



First quarter of 2024 (Q1 2023)

- Operating revenues increased by 16.7% to EUR 501.5 million (429.6)
- EBITDA increased by 15.2% to EUR 345.8 million (300.2), corresponding to a margin of 69.0% (69.9)
- Profit for the period amounted to EUR 269.2 million (251.2)
- Earnings per share before dilution amounted to EUR 1.27 (1.18)

Events during the first quarter of 2024

- Continued capacity increase both in tables and employees.
- All geographical regions show good growth and strong momentum.
- Repurchase programme completed and closed, a total of 3,648,247 shares have been acquired.

Summary of the first quarter

Group, EUR thousands	Jan-Mar 2024	Jan-Mar 2023	%	Apr 2023- Mar 2024	Jan-Dec 2023	%
Operating revenues	501,451	429,574	16.7%	1,870,478	1,798,601	4.0%
EBITDA	345,786	300,158	15.2%	1,313,041	1,267,413	3.6%
EBITDA margin	69.0%	69.9%	-	70.2%	70.5%	-
Operating profit	311,611	271,480	14.8%	1,182,861	1,142,730	3.5%
Operating margin	62.1%	63.2%	-	63.2%	63.5%	-
Profit for the period	269,157	251,150	7.2%	1,088,865	1,070,858	1.7%
Profit margin	53.7%	58.5%	-	58.2%	59.5%	-
Earnings per share before dilution, EUR	1.27	1.18	8.2%	5.11	5.01	1.9%
Equity per share, EUR	18.64	17.21	8.3%	18.64	18.83	-1.0%
OCF per share before dilution, EUR	1.43	1.30	9.9%	5.60	5.47	2.3%
Average number of FTEs	14,897	12,451	19.6%	13,705	13,044	5.1%

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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 800+ operators among its customers. The group currently employs 20,500+ 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 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

For the first quarter of 2024, Evolution continued to render strong results. Revenue amounted to EUR 501.5 million (429.6) corresponding to year-on-year revenue growth of 16.7 percent with an EBITDA margin of 69.0 percent. Revenue growth at constant currency is estimated to 24 percent in the quarter. It is encouraging to see the good momentum from the end of 2023 carrying over into this year.

Revenue from Live Casino increased by 19.8 percent year-on-year and compared to the previous quarter we add EUR 25.7 million in revenue. Although a strong start to the new year, much remains to be done to fully leverage our position in the market and serve the underlying demand.

RNG revenues improved sequentially both in comparison to the previous quarter as well as year-on-year, delivering a revenue of EUR 70.1 million in the quarter. We continue to incrementally improve our RNG business both in the pace of game releases and in tools surrounding the games. We are adding and injecting AI into our system infrastructure and also in our way of operating where we see that it can contribute to efficiency, analysis, or automation. Now we also can see clear benefits of OSS as it is starting to deliver direct results for our operators. With AI-driven functionality and world-wide distribution to the largest Online Casino network in the world OSS is already very powerful. We will continue to add features, more to come already later in the year.

During the period we have continued to increase our table capacity to meet the market demand, and I am pleased to say that the progress made in Q4 has carried over into this year. We have continuously accelerated our recruitment and made good progress in our building expansion projects in several studios – all together we have a much improved balance between supply and demand today compared to last year. Throughout 2024 we will continue to have full focus on increasing our delivery capacity. In this phase with heavy focus on expansion margins will initially be pressured, but the ongoing investments pave the way for increased revenues going forward. For the full year our guidance of EBITDA margin of 69-71 percent remains.

In 2023 we increased the pace of new game introductions, and we aim at maintaining a high pace also 2024. The first Live game launch of the year is Stock Market, a fantastic game set in the volatile, exciting world of financial markets. Players have quickly taken to the game, and it has been a strong release in the period. In Q2 we will launch our most ambitious game show ever – Lightning Storm – the newest, most thrilling, and extravagant member of our Lightning family. In RNG over 20 new titles were introduced in the first quarter. Our product ambitions are as always high, and we aim to bring players new playing experiences that increase entertainment value and lift excitement to new levels. The addition of the Livespins product is one example of a brand-new playing experience that brings a new dimension to online casino. I very much look forward to the coming year and realizing the ambitions of the “Product Leap years” creating more never-before-seen games and playing experiences.

Our products have a global audience and in the first quarter we see growth both compared to the previous quarter and the first quarter 2023 across all regions. The long-term trends remain, with stable organic growth in Europe and very robust growth in Asia. In North America, we added a new client, Fanatics, and expanded our strategic relationship with Ceasars Digital, which includes an additional studio in New Jersey. We also entered Delaware with our slot game offering. LatAm reported good year-over-year growth in the quarter, however operators are awaiting the transition to regulation in Brazil.

An important part of our growth strategy is to continue to expand our studio network. As already communicated, we launched the Bulgarian studio in the fourth quarter of 2023. As mentioned above, we will now add a studio in New Jersey with Ceasars. Our studio in Colombia is on its way, and we are also adding one new studio in Czech Republic during the year.

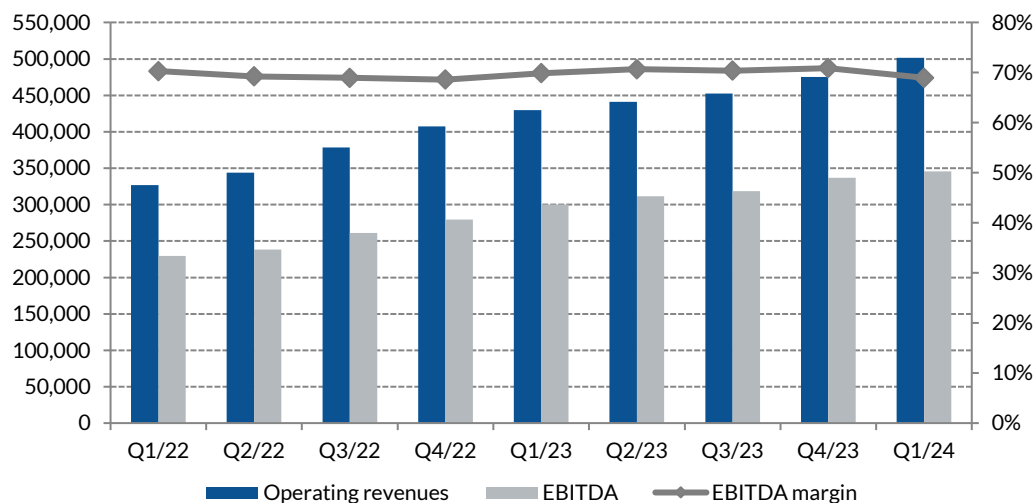
Evolution is a growing, strong, profitable, all-equity funded company – in recent years our solid financial position has enabled us to remain focused on growth through periods of geopolitical uncertainty, a pandemic and rapid increases in interest rates. For 2023 a dividend of EUR 2.65 per share is proposed to the AGM, together with the recently completed buy-back program of EUR 400 million over 90% of 2023 profit is returned to shareholders. We will continue to invest and expand our global operations and come to work hungry, ambitious, and excited for what more we can achieve.

I want to thank the amazing Evolution team - that now exceeds 20,000 exceptionally dedicated persons - for this great start to the new year and their contributions to securing our future growth, and I look forward to seeing how we can continue to make Evolution a little bit better every day in 2024!

Martin Carlesund

CEO

Quarterly results trend



Financial performance in the first quarter of 2024

Revenues

Revenues amounted to EUR 501.5 million (429.6) in the first quarter, equivalent to an increase of 16.7 percent compared with the corresponding period in 2023. Revenue growth adjusted for changes in foreign exchange rates is estimated to 24 percent compared with the same period the preceding year. EUR 431.3 million (360.1) of the revenue was derived from live-games and EUR 70.1 million (69.5) 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.

Revenue by game type

Group, EUR million	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Oct-Dec 2023	Jan-Mar 2024
Live	360.1	371.8	385.8	405.6	431.3
RNG	69.5	69.3	66.8	69.8	70.1
Total	429.6	441.1	452.6	475.3	501.5

Expenses

Operating expenses amounted to EUR 189.8 million (158.1). 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 2023. The expansion has also increased other operating expenses compared with Q1 2023. Changes in foreign exchange rates affected operating expenses positively with EUR 1.9 million compared with the same period the preceding year.

Profitability

Operating profit amounted to EUR 311.6 million (271.5), corresponding to an increase of 14.8 percent. The operating margin was 62.1 percent (63.2). The EBITDA margin was 69.0 percent (69.9).

Net financial items amounted to EUR 5.8 million (negative 1.4) related to interest income, leasing interest expenses and currency exchange differences. The Group's effective tax rate for the quarter amounted to 15.2 percent (7.0), the increase is related to estimated top-up tax regarding Pillar II. 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 269.2 million (251.2). Earnings per share before dilution were EUR 1.27 (1.18).

Investments

Investments in intangible assets amounted to EUR 17.1 million (10.7) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality. See Note 5 for information about acquisition of group companies.

Investments in property, plant and equipment amounted to EUR 19.3 million (11.5) and comprised building, 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 301.8 million (277.3) during the quarter. Cash flow from investing activities was negative in the amount of EUR 42.7 million (negative 21.7). Cash flow from financing activities was negative in the amount of EUR 270.8 million (negative 27.9) and included repurchase of own shares of EUR 284.0 million (-). Cash and cash equivalents amounted to EUR 974.1 million (759.7) 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 69 percent (66) 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 million	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Oct-Dec 2023	Jan-Mar 2024
Europe	173.7	175.2	175.1	185.8	191.0
Asia	154.0	164.5	172.1	181.7	197.6
North America	57.3	55.5	54.7	59.1	62.1
LatAm	30.0	31.3	34.4	32.1	33.0
Other	14.6	14.6	16.3	16.6	17.8
Total operating revenue	429.6	441.1	452.6	475.3	501.5
Share of regulated markets	40%	40%	40%	40%	39%
Revenue, regulated markets	171.3	176.9	179.9	189.6	195.4

Other

Parent Company

The Parent Company is a holding company. Net sales for the first quarter of 2024 amounted to EUR 5.0 million (4.9) and expenses to EUR 5.1 million (5.0). Operating profit amounted to negative EUR 109 thousand (negative 36). Profit for the period amounted to negative EUR 31.4 million (0.4) due to the estimated top-up tax related to Pillar II. The Parent Company's cash and cash equivalents amounted to EUR 108.2 million (44.5) at the end of the period and equity amounted to EUR 2,789.8 million (3,018.0). No significant investments were made in intangible or tangible assets.

Employees

As of 31 March 2024, Evolution had 20,537 (17,331) employees, corresponding to 15,547 (12,374) full-time positions. The average number of full-time equivalents for the quarter was 14,897 (12,451).

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 2023, which is available on the company's website.

Dividend

The Board of Directors proposes that the Annual General Meeting resolve to transfer EUR 559.3 million (427.3) to shareholders, corresponding to EUR 2.65 (2.00) per share and 52.2 percent (50.6) of net profit

respectively. The dividend is calculated by the number of shares as of the record date for dividend, 30 April 2024, with the deduction of Evolution's holding of own shares by the same date which amounts to 5,354,779 shares. Evolution has adopted a dividend policy according to which, 50 percent of the company's consolidated net profit is to be distributed over time, with a certain degree of flexibility in terms of the proportion distributed in dividends.

Acquisitions of own shares

The Board of Directors has introduced a repurchase programme that was announced on 23 November 2023. The Company has, during the period 1 January -31 March 2024, acquired a total of 2,521,348 of its own shares within the framework of the repurchase programme. Since 27 November up to and including 31 March, a total of 3,648,247 shares have been acquired. The repurchase program is thereby completed and closed. Evolution's holding of own shares amounted to 5,354,779 as of 31 March 2024.

Upcoming report dates

Annual General Meeting	26 April 2024
Interim report January-June 2024	19 July 2024
Interim report January-September 2024	24 October 2024

Stockholm, 24 April 2024

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 Wednesday, 24 April 2024 at 09:00 am CEST via a telephone conference. The presentation will be in English and can also be followed online.

Webcast: <https://ir.financialhearings.com/evolution-q1-report-2024>

Teleconference: Dial-in number to the teleconference will be received by registering on the link below. After the registration you will be provided phone numbers and a conference/user ID to access the conference. <https://conference.financialhearings.com/teleconference/?id=50048474>

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 24 April 2024, 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 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Revenues - Live	431,338	360,104	1,594,508	1,523,274
Revenues - RNG	70,113	69,470	275,970	275,327
Total operating revenues	501,451	429,574	1,870,478	1,798,601
Personnel expenses	-106,771	-82,933	-379,138	-355,300
Depreciation, amortisation and impairments	-34,175	-28,678	-130,180	-124,683
Other operating expenses	-48,894	-46,483	-178,299	-175,888
Total operating expenses	-189,840	-158,094	-687,617	-655,871
Operating profit	311,611	271,480	1,182,861	1,142,730
Financial items	5,877	-1,425	13,179	5,877
Profit before tax	317,488	270,055	1,196,040	1,148,607
Tax on profit for the period	-48,331	-18,905	-107,175	-77,749
Profit for the period	269,157	251,150	1,088,865	1,070,858
<i>Of which attributable to:</i>				
Shareholders of the Parent Company	269,157	251,150	1,088,865	1,070,858
Average number of shares before dilution	211,325,865	213,355,881	213,058,994	213,566,498
Earnings per share before dilution, EUR	1.27	1.18	5.11	5.01
Average number of shares after dilution	214,968,437	219,630,174	215,903,711	217,069,145
Earnings per share after dilution, EUR	1.25	1.14	5.04	4.93
Operating margin	62.1%	63.2%	63.2%	63.5%
Effective tax rate	15.2%	7.0%	9.0%	6.8%

Condensed comprehensive income statement

Group, EUR thousands	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Profit for the period	269,157	251,150	1,088,865	1,070,858
Other comprehensive income				
<i>Items that may be reclassified to profit</i>				
Exchange differences arising from the translation of foreign operations	-76,367	-11,356	-56,685	8,326
Other comprehensive income	-76,367	-11,356	-56,685	8,326
Total comprehensive income for the period	192,790	239,794	1,032,180	1,079,184

Condensed consolidated balance sheet

Group, EUR thousands	31/03/2024	31/03/2023	31/12/2023
Assets			
Goodwill	2,265,564	2,306,552	2,324,005
Other intangible assets	690,931	731,512	714,509
Buildings	20,487	11,133	10,968
Right of use assets	70,475	69,026	70,382
Property, plant and equipment	123,666	115,838	121,106
Other non-current receivables	11,507	8,482	6,779
Deferred tax assets	5,248	2,687	3,471
Total non-current assets	3,187,878	3,245,230	3,251,220
Accounts receivable	396,815	287,872	348,420
Other receivables	434,983	328,491	342,066
Prepaid expenses and accrued income	45,622	34,930	46,022
Cash and cash equivalents*	974,125	759,736	985,756
Total current assets	1,851,545	1,411,029	1,722,264
TOTAL ASSETS	5,039,423	4,656,259	4,973,484
Equity and liabilities			
Share capital	650	648	648
Other capital contributed	2,429,274	2,379,975	2,411,607
Reserves	-283,319	-226,634	-206,952
Retained earnings including profit for the period	1,786,678	1,522,640	1,800,912
Total equity	3,933,283	3,676,629	4,006,215
Deferred tax liabilities	59,296	64,337	61,393
Non-current lease liabilities	65,289	65,769	65,534
Other non-current liabilities	279,434	352,341	279,019
Total non-current liabilities	404,019	482,447	405,946
Accounts payable	15,104	7,421	13,063
Provisions	-	283	-
Current tax liabilities	557,857	383,323	418,957
Other current liabilities	64,158	41,177	62,029
Current lease liabilities	14,437	14,116	13,923
Accrued expenses and prepaid income	50,565	50,863	53,351
Total current liabilities	702,121	497,183	561,323
TOTAL EQUITY AND LIABILITIES	5,039,423	4,656,259	4,973,484
*Including restricted cash for jackpot liabilities	15,659	17,774	13,298

Condensed consolidated changes in equity

Group 2023, EUR thousands	Share capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 01/01/2023	647	2,403,963	-215,278	1,270,949	3,460,281
Dividend	-	-	-	-427,398	-427,398
Warrants	-	-48,187	-	2,261	-45,926
Repurchase of own shares	-	-	-	-115,758	-115,758
New share issue	1	35,748	-	-	35,749
Non-cash issue	-	20,083	-	-	20,083
Profit for the period	-	-	-	1,070,858	1,070,858
Other comprehensive income	-	-	8,326	-	8,326
Closing equity 31/12/2023	648	2,411,607	-206,952	1,800,912	4,006,215

Group 2024, EUR thousands	Share capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 01/01/2024	648	2,411,607	-206,952	1,800,912	4,006,215
Warrants	-	-59,319	-	642	-58,677
Repurchase of own shares	-	-	-	-284,033	-284,033
New share issue	2	76,986	-	-	76,988
Profit for the period	-	-	-	269,157	269,157
Other comprehensive income	-	-	-76,367	-	-76,367
Closing equity 31/03/2024	650	2,429,274	-283,319	1,786,678	3,933,283

Condensed consolidated statement of cash flow

Group, EUR thousands	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Operating profit	311,611	271,480	1,182,861	1,142,730
<i>Adjustment for items not included in cash flows:</i>				
Depreciation, amortisation and impairments	34,175	28,678	130,180	124,683
Other	-142	-354	1,347	1,135
Interest received	7,007	1,422	19,893	14,308
Interest paid	-688	-591	-136	-39
Tax paid	-5,958	-16,058	-39,672	-49,772
Cash flow from operating activities before changes in working capital	346,005	284,577	1,294,473	1,233,045
Increase/decrease accounts receivable	-48,283	-11,119	-109,534	-72,370
Increase/decrease accounts payable	1,967	-2,656	7,667	3,044
Increase/decrease other working capital	2,125	6,547	306	4,728
Cash flow from operating activities	301,814	277,349	1,192,912	1,168,447
Acquisition of intangible assets	-17,080	-10,664	-58,389	-51,973
Acquisition of property, plant and equipment	-19,345	-11,477	-50,087	-42,219
Acquisition of subsidiary	-	-	-47,536	-47,536
Increase/decrease other financial assets	-6,316	426	-4,372	2,370
Cash flow from investing activities	-42,741	-21,715	-160,384	-139,358
Repayment of lease liability	-4,398	-3,898	-19,407	-18,907
Repurchase of own shares	-284,033	-	-399,791	-115,758
Warrants	-59,319	-56,689	-50,817	-48,187
New share issue	76,988	32,702	80,035	35,749
Dividend	-	-	-427,398	-427,398
Cash flow from financing activities	-270,762	-27,885	-817,378	-574,501
Cash flow for the period	-11,689	227,749	215,150	454,588
Cash and cash equivalents at start of period	985,756	532,554	759,736	532,554
Exchange rate differences	58	-567	-761	-1,386
Cash and cash equivalents at end of period	974,125	759,736	974,125	985,756

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 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Operating revenues (IFRS)	501,451	429,574	1,870,478	1,798,601
EBITDA margin	69.0%	69.9%	70.2%	70.5%
Operating margin	62.1%	63.2%	63.2%	63.5%
Profit margin	53.7%	58.5%	58.2%	59.5%
Equity/assets ratio	78.1%	79.0%	78.1%	80.6%
Cash and cash equivalents	974,125	759,736	974,125	985,756
Average number of full-time employees	14,897	12,451	13,705	13,044
Full-time employees at end of period	15,547	12,374	15,547	14,850
Earnings per share before dilution, EUR (IFRS)	1.27	1.18	5.11	5.02
Equity per share, EUR	18.64	17.21	18.64	18.83
Operating cash flow per share before dilution, EUR	1.43	1.30	5.60	5.47
Average number of outstanding shares before dilution	211,325,865	213,355,881	213,058,994	213,566,498
No of outstanding shares excl. shares in own custody	211,043,728	213,657,144	211,043,728	212,771,346

Consolidated key ratios by quarter

Group, EUR thousands	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22
Operating revenues (IFRS)	501,451	475,310	452,642	441,075	429,574	407,480	378,532	343,958	326,767
EBITDA	345,786	336,963	318,599	311,693	300,158	279,529	261,015	238,218	229,678
EBITDA margin	69.0%	70.9%	70.4%	70.7%	69.9%	68.6%	69.0%	69.3%	70.3%
Operating profit	311,611	302,598	287,137	281,515	271,480	250,004	236,393	214,580	207,085
Operating margin	62.1%	63.7%	63.4%	63.8%	63.2%	61.4%	62.4%	62.4%	63.4%
Revenue growth vs prior year	16.7%	16.6%	19.6%	28.2%	31.5%	35.7%	37.1%	34.0%	38.6%
Revenue growth vs prior quarter	5.5%	5.0%	2.6%	2.7%	5.4%	7.6%	10.1%	5.3%	8.8%
Cash and cash equivalents	974,125	985,756	813,320	541,707	759,736	532,554	319,666	293,915	439,516

Reconciliation of selected key ratios not defined in accordance with IFRS

Group, EUR thousands	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Operating margin				
Profit before tax	317,488	270,055	1,196,040	1,148,607
Net financial items	-5,877	1,425	-13,179	-5,877
Operating profit (EBIT)	311,611	271,480	1,182,861	1,142,730
Divided by Total operating revenues	501,451	429,574	1,870,478	1,798,601
Operating (EBIT) margin	62.1%	63.2%	63.2%	63.5%
EBITDA and EBITDA margin				
Profit before tax	317,488	270,055	1,196,040	1,148,607
Net financial items	-5,877	1,425	-13,179	-5,877
Depreciation/amortisation	34,175	28,678	130,180	124,683
EBITDA	345,786	300,158	1,313,041	1,267,413
Divided by Total operating revenues	501,451	429,574	1,870,478	1,798,601
EBITDA margin	69.0%	69.9%	70.2%	70.5%
Profit margin				
Profit for the period	269,157	251,150	1,088,865	1,070,858
Divided by Total operating revenues	501,451	429,574	1,870,478	1,798,601
Profit margin	53.7%	58.5%	58.2%	59.5%
Equity/Assets ratio				
Total equity	3,933,283	3,676,629	3,933,283	4,006,215
Divided by Total assets	5,039,423	4,656,259	5,039,423	4,973,484
Equity/Assets ratio	78.1%	79.0%	78.1%	80.6%

Revenue growth at constant currency is estimated by applying the GGR-to-Revenue ratio in the current quarter to the Gross Gaming Revenue ("GGR") converted to EUR using the exchange rates of the corresponding quarter of the previous year.

Operating expenses at constant currency are calculated by applying the exchange rates used in consolidation of the corresponding quarter of the previous year.

Condensed Parent Company income statement and other comprehensive income

Parent company, EUR thousands	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Net sales	4,980	4,943	19,326	19,289
Other external expenses	-5,089	-4,979	-19,525	-19,415
Operating profit	-109	-36	-199	-126
Financial income and expenses	-1,823	500	549,822	552,145
Profit before tax	-1,932	464	549,623	552,019
Tax on profit for the period	-29,503	-109	-29,903	-509
Profit for the period*	-31,435	355	519,720	551,510

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

Condensed Parent Company balance sheet

Parent company, EUR thousands	31/03/2024	31/03/2023	31/12/2023
Assets			
Intangible assets	128	372	185
Property, plant and equipment	336	249	342
Participating interest in Group companies	2,630,780	2,630,780	2,630,780
Deferred tax assets	373	-	1
Other non-current receivables	14	14	14
Total non-current assets	2,631,631	2,631,415	2,631,322
Receivables from Group companies	55,481	427,054	375,378
Other current receivables	1,337	1,338	5,496
Prepaid expenses and accrued income	8,454	5,413	9,843
Cash and cash equivalents	108,151	44,508	53,051
Total current assets	173,423	478,313	443,768
TOTAL ASSETS	2,805,054	3,109,728	3,075,090
Equity and liabilities			
Share capital	650	648	648
Retained earnings including profit for the period	2,759,158	3,017,328	3,056,959
Total equity	2,759,808	3,017,976	3,057,607
Accounts payable	314	169	108
Current tax liabilities	30,490	892	607
Liabilities to Group companies	13	87,703	589
Other current liabilities	12,634	629	14,586
Accrued expenses and prepaid income	1,795	2,359	1,593
Total current liabilities	45,246	91,752	17,483
TOTAL EQUITY AND LIABILITIES	2,805,054	3,109,728	3,075,090

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 2023 annual report. There are no amendments to IFRS standards in 2024 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

During April 2024, 200 new shares in Evolution AB (publ) have been issued through the exercise of 200 warrants of series 2021/2024.

Note 3. Incentive programme

The company has one incentive programme. Upon full exercise of the warrants within the programme 2023/2026 (adopted by the Extra General Meeting on 9 November 2023), the dilution effect will be approximately 0.9 percent.

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

Evolution has signed an agreement to acquire Livespins Holdings Limited, a B2B social streaming game provider that enables operators to offer their players the opportunity to bet behind their favourite streamers, brand ambassadors and influencers. The up-front cash consideration is EUR 5 million. In addition, Evolution may pay an earn-out based on Livespins' performance in 2026. Completion of the transaction is planned for Q2 2024 and is subject to certain closing conditions, Livespins is therefore not yet included in the consolidated accounts.

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.
Per share		
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.