

# Olympic Entertainment Group AS

## Consolidated interim financial statements for the 4<sup>th</sup> quarter and the 12-month period of 2014 (unaudited)

(translation of the Estonian original)\*

Beginning of reporting period	1 January 2014
End of reporting period	31 December 2014
Business name	Olympic Entertainment Group AS
Registration number	10592898
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Telephone	+372 667 1250
Fax	+372 667 1270
E-mail	info@oc.eu
Website	<a href="http://www.olympic-casino.com">www.olympic-casino.com</a>
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

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\*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 and Italy.

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 which include Olympic Casino Estonia AS in Estonia, Olympic Casino Latvia SIA in Latvia, Olympic Casino Group Baltija UAB in Lithuania, Casino Polonia-Wroclaw Sp. z o.o. in Poland, Olympic Casino Slovakia S.r.o. and OlyBet Slovakia S.r.o. in Slovakia, Olympic Casino Bel IP in Belarus and Jackpot Game S.r.l. and Slottery S.r.l. in Italy. Most of the Group's casino properties operate under the trademark of Olympic Casino. In addition to land-based casinos the Group is also providing online casino services and has operated until 31.10.2013 a 4-star hotel and casino complex in Tallinn, Estonia.

The shares of Olympic Entertainment Group AS are listed on the Tallinn and Warsaw Stock Exchanges (OMX: OEG1T / WSE: OEG).

As at 31 December 2014, the Group had a total of 98 casinos. The Group operates 18 casinos in Estonia, 37 in Latvia, 16 in Lithuania, 2 in Poland, 7 in Slovakia, 6 in Belarus and 12 in Italy. The Group employed 2,665 employees in 7 countries.

Group entities include:

	Domicile	Ownership 31.12.2014	Ownership 31.12.2013	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Gaming services
Kungla Investeeringu AS	Estonia	100%	100%	Hotel services, catering
Kesklinna Hotelli OÜ	Estonia	100%	100%	Hotel services
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Fortuna Travel OÜ	Estonia	100%	100%	Casino tourism
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	99%	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
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	80%	80%	Gaming services
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	70%	50%	Gaming services
Jackpot Game S.r.l.	Italy	70%	50%	Gaming services
Slottery S.r.l.	Italy	70%	0%	Gaming services
Siquia Holding B.V.	Holland	95%	95%	Holding activities
Jessy Investments B.V.	Holland	100%	100%	Holding activities
Gametech Services Ltd	Jersey	100%	100%	Software services
Brandhouse Ltd	Jersey	100%	100%	Holding activities
Olympic Casino Ukraine TOV	Ukraine	100%	100%	Bankrupt
Alea Private Company	Ukraine	100%	100%	Bankrupt

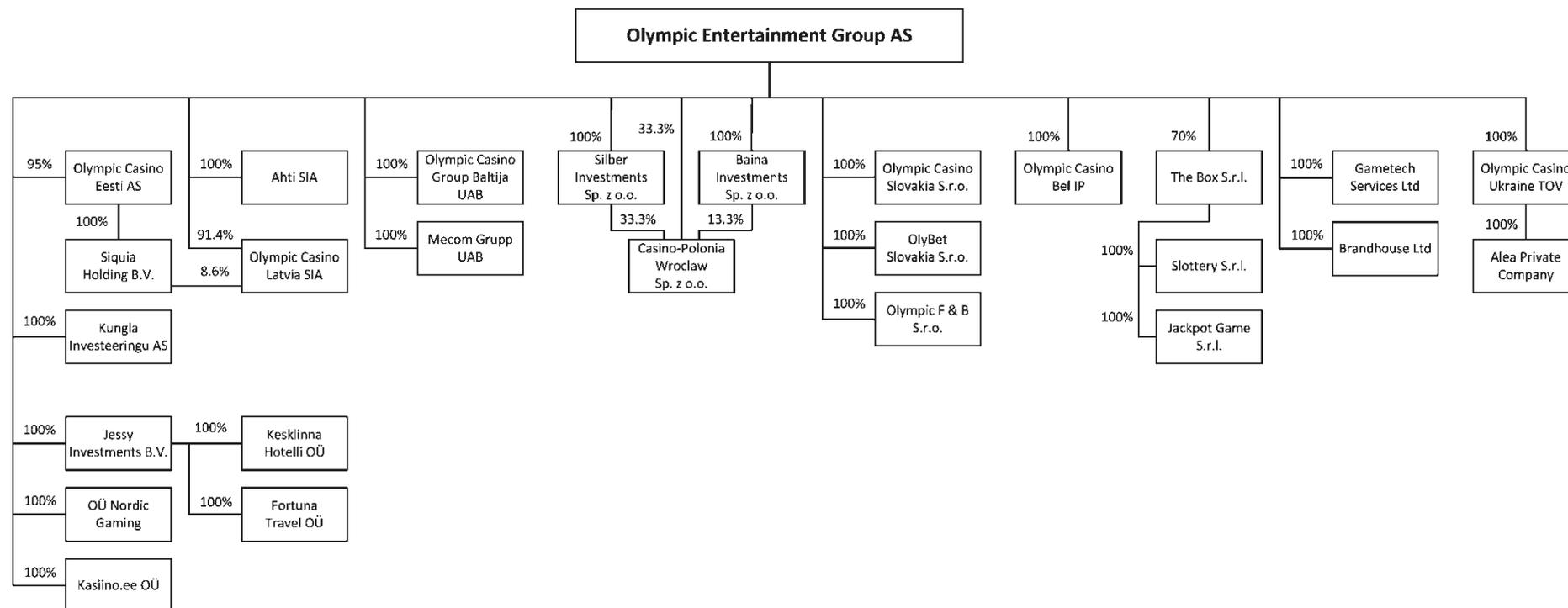
### Our vision

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 December 2014



## 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 Pirelberg  
Member of the Management Board

26 February 2015

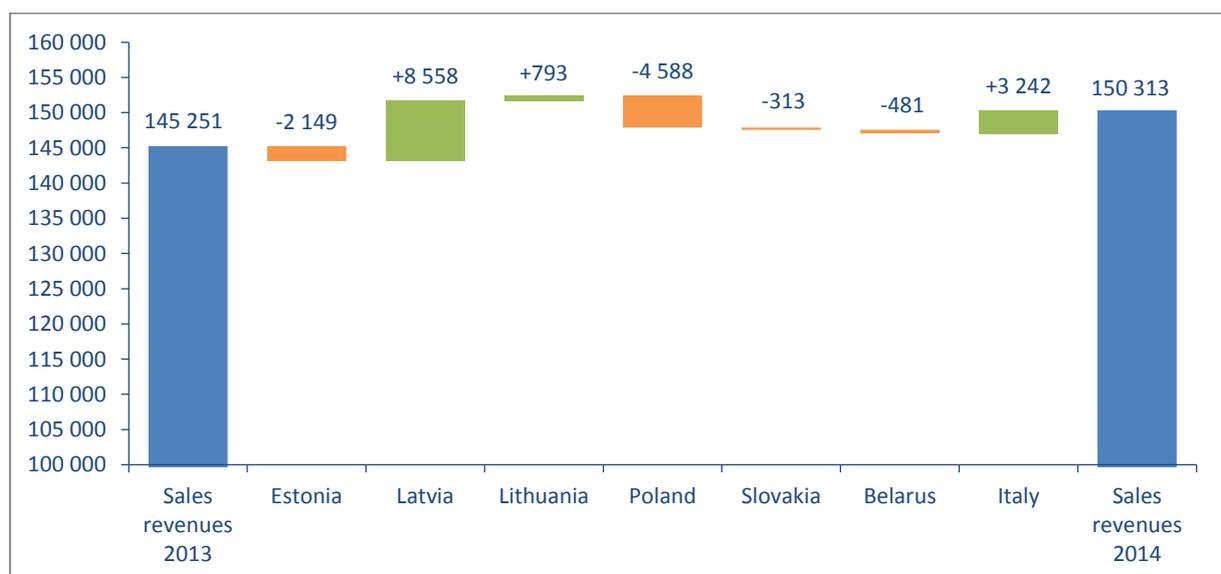
## Management report

### Overview of the economic activities

#### Key developments of the Group during the 12 months of 2014:

- The Group's consolidated sales revenues for 12 months 2014 amounted to EUR 150.3 million, up 3.5% or EUR 5.1 million y-o-y.
- Gaming revenues accounted for 93.9% (141.1 m€) and other revenues for 6.1% (9.2 m€) of the Group's consolidated sales revenues for 12 months 2014. A year before the revenue split was 93.6% (135.9 m€) and 6.4% (9.3 m€), respectively.
- The Group's consolidated EBITDA for 12 months 2014 amounted to EUR 36.2 million, a decline of -8.6% from EUR 39.5 million a year before. The Group's consolidated operating profit decreased EUR 6.0 million (-18.8%) to EUR 25.8 million.
- The Group's consolidated net profit attributable to equity holders of the parent company for 12 months 2014 totalled EUR 21.6 million compared to EUR 25.7 million a year ago.
- On 23 January 2014 Olympic Entertainment Group AS has acquired 100% shareholding in Slovak VLT slot casino operator WINWIN Slovakia S.r.o. (renamed later as OlyBet Slovakia S.r.o.) and has opened its first VLT casino on Slovak market during the second quarter of 2014.
- The general meeting of shareholders held on 25 April 2014 has decided to pay out dividends in amount of EUR 15,132,950.50, that were paid out to shareholders on 13 May 2014.
- On 29 April 2014 Olympic Entertainment Group AS has increased to 70% its holding in The Box S.r.l, a company that manages operations in Italy, which in turn has acquired a 100% holding in Slottery S.r.l.
- In May 2014 Olympic Entertainment Group AS has adopted a decision to restructure its Latvian subsidiaries, which led to conversion of Olympic Casino Latvia SIA share capital into euros and its increase. It was also decided to merge OEG Latvian subsidiaries Olympic Casino Latvia SIA and Altea SIA. Merger process was completed at 3<sup>rd</sup> December 2014.
- On 21 July 2014 the supervisory board of Olympic Entertainment Group AS has adopted a resolution to increase the share capital of the Company by EUR 184,680.40 by issuing shares without nominal value. The amount of share capital of the Company after the issuing of new shares is EUR 60,716,482.40. The increase of share capital relates to share option agreements concluded by the Company in 2011 and the exercise of options by option holders.

#### The Group's consolidated sales revenue bridge by segments:



**The Group's consolidated sales revenues by segments:**

'000€	Q4 2014	Q4 2013	Change	12M 2014	12M 2013	Change
Estonia	8,829	9,217	-4.2%	33,079	35,229	-6.1%
Latvia	13,268	11,775	12.7%	47,825	39,267	21.8%
Lithuania	5,969	6,006	-0.6%	22,297	21,503	3.7%
Poland	5,357	7,100	-24.5%	22,819	27,408	-16.7%
Slovakia	4,146	4,150	-0.1%	15,796	16,109	-1.9%
Belarus	448	570	-21.4%	1,897	2,378	-20.2%
Italy	2,203	827	166.4%	6,600	3,357	96.6%
<b>Total</b>	<b>40,220</b>	<b>39,645</b>	<b>1.5%</b>	<b>150,313</b>	<b>145,251</b>	<b>3.5%</b>

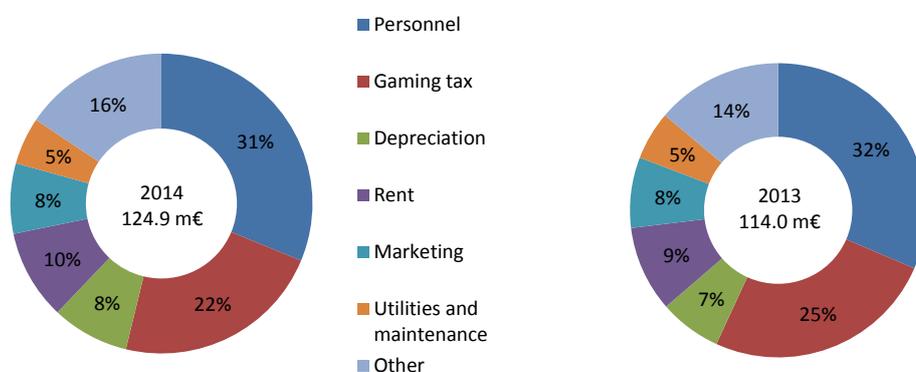
**Share of segments in the Group's sales revenues:**

At the end of December 2014, the Group had 98 casinos with total floor area of 32,242 m<sup>2</sup> (+4,211 m<sup>2</sup>).

**Number of casinos by segment:**

	31 December 2014	31 December 2013
Estonia	18	18
Latvia	37	38
Lithuania	16	12
Poland	2	3
Slovakia	7	5
Belarus	6	4
Italy	12	2
<b>Total</b>	<b>98</b>	<b>82</b>

The Group's consolidated operating expenses for 12 months 2014 amounted to EUR 124.9 million, up 9.5% or EUR 10.8 million y-o-y. The growth was highest in personnel expenses (+3.1 m€, +8.7%), depreciation, amortisation and impairment costs (+2.6 m€, +33.4%), rent expenses (+1.3 m€, +12.4%) and other services costs (+3.7 mln euro, +23.3%). Personnel expenses (39.0 m€) and gaming tax (28.2 m€) represented the largest cost items accounting for 53.8% of total operating expenses.



**Key performance indicators of the Group**

		<b>2014</b>	<b>2013</b>	<b>2012</b>
Revenues	m€	150.7	145.8	135.9
Gaming tax	m€	28.2	28.9	27.5
EBITDA	m€	36.2	39.5	38.7
EBIT	m€	25.8	31.8	28.4
Net profit	m€	21.6	25.7	24.2
EBITDA margin	%	24.0	27.1	28.5
Operating margin	%	17.1	21.8	20.9
Net margin	%	14.3	17.7	17.8
Assets	m€	126.2	118.3	109.2
Equity	m€	109.2	102.0	93.0
ROE	%	21.4	27.9	29.4
ROA	%	17.7	22.6	23.0
Current ratio	times	3.0	3.2	3.5
Casinos at end of period	#	98	82	63
Casino floor area at end of period	m <sup>2</sup>	32,242	28,031	24,030
Employees	#	2,665	2,515	2,277
Slot machines at end of period	#	3,481	3,038	2,594
Gaming tables at end of period	#	195	191	178

## 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

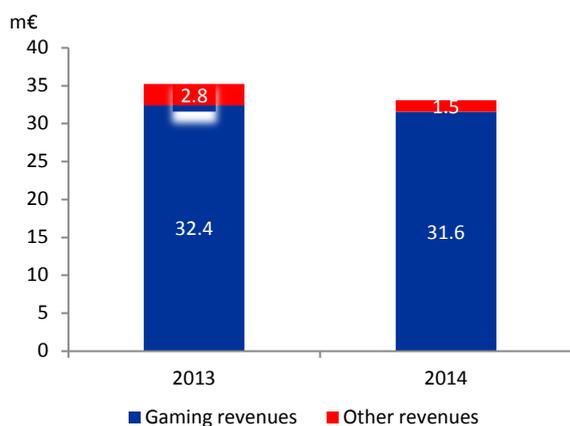
**Overview by markets**

**Estonia**

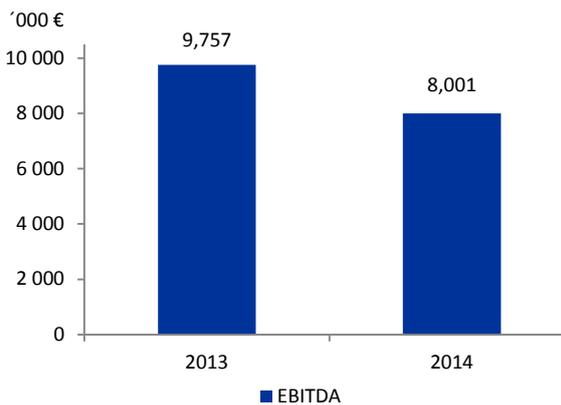
The sales revenues of Estonian segment for 2014 amounted to EUR 33.1 million (-2.1 m€, -6.1%), EBITDA to EUR 8.0 million (-1.3 m€, -13.6%) and operating profit to EUR 6.4 million (-1.3 m€, -16.5%). Gaming revenue decreased 2.6% y-o-y amounting to EUR 31.6 million.

At the end of 2014, there were 18 Olympic casinos with 737 slot machines and 19 gaming tables operating in Estonia. As at 31 December 2014, the Estonian operations employed 476 people.

**Sales revenues**



**EBITDA**

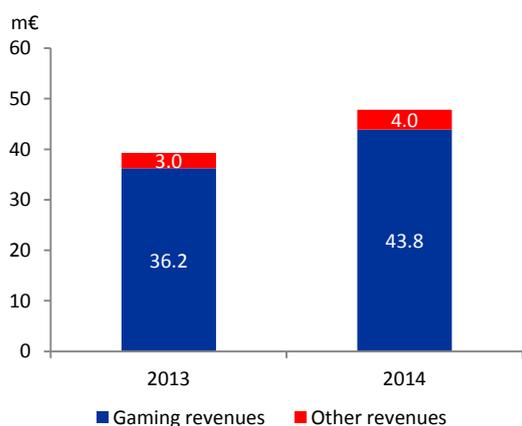


**Latvia**

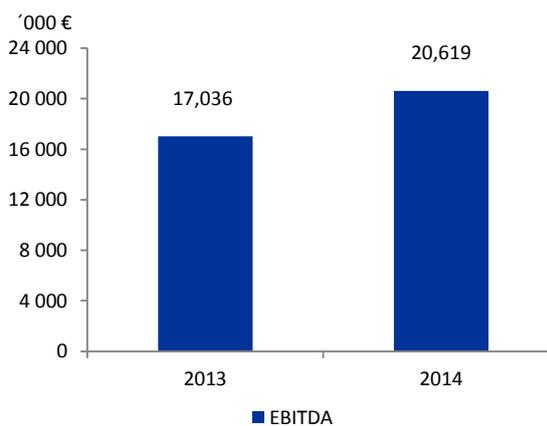
The sales revenues of Latvian segment for 2014 amounted to EUR 47.8 million (+8.6 m€, +21.8%), EBITDA to EUR 20.6 million (+3.6 m€, +21.0%) and operating profit to EUR 17.2 million (+2.5 m€, +17.1%). Gaming revenue increased 21.1% y-o-y amounting to EUR 43.8 million.

At the end of 2014, there were 37 Olympic casinos with 1,059 slot machines and 18 gaming tables operating in Latvia. As at 31 December 2014, the Latvian operations employed 679 people.

**Sales revenues**



**EBITDA**

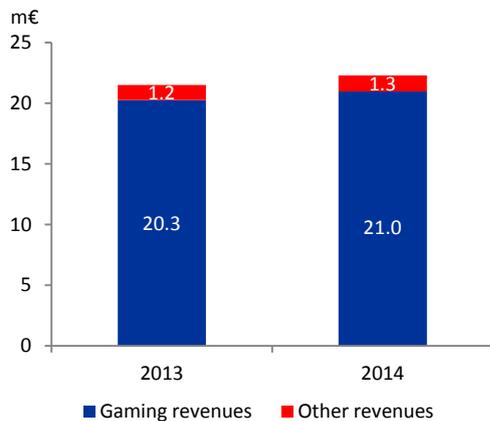


### Lithuania

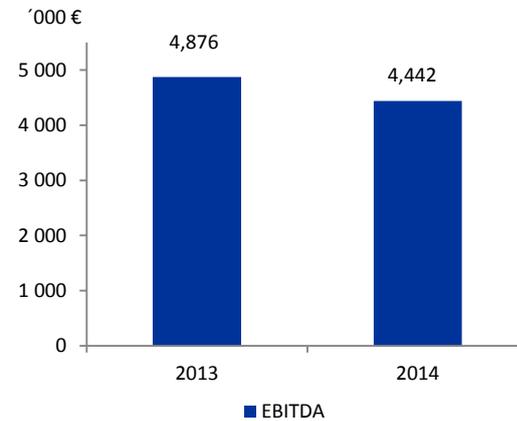
The sales revenues of Lithuanian segment for 2014 amounted to EUR 22.3 million (+0.8 m€, +3.7%), EBITDA to EUR 4.4 million (-0.4 m€, -8.9%) and operating profit to EUR 2.9 million (-0.7 m€, -20.1%). Gaming revenue increased 3.6% y-o-y amounting to EUR 21.0 million.

At the end of 2014, there were 16 Olympic casinos with 516 slot machines and 64 gaming tables operating in Lithuania. As at 31 December 2014, the Lithuanian operations employed 715 people.

#### Sales revenues



#### EBITDA

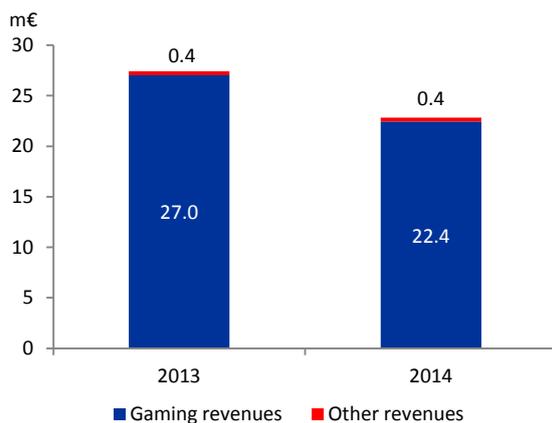


### Poland

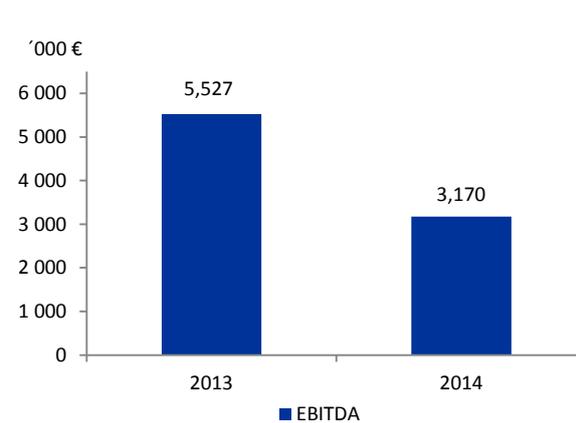
The sales revenues of Polish segment for 2014 amounted to EUR 22.8 million (-4.6 m€, -16.7%), EBITDA to EUR 3.2 million (-2.4 m€, -42.6%) and operating profit to EUR 2.1 million (-2.4 m€, -54.1%). Gaming revenue decreased 17.0% y-o-y amounting to EUR 22.4 million.

At the end of 2014, there were 2 Olympic casinos with 210 slot machines and 41 gaming tables operating in Poland. As at 31 December 2014, the Polish operations employed 335 people.

#### Sales revenues



#### EBITDA

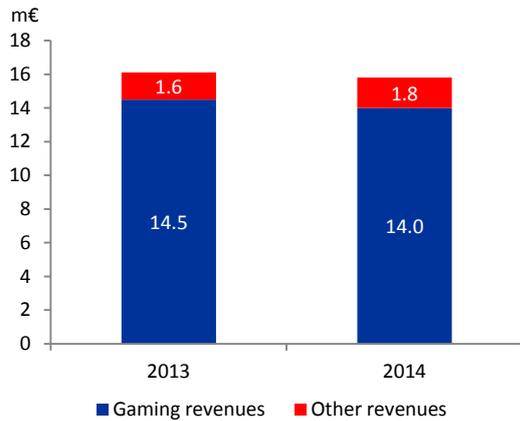


**Slovakia**

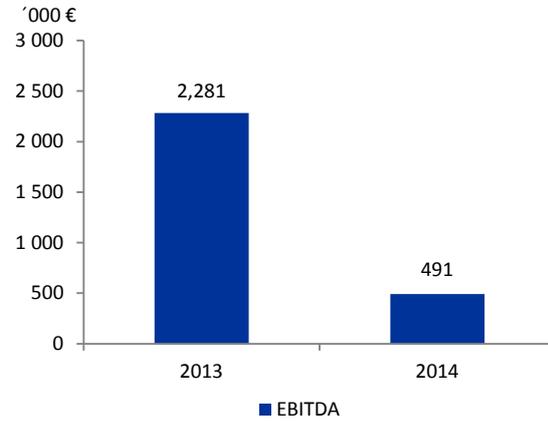
The sales revenues of Slovak segment for 2014 amounted to EUR 15.8 million (-0.3 m€, -1.9%), EBITDA to EUR 0.5 million (-1.8 m€, -78.5%) and operating loss to EUR -0.6 million (-1.7 m€, -158.0%). Gaming revenue decreased 3.4% y-o-y amounting to EUR 14.0 million.

At the end of 2014, there were 7 Olympic casinos with 308 slot machines and 53 gaming tables operating in Slovakia. As at 31 December 2014, the Slovak operations employed 306 people.

**Sales revenues**



**EBITDA**

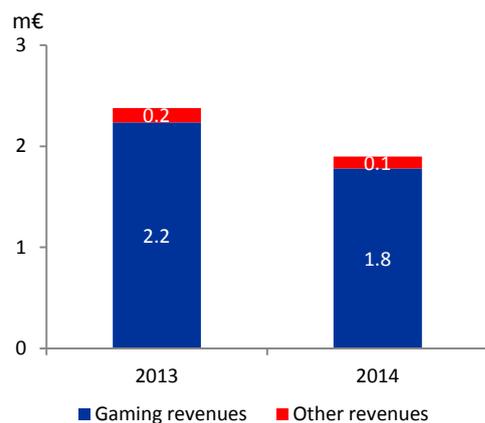


**Belarus**

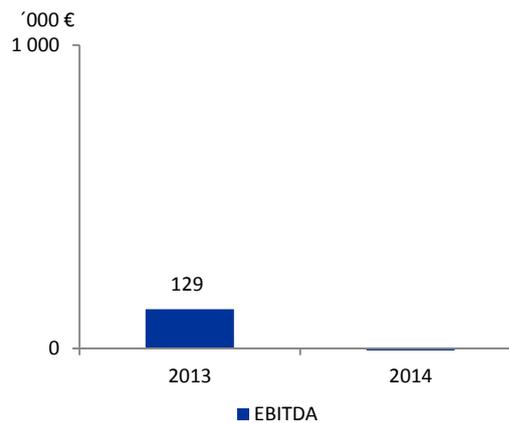
The sales revenues of Belarusian segment for 2014 amounted to EUR 1.9 million (-0.5 m€, -20.2%), EBITDA to EUR -0.6 million (-0.7 m€, -544.1%) and operating loss to EUR -1.8 million (-1.9 m€, -3,799.7%). Gaming revenue decreased 20.3% y-o-y amounting to EUR 1.8 million.

At the end of 2014, there were 6 Olympic casinos with 227 slot machines operating in Belarus. As at 31 December 2014, the Belarusian operations employed 96 people.

**Sales revenues**



**EBITDA**

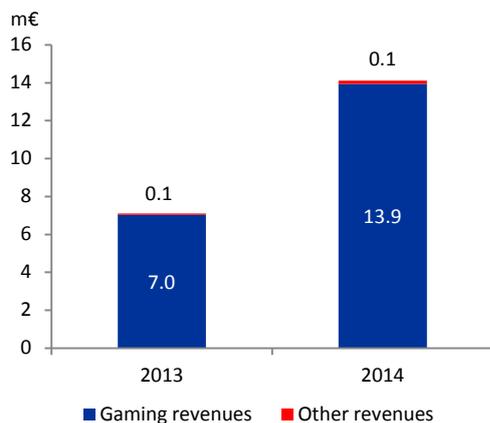


### Italy

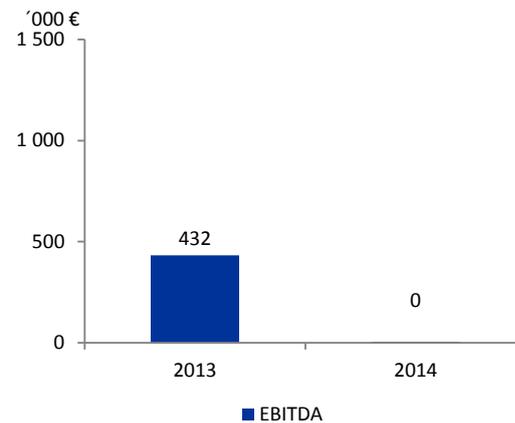
The sales revenues of Italian segment before deducting the gaming tax of Italy for 2014 amounted to EUR 14.0 million (+6.9 m€, +98.1%), EBITDA to EUR 0.0 million (-0.4 m€, -99.0%) and operating loss to EUR -0.4 million (-0.5 m€, -508.7%).

In April 2014 Olympic Entertainment Group AS has increased to 70% its holding in The Box S.r.l, a company that manages operations in Italy, which in turn has acquired a 100% holding in VLT operator Slottery S.r.l. As a result of this transaction at the end of 2014, there were 12 VLT slot casinos with 424 slot machines operating in Italy. As at 31 December 2014, the Italian operations employed 58 people.

### Sales revenues



### EBITDA



### Financial position

As at 31 December 2014, the total assets of the Group amounted to EUR 126.2 million, up 6.7% or EUR 7.9 million compared to the same period a year ago.

Current assets totalled EUR 47.2 million or 37.4% of total assets, and non-current assets EUR 79.0 million or 62.6% of total assets. The liabilities amounted to EUR 17.0 million and equity to EUR 109.2 million. The largest liabilities included suppliers payables and advances (5.0 m€), tax liabilities (4.3 m€) and payables to employees (3.9 m€).

### Investments

In the 12 months of 2014, the Group's expenditures on property, plant and equipment totalled EUR 18.3 million (+4.0 m€, +28.0%), of which EUR 6.4 million was invested into new gaming equipment (-0.5m€, -7.2%) and EUR 11.2 million (+4.6 m€, +69.7%) into construction of hotel and construction and reconstruction of casinos.

### Cash flows

In the 12 months of 2014, the Group's cash flows generated from operating activities amounted to EUR 32.5 million (-0.7 m€, -2.1%) and cash flows used in investing activities to EUR -22.9 million (-16.1 m€). Financing cash flows amounted to EUR -14.1 million (+3.7 m€, +26.6%). Net cash flows totalled EUR -4.5 million (-13.1 m€).

### Staff

As at 31 December 2014, the Group employed 2,665 people, up by 150 y-o-y mostly due to expansion in Italy and Lithuania.

In the 12 months of 2014, total personnel expenses amounted to EUR 39.0 million (+3.1 m€, +8.7%). In the 12 months of 2014, 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 793 thousand (823 thousand in the 12 months of 2013) and EUR 151 thousand (EUR 157 thousand in the 12 months of 2013), 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, Lithuanian litas, 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), the Swiss franc (CHF) and investment gold (XAU) as well as the derivative instruments related to the aforementioned currencies may be used to manage currency risks. The market value of USD, CHF or XAU (incl. the respective derivative instruments) may not exceed 20% of the equity according to the last audited consolidated balance sheet of the Group.

### 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 23,141 Company's shares.

## Shares of Olympic Entertainment Group AS

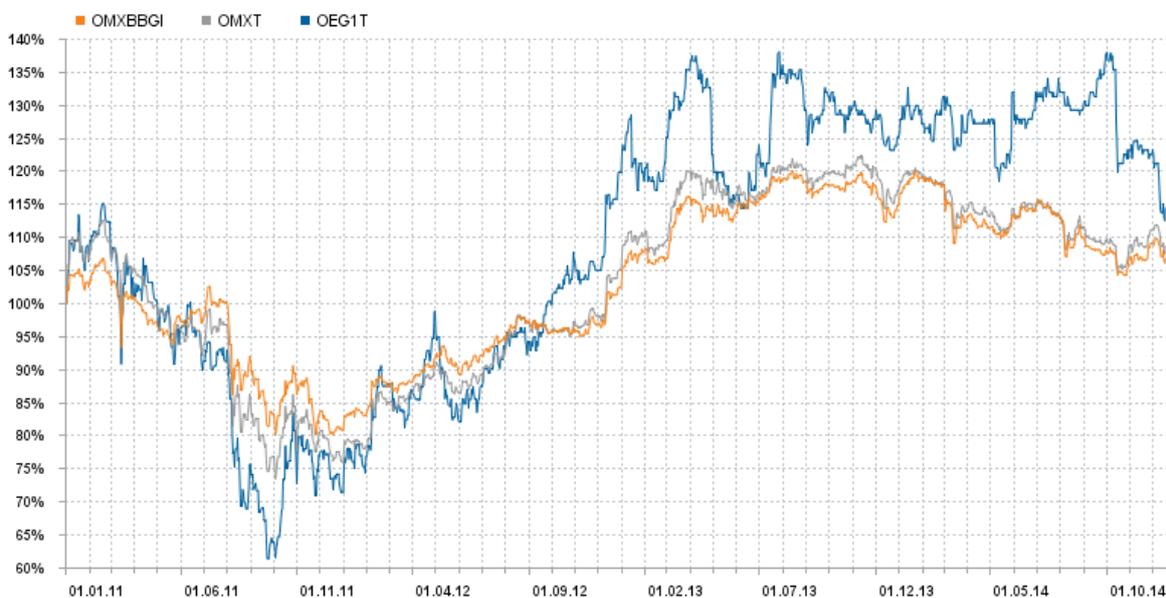
The shares of Olympic Entertainment Group AS are listed in the main list of Tallinn Stock Exchange since 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on Warsaw Stock Exchange. The Company's registered share capital is EUR 60,716,482.40. The share capital 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 2011 – 31 December 2014:



Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2011 – 31 December 2014:

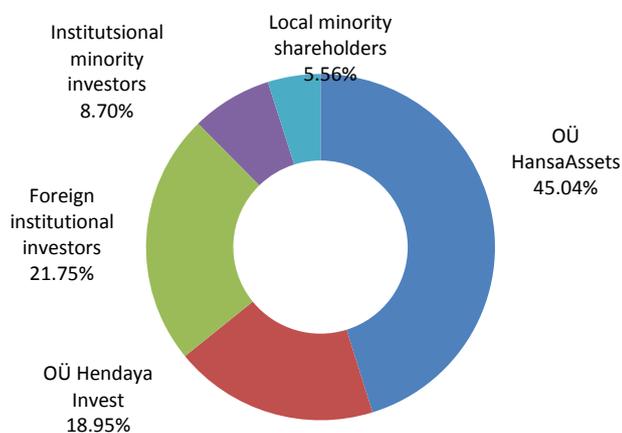


Index/share	01 Jan 2011	31 Dec 2014	+/-%
OMX Baltic Benchmark GI	533.99	566.56	6.10
OMX Tallinn	698.38	755.05	8.11
OEG1T	1.485 EUR	1.700 EUR	14.48

**Largest shareholders of Olympic Entertainment Group AS at 31 December 2014:**

OÜ HANSAASSETS	45.04%
OÜ Hendaya Invest	18.95%
J.P. MORGAN BANK LUXEMBOURG S.A.	3.70%
SKANDINAVISKA ENSKILDA BANKEN S.A.	3.51%
NORDEA BANK FINLAND PLC, CLIENTS	1.97%
RBC INVESTOR SERVICES BANK / LUX-NON RESIDENTS / DOMESTIC RATE	1.73%
ING LUXEMBOURG S.A. AIF ACCOUNT	1.66%
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION ON BEHALF OF US RESIDENTS	1.27%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.17%
Central Securities Depository of Lithuania	1.16%

**Structure of Olympic Entertainment Group AS shareholders as at 31 December 2014**



## Consolidated interim financial statements

### Consolidated statement of financial position

	Notes	31.12.2014	31.12.2013
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		40,117	44,582
Financial investments		1,108	1,086
Receivables and prepayments		3,276	2,946
Prepaid income tax		483	357
Inventories		1,163	1,001
Assets held for sale		1,016	0
<b>Total current assets</b>		<b>47,163</b>	<b>49,972</b>
<b>Non-current assets</b>			
Deferred tax assets		1,398	1,077
Financial investments		4,277	3,396
Other long-term receivables		688	670
Investment property	3	292	1,784
Property, plant and equipment	4	34,368	26,513
Intangible assets	5	38,045	34,865
<b>Total non-current assets</b>		<b>79,068</b>	<b>68,305</b>
<b>TOTAL ASSETS</b>		<b>126,231</b>	<b>118,277</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Borrowings	6	253	240
Trade and other payables		13,121	13,494
Income tax payable		741	776
Provisions		1,424	1,181
<b>Total current liabilities</b>		<b>15,539</b>	<b>15,691</b>
<b>Non-current liabilities</b>			
Deferred tax liability		272	246
Borrowings	6	1,216	369
<b>Total non-current liabilities</b>		<b>1,488</b>	<b>615</b>
<b>TOTAL LIABILITIES</b>		<b>17,027</b>	<b>16,306</b>
<b>EQUITY</b>			
Share capital		60,716	60,532
Share premium		258	0
Statutory reserve capital		2,495	1,210
Other reserves		0	235
Translation reserves		-1,420	-1,204
Retained earnings		41,816	36,782
<b>Total equity attributable to equity holders of the parent</b>		<b>103,865</b>	<b>97,555</b>
Non-controlling interest		5,339	4,416
<b>TOTAL EQUITY</b>		<b>109,204</b>	<b>101,971</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>126,231</b>	<b>118,277</b>

**Consolidated statement of comprehensive income**

	Notes	Q4 2014	Q4 2013	2014	2013
Income from gaming transactions	8	37,600	37,285	141,077	135,921
Revenue	8	2,620	2,360	9,236	9,330
Other income	8	58	287	347	568
<b>Total revenue and income</b>		<b>40,278</b>	<b>39,932</b>	<b>150,660</b>	<b>145,819</b>
Cost of materials, goods and services		-959	-816	-3,342	-3,044
Other operating expenses		-19,421	-18,010	-71,507	-66,826
Staff costs		-10,440	-9,875	-38,982	-35,878
Depreciation, amortisation and impairment	4;5	-4,064	-1,780	-10,344	-7,763
Change in the fair value of investment property		-12	-1	-12	-1
Other expenses		-365	-333	-678	-524
<b>Total operating expenses</b>		<b>-35,261</b>	<b>-30,815</b>	<b>-124,865</b>	<b>-114,036</b>
<b>Operating profit</b>		<b>5,017</b>	<b>9,117</b>	<b>25,795</b>	<b>31,783</b>
Interest income		31	42	89	163
Interest expense		-8	-4	-28	-17
Foreign exchange losses		8	-1	3	-59
Other finance income and costs		-2	-1	-4	-623
<b>Total finance income and costs</b>		<b>29</b>	<b>36</b>	<b>60</b>	<b>-536</b>
<b>Profit from operating activities</b>		<b>5,046</b>	<b>9,153</b>	<b>25,855</b>	<b>31,247</b>
Income tax expense		-532	-1,444	-3,426	-4,323
<b>Net profit for the period</b>		<b>4,514</b>	<b>7,709</b>	<b>22,429</b>	<b>26,924</b>
<i>Attributable to equity holders of the parent company</i>		<i>4,376</i>	<i>7,402</i>	<i>21,597</i>	<i>25,694</i>
<i>Attributable to non-controlling interest</i>		<i>138</i>	<i>307</i>	<i>832</i>	<i>1,230</i>
<b>Other comprehensive income</b>					
Currency translation differences		-323	83	-216	-504
<b>Total comprehensive profit for the period</b>		<b>4,191</b>	<b>7,792</b>	<b>22,213</b>	<b>26,420</b>
<i>Attributable to equity holders of the parent company</i>		<i>4,053</i>	<i>7,485</i>	<i>21,381</i>	<i>25,190</i>
<i>Attributable to non-controlling interest</i>		<i>138</i>	<i>307</i>	<i>832</i>	<i>1,230</i>
Basic earnings per share*	7	2.9	4.9	14.2	17.0
Diluted earnings per share*	7	2.9	4.9	14.2	17.0

\* euro cents

**Consolidated statement of cash flows**

	<b>Notes</b>	<b>2014</b>	<b>2013</b>
<b>Cash flows from operating activities</b>			
Net profit		22,429	26,924
Adjustments:			
Depreciation, amortisation and impairment	4;5	10,344	7,763
Profit / loss on disposal of non-current assets (net)		171	64
Change in fair value of investment property		12	1
Income tax expense		3,426	4,323
Other financial income and expenses (net)		-60	536
Changes in working capital:			
Receivables and prepayments		-949	485
Inventories		-162	35
Liabilities and prepayments		1,350	-2,741
Interest paid		-11	-17
Corporate income tax paid		-4,058	-4,149
<b>Net cash generated from operating activities</b>		<b>32,492</b>	<b>33,224</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant, equipment and intangible assets		-18,716	-12,582
Proceeds from sale of property, plant, equipment		80	52
Proceeds from sale of investment property		464	0
Purchase of financial investments		-112	-1,379
Proceeds from sale of other financial investments		0	11,150
Acquisition of subsidiaries, net of cash acquired		-4,677	-4,244
Interest received		88	267
<b>Net cash used in from investing activities</b>		<b>-22,873</b>	<b>-6,736</b>
<b>Cash flows from financing activities</b>			
Issue of shares	7	184	0
Proceeds from loans received	6	1,078	0
Repayments of loans received	6	-245	-238
Repayments of finance leases		-2	-4
Dividends paid		-15,133	-17,630
<b>Net cash used in financing activities</b>		<b>-14,118</b>	<b>-17,872</b>
<b>Net cash flows</b>		<b>-4,499</b>	<b>8,616</b>
Cash and cash equivalents at beginning of the period		44,582	35,973
Exchange gains and losses on cash and cash equivalents		34	-7
<b>Cash and cash equivalents at end of the period</b>		<b>40,117</b>	<b>44,582</b>

**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	
<b>Balance at 31.12.2012</b>	<b>60,532</b>	<b>0</b>	<b>0</b>	<b>141</b>	<b>-700</b>	<b>27,327</b>	<b>87,300</b>	<b>5,683</b>	<b>92,983</b>
<i>Net profit for the period</i>	0	0	0	0	0	25,694	25,694	1,230	26,924
<i>Other comprehensive expense</i>	0	0	0	0	-504	0	-504	0	-504
Total comprehensive income for the period	0	0	0	0	-504	25,694	25,190	1,230	26,420
<i>Increase of statutory reserve capital</i>	0	0	1,210	0	0	-1,210	0	0	0
<i>Dividends paid</i>	0	0	0	0	0	-15,133	-15,133	-2,497	-17,630
<i>Employee option programme</i>	0	0	0	94	0	0	94	0	94
Total transactions with owners	0	0	1,210	94	0	-16,343	-15,039	-2,497	-17,536
Other adjustments	0	0	0	0	0	104	104	0	104
<b>Balance at 31.12.2013</b>	<b>60,532</b>	<b>0</b>	<b>1,210</b>	<b>235</b>	<b>-1,204</b>	<b>36,782</b>	<b>97,555</b>	<b>4,416</b>	<b>101,971</b>
<b>Balance at 31.12.2013</b>	<b>60,532</b>	<b>0</b>	<b>1,210</b>	<b>235</b>	<b>-1,204</b>	<b>36,782</b>	<b>97,555</b>	<b>4,416</b>	<b>101,971</b>
<i>Net profit for the period</i>	0	0	0	0	0	21,597	21,597	832	22,429
<i>Other comprehensive income</i>	0	0	0	0	-216	0	-216	0	-216
Total comprehensive income for the period	0	0	0	0	-216	21,597	21,381	832	22,213
<i>Increase of statutory reserve capital</i>	0	0	1,285	0	0	-1,285	0	0	0
<i>Dividends paid</i>	0	0	0	0	0	-15,133	-15,133	0	-15,133
<i>Employee option programme</i>	0	0	0	23	0	0	23	0	23
<i>Issue of shares</i>	184	258	0	-258	0	0	184	0	184
Total transactions with owners	184	258	1,285	-235	0	-16,418	-14,926	0	-14,926
Acquired through business combinations	0	0	0	0	0	0	0	127	127
Other adjustments	0	0	0	0	0	-145	-145	-36	-181
<b>Balance at 31.12.2014</b>	<b>60,716</b>	<b>258</b>	<b>2,495</b>	<b>0</b>	<b>-1,420</b>	<b>41,816</b>	<b>103,865</b>	<b>5,339</b>	<b>109,204</b>

## 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 December 2014 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 February 2015.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2013 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](http://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 2013.

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 2013.

### 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 2014, 48% of the income from gaming transactions accumulated in the first half of the year, with 52% accumulating in the second half.

**Note 3 Investment property**

	Land	Buildings	Total
<b>At 31 December 2013</b>	<b>1,343</b>	<b>441</b>	<b>1,784</b>
Disposals	0	-330	-330
Reclassifications	-1,016	0	-1,016
Net gain from fair value adjustments	-155	9	-146
<b>At 31 December 2014</b>	<b>172</b>	<b>120</b>	<b>292</b>

**Note 4 Property, plant and equipment**

	Land and buildings	Renovation expenditures	Machinery & equipment	Other PP&E	Construction in progress	Total
<b>At 31 December 2013</b>	<b>31</b>	<b>9,116</b>	<b>14,176</b>	<b>1,602</b>	<b>1,588</b>	<b>26,513</b>
Additions	0	1,292	6,277	664	9,887	18,120
Acquired through business combination	0	0	139	15	0	154
Disposals	0	0	-354	0	0	-354
Write-offs	0	-290	-37	-3	0	-330
Reclassifications	0	1,716	1,670	276	-3,667	-5
Depreciation charge	-6	-2,490	-4,920	-711	0	-8,127
Impairment losses	0	-353	-885	-75	-181	-1,494
Exchange differences	-1	-17	-70	-5	-16	-109
<b>At 31 December 2014</b>	<b>24</b>	<b>8,974</b>	<b>15,996</b>	<b>1,763</b>	<b>7,611</b>	<b>34,368</b>

**Note 5 Intangible assets**

	Goodwill	Software and licences	Total
<b>At 31 December 2013</b>	<b>33,743</b>	<b>1,122</b>	<b>34,865</b>
Additions	0	468	468
Acquired through business combination	3,306	0	3,306
Reclassifications	0	5	5
Amortisation charge	0	-393	-393
Exchange differences	-202	-4	-206
<b>At 31 December 2014</b>	<b>36,847</b>	<b>1,198</b>	<b>38,045</b>

**Note 6 Borrowings**

	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>Short-term borrowings</b>		
Current portion of financial lease liability	0	2
Current portion of a long-term bank loan	253	238
<b>Total short-term borrowings</b>	<b>253</b>	<b>240</b>
<b>Long-term borrowings</b>		
Non-current portion of financial lease liability	0	7
Non-current portion of a long-term bank loan	65	325
Non-current portion of a long-term loan	1,078	0
Other borrowings	73	37
<b>Total long-term borrowings</b>	<b>1,216</b>	<b>369</b>
<b>Total borrowings</b>	<b>1,469</b>	<b>609</b>

Jackpot Game S.r.l. and Banka Popolare di Milano have concluded the loan agreement with the due date of 31 March 2016. The annual interest rate is 3-month Euribor + 2.0%.

The Box S.r.l. and G Holding S.r.l. have concluded the loan agreement with the due date of 31 December 2017. The annual interest rate is 6-month Euribor + 2.0%.

**Note 7 Equity**

The General Meeting of Shareholders held at 25 April 2014 decided to pay dividends to the shareholders of 0.10 euros per share in the total amount of 15,132,950.50 euros. Dividends were paid out to the shareholders on 13 May 2014.

**Earnings per share**

	<u>Q4 2014</u>	<u>Q4 2013</u>	<u>2014</u>	<u>2013</u>
Net profit for the period	4,376	7,402	21,597	25,694
Weighted average number of shares outstanding (in thousands)	151,791	151,329	151,791	151,329
Basic earnings per share (euro cents)	2.9	4.9	14.2	17.0
Diluted earnings per share (euro cents)	2.9	4.9	14.2	17.0

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.

In 2011, share options were granted to the members of the Management Board of Olympic Entertainment Group AS and the Group's key personnel. According to the agreements, a member of the Management Board may subscribe for up to 70,000 shares in Olympic Entertainment Group AS until the end of the option programme; the numbers of shares that may be subscribed for under the agreements concluded with the Group's key personnel are individually different. The exact number of shares that each member of the Management Board and each employee can subscribe for depends on the attainment of the Group's financial targets and the individual performance of each member of the Management Board or key personnel. The option holders had the right to subscribe for shares from 1 July 2014. The expiration date of the share option programme was 1 September 2014.

On 21 July 2014 the supervisory board of Olympic Entertainment Group AS has adopted a resolution to increase the share capital of the Company by EUR 184,680.40 by issuing shares without nominal value. The amount of share capital of the Company after the issuing of new shares is EUR 60,716,482.40. The increase of share capital relates to share option agreements concluded by the Company in 2011 and the exercise of options by option holders.

## 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 of external sales revenue and operating profit. At 31 December 2014, the Group had operations in the Estonian, Latvian, Lithuanian, Polish, Slovak, Belarusian and Italian markets.

All segments generate majority of their income from gaming transactions. In addition, Estonian segment is engaged in hotel services until 31 October 2013. Management estimates that inter-segment transactions have been concluded at market prices and under market conditions.

<b>Q4 2014</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	8,406	12,142	5,589	5,258	3,648	414	4,678	<b>40,135</b>
Gaming tax of Italy	0	0	0	0	0	0	-2,535	<b>-2,535</b>
Revenue	546	1,126	380	100	498	34	60	<b>2,744</b>
Inter-segment revenue	-123	0	0	-1	0	0	0	<b>-124</b>
<b>External revenue</b>	<b>8,829</b>	<b>13,268</b>	<b>5,969</b>	<b>5,357</b>	<b>4,146</b>	<b>448</b>	<b>2,203</b>	<b>40,220</b>
Other external revenue	23	2	2	13	6	12	0	<b>58</b>
<b>Total revenue</b>	<b>8,852</b>	<b>13,270</b>	<b>5,971</b>	<b>5,370</b>	<b>4,152</b>	<b>460</b>	<b>2,203</b>	<b>40,278</b>
<b>Total expenses</b>	<b>-7,045</b>	<b>-7,975</b>	<b>-5,640</b>	<b>-5,437</b>	<b>-4,828</b>	<b>-1,862</b>	<b>-2,474</b>	<b>-35,261</b>
Incl. Depreciation, amortisation and impairment losses	-306	-970	-644	-615	-272	-1,159	-110	<b>-4,076</b>
<b>Total operating profit (-loss)</b>	<b>1,807</b>	<b>5,295</b>	<b>331</b>	<b>-67</b>	<b>-676</b>	<b>-1,402</b>	<b>-271</b>	<b>5,017</b>

<b>Q4 2013</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	8,704	10,926	5,638	6,988	3,684	540	1,750	<b>38,230</b>
Gaming tax of Italy	0	0	0	0	0	0	-945	<b>-945</b>
Revenue	670	849	370	112	466	30	22	<b>2,519</b>
Inter-segment revenue	-157	0	-2	0	0	0	0	<b>-159</b>
<b>External revenue</b>	<b>9,217</b>	<b>11,775</b>	<b>6,006</b>	<b>7,100</b>	<b>4,150</b>	<b>570</b>	<b>827</b>	<b>39,645</b>
Other external revenue	78	5	0	204	0	0	0	<b>287</b>
<b>Total revenue</b>	<b>9,295</b>	<b>11,780</b>	<b>6,006</b>	<b>7,304</b>	<b>4,150</b>	<b>570</b>	<b>827</b>	<b>39,932</b>
<b>Total expenses</b>	<b>-7,236</b>	<b>-7,468</b>	<b>-4,803</b>	<b>-6,008</b>	<b>-3,954</b>	<b>-506</b>	<b>-840</b>	<b>-30,815</b>
Incl. Depreciation, amortisation and impairment losses	-408	-597	-189	-203	-293	-6	-85	<b>-1,781</b>
<b>Total operating profit (-loss)</b>	<b>2,059</b>	<b>4,312</b>	<b>1,203</b>	<b>1,296</b>	<b>196</b>	<b>64</b>	<b>-13</b>	<b>9,117</b>

<b>2014</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	31,575	43,863	20,984	22,438	14,000	1,780	13,943	<b>148,583</b>
Gaming tax of Italy	0	0	0	0	0	0	-7,506	<b>-7,506</b>
Revenue	1,890	3,963	1,313	384	1,796	117	163	<b>9,626</b>
Inter-segment revenue	-386	-1	0	-3	0	0	0	<b>-390</b>
<b>External revenue</b>	<b>33,079</b>	<b>47,825</b>	<b>22,297</b>	<b>22,819</b>	<b>15,796</b>	<b>1,897</b>	<b>6,600</b>	<b>150,313</b>
Other external revenue	29	41	3	27	175	72	0	<b>347</b>
<b>Total revenue</b>	<b>33,108</b>	<b>47,866</b>	<b>22,300</b>	<b>22,846</b>	<b>15,971</b>	<b>1,969</b>	<b>6,600</b>	<b>150,660</b>
<b>Total expenses</b>	<b>-26,680</b>	<b>-30,646</b>	<b>-19,369</b>	<b>-20,796</b>	<b>-16,609</b>	<b>-3,784</b>	<b>-6,981</b>	<b>-124,865</b>
Incl. Depreciation, amortisation and impairment losses	-1,572	-3,399	-1,511	-1,120	-1,128	-1,239	-387	<b>-10,356</b>
<b>Total operating profit (-loss)</b>	<b>6,428</b>	<b>17,220</b>	<b>2,931</b>	<b>2,050</b>	<b>-638</b>	<b>-1,815</b>	<b>-381</b>	<b>25,795</b>

<b>2013</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	32,409	36,218	20,258	27,025	14,487	2,234	7,037	<b>139,668</b>
Gaming tax of Italy	0	0	0	0	0	0	-3,747	<b>-3,747</b>
Revenue	2,984	3,049	1,249	386	1,623	144	67	<b>9,502</b>
Inter-segment revenue	-164	0	-4	-3	-1	0	0	<b>-172</b>
<b>External revenue</b>	<b>35,229</b>	<b>39,267</b>	<b>21,503</b>	<b>27,408</b>	<b>16,109</b>	<b>2,378</b>	<b>3,357</b>	<b>145,251</b>
Other external revenue	222	80	28	210	6	22	0	<b>568</b>
<b>Total revenue</b>	<b>35,451</b>	<b>39,347</b>	<b>21,531</b>	<b>27,618</b>	<b>16,115</b>	<b>2,400</b>	<b>3,357</b>	<b>145,819</b>
<b>Total expenses</b>	<b>-27,747</b>	<b>-24,640</b>	<b>-17,865</b>	<b>-23,151</b>	<b>-15,017</b>	<b>-2,352</b>	<b>-3,264</b>	<b>-114,036</b>
Incl. Depreciation, amortisation and impairment losses	-1,562	-2,329	-1,209	-1,061	-1,182	-81	-340	<b>-7,764</b>
<b>Total operating profit</b>	<b>7,704</b>	<b>14,707</b>	<b>3,666</b>	<b>4,467</b>	<b>1,098</b>	<b>48</b>	<b>93</b>	<b>31,783</b>

## Note 9 Transactions with related parties

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

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

<u>Purchase of goods and services</u>	<u>2014</u>	<u>2013</u>
Shareholders with significant influence	1	2
<b>Total</b>	<b>1</b>	<b>2</b>

As at 31.12.2014 and 31.12.2013, there were no balances of receivables and liabilities.

In 2014, 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 793 thousand (2013: EUR 823 thousand) and EUR 151 thousand (2013: EUR 157 thousand), respectively.