



## Year-end report | January–December 2024 | Evolution AB (publ)

### Fourth quarter of 2024 (Q4 2023)

- Total operating revenues increased 31.5% to EUR 625.3 million (475.3)
- EBITDA increased 35.0% to EUR 455.0 million (337.0), corresponding to a margin of 72.8% (70.9)
- Profit for the period amounted to EUR 377.1 million (282.9)
- Earnings per share amounted to EUR 1.83 (1.32)

### Fourth quarter of 2024 (Q4 2023), excluding other operating revenues\*

- Net revenues increased 12.3% to EUR 533.8 million (475.3)
- Adjusted EBITDA (excluding other operating revenues) increased 7.9% to EUR 363.6 million (337.0), corresponding to a margin of 68.1% (70.9)

\*Other operating revenues are related to reduced earn-out liability

### January–December 2024 (2023)

- Total operating revenues increased 23.1% to EUR 2,214.1 million (1,798.6)
- EBITDA increased 23.2% to EUR 1,561.8 million (1,267.4), corresponding to a margin of 70.5% (70.5)
- Profit for the period amounted to EUR 1,244.0 million (1,070.9)
- Earnings per share amounted to EUR 5.94 (5.01)

### January–December 2024 (2023), excluding other operating revenues\*

- Net revenues increased 14.7% to EUR 2,063.1 million (1,798.6)
- Adjusted EBITDA (excluding other operating revenues) increased 11.3% to EUR 1,410.7 million (1,267.4), corresponding to a margin of 68.4% (70.5)

### Events during the fourth quarter of 2024

- The Board proposes a dividend of EUR 2.80 per share (2.65)
- The Board intends to repurchase shares up to EUR 500 million
- Over 1,700 Live tables at the end of the period (1,600)

### Summary of the fourth quarter and the full-year 2024

Group, EUR thousands	Oct-Dec 2024	Oct-Dec 2023	%	Jan-Dec 2024	Jan-Dec 2023	%
Net revenues	533,845	475,310	12.3%	2,063,085	1,798,601	14.7%
Other operating revenues	91,408	-	-	151,058	-	-
Total operating revenues	625,253	475,310	31.5%	2,214,143	1,798,601	23.1%
EBITDA	454,965	336,963	35.0%	1,561,775	1,267,413	23.2%
EBITDA margin	72.8%	70.9%	-	70.5%	70.5%	-
Adjusted EBITDA excl. other operating revenues	363,557	336,963	7.9%	1,410,717	1,267,413	11.3%
Adjusted EBITDA margin excl. other operating revenues	68.1%	70.9%	-	68.4%	70.5%	-
Profit for the period	377,104	282,859	33.3%	1,244,015	1,070,858	16.2%
Profit margin	60.3%	59.5%	-	56.2%	59.5%	-
Earnings per share before dilution, EUR	1.83	1.32	37.8%	5.94	5.01	18.4%
Earnings per share before dilution excl. other operating revenues, EUR	1.38	1.32	4.4%	5.22	5.01	4.0%

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 21,250+ 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](http://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 fourth quarter 2024, Evolution reports net revenue of EUR 533.8 million and adjusted EBITDA of EUR 363.6 million, corresponding to year-on-year revenue growth of 12.3 percent and an adjusted EBITDA margin of 68.1 percent. Net revenue growth at constant currency is estimated to be 16 percent in the fourth quarter. In addition to net revenues the quarter also includes non-recurring other operating revenues of EUR 91.4 million related to a reduced earn-out liability. For the full year 2024 net revenue growth is 14.7 percent and the adjusted EBITDA margin is 68.4 percent.

During the past year Evolution has strengthened its position as the world's leading provider and innovator of online casino games. However, it has also been a year in which we have handled several challenges such as the sabotage activities towards our Georgian studio, cyber-attacks in the Asia region and also an increased tax-rate. For 2025 our first priority continues to be growth and to increase market share in the expanding online casino market. Expansion will continue in 2025 - with a slightly more expensive resource mix, taking into account the situation in Asia and a strengthened focus on regulated markets we expect to see an effect on margin. We estimate the EBITDA margin for full-year 2025 to be in the range of 66-68 percent. We have scalability in our business model and in the longer term there is good opportunity for higher margins.

We continue to innovate and develop our world-leading product portfolio. The key to our future success is to continue to give players an exciting, entertaining and flawless playing experience. During the past year we have invested in our patent-protected portfolio and we are now increasing our efforts against infringements and counterfeit versions of our games. Our 2024 game releases have performed very well and have met my high expectations from the beginning of the year. Our "Product Leap" years will continue into 2025. I am happy to state that our roadmap for the coming year is the strongest and most solid ever. It includes games with brand new mechanics, many games that have a truly global audience, as well as incremental improvements to our classics. Announced titles include the much-anticipated Marble Race, a new amazing Fishing game, a spectacular Crash-game as well as the instant classic Fireball Roulette and extensions of our unique Blackjack portfolio among many other releases.

We saw strong momentum in the final quarter of the year in North America, Latin America and Europe. Development in Asia is flat versus the previous quarter as we continue to face challenges from cyber-attacks towards our video distribution in the region.

Our Live Casino offering continues to perform well in the fourth quarter with 13.3 percent growth year-on-year. We end the year with over 1,700 tables, a net increase of about 100 tables during 2024. During the year we added over 300 tables across our network, which I am happy with, but with significantly reduced capacity in our Georgia studio, this added capacity is still not enough. We are currently operating without any disruptions in Georgia and expect to remain at the current reduced capacity as we ramp up expansion in other studios.

To respond to the continued strong demand for Live Casino we will continue to invest for growth during 2025. We have ongoing projects for new studios in Brazil and the Philippines and I expect in total to open 3-4 new studios during the year. For 2025 we estimate capex of about 140 MEUR in line with 2024.

We maintain the positive trend of incremental improvements for our RNG offering and I am pleased with the releases in the fourth quarter, resulting in a year-on-year growth of 6.7 percent. The improvements made to our platform during the year are clearly starting to show effect. We will maintain a high pace of new RNG game releases for 2025.

The regulatory landscape in our industry is constantly evolving. An increasing number of countries introduce a national regulation for online casino. We view this development positively and consider it a long-term driver of growth for the industry as it over time attracts new end-users and clarifies how B2C operators can address the market. As a B2B provider of games we hold licenses in several markets and need to adapt as regulation evolves. We have implemented further technical measures to ring-fence the regulated markets

and to ensure that our games are available only through the locally licensed B2C operators in markets where local licenses are available. This change is reflected in our lowered margin guidance for the year.

As mentioned, three of our four regions showed strong development in the quarter. North America continued its strong performance from the previous quarter. Expanded table capacity and new game releases support Live Casino and improvement in RNG indicates that the region has turned a corner. In Europe we experienced steady development during the year at around 10 percent growth. We have a very exciting year ahead in Latin America, where the Brazil market introduced local regulation starting in January 2025, our upcoming local studio will be important to supply the demand in the country. We are also expanding table capacity in Colombia for the Spanish speaking regions in Latin America market as well as for markets outside the region. 2024 has been a difficult year in Asia and the region remains affected by cyber-attacks in the fourth quarter. Revenue in the quarter is flat in comparison to the previous quarter. We continue our work to resolve the situation with full force but as stated in Q3 we expect this to take some time. The development in Asia is also reflected in our lowered margin guidance for 2025.

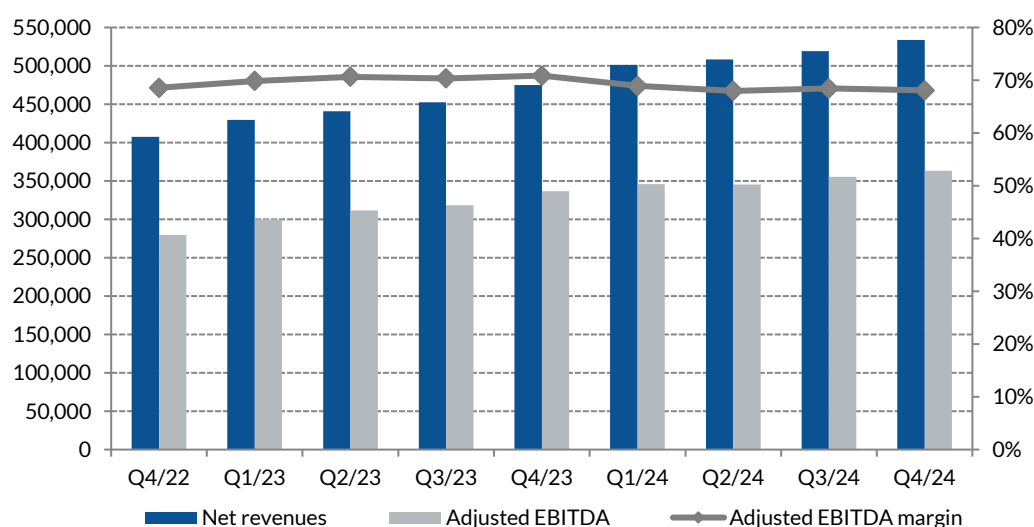
The Board of directors proposes a dividend of EUR 2.80 (2.65) per share for 2024, in line with our dividend policy. In addition, the Board intends to repurchase shares for up to EUR 500 million during 2025, in line with our capital allocation framework.\*

Evolution is highly profitable, debt-free with strong cash flow delivering capital returns to shareholders. We are very well positioned for 2025, and I look forward to what we will do during the year to continue to maximize after-tax earnings for our shareholders. I am also grateful for the hard work and the ways in which our Evolution-team has taken on and resolved the many challenges during the past year. With great determination, with hard work and professionalism our employees have brought Evolution to an excellent position for future growth. We will relentlessly continue to strive to make Evolution a bit better every day also during 2025.

**Martin Carlesund**  
**CEO**

\* Press release 18/07/2024

### Quarterly results trend



## Financial performance in the fourth quarter of 2024

### Net revenues

Net revenues amounted to EUR 533.8 million (475.3) in the fourth quarter, equivalent to an increase of 12.3 percent compared with the corresponding period in 2023. Revenue growth adjusted for changes in foreign exchange rates is estimated to 16 percent compared with the same period the preceding year. EUR 459.4 million (405.6) of the revenue was derived from live-games and EUR 74.4 million (69.8) 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.

### Net revenues by game type

Group, EUR million	Oct-Dec 2023	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Oct-Dec 2024
Live	405.6	431.3	438.1	446.9	459.4
RNG	69.8	70.1	70.3	72.5	74.4
Net revenues	475.3	501.5	508.4	519.4	533.8

### Expenses

Operating expenses amounted to EUR 207.6 million (172.7). 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 fourth quarter of 2023. The expansion has also increased other operating expenses compared with Q4 2023. Changes in foreign exchange rates affected operating expenses positively with EUR 0.5 million compared with the same period the preceding year.

### Profitability

Operating profit amounted to EUR 417.6 million (302.6), corresponding to an increase of 38.0 percent. The operating margin was 66.8 percent (63.7). The EBITDA margin was 72.8 percent (70.9). The adjusted EBITDA margin excluding other operating revenue related to reduction of earn-out liability for NLC was 68.1 percent (70.9).

Net financial items amounted to EUR 7.7 million (0.4) related to interest income, leasing interest expenses and currency exchange differences. The Group's effective tax rate for the quarter amounted to 11.3 percent

(6.7), 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, which may vary between reported periods. Profit for the quarter amounted to EUR 377.1 million (282.9). Earnings per share before dilution were EUR 1.83 (1.32).

#### **Investments**

Investments in intangible assets amounted to EUR 20.0 million (18.2) 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 15.5 million (12.1) and comprised 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 329.5 million (314.4) during the quarter. Cash flow from investing activities was negative in the amount of EUR 37.5 million (negative 29.2). Cash flow from financing activities was negative in the amount of EUR 156.1 million (negative 112.2) and included repurchase of own shares of EUR 150.4 million (115.8). Cash and cash equivalents amounted to EUR 801.5 million (985.8) at the end of the quarter.

## **Full-year 2024 in brief**

#### **Net revenues**

For the January-December 2024 period, net revenues amounted to EUR 2,063.1 million (1,798.6), corresponding to an increase of 14.7 percent compared with 2023. EUR 1,775.7 million (1,523.3) of the revenue was derived from live-games and EUR 287.4 million (275.3) from RNG-games. The positive revenue development within live casino mainly derives from increased commission income from both new and existing customers.

#### **Expenses**

Operating expenses amounted to EUR 794.6 million (655.9). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios. The strong expansion has also increased other operating expenses compared to the previous year.

#### **Profitability**

Operating profit amounted to EUR 1,419.6 million (1,142.7) with an operating margin of 64.1 percent (63.5). The EBITDA margin was 70.5 percent (70.5). The adjusted EBITDA margin was 68.4 percent (70.5).

#### **Investments**

Investments in intangible assets amounted to EUR 71.4 million (52.0) for the year. Investments in property, plant and equipment amounted to EUR 65.3 million (42.2). Change in financial assets amounted to negative EUR 103.7 million (2.4) and included investment in bond portfolio of EUR 100 million (-). See Note 5 for information about acquisition of group companies.

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 1,301.0 million (1,168.4) over the period. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 248.0 million (negative 139.4) and included investment in subsidiaries of EUR 7.6 million (47.5) and investment in bond portfolio of EUR 100 million (-). Cash flow from financing activities was negative in the amount of EUR 1,238.1 million (negative 574.5) and included dividend to shareholders of EUR 559.3 million (427.4) and repurchase of own shares of EUR 678.0 million (115.8).

## 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 fourth quarter 72.0 percent (69.0) 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.

#### Net revenue per geographical region

Group, EUR million	Oct-Dec 2023	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Oct-Dec 2024
Europe	185.8	191.0	191.3	194.9	201.8
Asia	181.7	197.6	200.7	202.2	202.2
North America	59.1	62.1	60.2	64.8	70.6
LatAm	32.1	33.0	36.6	37.4	38.5
Other	16.6	17.8	19.6	20.2	20.7
<b>Net revenues</b>	<b>475.3</b>	<b>501.5</b>	<b>508.4</b>	<b>519.4</b>	<b>533.8</b>
Share of regulated markets	40%	39%	39%	39%	41%
Net revenues, regulated markets	189.6	195.4	199.4	204.4	220.4

### Customer dependency

Evolution's largest customer accounted for approximately 13 percent (13) of net revenues in 2024, and the five largest customers accounted for about 46 percent (41) of net revenues. At the end of the period the number of customers amounted to approximately 800 (800).

#### Customer dependency, % of net revenues

	2020	2021	2022	2023	2024
Top 1-5	33%	22%	30%	41%	46%
Top 1	11%	11%	14%	13%	13%

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the fourth quarter of 2024 amounted to EUR 2.2 million (4.9) and expenses to EUR 6.5 million (5.4). Operating profit was negative in the amount of EUR 4.3 million (negative 0.5). Profit for the period amounted to EUR 1,409.8 million (550.8) and include dividend income of EUR 1,447.3 million (550.0). Increase in tax expense is related to the estimated top-up tax for Pillar II. The Parent Company's cash and cash equivalents amounted to EUR 14.1 million (53.1) at the end of the period and equity amounted to EUR 3,153.9 million (3,057.6). No significant investments were made in intangible or tangible assets.

### Employees

As of 31 December 2024, Evolution had 21,252 employees (19,221), corresponding to 15,381 full-time positions (14,850). The average number of full-time equivalents for the quarter was 14,882 (13,988).

### 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 578.4 million (563.8) to shareholders, corresponding to EUR 2.80 (2.65) per share and 52.9 percent (52.7) of net profit, 2024 adjusted for income from reduced earn-out liability. The dividend is calculated by the number of shares 31 December 2024 with the deduction of Evolution's holding of own shares by the same date which amounted to 5,270,961 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 repurchase programme that was announced on 18 July 2024 was completed and closed on 21 October 2024. The Company has, during the period 1 October – 21 October 2024, acquired a total of 1,719,163 of its own shares within the framework of the repurchase programme. Since 19 July up to and including 21 October, a total of 4,481,685 shares have been acquired within the scope of the programme. Following the above acquisitions, Evolution's holding of own shares amounted to 5,270,961 as of 31 December 2024.

**Calendar**

Interim report January – March 2025	30 April
Annual General Meeting	5 May
Interim report January – June 2025	17 July
Interim report January – September 2025	23 October

Stockholm, 30 January 2025

**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 Thursday, 30 January 2025 at 09:00 am CET via a telephone conference. The presentation will be in English and can also be followed online.

**Webcast**

If you wish to participate via webcast please use the link below:

<https://evolution.events.inderes.com/q4-report-2024/register>

**Teleconference**

If you wish to participate via teleconference please register on the link below. After registration you will be provided with phone numbers and a conference ID to access the conference.

<https://conference.financialhearings.com/teleconference/?id=50051575>

*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 30 January 2025, 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	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Revenues - Live	459,447	405,557	1,775,734	1,523,274
Revenues - RNG	74,398	69,753	287,351	275,327
<b>Net revenues</b>	<b>533,845</b>	<b>475,310</b>	<b>2,063,085</b>	<b>1,798,601</b>
Other operating revenues*	91,408	-	151,058	-
<b>Total operating revenues</b>	<b>625,253</b>	<b>475,310</b>	<b>2,214,143</b>	<b>1,798,601</b>
Personnel expenses	-109,046	-93,860	-437,835	-355,300
Depreciation, amortisation and impairments	-37,331	-34,365	-142,222	-124,683
Other operating expenses	-61,242	-44,487	-214,533	-175,888
<b>Total operating expenses</b>	<b>-207,619</b>	<b>-172,712</b>	<b>-794,590</b>	<b>-655,871</b>
<b>Operating profit</b>	<b>417,634</b>	<b>302,598</b>	<b>1,419,553</b>	<b>1,142,730</b>
Financial items	7,711	449	19,371	5,877
<b>Profit before tax</b>	<b>425,345</b>	<b>303,047</b>	<b>1,438,924</b>	<b>1,148,607</b>
Tax on profit for the period	-48,241	-20,188	-194,909	-77,749
<b>Profit for the period</b>	<b>377,104</b>	<b>282,859</b>	<b>1,244,015</b>	<b>1,070,858</b>
<i>Of which attributable to:</i>				
Shareholders of the Parent Company	377,104	282,859	1,244,015	1,070,858
Average number of shares before dilution	206,562,243	213,487,612	209,562,751	213,566,498
Earnings per share before dilution, EUR	1.83	1.32	5.94	5.01
Average number of shares after dilution	206,562,243	215,310,981	210,473,394	217,069,145
Earnings per share after dilution, EUR	1.83	1.31	5.91	4.93
Operating margin	66.8%	63.7%	64.1%	63.5%
Effective tax rate	11.3%	6.7%	13.5%	6.8%
Effective tax rate excl. other operating revenues (non-taxable income)	14.4%	6.7%	15.1%	6.8%

\*Other operating revenues is reduction of earn-out liability, see Note 5.

## Condensed comprehensive income statement

Group, EUR thousands	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
<b>Profit for the period</b>	<b>377,104</b>	<b>282,859</b>	<b>1,244,015</b>	<b>1,070,858</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit</i>				
Exchange differences arising from the translation of foreign operations	-23,485	78,991	-60,349	8,326
<b>Other comprehensive income</b>	<b>-23,485</b>	<b>78,991</b>	<b>-60,349</b>	<b>8,326</b>
<b>Total comprehensive income for the period</b>	<b>353,619</b>	<b>361,850</b>	<b>1,183,666</b>	<b>1,079,184</b>

## Consolidated balance sheet

Group, EUR thousands	31/12/2024	31/12/2023
<b>Assets</b>		
Goodwill	2,276,524	2,324,005
Other intangible assets	692,399	714,509
Buildings	20,126	10,968
Right of use assets	83,673	70,382
Property, plant and equipment	147,493	121,106
Financial assets measured at amortised cost	100,824	-
Other non-current receivables	10,537	6,779
Deferred tax assets	9,302	3,471
<b>Total non-current assets</b>	<b>3,340,878</b>	<b>3,251,220</b>
Accounts receivable	408,985	348,420
Current tax receivables	726,601	314,239
Other receivables	31,787	27,827
Prepaid expenses and accrued income	37,047	46,022
Cash and cash equivalents*	801,474	985,756
<b>Total current assets</b>	<b>2,005,894</b>	<b>1,722,264</b>
<b>TOTAL ASSETS</b>	<b>5,346,772</b>	<b>4,973,484</b>
<b>Equity and liabilities</b>		
Share capital	650	648
Other capital contributed	2,429,053	2,411,607
Reserves	-267,301	-206,952
Retained earnings including profit for the period	1,809,433	1,800,912
<b>Total equity</b>	<b>3,971,835</b>	<b>4,006,215</b>
Deferred tax liabilities	62,976	61,393
Non-current lease liabilities	77,394	65,534
Provision for pensions	1,610	-
Other non-current liabilities	129,869	279,019
<b>Total non-current liabilities</b>	<b>271,849</b>	<b>405,946</b>
Accounts payable	16,053	13,063
Current tax liabilities	957,241	418,957
Other current liabilities	61,010	62,029
Current lease liabilities	16,268	13,923
Accrued expenses and prepaid income	52,516	53,351
<b>Total current liabilities</b>	<b>1,103,088</b>	<b>561,323</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,346,772</b>	<b>4,973,484</b>
*Including restricted cash for jackpot liabilities	14,400	13,298

## 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
<b>Closing equity 31/12/2023</b>	<b>648</b>	<b>2,411,607</b>	<b>-206,952</b>	<b>1,800,912</b>	<b>4,006,215</b>

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
Dividend	-	-	-	-559,266	-559,266
Warrants	-	-59,559	-	1,760	-57,799
Repurchase of own shares	-	-	-	-677,988	-677,988
New share issue	2	77,005	-	-	77,007
Profit for the period	-	-	-	1,244,015	1,244,015
Other comprehensive income	-	-	-60,349	-	-60,349
<b>Closing equity 31/12/2024</b>	<b>650</b>	<b>2,429,053</b>	<b>-267,301</b>	<b>1,809,433</b>	<b>3,971,835</b>

## Consolidated statement of cash flow

Group, EUR thousands	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Operating profit	417,634	302,598	1,419,553	1,142,730
<i>Adjustment for items not included in cash flow:</i>				
Depreciation/amortisation/impairments	37,331	34,365	142,222	124,683
Other*	-88,012	-1,129	-148,061	1,135
Interest received	3,894	7,372	20,959	14,308
Interest paid	-161	-23	-371	-39
Tax paid	427	-4,063	-74,419	-49,772
<b>Cash flow from operating activities before changes in working capital</b>	<b>371,113</b>	<b>339,120</b>	<b>1,359,883</b>	<b>1,233,045</b>
Increase/decrease accounts receivable	-55,204	-22,456	-60,344	-72,370
Increase/decrease accounts payable	1,585	3,932	2,480	3,044
Increase/decrease other working capital	12,013	-6,181	-1,015	4,728
<b>Cash flow from operating activities</b>	<b>329,507</b>	<b>314,415</b>	<b>1,301,004</b>	<b>1,168,447</b>
Acquisition of intangible assets	-19,984	-18,169	-71,395	-51,973
Acquisition of tangible assets	-15,494	-12,141	-65,318	-42,219
Acquisition of subsidiary	-3,254	-	-7,583	-47,536
Increase/decrease financial assets	1,235	1,117	-103,675	2,370
<b>Cash flow from investing activities</b>	<b>-37,497</b>	<b>-29,193</b>	<b>-247,971</b>	<b>-139,358</b>
Repayment of lease liability	-5,746	-6,094	-18,272	-18,907
Repurchase of own shares	-150,356	-115,758	-677,988	-115,758
Warrants	-24	9,687	-59,559	-48,187
New share issue	-	-	77,007	35,749
Dividend	-	-	-559,266	-427,398
<b>Cash flow from financing activities</b>	<b>-156,126</b>	<b>-112,165</b>	<b>-1,238,078</b>	<b>-574,501</b>
<b>Cash flow for the period</b>	<b>135,884</b>	<b>173,057</b>	<b>-185,045</b>	<b>454,588</b>
Cash and cash equivalents at start of period	663,730	813,320	985,756	532,554
Exchange rate differences	1,860	-621	763	-1,386
<b>Cash and cash equivalents at end of period</b>	<b>801,474</b>	<b>985,756</b>	<b>801,474</b>	<b>985,756</b>

\*2024: Reduction of earn-out liability Oct-Dec EUR 91.4 million, Jan-Dec EUR 151.1 million.

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	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net revenues	533,845	475,310	2,063,085	1,798,601
Adjusted EBITDA margin	68.1%	70.9%	68.4%	70.5%
EBITDA margin	72.8%	70.9%	70.5%	70.5%
Operating margin	66.8%	63.7%	64.1%	63.5%
Profit margin	60.3%	59.5%	56.2%	59.5%
Equity/assets ratio	74.3%	80.6%	74.3%	80.6%
Cash and cash equivalents	801,474	985,756	801,474	985,756
Average number of full-time employees	14,882	13,988	14,885	13,044
Full-time employees at end of period	15,381	14,850	15,381	14,850
Earnings per share before dilution, EUR (IFRS)	1.83	1.32	5.94	5.01
Equity per share, EUR	19.23	18.83	19.23	18.83
Operating cash flow per share before dilution, EUR	1.60	1.47	6.21	5.47
Average number of outstanding shares before dilution	206,562,243	213,487,612	209,562,751	213,566,498
Number of outstanding shares	206,562,243	212,771,346	206,562,243	212,771,346

## Consolidated key ratios by quarter

Group, EUR thousands	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22
Net revenues	533,845	519,379	508,410	501,451	475,310	452,642	441,075	429,574	407,480
Adjusted EBITDA	363,557	355,607	345,767	345,786	336,963	318,599	311,693	300,158	279,529
Adjusted EBITDA margin	68.1%	68.5%	68.0%	69.0%	70.9%	70.4%	70.7%	69.9%	68.6%
EBITDA	454,965	415,257	345,767	345,786	336,963	318,599	311,693	300,158	279,529
EBITDA margin	72.8%	71.7%	68.0%	69.0%	70.9%	70.4%	70.7%	69.9%	68.6%
Operating profit	417,634	379,179	311,129	311,611	302,598	287,137	281,515	271,480	250,004
Operating margin	66.8%	65.5%	61.2%	62.1%	63.7%	63.4%	63.8%	63.2%	61.4%
Revenue growth vs prior year	12.3%	14.7%	15.3%	16.7%	16.6%	19.6%	28.2%	31.5%	35.7%
Revenue growth vs prior quarter	2.8%	2.2%	1.4%	5.5%	5.0%	2.6%	2.7%	5.4%	7.6%
Cash and cash equivalents	801,474	663,730	688,687	974,125	985,756	813,320	541,707	759,736	532,554

## Reconciliation of selected key ratios not defined in accordance with IFRS

Group, EUR thousands	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
<b>Net operating revenues</b>				
Total operating revenues	625,253	475,310	2,214,143	1,798,601
Other operating revenues	-91,408	-	-151,058	-
<b>Net revenues</b>	<b>533,845</b>	<b>475,310</b>	<b>2,063,085</b>	<b>1,798,601</b>
<b>Operating margin</b>				
Profit before tax	425,345	303,047	1,438,924	1,148,607
Net financial items	-7,711	-449	-19,371	-5,877
<b>Operating profit (EBIT)</b>	<b>417,634</b>	<b>302,598</b>	<b>1,419,553</b>	<b>1,142,730</b>
Divided by Total operating revenues	625,253	475,310	2,214,143	1,798,601
<b>Operating (EBIT) margin</b>	<b>66.8%</b>	<b>63.7%</b>	<b>64.1%</b>	<b>63.5%</b>
<b>Adjusted EBITDA and adjusted EBITDA margin</b>				
Profit before tax	425,345	303,047	1,438,924	1,148,607
Net financial items	-7,711	-449	-19,371	-5,877
Depreciation/amortisation	37,331	34,365	142,222	124,683
Other operating revenues	-91,408	-	-151,058	-
<b>Adjusted EBITDA</b>	<b>363,557</b>	<b>336,963</b>	<b>1,410,717</b>	<b>1,267,413</b>
Divided by Net revenues	533,845	475,310	2,063,085	1,798,601
<b>Adjusted EBITDA margin</b>	<b>68.1%</b>	<b>70.9%</b>	<b>68.4%</b>	<b>70.5%</b>
<b>EBITDA and EBITDA margin</b>				
Profit before tax	425,345	303,047	1,438,924	1,148,607
Net financial items	-7,711	-449	-19,371	-5,877
Depreciation/amortisation	37,331	34,365	142,222	124,683
<b>EBITDA</b>	<b>454,965</b>	<b>336,963</b>	<b>1,561,775</b>	<b>1,267,413</b>
Divided by Total operating revenues	625,253	475,310	2,214,143	1,798,601
<b>EBITDA margin</b>	<b>72.8%</b>	<b>70.9%</b>	<b>70.5%</b>	<b>70.5%</b>
<b>Profit margin</b>				
Profit for the period	377,104	282,859	1,244,015	1,070,858
Divided by Total operating revenues	625,253	475,310	2,214,143	1,798,601
<b>Profit margin</b>	<b>60.3%</b>	<b>59.5%</b>	<b>56.2%</b>	<b>59.5%</b>
<b>Equity/Assets ratio</b>				
Total equity	3,971,835	4,006,215	3,971,835	4,006,215
Divided by Total assets	5,346,772	4,973,484	5,346,772	4,973,484
<b>Equity/Assets ratio</b>	<b>74.3%</b>	<b>80.6%</b>	<b>74.3%</b>	<b>80.6%</b>

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	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	2,218	4,928	15,663	19,289
Other external expenses	-6,539	-5,381	-20,782	-19,415
<b>Operating profit</b>	<b>-4,321</b>	<b>-453</b>	<b>-5,119</b>	<b>-126</b>
Financial income and expenses	1,449,397	551,491	1,448,881	552,145
<b>Profit before tax</b>	<b>1,445,076</b>	<b>551,038</b>	<b>1,443,762</b>	<b>552,019</b>
Tax on profit for the period	-35,239	-253	-127,705	-509
<b>Profit for the period*</b>	<b>1,409,837</b>	<b>550,785</b>	<b>1,316,057</b>	<b>551,510</b>

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

## Condensed Parent Company balance sheet

Parent company, EUR thousands	31/12/2024	31/12/2023
<b>Assets</b>		
Intangible assets	40	185
Property, plant and equipment	264	342
Participating interest in Group companies	2,630,780	2,630,780
Deferred tax asset	628	1
Other non-current receivables	518	14
<b>Total non-current assets</b>	<b>2,632,230</b>	<b>2,631,322</b>
Receivables from Group companies	633,178	375,378
Other current receivables	1,047	5,496
Prepaid expenses and accrued income	6,222	9,843
Cash and cash equivalents	14,126	53,051
<b>Total current assets</b>	<b>654,573</b>	<b>443,768</b>
<b>TOTAL ASSETS</b>	<b>3,286,803</b>	<b>3,075,090</b>
<b>Equity and liabilities</b>		
Share capital	650	648
Retained earnings including profit for the year	3,153,208	3,056,959
<b>Total equity</b>	<b>3,153,858</b>	<b>3,057,607</b>
Accounts payable	407	108
Current tax liabilities	129,254	607
Liabilities to Group companies	6	589
Other current liabilities	1,324	14,586
Accrued expenses and prepaid income	1,954	1,593
<b>Total current liabilities</b>	<b>132,945</b>	<b>17,483</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,286,803</b>	<b>3,075,090</b>

## 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

No significant events.

### 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. More information about the programme is available in the 2023 annual report.

### 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 acquired 100 percent of the share capital in 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 was EUR 4.8 million net on a cash and debt free basis. In addition, Evolution may pay an earn-out based on Livespins' performance in 2026. Livespins is included in the consolidated accounts, the effect on Evolution Group's results of operations and financial position is not material.

Evolution has entered into an agreement to acquire Galaxy Gaming, Inc. for a total equity value of approximately USD 85 million, payable in cash. Closing is expected in mid-2025, Galaxy Gaming Inc. is therefore not yet included in the consolidated accounts.

Evolution has acquired 100 percent of the share capital in Arcadia Gaming Solutions Ltd. Arcadia's innovative proprietary technology enables players to engage real-time with a physical arcade machine virtually through their desktop or mobile devices, offering a unique and engaging online experience. The up-front cash consideration was EUR 2.9 million net on a cash and debt free basis. In addition, Evolution may pay an earn-out based on Arcadia's performance in 2025. Arcadia is included in the consolidated accounts, the effect on Evolution Group's results of operations and financial position is not material.

Evolution has decided to extend the earn-out period related to the purchase of BTG until 2026. The earn-out liability has been reduced with EUR 59.7 million which is recorded as other operating revenues. Remaining earn-out with net present value of EUR 103.2 million may be paid at the latest in 2026.

Evolution has decided to extend the earn-out period related to the purchase of NLC until 2026. The earn-out liability has been reduced with EUR 91.4 million which is recorded as other operating revenues. Remaining earn-out with net present value of EUR 34.3 million may be paid at the latest in 2027.



## Definitions of key ratios

Key ratios	Definition	Purpose
Net revenues	Total operating revenues less other operating revenues.	Key ratio used by management to monitor the revenue trend in the Group.
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 total 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	EBITDA in relation to total operating revenues.	Key ratio used by management to monitor the earnings trend in the Group.
Adjusted EBITDA	EBITDA less other operating revenues.	Key ratio used by management to monitor the earnings trend in the Group.
Adjusted EBITDA margin	Adjusted EBITDA in relation to net revenues.	Key ratio used by management to monitor the earnings trend in the Group.
Profit margin	Profit for the period in relation to total 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	Net revenues for the period divided by net 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	Net revenues for the period divided by net 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.
<b>Per share</b>		
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.
Earnings per share before dilution excluding other operating revenues	Profit for the period less other operating revenues 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 less shares in own custody.	Used to calculate key ratios in relation to the number of shares at the end of the period.