

Olympic Entertainment Group AS

Consolidated interim financial statements for the 1st quarter of 2016 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2016
End of reporting period	31 March 2016
Business name	Olympic Entertainment Group AS
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Telephone	+372 667 1250
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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 31 March 2016, the Group had a total of 124 casinos and 35 betting shops. The Group operates 24 casinos in Estonia, 57 in Latvia, 19 in Lithuania, 1 in Poland, 7 in Slovakia, 1 in Belarus, 14 in Italy and 1 in Malta. The Group employed 3,201 employees in 7 countries.

Group entities include:

	Domicile	Ownership 31.03.2016	Ownership 31.12.2015	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Gaming services
Kungla Investeeringu AS	Estonia	100%	100%	Bar services
AS MC Kasiinod	Estonia	95%	0%	Gaming 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	100%	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	95%	95%	Holding activities
Jessy Investments B.V.	Holland	100%	100%	Holding activities
Gamotech 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

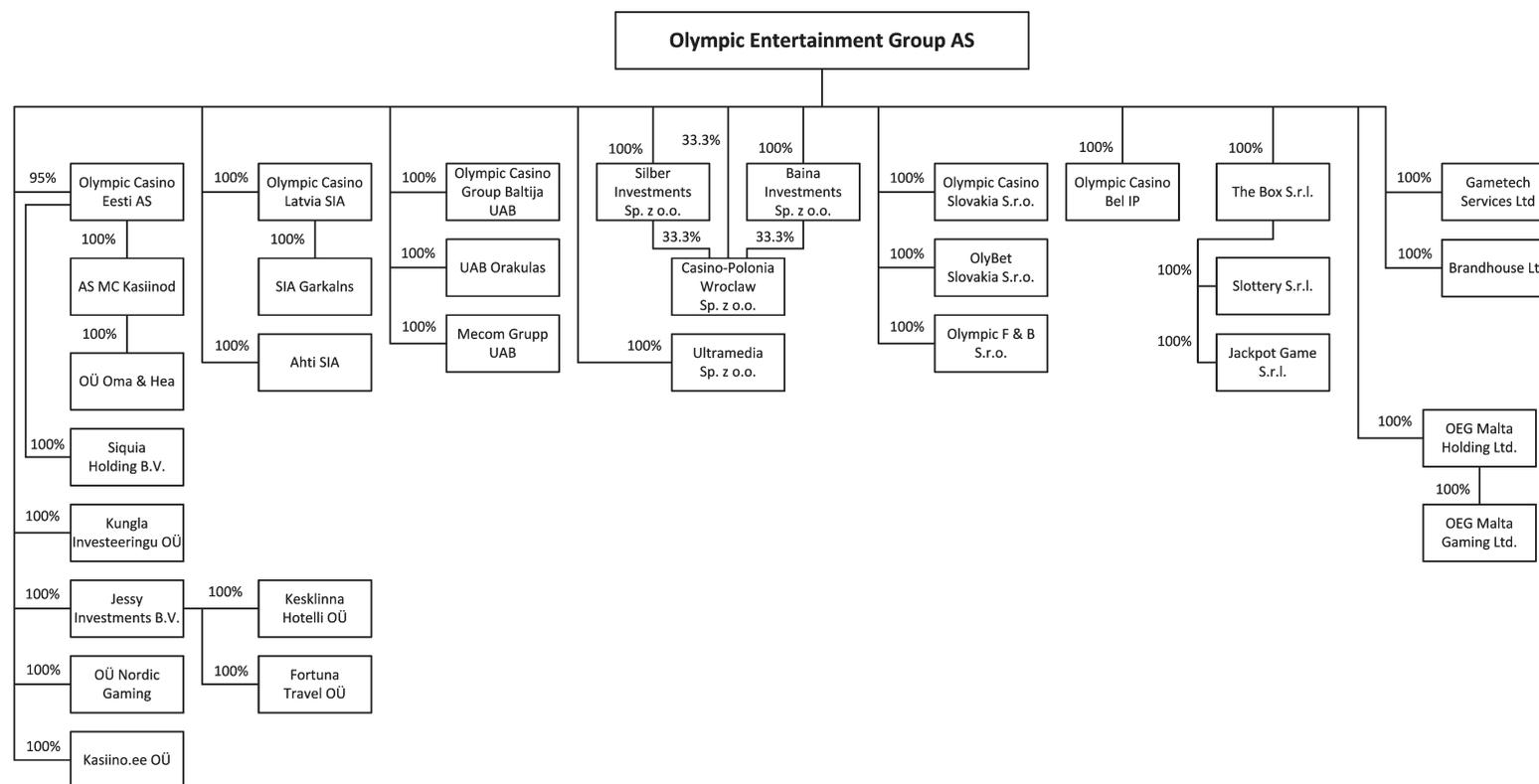
Our vision

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 31 March 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 Jääger
Chairman of the Management Board



Meelis Pielberg
Member of the Management Board

26 April 2016

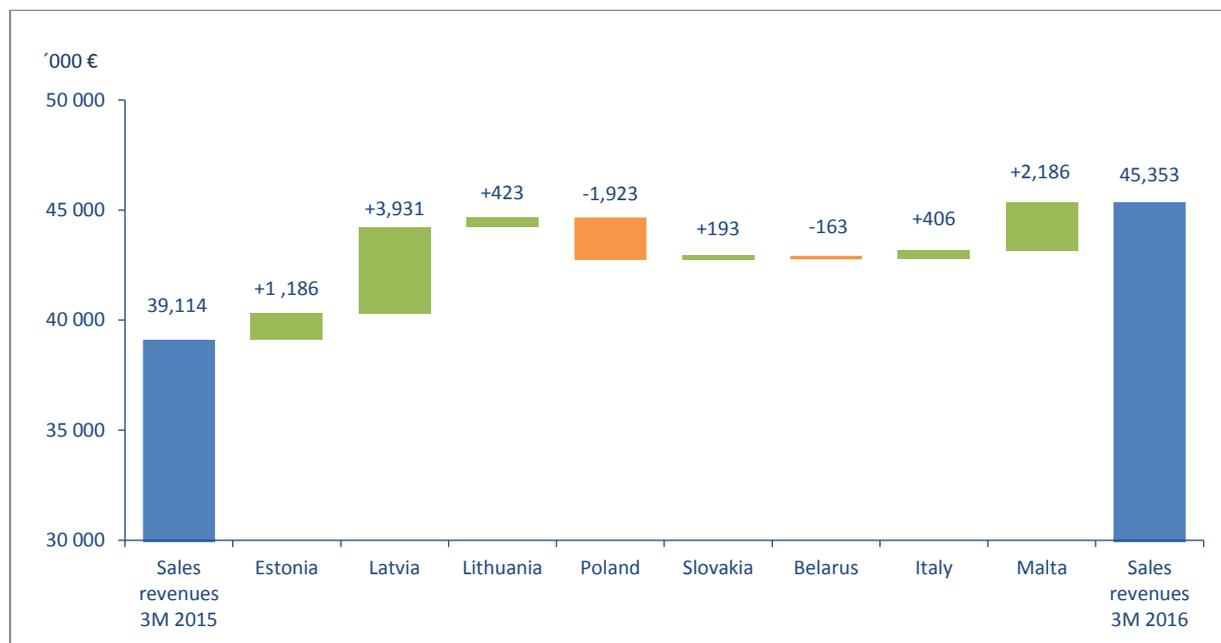
Management report

Overview of the economic activities

Key developments of the Group during the first quarter of 2016:

- The Group's consolidated sales revenues for Q1 2016 amounted to EUR 45.4 million, up 16.0% or EUR 6.2 million y-o-y.
- Gaming revenues accounted for 93.7% (42.5 m€) and other revenues for 6.3% (2.8 m€) of the Group's consolidated sales revenues for Q1 2016. A year before the revenue split was 93.9% (36.7 m€) and 6.1% (2.4 m€), respectively.
- The Group's consolidated EBITDA for Q1 2016 amounted to EUR 9.0 million, a growth of 1.6% from EUR 8.8 million a year before. The Group's consolidated operating profit decreased EUR 0.5 million (-7.0%) to EUR 6.5 million.
- The Group's consolidated net profit attributable to equity holders of the parent company for Q1 2016 totalled EUR 5.1 million compared to EUR 5.5 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 has 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 now 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, have concluded a merger agreement on 21 March 2016. The merger will be finalised within the current year and during the course of the merger AS MC Kasiinod will merge with Olympic Casino Eesti AS.
- The Slovak subsidiaries of Group, Olympic Casino Slovakia S.r.o. and Olympic F&B S.r.o., have concluded a merger agreement on 22 March 2016. The merger was finalised in April in current year 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 has 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 will be finalised within the current year.

The Group's consolidated sales revenue bridge by segments:



The Group's consolidated sales revenues by segments:

'000€	Q1 2016	Q1 2015	Change
Estonia	9,530	8,344	14.2%
Latvia	16,024	12,093	32.5%
Lithuania	6,288	5,865	7.2%
Poland	4,573	6,496	-29.6%
Slovakia	3,923	3,730	5.2%
Belarus	122	285	-57.3%
Italy	2,707	2,301	17.7%
Malta	2,186	0	N/A
Total	45,353	39,114	16.0%

Share of segments in the Group's sales revenues:

At the end of March 2016, the Group had 124 casinos with total floor area of 38,415 m² (+6,812 m²) and 35 betting shops with total floor area of 964 m².

Number of casinos by segment:

	31 March 2016	31 March 2015
Estonia	24	20
Latvia	57	37
Lithuania	19	16
Poland	1	2
Slovakia	7	7
Belarus	1	2
Italy	14	12
Malta	1	0
Total	124	96

The Group's consolidated operating expenses for Q1 2016 amounted to EUR 39.1 million, up 21.1% or EUR 6.9 million y-o-y. The growth was highest in personnel expenses (+2.0 m€, +19.0%), gaming tax (+1.0 m€, +12.9%), amortisation and depreciation cost (+0.6m€, +34.1%) and marketing costs (+0.6 m€, +26.3%). Personnel expenses (12.8 m€) and gaming tax (8.4 m€) represented the largest cost items accounting for 54.3% of total operating expenses.



Key performance indicators of the Group

		Q1 2016	Q1 2015	Q1 2014
Revenues	m€	45.6	39.2	34.9
Gaming tax	m€	8.4	7.5	7.0
EBITDA	m€	9.0	8.8	8.0
EBIT	m€	6.5	7.0	6.1
Net profit	m€	5.1	5.5	4.9
EBITDA margin	%	19.6%	22.5%	23.0%
Operating margin	%	14.2%	17.8%	17.4%
Net margin	%	11.2%	14.0%	14.0%
Assets	m€	169.9	135.5	122.3
Equity	m€	127.2	115.6	107.1
ROE	%	4.0%	5.2%	5.0%
ROA	%	3.0%	4.2%	4.2%
Current ratio	times	1.4	2.8	3.5
Casinos at end of period	#	124	96	82
Casino floor area at end of period	m ²	38,415	31,603	27,181
Employees	#	3,201	2,656	2,505
Slot machines at the end of period	#	4,183	3,317	2,986
Electronic roulette terminals at the end of period	#	142	120	158
Gaming tables at the end of period	#	183	171	171
Tournament poker gaming tables at the end of period	#	64	55	53

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

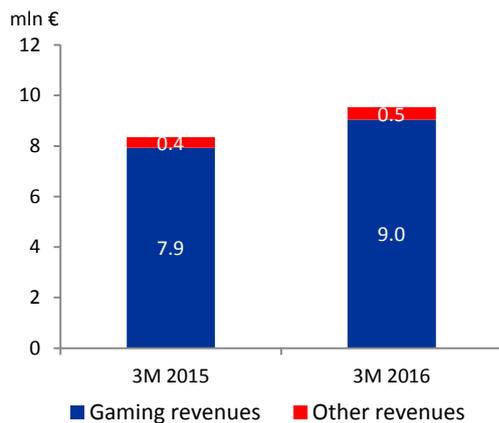
Overview by markets

Estonia

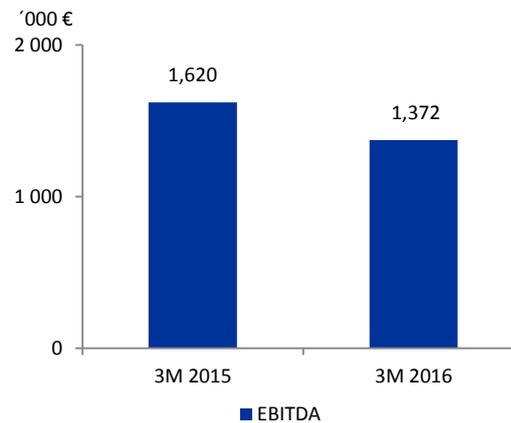
The sales revenues of Estonian segment for Q1 2016 amounted to EUR 9.5 million (+1.2 m€, +14.2%), EBITDA to EUR 1.4 million (-0.2 m€, -15.3%) and operating profit to EUR 0.8 million (-0.3 m€, -29.2%). Gaming revenue increased 14.0% y-o-y amounting to EUR 9.0 million.

At the end of March 2016, there were 24 Olympic casinos with 977 slot machines, 20 electronic roulette terminals, 17 gaming tables and 21 tournament poker gaming tables operating in Estonia. As at 31 March 2016, the Estonian operations employed 551 people.

Sales revenues



EBITDA

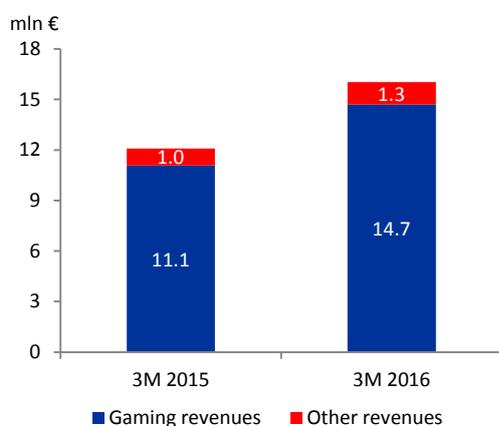


Latvia

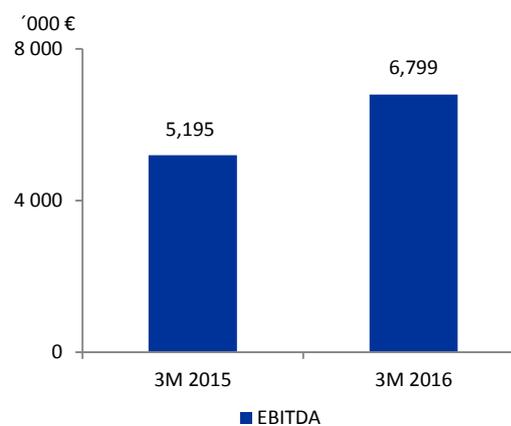
The sales revenues of Latvian segment for Q1 2016 amounted to EUR 16.0 million (+3.9 m€, +32.5%), EBITDA to EUR 6.8 million (+1.6 m€, +30.9%) and operating profit to EUR 5.9 million (+1.5 m€, +32.2%). Gaming revenue increased 32.7% y-o-y amounting to EUR 14.7 million.

At the end of March 2016, there were 57 Olympic casinos with 1,515 slot machines, 8 electronic roulette terminals, 19 gaming tables and 9 tournament poker gaming tables operating in Latvia. As at 31 March 2016, the Latvian operations employed 934 people.

Sales revenues



EBITDA

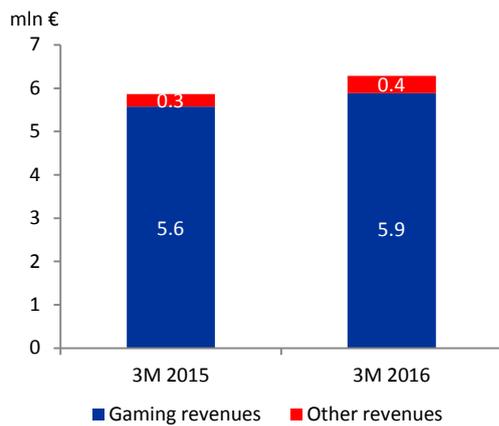


Lithuania

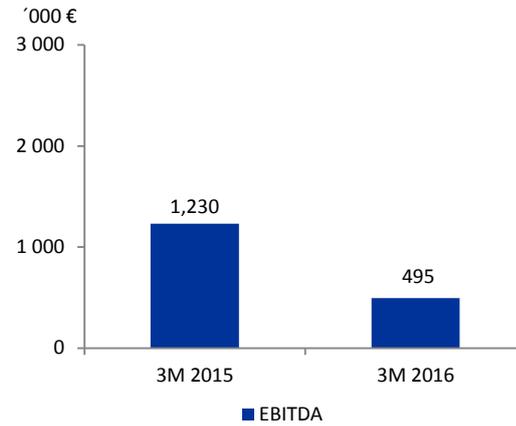
The sales revenues of Lithuanian segment for Q1 2016 amounted to EUR 6.3 million (+0.4 m€, +7.2%), EBITDA to EUR 0.5 million (-0.7 m€, -59.7%) and operating profit to EUR 0.1 million (-0.9 m€, -89.4%). Gaming revenue increased 5.6% y-o-y amounting to EUR 5.9 million.

At the end of March 2016, there were 19 Olympic with 562 slot machines, 8 electronic roulette terminals, 64 gaming tables and 2 tournament poker gaming tables operating in Lithuania. As at 31 March 2016, the Lithuanian operations employed 848 people.

Sales revenues



EBITDA

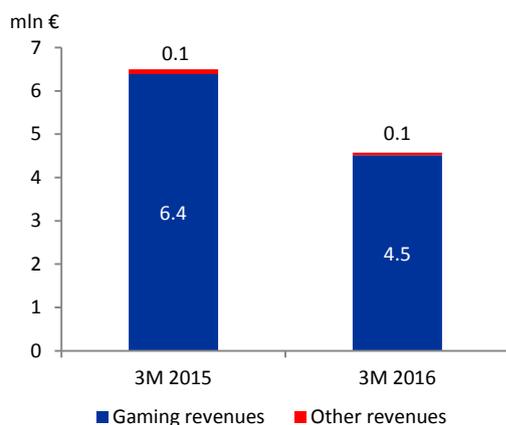


Poland

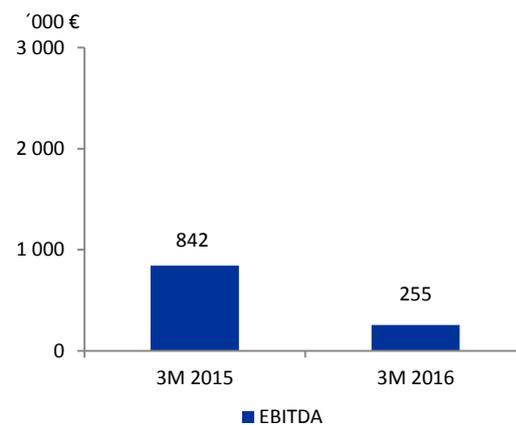
The sales revenues of Polish segment for Q1 2016 amounted to EUR 4.6 million (-1.9 m€, -29.6%), EBITDA to EUR 0.3 million (-0.6 m€, -69.7%) and operating profit to EUR 0.2 million (-0.6 m€, -77.2%). Gaming revenue decreased 29.3% y-o-y amounting to EUR 4.5 million.

At the end of March 2016, there was 1 Olympic casino with 70 slot machines, 46 electronic roulette terminals, 30 gaming tables and 4 tournament poker gaming tables operating in Poland. As at 31 March 2016, the Polish operations employed 253 people.

Sales revenues



EBITDA

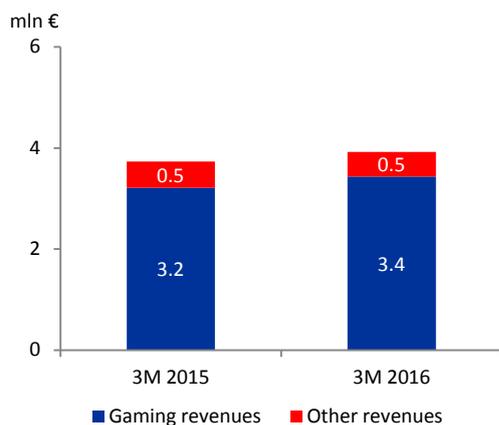


Slovakia

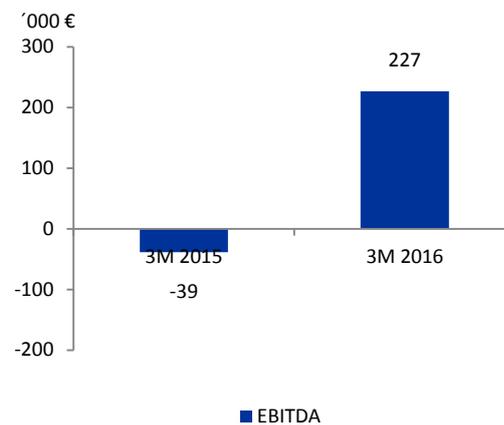
The sales revenues of Slovak segment for Q1 2016 amounted to EUR 3.9 million (+0.2 m€, +5.2%), EBITDA to EUR 0.2 million (+0.3 m€) and operating loss to EUR -0.1 million (+0.2 m€). Gaming revenue increased 6.8% y-o-y amounting to EUR 3.4 million.

At the end of March 2016, there were 7 Olympic casinos with 284 slot machines, 42 electronic roulette terminals, 34 gaming tables and 18 tournament poker gaming tables operating in Slovakia. As at 31 March 2016, the Slovak operations employed 316 people.

Sales revenues



EBITDA

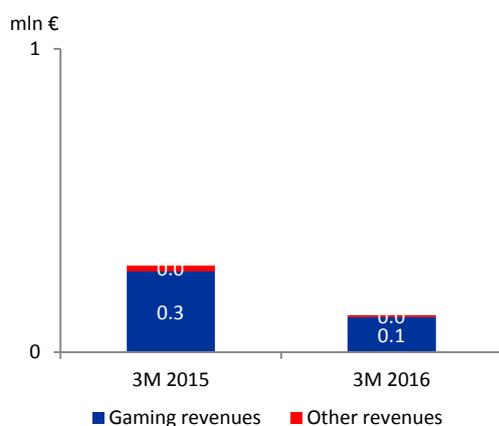


Belarus

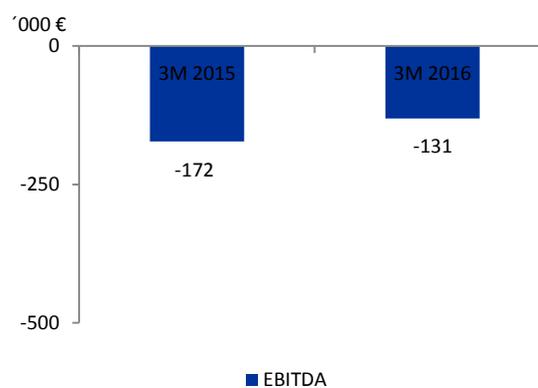
The sales revenues of Belarus segment for Q1 2016 amounted to EUR 0.1 million (-0.2 m€, -57.3%), EBITDA to EUR -0.1 million (+0.04 m€) and operating loss to EUR -0.1 million (+0.04 m€). Gaming revenue decreased 56.6% y-o-y amounting to EUR 0.1 million.

At the end of March 2016, there was 1 Olympic casino with 33 slot machines operating in Belarus. As at 31 March 2016, the Belarus operations employed 36 people.

Sales revenues



EBITDA

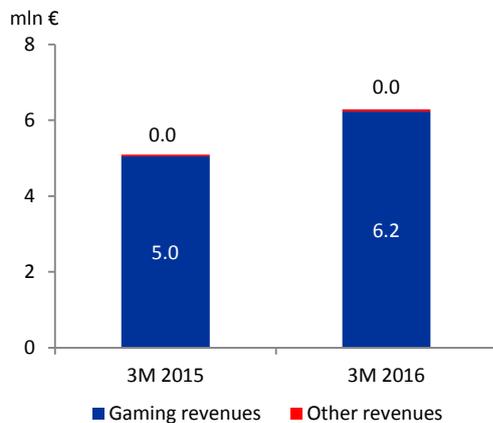


Italy

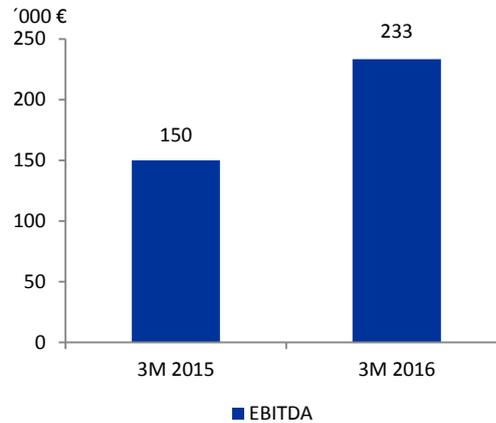
The sales revenues of Italian segment before deducting the gaming tax of Italy for Q1 2016 amounted to EUR 6.2 million (+1.2 m€, +23.4%), EBITDA to EUR 0.2 million (+0.1 m€, +55.6%) and operating profit to EUR 0.2 million (+0.1 m€, +222.5%).

At the end of March 2016, there were 14 VLT slot casinos with 463 slot machines operating in Italy. As at 31 March 2016, the Italian operations employed 71 people.

Sales revenues



EBITDA



Malta

The sales revenues of Maltese segment for Q1 2016 amounted to EUR 2.2 million, EBITDA to EUR -0.3 million and operating loss to EUR -0.5 million.

At the end of March 2016, there was 1 casino with 285 slot machines, 18 electronic roulette terminals, 19 gaming tables and 10 tournament poker gaming tables operating in Malta. As at 31 March 2016, Maltese operations employed 192 people.

Financial position

As at 31 March 2016, the total assets of the Group amounted to EUR 169.9 million, up 25.4% or EUR 34.4 million compared to the same period a year ago.

Current assets totalled EUR 41.1 million or 24.2% of total assets, and non-current assets EUR 128.9 million or 75.8% of total assets. The liabilities amounted to EUR 42.7 million and equity to EUR 127.2 million. The largest liabilities included interest bearing loans and borrowings (13.0 m€), suppliers payables and advances (8.7 m€), tax liabilities (7.0 m€) and payables to employees (5.4 m€).

Investments

In the 3 months of 2016, the Group's expenditures on property, plant and equipment totalled EUR 8.8 million (+3.2 m€, +57.6%), of which EUR 0.6 million was invested into new gaming equipment (-0.4 m€, -39.9%) and EUR 8.0 million (+4.4 m€, +82.8%) into construction of hotel and construction and reconstruction of casinos.

Cash flows

In the 3 months of 2016, the Group's cash flows generated from operating activities amounted to EUR 9.6 million (+0.7 m€, +8.2%) and cash flows used in investing activities to EUR -18.5 million (-15.6 m€). Financing cash flows amounted to EUR +4.9 million (+4.8 m€). Net cash flows totalled EUR -4.0 million (-9.8 m€).

Staff

As at 31 March 2016, the Group employed 3,201 people, up by 545 y-o-y mostly due to expansion in Estonia, Latvia, Lithuania and Malta.

In the 3 months of 2016, total personnel expenses amounted to EUR 12.8 million (+2.0 m€, +19.0%). In the 3 months of 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 314 thousand (EUR 230 thousand in the 3 months of 2015) and EUR 37 thousand (EUR 37 thousand in the 3 months of 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 and Belarusian rubles. 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

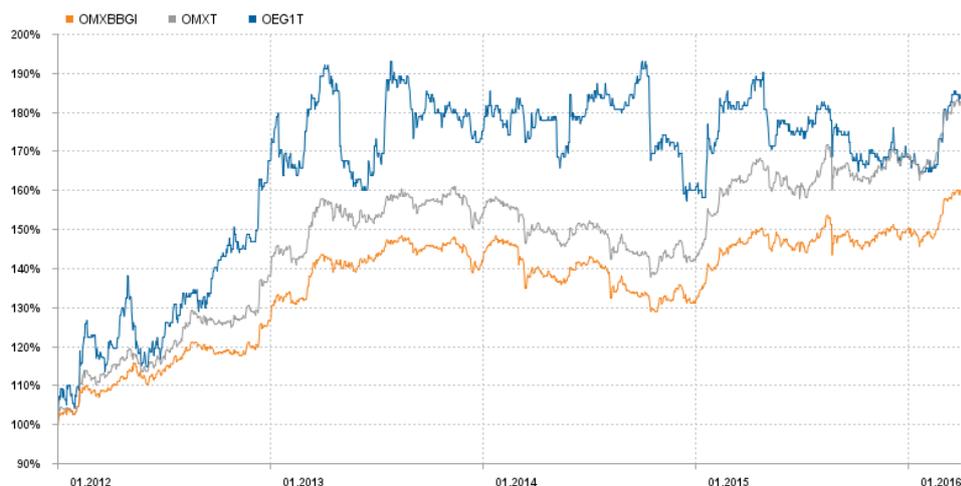
The shares of Olympic Entertainment Group AS are listed in the main list of Tallinn Stock Exchange since 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on Warsaw Stock Exchange. The Company's registered share capital is EUR 60,716,482.40. The share capital is divided into 151,971,206 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 2016:



Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2012 – 31 March 2016:

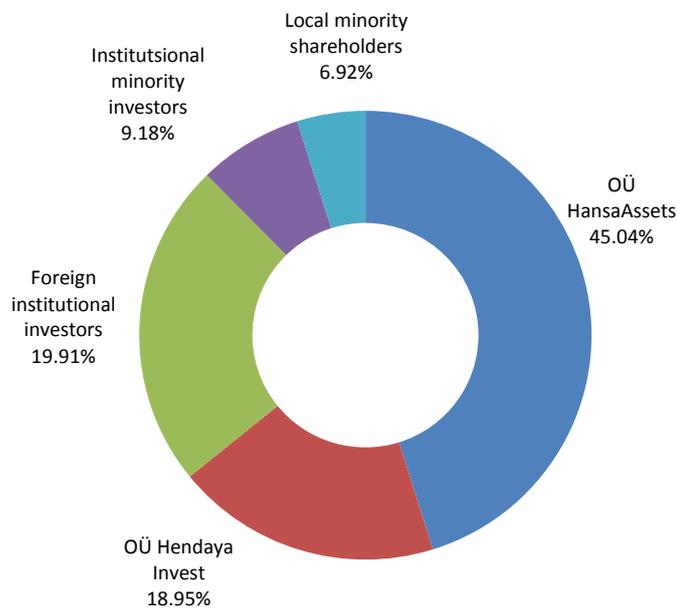


Index/share	01 Jan 2012	31 Mar 2016	+/-%
— OMX Baltic Benchmark GI	431.94	690.82	59.93
— OMX Tallinn	531.17	970.60	82.73
— OEG1T	1.062 EUR	1.950 EUR	83.62

Largest shareholders of Olympic Entertainment Group AS at 31 March 2016:

OÜ HANSAASSETS	45.04%
OÜ Hendaya Invest	18.95%
J.P. MORGAN BANK LUXEMBOURG S.A.	2.40%
NORDEA BANK FINLAND PLC, CLIENTS	2.29%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	2.01%
RBC INVESTOR SERVICES BANK / LUX-NON RESIDENTS / DOMESTIC RATE	1.32%
ING LUXEMBOURG S.A. AIF ACCOUNT	1.27%
Central Securities Depository of Lithuania	1.26%
THE NORTHERN TRUST COMPANY/ HARDING LOEVNER FRONTIER EMERGING MARKETS PORTFOLIO	1.22%
FIREBIRD REPUBLICS FUND LTD	1.18%
SEB S.A. CLIENT ASSETS UCITS	1.16%

Structure of Olympic Entertainment Group AS shareholders as at 31 March 2016



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	31.03.2016	31.12.2015
ASSETS			
Current assets			
Cash and cash equivalents		30,697	34,710
Financial investments		1,664	1,835
Receivables and prepayments		6,480	5,537
Prepaid income tax		587	551
Inventories		1,627	1,366
Total current assets		41,055	43,999
Non-current assets			
Deferred tax assets		813	801
Financial investments		3,762	3,512
Other long-term receivables and prepayments		980	914
Investment property	3	288	288
Property, plant and equipment	4	65,341	58,877
Intangible assets	5	57,678	53,942
Total non-current assets		128,862	118,334
TOTAL ASSETS		169,917	162,333
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	6	227	292
Trade and other payables		26,615	27,680
Income tax payable		1,356	1,058
Provisions		1,491	1,842
Total current liabilities		28,689	30,872
Non-current liabilities			
Borrowings	6	13,562	8,079
Deferred tax liability		455	513
Total non-current liabilities		14,017	8,592
TOTAL LIABILITIES		42,706	39,464
EQUITY			
Share capital		60,716	60,716
Share premium		258	258
Statutory reserve capital		3,574	3,574
Other reserves		399	329
Translation reserves		-976	-1,156
Retained earnings		57,053	51,822
Total equity attributable to equity holders of the parent		121,024	115,543
Non-controlling interest		6,187	7,326
TOTAL EQUITY		127,211	122,869
TOTAL LIABILITIES AND EQUITY		169,917	162,333

Consolidated statement of comprehensive income

	Notes	Q1 2016	Q1 2015
Income from gaming transactions	8	42,514	36,724
Revenue	8	2,839	2,390
Other income	8	294	85
Total revenue and income		45,647	39,199
Cost of materials, goods and services		-1,111	-893
Other operating expenses		-22,574	-18,571
Staff costs		-12,826	-10,780
Depreciation, amortisation and impairment	4;5	-2,463	-1,836
Other expenses		-173	-129
Total operating expenses		-39,147	-32,209
Operating profit		6,500	6,990
Interest income		39	17
Interest expense		-1	-7
Foreign exchange losses		-10	-1
Other finance income and costs		-2	-2
Total finance income and costs		26	7
Profit from operating activities		6,526	6,997
Income tax expense		-1,062	-1,179
Net profit for the period		5,464	5,818
<i>Attributable to equity holders of the parent company</i>		<i>5,099</i>	<i>5,470</i>
<i>Attributable to non-controlling interest</i>		<i>365</i>	<i>348</i>
Other comprehensive income			
Currency translation differences		180	521
Total comprehensive profit for the period		5,644	6,339
<i>Attributable to equity holders of the parent company</i>		<i>5,279</i>	<i>5,991</i>
<i>Attributable to non-controlling interest</i>		<i>365</i>	<i>348</i>
Basic earnings per share*	7	3.4	3.6
Diluted earnings per share*	7	3.4	3.6

* euro cents

Consolidated statement of cash flows

	Notes	Q1 2016	Q1 2015
Cash flows from operating activities			
Net profit		5,464	5,818
Adjustments:			
Depreciation, amortisation and impairment	4;5	2,463	1,836
Profit / loss on disposal of non-current assets (net)		-49	-20
Income tax expense		1,062	1,179
Other financial income and expenses (net)		-26	-7
Changes in working capital:			
Receivables and prepayments		-1,159	62
Inventories		-261	-40
Liabilities and prepayments		3,041	1,242
Interest paid		-21	-2
Corporate income tax paid		-915	-1,195
Net cash generated from operating activities		9,599	8,873
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-11,265	-3,917
Proceeds from sale of property, plant, equipment		163	51
Proceeds from disposal of assets held for sale		0	1,016
Purchase of financial investments		-88	0
Acquisition of subsidiaries, net of cash acquired		-7,366	0
Acquisition of business activity		0	-100
Interest received		35	52
Net cash used in from investing activities		-18,521	-2,898
Cash flows from financing activities			
Loans received		5,000	0
Repayments of loans received	6	-94	-63
Repayments of finance leases		-1	0
Dividends paid		0	-89
Net cash used in financing activities		4,905	-152
Net cash flows		-4,017	5,823
Cash and cash equivalents at beginning of the period		34,710	40,117
Exchange gains and losses on cash and cash equivalents		4	2
Cash and cash equivalents at end of the period		30,697	45,942

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 01.01.2015	60,716	258	2,495	0	-1,420	41,816	103,865	5,339	109,204
<i>Net profit for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,470</i>	<i>5,470</i>	<i>348</i>	<i>5,818</i>
<i>Other comprehensive expense</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>521</i>	<i>0</i>	<i>521</i>	<i>0</i>	<i>521</i>
Total comprehensive income for the period	0	0	0	0	521	5,470	5,991	348	6,339
<i>Employee option programme</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>82</i>	<i>0</i>	<i>0</i>	<i>82</i>	<i>0</i>	<i>82</i>
Total transactions with owners	0	0	0	82	0	0	82	0	82
Other adjustments	0	0	0	0	0	-143	-143	0	-143
Balance at 31.03.2015	60,716	258	2,495	82	-899	47,286	109,938	5,687	115,625
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 income</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

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 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 April 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 2014.

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 31 March 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	227	645	181	7,762	8,815
Acquired through business combinations	3	194	18	0	215
Sales	0	-10	-3	0	-13
Write-offs	-3	-6	-5	0	-14
Transfers	376	371	56	-803	0
Depreciation charge	-697	-1,344	-221	0	-2,262
Exchange differences	0	-278	1	0	-277
As at 31 March 2016	10,199	23,279	2,031	29,832	65,341

Note 5 Intangible assets

	Goodwill	Software and licences	Prepayments	Total
As at 01 January 2016	50,775	3,106	61	53,942
Additions	0	29	181	210
Acquired through business combinations	3,690	13	0	3,703
Transfers	0	144	-144	0
Amortisation charge	0	-187	0	-187
Exchange differences	11	-1	0	10
As at 31 March 2016	54,476	3,104	98	57,678

Note 6 Borrowings

	31.03.2016	31.12.2015
Short-term borrowings		
Current portion of financial lease liability	4	4
Current portion of a long-term bank loan	223	288
Total short-term borrowings	227	292
Long-term borrowings		
Non-current portion of financial lease liability	4	5
Non-current portion of a long-term bank loan	12,777	7,777
Non-current portion of a long-term loan	140	170
Other borrowings	641	127
Total long-term borrowings	13,562	8,079
Total borrowings	13,789	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**Earnings per share**

	<u>Q1 2016</u>	<u>Q1 2015</u>
Net profit for the period	5,099	5,470
Weighted average number of shares outstanding (in thousands)	151,791	151,791
Basic earnings per share (euro cents)	3.4	3.6
Diluted earnings per share (euro cents)	3.4	3.6

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 31 March 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.

Q1 2016	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Malta	Total
Income from gaming transactions	9,048	14,707	5,889	4,515	3,434	116	6,230	2,156	46,095
Gaming tax of Italy	0	0	0	0	0	0	-3,581	0	-3,581
Revenue	583	1,334	428	58	489	6	58	30	2,986
Inter-segment revenue	-101	-17	-29	0	0	0	0	0	-147
External revenue	9,530	16,024	6,288	4,573	3,923	122	2,707	2,186	45,353
Other external revenue	113	7	1	104	31	25	13	0	294
Total revenue	9,643	16,031	6,289	4,677	3,954	147	2,720	2,186	45,647
Total expenses	-8,800	-10,083	-6,184	-4,511	-4,016	-278	-2,552	-2,723	-39,147
Incl. Depreciation, amortisation and impairment losses	-529	-851	-391	-89	-289	0	-66	-248	-2,463
Total operating profit (-loss)	843	5,948	105	166	-62	-131	168	-537	6,500
Q1 2015	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Malta	Total
Income from gaming transactions	7,938	11,087	5,579	6,388	3,215	266	5,048	0	39,521
Gaming tax of Italy	0	0	0	0	0	0	-2,797	0	-2,797
Revenue	496	1,006	286	108	515	19	50	0	2,480
Inter-segment revenue	-90	0	0	0	0	0	0	0	-90
External revenue	8,344	12,093	5,865	6,496	3,730	285	2,301	0	39,114
Other external revenue	3	6	0	4	2	57	13	0	85
Total revenue	8,347	12,099	5,865	6,500	3,732	342	2,314	0	39,199
Total expenses	-7,156	-7,598	-4,884	-5,773	-4,024	-514	-2,260	0	-32,209
Incl. Depreciation, amortisation and impairment losses	-429	-694	-248	-114	-253	0	-98	0	-1,836
Total operating profit (-loss)	1,191	4,501	981	727	-292	-172	54	0	6,990

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.

<u>Purchase of goods and services</u>	Q1 2016	Q1 2015
Shareholders with significant influence	0	1
Total	0	1

As at 31.03.2016 and 31.12.2015, there were no balances of receivables and liabilities.

In the 3 months of 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 314 thousand (EUR 230 thousand in the 3 months of 2015) and EUR 37 thousand (EUR 37 thousand in the 3 months of 2015), respectively.