



Olympic Entertainment Group
Company Announcement

OEG: Freezing active operations in Poland

The Polish subsidiary of Olympic Entertainment Group AS (hereinafter **OEG**) Casino Polonia-Wrocław sp. z o.o. operates the flagship casino of OEG in Warsaw under the name of Olympic Casino Sunrise located at the address Grzybowska 63, Warsaw. In the referred location there has been the flagship casino of OEG in Warsaw for the last 9 years and this casino has been operated under a location specific activity license. As referred to in the company announcement of OEG as published on 22.09.2016 and available at <https://cns.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=728169&messageId=913970>, the referred location specific activity license of OEG's flagship casino in Warsaw expires on 23.09.2016.

According to the Polish law, a public tender is held for the issue of location specific activity licenses if there are more applicants than there are the licenses to be issued. If the number of applicants is equal to the number of licenses to be issued or less than that, there is no obligation lying with the Minister of Finance of Poland to hold such public tender. With respect to casino licenses for Warsaw, applicants were entitled to submit their applications for the licenses with the term of 24.03.2016. By the referred date, the Polish subsidiary of OEG, Casino Polonia-Wrocław sp. z o.o., did not apply as it did not have the required address based approval by the City Council of Warsaw as referred to below. The Polish subsidiaries of OEG Casino Polonia-Wrocław sp. z o.o. and Ultramedia sp. z o.o. did submit the applications to the Ministry of Finance of Poland for the new activity license to the referred location on 01.09.2016.

By today one location specific activity license in Warsaw has not been granted yet and has to be issued by the Minister of Finance of Poland. Either of the Polish subsidiaries of OEG have not been granted the license. The management of OEG has grounds to believe that the applications of the Polish subsidiaries of OEG Casino Polonia-Wrocław sp. z o.o. and Ultramedia sp. z o.o. were not satisfied due to the lack of the required address based approval by the City Council of Warsaw. The Polish subsidiaries of OEG Casino Polonia-Wrocław sp. z o.o. and Ultramedia sp. z o.o. will use adequate measures to get the required approval as soon as possible.

Due to the lack of valid location specific activity license, OEG is forced to freeze active operations in Poland from 24.09.2016 but 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 is to minimise the everyday costs and expenses.

The consolidated revenues and income of the Polish subsidiaries of OEG in 1H 2016 amounted to EUR 9.4 million and operating profit amounted to EUR 0.5 million. In 1H 2016 the Polish operations constituted 10% of the Group's total revenue and income and 4% of the Group's operating profit.

Freezing the active operations of the Polish subsidiaries will result in an impairment of goodwill and assets in Poland with book value in the range of EUR 9-10 million and costs associated with freezing operations amount to about EUR 1 million.

OEG will maintain in Poland up to 15 job positions during the time when operations are frozen, and additionally current employees are offered the possibility to start working in 50 vacant positions in the

Group's subsidiaries in other countries. Employment relationships with other employees will be terminated in accordance with the law.

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