**EBITDA**

Italy

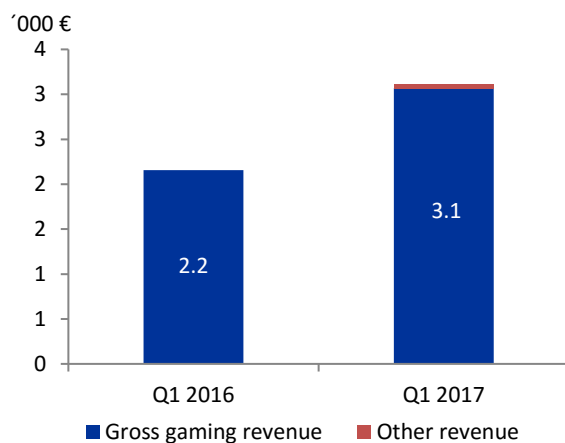
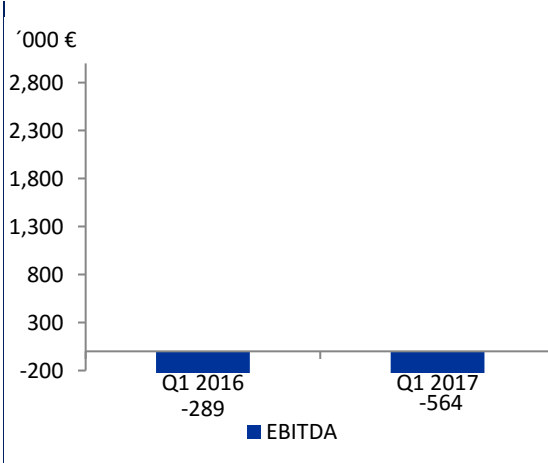
Total revenue before gaming taxes of Italian segment for Q1 of 2017 amounted to EUR 7.9 million (+1.6 m€, +25.9%), EBITDA to EUR 0.6 million (+0.4 m€, +155.3%) and operating profit to EUR 0.4 million (+0.2 m€, +142.4%). Gaming revenue before gaming taxes increased 25.7% y-o-y amounting to EUR 7.8 million.

At the end of March 2017, there were 15 VLT slot casinos with 539 slot machines operating in Italy. As at 31 March 2017 Italian operations employed 88 people.

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

Total revenue before gaming taxes of Maltese segment for Q1 of 2017 amounted to EUR 3.1 million (+0.9 m€, +42.5%), EBITDA to EUR -0.6 million (-0.3 m€) and operating loss to EUR 0.8 million (-0.3 m€). Gaming revenue before gaming taxes increased 42.4% y-o-y amounting to EUR 3.1 million.

At the end of March 2017, there was 1 casino with 285 slot machines, 18 electronic roulette terminals, 19 gaming tables and 10 poker tournament tables operating in Malta. As at 31 March 2017 Maltese operations employed 203 people.

Total revenue before gaming taxes**EBITDA**

Discontinued operations**Poland**

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

Belarus

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

The Group's income statements for continued and discontinued operations

Polish and Belarus segments have been classified as discontinued operations.

	Q1 2017			Q1 2016		
	Continued operations	Discontinued operations	Group total	Continued operations	Discontinued operations	Group total
Gross gaming revenue	47,028	0	47,028	41,464	4,631	46,095
Other revenue	4,478	0	4,478	2,775	64	2,839
Total revenue before gaming taxes	51,506	0	51,506	44,239	4,695	48,934
Gaming taxes	-11,210	0	-11,210	-9,020	-2,282	-11,302
Net revenue	40,296	0	40,296	35,219	2,413	37,632
Other income	10	0	10	165	129	294
Total net revenue and income	40,306	0	40,306	35,384	2,542	37,926
Cost of materials, goods and services	-1,462	0	-1,462	-1,066	-45	-1,111
Other operating expenses	-15,512	0	-15,512	-13,311	-1,541	-14,852
Staff costs	-13,448	0	-13,448	-12,056	-770	-12,826
Depreciation, amortisation and impairment	-3,065	0	-3,065	-2,374	-89	-2,463
Other expenses	-64	0	-64	-112	-62	-174
Total operating expenses	-33,551	0	-33,551	-28,919	-2,507	-31,426
Operating profit	6,755	0	6,755	6,465	35	6,500
Interest income	4	0	4	14	25	39
Interest expense	0	0	0	-1	0	-1
Foreign exchange losses	-8	0	-8	-8	-2	-10
Other finance income and costs	0	0	0	-2	0	-2
Total finance income and costs	-4	0	-4	3	23	26
Profit before income tax	6,751	0	6,751	6,468	58	6,526
Income tax expense	-1,135	0	-1,135	-1,004	-58	-1,062
Net profit for the period	5,616	0	5,616	5,464	0	5,464
<i>Attributable to equity holders of the parent company</i>	<i>6,010</i>	<i>0</i>	<i>6,010</i>	<i>5,109</i>	<i>-10</i>	<i>5,099</i>
<i>Attributable to non-controlling interest</i>	<i>-394</i>	<i>0</i>	<i>-394</i>	<i>355</i>	<i>10</i>	<i>365</i>

Financial position

As at 31 March 2017, the total assets of the Group amounted to EUR 158.4 million, down 6.8% or EUR 11.5 million compared to the same period a year ago.

Current assets totalled EUR 51.8 million or 32.7% of total assets, and non-current assets EUR 106.6 million or 67.3% of total assets. The liabilities amounted to EUR 22.8 million and equity to EUR 135.6 million. The largest liabilities included suppliers payables and advances (7.4 m€), tax liabilities (5.9 m€) and payables to employees (5.4 m€).

Investments

Within Q1 of 2017, the Group's expenditures on property, plant and equipment totalled EUR 1.6 million (-7.2 m€, -81.8%), of which EUR 1.0 million was invested into construction and reconstruction of casinos and EUR 0.4 million into new gaming equipment. Q1 2016 also includes investments into the hotel construction, which is why Q1 2017 investments were lower.

Cash flows

Group's Q1 2017 cash flows generated from operating activities amounted to EUR 10.1 million (-0.5 m€) and cash flows used in investing activities to EUR -2.5 million (+16.1 m€). Financing cash flows amounted to EUR -0.03 million (+4.9 m€). Net cash flows totalled EUR 7.6 million (+11.6 m€).

Staff

As at 31 March 2017 Group employed 3,023 people, down by 178 y-o-y mostly due to casinos' closure in Poland and Belarus.

Within Q1 of 2017, total personnel expenses amounted to EUR 13.5 million (+0.6 m€, +4.8%). For Q1 of 2017, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 270 thousand (EUR 372 thousand for Q1 of 2016) and EUR 37 thousand (EUR 37 thousand for Q1 of 2016), respectively.

Description of main risks

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

Business risks

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

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

Currency risk

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

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

Credit risk

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

Management and Supervisory Boards

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



Madis Jääger – Chairman of the Management Board and CEO since 2012 (member of the Management Board since 2010). Madis Jääger graduated from Estonian Business School in 2002 with a degree in International Business Administration major in accounting and banking *cum laude*. Madis Jääger owns directly and through the companies controlled by him a total of 75,000 Company's shares.



Meelis Pielberg – member of the Management Board and head of casino operations since 2012. Meelis Pielberg graduated from Estonian Maritime Academy in 2000. Meelis Pielberg owns directly and through the companies controlled by him a total of 50,000 Company's shares.

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

- Armin Karu – Chairman of the Supervisory Board since 2008. Armin Karu is the founder of the Company. He graduated from Haaga Institute in Finland (International Management Diploma 1998; MBA 2005). Armin Karu owns directly and through the companies controlled by him a total of 68,364,790 Company's shares.
- Jaan 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

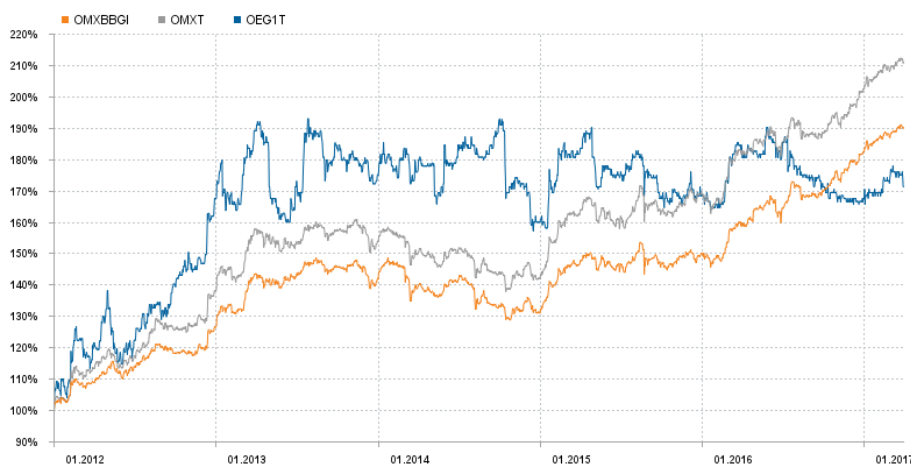
The shares of Olympic Entertainment Group AS are listed in the main list of Tallinn Stock Exchange since 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on Warsaw Stock Exchange. The Company's registered share capital is EUR 60,716,482.40. The share capital 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 – 31 March 2017:



Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2012 – 31 March 2017:

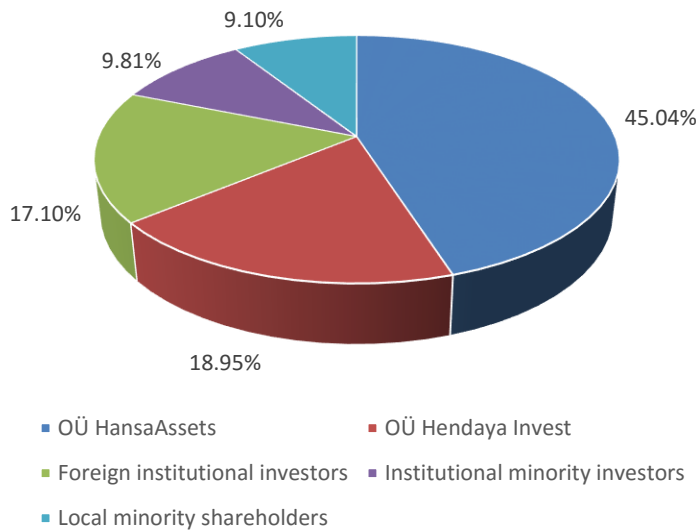


Index/share	01 Jan 2012	31 Mar 2017	+/-%
— OMX Baltic Benchmark GI	431.94	822.47	90.41
— OMX Tallinn	531.17	1 122.20	111.27
— OEG1T	1.062 EUR	1.820 EUR	71.37

Largest shareholders of Olympic Entertainment Group AS at 31 March 2017:

OÜ HANSAASSETS	45.04%
OÜ Hodaya Invest	18.95%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	2.57%
RBC INVESTOR SERVICES BANK / LUX-NON RESIDENTS / DOMESTIC RATE	1.86%
Central Securities Depository of Lithuania	1.62%
CITIBANK (NEW YORK) / GOVERNMENT OF NORWAY	1.26%
SEB S.A. CLIENT ASSETS UCITS	1.16%
J.P.MORGAN BANK LUXEMBOURG S.A/ JPML SA RE UCITS CLIENTS ASSETS	1.12%
FIREBIRD REPUBLICS FUND LTD	1.11%
THE NORTHERN TRUST COMPANY/ HARDING LOEVNER FRONTIER EMERGING MARKETS PORTFOLIO	0.90%

Structure of Olympic Entertainment Group AS shareholders as at 31 March 2017



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	31.03.2017	31.12.2016
ASSETS			
Current assets			
Cash and cash equivalents		45,537	37,933
Financial investments		100	99
Receivables and prepayments		3,807	4,552
Prepaid income tax		711	913
Inventories		1,690	1,532
Total current assets		51,845	45,029
Non-current assets			
Deferred tax assets		463	426
Financial investments		5,037	4,988
Other long-term receivables and prepayments		1,020	776
Investment property	4	295	295
Property, plant and equipment	5	49,943	51,250
Intangible assets	6	49,810	49,932
Total non-current assets		106,568	107,667
TOTAL ASSETS		158,413	152,696
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		19,999	19,806
Income tax payable		260	292
Provisions		1,134	1,329
Total current liabilities		21,393	21,427
Non-current liabilities			
Deferred tax liability		698	693
Other long-term payables		729	703
Total non-current liabilities		1,427	1,396
TOTAL LIABILITIES		22,820	22,823
EQUITY			
Share capital		60,716	60,716
Share premium		258	258
Statutory reserve capital		4,860	4,860
Other reserves		605	538
Translation reserves		11	-26
Retained earnings		63,835	57,825
Total equity attributable to equity holders of the parent		130,285	124,171
Non-controlling interest		5,308	5,702
TOTAL EQUITY		135,593	129,873
TOTAL LIABILITIES AND EQUITY		158,413	152,696

Consolidated statement of comprehensive income

	Notes	Q1 2017	Q1 2016
Continuing operations			
Gross gaming revenue	8	47,028	41,464
Other revenue	8	4,478	2,775
Total revenue before gaming taxes		51,506	44,239
Gaming taxes		-11,210	-9,020
Net revenue		40,296	35,219
Other income	8	10	165
Total net revenue and income		40,306	35,384
Cost of materials, goods and services		-1,462	-1,066
Other operating expenses		-15,512	-13,311
Staff costs		-13,448	-12,056
Depreciation, amortisation and impairment	5;6	-3,065	-2,374
Other expenses		-64	-112
Total operating expenses		-33,551	-28,919
Operating profit		6,755	6,465
Interest income		4	14
Interest expense		0	-1
Foreign exchange losses		-8	-8
Other finance income and costs		0	-2
Total finance income and costs		-4	3
Profit before income tax		6,751	6,468
Income tax expense		-1,135	-1,004
Net profit for the period from continuing operations		5,616	5,464
Net profit for the period from discontinued operations		0	0
Net profit for the period		5,616	5,464
<i>Attributable to equity holders of the parent company</i>		<i>6,010</i>	<i>5,099</i>
<i>Attributable to non-controlling interest</i>		<i>-394</i>	<i>365</i>
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		37	180
Total comprehensive profit for the period		5,653	5,644
<i>Attributable to equity holders of the parent company</i>		<i>6,047</i>	<i>5,279</i>
<i>Attributable to non-controlling interest</i>		<i>-394</i>	<i>365</i>
Basic earnings per share*	7	4.0	3.4
<i>From continuing operations</i>		<i>4.0</i>	<i>3.4</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>0.0</i>
Diluted earnings per share*	7	4.0	3.4
<i>From continuing operations</i>		<i>4.0</i>	<i>3.4</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>0.0</i>

* euro cents

Consolidated statement of cash flows

	Notes	Q1 2017	Q1 2016
Cash flows from operating activities			
Net profit		5,616	5,464
Adjustments:			
Depreciation, amortisation and impairment	5;6	3,065	2,463
Profit / loss on disposal of non-current assets (net)		4	-49
Income tax expense		1,135	1,062
Share option reserve		67	70
Other financial income and expenses (net)		4	-26
Changes in working capital:			
Receivables and prepayments		724	-1,159
Inventories		-158	-261
Liabilities and prepayments		635	2,971
Interest paid		0	-21
Corporate income tax paid		-999	-915
Net cash generated from operating activities		10,093	9,599
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-2,393	-11,265
Proceeds from sale of property, plant, equipment		2	163
Purchase of financial investments		-70	-88
Acquisition of subsidiaries, net of cash acquired		0	-7,366
Interest received		4	35
Net cash used in investing activities		-2,457	-18,521
Cash flows from financing activities			
Loans received		0	5 000
Repayments of loans received	7	-30	-94
Repayments of finance leases		0	-1
Net cash used in (generated from) financing activities		-30	4 905
Net cash flows		7,606	-4,017
Cash and cash equivalents at beginning of the period		37,933	34,710
Exchange gains and losses on cash and cash equivalents		-2	4
Cash and cash equivalents at end of the period		45,537	30,697

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent								Total equity
	Share capital	Share premium	Statutory reserve capital	Other reserves	Currency translation differences	Retained earnings	Total	Non-controlling interest	
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>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,099</i>	<i>5,099</i>	<i>365</i>	<i>5,464</i>
<i>Other comprehensive expense</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>180</i>	<i>0</i>	<i>180</i>	<i>0</i>	<i>180</i>
Total comprehensive income for the period	0	0	0	0	180	5,099	5,279	365	5,644
<i>Employee option programme</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>70</i>	<i>0</i>	<i>0</i>	<i>70</i>	<i>0</i>	<i>70</i>
Total transactions with owners	0	0	0	70	0	0	70	0	70
Acquired through business combinations	0	0	0	0	0	0	0	118	118
Other adjustments	0	0	0	0	0	132	132	-1,622	-1,490
Balance at 31.03.2016	60,716	258	3,574	399	-976	57,053	121,024	6,187	127,211
Balance at 01.01.2017	60,716	258	4,860	538	-26	57,825	124,171	5,702	129,873
<i>Net profit for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>6,010</i>	<i>6,010</i>	<i>-394</i>	<i>5,616</i>
<i>Other comprehensive income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>37</i>	<i>0</i>	<i>37</i>	<i>0</i>	<i>37</i>
Total comprehensive income for the period	0	0	0	0	37	6,010	6,047	-394	5,653
<i>Employee option programme</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>67</i>	<i>0</i>	<i>0</i>	<i>67</i>	<i>0</i>	<i>67</i>
Total transactions with owners	0	0	0	67	0	0	67	0	67
Balance at 31.03.2017	60,716	258	4,860	605	11	63,835	130,285	5,308	135,593

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 2017 comprise the Company and its subsidiaries (together referred to as the "Group").

This condensed consolidated interim financial information was approved by the management for issue on 27 April 2017.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2016 are available upon request from the Company's registered office at Pronksi 19, Tallinn and at the Company's website at www.olympic-casino.com.

Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial statements do not include all of the information required by complete set of financial statements and should be read in conjunction with annual consolidated financial statements of the Group as at and for the year ended 31 December 2016.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2016.

Note 2 Seasonality of operations

Due to the slight seasonal nature of the gaming market, higher revenues are generated in the second half of the year. In the financial year ended 31 December 2016, 48% of the income from gaming transactions accumulated in the first half of the year, with 52% accumulating in the second half.

Note 3 Discontinued operations

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

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

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

	Poland		Belarus	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Gross gaming revenue	0	4,515	0	116
Other revenue	0	58	0	6
Total revenue before gaming taxes	0	4,573	0	122
Gaming taxes	0	-2,254	0	-28
Net revenue	0	2,319	0	94
Other income	0	104	0	25
Total net revenue and income	0	2,423	0	119
Cost of materials, goods and services	0	-40	0	-5
Other operating expenses	0	-1,406	0	-135
Staff costs	0	-728	0	-42
Depreciation, amortisation and impairment	0	-89	0	0
Other expenses	0	6	0	-68
Total operating expenses	0	-2,257	0	-250
Operating profit (-loss)	0	166	0	-131
Interest income	0	23	0	2
Foreign exchange gains	0	-3	0	1
Total finance income and costs	0	20	0	3
Profit (-loss) before income tax	0	186	0	-128
Income tax expense	0	-58	0	0
Net profit (-loss) for the period from discontinued operations	0	128	0	-128

Consolidated statement of cash flows of discontinued operations

	Poland		Belarus	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Net cash used in operating activities	0	581	0	-75
Net cash from (used in) investing activities	0	55	0	89
Net cash flows	0	636	0	14
Cash and cash equivalents at beginning of the period	0	2,092	0	50
Exchange gains and losses on cash and cash equivalents	0	4	0	0
Cash and cash equivalents at end of the period	0	2,732	0	64

Note 4 Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
As at 1 January 2017	166	129	295
As at 31 March 2017	166	129	295

Note 5 Property, plant and equipment

	<u>Renovation expenditures</u>	<u>Machinery & equipment</u>	<u>Other PP&E</u>	<u>Construction in progress</u>	<u>Total</u>
As at 1 January 2017	15,504	24,586	9,222	1,938	51,250
Additions	414	428	189	562	1,593
Reclassifications	244	457	85	-792	-6
Disposals	0	-6	0	0	-6
Write-offs	0	-17	-1	0	-18
Depreciation charge	-924	-1,521	-425	0	-2,870
As at 31 March 2017	15,238	23,927	9,070	1,708	49,943

Note 6 Intangible assets

	<u>Goodwill</u>	<u>Software and licences</u>	<u>Prepayments</u>	<u>Total</u>
As at 1 January 2017	47,307	2,519	106	49,932
Additions	0	47	2	49
Reclassifications	0	64	-58	6
Depreciation charge	0	-177	0	-177
As at 31 March 2017	47,307	2,453	50	49,810

Note 7 Equity

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

Earnings per share

	<u>Q1 2017</u>	<u>Q1 2016</u>
Net profit for the period	6,010	5,099
Weighted average number of shares outstanding (in thousands)	151,791	151,791
Basic earnings per share (euro cents)	4.0	3.4
Diluted earnings per share (euro cents)	4.0	3.4

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

At 31 December 2014 share option agreements were concluded with Olympic Entertainment Group AS management board members and Group's key employees. According to concluded share option agreement management board member is eligible to subscribe to 100,000 Olympic Entertainment Group AS shares till the end of share option program; number of shares that can be subscribed by Group's key employees is individual. Exact number of shares that can be subscribed by each member of management board and key employee depends on fulfilment of Group's financial objectives and objectives connected with specific areas of responsibilities of each member of management board and key employee. The price for exercising the share option will be the nominal value of the share or the calculated value per one share. Options are conditional based on the 4-year employment relationship at the time of options realisation. Option holder has a right to subscribe for shares starting from 1 January 2019. Share option program ends 28 February 2019.

Note 8 Segment reporting

The Group's segments have been determined on the basis of reports monitored and analysed by the parent company's Management Board. Financial results are monitored by geographical regions. The results of operating segments are evaluated on the basis on external sales revenue and operating profit. At 31 March 2017, the Group had operations in the Estonian, Latvian, Lithuanian, Slovak, Italian and Maltese markets. Polish and Belarus segments have been classified as discontinued operations with results presented in Note 3.

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

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
Q1 2016	Estonia	Latvia	Lithuania	Slovakia	Italy	Malta	Total
Gross gaming revenue	9,048	14,707	5,889	3,434	6,230	2,156	41,464
Other revenue	582	1,334	428	489	57	31	2,921
Inter-segment revenue	-100	-17	-29	0	0	0	-146
Revenue before gaming taxes	9,530	16,024	6,288	3,923	6,287	2,187	44,239
Gaming taxes	-1,737	-1,506	-746	-734	-3,581	-716	-9,020
Net revenue	7,793	14,518	5,542	3,189	2,706	1,471	35,219
Other income	113	7	1	31	13	0	165
Total net revenue and income	7,906	14,525	5,543	3,220	2,719	1,471	35,384
Total expenses	-7,063	-8,577	-5,438	-3,281	-2,552	-2,008	-28,919
Incl. Depreciation, amortisation and impairment losses	-529	-851	-391	-289	-66	-248	-2,374
Total operating profit (-loss)	843	5,948	105	-61	167	-537	6,465

Note 9 Transactions with related parties

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

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

Purchase of goods and services

	Q1 2017	Q1 2016
Shareholders with significant influence	1	0
Total	1	0

As at 31.03.2017 and 31.12.2016, there were no balances of receivables and liabilities.

In the 3 months of 2017, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 270 thousand (EUR 372 thousand in the 3 months of 2016) and EUR 37 thousand (EUR 37 thousand in the 3 months of 2016), respectively.