

Interim report | January–March 2025 | Evolution AB (publ)

First quarter of 2025 (Q1 2024)

- Net revenues increased by 3.9% to EUR 520.9 million (501.5)
- EBITDA decreased by 1.1% to EUR 342.0 million (345.8), corresponding to a margin of 65.6% (69.0)
- Profit for the period amounted to EUR 254.7 million (269.2)
- Earnings per share before dilution amounted to EUR 1.24 (1.27)

Events during the first quarter of 2025

- Proactive and self-initiated actions to ring-fence regulated markets in Europe.
- Launch of third studio in New Jersey and second studio in Romania.
- Initiation of a share repurchase programme. In the quarter a total of 2,100,081 own shares were acquired.

Summary of the first quarter

Group, EUR thousands	Jan-Mar 2025	Jan-Mar 2024	%	Apr 2024- Mar 2025	Jan-Dec 2024	%
Net revenues	520,944	501,451	3.9%	2,082,578	2,063,085	0.9%
Other operating revenues	-	-	-	151,058	151,058	0.0%
Total operating revenues	520,944	501,451	3.9%	2,233,636	2,214,143	0.9%
EBITDA	341,976	345,786	-1.1%	1,557,965	1,561,775	-0.2%
EBITDA margin	65.6%	69.0%	-	69.8%	70.5%	-
Adjusted EBITDA excl. other operating revenues	341,976	345,786	-1.1%	1,406,907	1,410,717	-0.3%
Adjusted EBITDA margin excl. other operating revenues	65.6%	69.0%	-	67.6%	68.4%	-
Profit for the period	254,669	269,157	-5.4%	1,229,527	1,244,015	-1.2%
Profit margin	48.9%	53.7%	-	55.0%	56.2%	-
Earnings per share before dilution, EUR	1.24	1.27	-2.8%	5.91	5.94	-0.5%

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 22,200+ people in studios across Europe and in North America. The parent company is based in Sweden and listed on Nasdaq Stockholm with the ticker EVO. Visit www.evolution.com for more information. Evolution is licensed and regulated by the Malta Gaming Authority under license MGA/B2B/187/2010. Evolution is also licensed and regulated in many other jurisdictions such as the United Kingdom, Belgium, Canada, Romania, South Africa, and others.

CEO's comments

For the first quarter of 2025, Evolution reports net revenues of EUR 520.9 million and EBITDA of EUR 342.0 million, corresponding to year-on-year revenue growth of 3.9 percent and an EBITDA margin of 65.6 percent. Revenue growth at constant currency is estimated to be 6.1 percent.

The decelerated growth rate in the quarter is not only impacted by the development of the currency rates but also connected to conscious actions we have taken that will be beneficial for the business in the longer term. Firstly, we are addressing the ongoing issues in Asia where we are implementing technical countermeasures to stop the criminal cyber activity, which has put pressure on revenue growth. Secondly, and on top of what we have already done in the UK to meet regulatory requirements, we have taken proactive and self-initiated actions in February to ring-fence additional regulated markets in Europe. The effects have varied, with the largest negative revenue impact in markets where channelisation is low. We have had constructive dialogues with all the large European regulators in the quarter and continue to support them in the ways that we can. However, it is important to remember that channelisation is primarily dependent on factors outside of our control, i.e. the ways in which the regulatory parameters are structured. To create a long-term sustainable regulatory environment in which the end-users are protected while also having an entertaining gaming experience is a balance of those parameters. The long-term picture remains intact: Regulation is positive and attracts new end-users over time, but regulation must be done in a way that serves the needs of the players in each country.

As a consequence of the above, the profitability for the first quarter is on the low side. We believe that the actions we are taking also will impact the second quarter, but that the second half of the year will be stronger. We therefore keep our full-year estimate of an EBITDA margin of 66 to 68 percent. In this context, I would like to reiterate our stance that we will always prioritise growth over margin which is why we are continuing to invest also in times when we see short-term disturbances to our business.

For 2025, we have the strongest product roadmap ever with more than 110 new releases that will further strengthen our world-leading portfolio. Many of the headline games were showcased at ICE in Barcelona in January with great reception from operators. Among the successful launches already in the first quarter are Race Track and War, followed by the highly anticipated game show Marble Race in the beginning of the second quarter, as well as Fireball Roulette which is officially launched today. From our RNG brands, a total of 17 new games have been launched in the quarter. Nolimit City's Duck Hunters stands out as one of the best slot releases we have seen in years. Looking at upcoming releases, I would specifically want to highlight Ice Fishing, set for launch this summer. It is unlike any other game show that we have created and has already created a buzz in the industry.

Our Live Casino offering exhibited 4 percent growth year-on-year. Despite the effects from the ring-fencing and the cyber-attack countermeasures, the underlying potential in both Europe and Asia remains solid. North America continues to perform well, and in Latin America, our Colombian studio that opened in 2024 is developing very well with increasing demand from Spanish-speaking markets. We also believe activity in the region will increase supported by the new regulation in Brazil. It can be noted that we have seen a jump in the total share of net revenues from regulated markets which now stands at 45 percent. To meet the global demand, we continue to invest in studios. In the first quarter, we have launched a second studio in Romania and a third studio in New Jersey. The studio projects in Brazil and in the Philippines are on track for launch in the second half of 2025. We will also open a second studio in Michigan, USA during autumn.

In our RNG portfolio, Nolimit City continues to be one of the strongest slot brands in the world right now, whereas we can grow more in our other brands in the RNG space. Overall, the RNG growth was 3 percent year-on-year.

Our studio in Georgia continues to operate without disruptions but with reduced capacity. During the first quarter, one of the Big Four accounting firms has conducted an independent investigation of the Georgian operations, based on the allegations that were spread in connection with the strike last year. The conclusions of that investigation have been summarised in a report that clearly substantiates all that Evolution stated

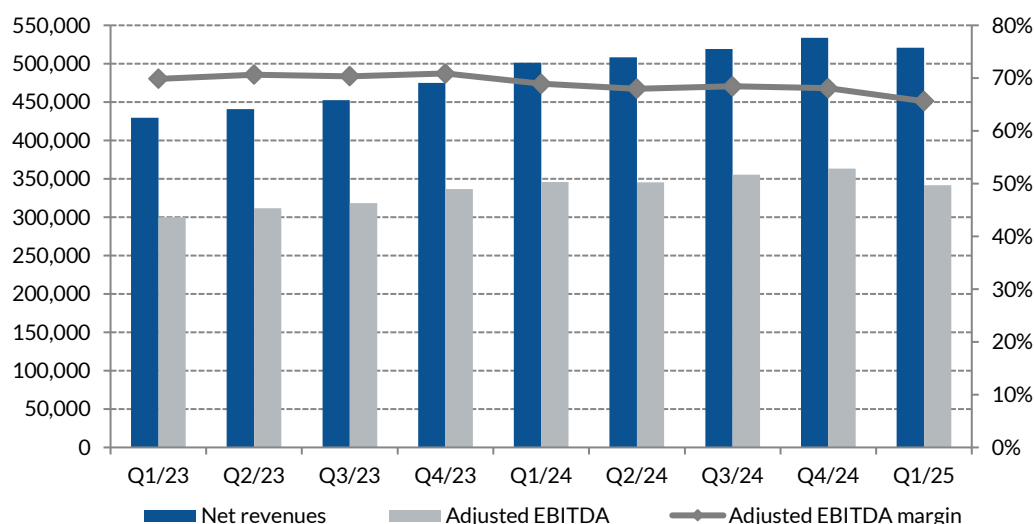
during and after the strike on a range of issues including salary levels, strike participation and workplace environment. This third-party report has now been distributed to the unions and relevant authorities, and for Evolution, the strike is now a closed chapter.

The Evolution team now numbers more than 22,000 employees all over the world. The majority of our young employees take their first step into the labour market with us, and we take pride in offering them a great workplace with competitive benefits and significant career development opportunities. As an example, in our Michigan operations, we employ about 1,000 employees, and more than 85 percent of the supervisor and manager vacancies are filled by internal promotions.

Needless to say, I am not happy with the financial development in the quarter, but one must take into account that the results are impacted by necessary steps that contribute to our mission to ever increase the gap to competition. It takes hard work in all areas; staying ahead in the ever-changing regulatory landscape, being an attractive employer around the globe, moving our technology to the cutting edge and offering the best product in the world. The road cannot always be straight, but what is crucial is that we learn from the challenges we face and relentlessly adapt and strive to make Evolution a little bit better every day.

Martin Carlesund
CEO

Quarterly results trend



Financial performance in the first quarter of 2025

Net revenues

Net revenues amounted to EUR 520.9 million (501.5) in the first quarter, equivalent to an increase of 3.9 percent compared with the corresponding period in 2024. Revenue growth adjusted for changes in foreign exchange rates is estimated to 6.1 percent compared with the same period the preceding year. EUR 448.7 million (431.3) of the revenue was derived from live-games and EUR 72.3 million (70.1) 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	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025
Live	431.3	438.1	446.9	459.4	448.7
RNG	70.1	70.3	72.5	74.4	72.3
Net revenues	501.5	508.4	519.4	533.8	520.9

Expenses

Operating expenses amounted to EUR 217.5 million (189.8). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios and the expansion in general compared to the first quarter of 2024. The expansion has also increased other operating expenses compared with Q1 2024. Changes in foreign exchange rates affected operating expenses negatively with EUR 1.0 million compared with the same period the preceding year.

Profitability

Operating profit amounted to EUR 303.4 million (311.6), corresponding to a decrease of 2.6 percent. The operating margin was 58.2 percent (62.1). The EBITDA margin was 65.6 percent (69.0).

Net financial items amounted to negative EUR 1.2 million (5.9) related to interest income, leasing interest expenses and currency exchange differences. The Group's effective tax rate for the quarter amounted to 15.7 percent (15.2). The tax rate is influenced by the countries in which earnings are generated and may vary

between reported periods. Profit for the period amounted to EUR 254.7 million (269.2). Earnings per share before dilution were EUR 1.24 (1.27).

Investments

Investments in intangible assets amounted to EUR 16.6 million (17.1) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 17.0 million (19.3) 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 361.3 million (301.8) during the quarter. Cash flow from investing activities was negative in the amount of EUR 33.2 million (negative 42.7). Cash flow from financing activities was negative in the amount of EUR 159.2 million (negative 270.8) and included repurchase of own shares of EUR 154.1 million (284.0). Cash and cash equivalents amounted to EUR 969.2 million (974.1) at the end of the quarter.

Market development

Online Casino market

The global online casino market (Live & RNG) has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total global online casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the first quarter 72 percent (69) 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 revenues per geographical region

Group, EUR million	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025
Europe	191.0	191.3	194.9	201.8	189.7
Asia	197.6	200.7	202.2	202.2	201.9
North America	62.1	60.2	64.8	70.6	71.5
LatAm	33.0	36.6	37.4	38.5	36.2
Other	17.8	19.6	20.2	20.7	21.6
Net revenues	501.5	508.4	519.4	533.8	520.9
Share of regulated markets	39%	39%	39%	41%	45%
Net revenues, regulated markets	195.4	199.4	204.4	220.4	233.2

Other

Parent Company

The Parent Company is a holding company. Net sales for the first quarter of 2025 amounted to EUR 4.2 million (5.0) and expenses to EUR 5.5 million (5.1). Operating profit amounted to negative EUR 1.3 million (negative 0.1). Profit for the period amounted to negative EUR 28.4 million (negative 31.4). The Parent Company's cash and cash equivalents amounted to EUR 10.3 million (108.2) at the end of the period and equity amounted to EUR 3,000.1 million (2,759.8). No significant investments were made in intangible or tangible assets.

Employees

As of 31 March 2025, Evolution had 22,223 (20,537) employees, corresponding to 16,368 (15,547) full-time positions. The average number of full-time equivalents for the quarter was 15,617 (14,897).

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. The legal situation in regulated markets 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 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 2024, which is available on the company's website.

Dividend

The Board of Directors has proposed that the Annual General Meeting 2025 resolve to transfer EUR 572.5 million (563.8) to shareholders, corresponding to EUR 2.80 (2.65) per share and 52.4 percent (52.7) of net profit, excluding other operating revenues, respectively. The dividend is calculated by the number of shares 30 April 2025 with the deduction of Evolution's holding of own shares by the same date which amounted to 7,371,042 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

On 10 February 2025 it was announced that the Board of Directors of Evolution has, based on the authorisation from the Annual General Meeting 2024, resolved that the Company shall acquire its own shares. The maximum amount for which shares may be repurchased under this repurchase programme is EUR 500 million. Evolution has during the period 11 February to 24 March 2025 acquired a total of 2,100,081 of its own shares within the repurchase programme. Number of shares in own custody amounts thereafter to 7,371,042.

Upcoming report dates

Annual General Meeting	9 May 2025
Interim report January-June 2025	17 July 2025
Interim report January-September 2025	23 October 2025

Stockholm, 30 April 2025

Martin Carlesund
CEO

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Presentation for investors, analysts and the media

CEO Martin Carlesund and CFO Joakim Andersson will present the report and answer questions on Wednesday, 30 April 2025 at 09:00 am CET via a telephone conference. The presentation will be in English and can also be followed online.

Webcast: <https://evolution.events.inderes.com/q1-report-2025/register>

Teleconference: Dial-in number to the teleconference will be received by registering on the link below. After the registration you will be provided phone numbers and a conference/user ID to access the conference.

<https://conference.inderes.com/teleconference/?id=50051576>

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 April 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	Jan-Mar 2025	Jan-Mar 2024	Apr 2024-Mar 2025	Jan-Dec 2024
Revenues - Live	448,655	431,338	1,793,051	1,775,734
Revenues - RNG	72,289	70,113	289,527	287,351
Net revenues	520,944	501,451	2,082,578	2,063,085
Other operating revenues*	-	-	151,058	151,058
Total operating revenues	520,944	501,451	2,233,636	2,214,143
Personnel expenses	-119,949	-106,771	-451,013	-437,835
Depreciation, amortisation and impairments	-38,541	-34,175	-146,588	-142,222
Other operating expenses	-59,019	-48,894	-224,658	-214,533
Total operating expenses	-217,509	-189,840	-822,259	-794,590
Operating profit	303,435	311,611	1,411,377	1,419,553
Financial items	-1,246	5,877	12,248	19,371
Profit before tax	302,189	317,488	1,423,625	1,438,924
Tax on profit for the period	-47,520	-48,331	-194,098	-194,909
Profit for the period	254,669	269,157	1,229,527	1,244,015
<i>Of which attributable to:</i>				
Shareholders of the Parent Company	254,669	269,157	1,229,527	1,244,015
Average number of shares before dilution	205,610,452	211,325,865	208,133,898	209,562,751
Earnings per share before dilution, EUR	1.24	1.27	5.91	5.94
Average number of shares after dilution	205,610,452	214,968,437	208,133,898	210,473,394
Earnings per share after dilution, EUR	1.24	1.25	5.91	5.91
Operating margin	58.2%	62.1%	63.2%	64.1%
Effective tax rate	15.7%	15.2%	13.6%	13.5%

*Other operating revenues was reduction of earn-out liability.

Condensed comprehensive income statement

Group, EUR thousands	Jan-Mar 2025	Jan-Mar 2024	Apr 2024-Mar 2025	Jan-Dec 2024
Profit for the period	254,669	269,157	1,229,527	1,244,015
Other comprehensive income				
<i>Items that may be reclassified to profit</i>				
Exchange differences arising from the translation of foreign operations	112,148	-76,367	128,166	-60,349
Other comprehensive income	112,148	-76,367	128,166	-60,349
Total comprehensive income for the period	366,817	192,790	1,357,693	1,183,666

Condensed consolidated balance sheet

Group, EUR thousands	31/03/2025	31/03/2024	31/12/2024
Assets			
Goodwill	2,366,168	2,265,564	2,276,524
Other intangible assets	709,808	690,931	692,399
Buildings	19,875	20,487	20,126
Right of use assets	83,451	70,475	83,673
Property, plant and equipment	151,793	123,666	147,493
Bond portfolio	101,604	-	100,824
Other financial assets	10,667	11,507	10,537
Deferred tax assets	8,756	5,248	9,302
Total non-current assets	3,452,122	3,187,878	3,340,878
Accounts receivable	390,735	396,815	408,985
Current tax receivables	820,287	407,793	726,601
Other receivables	26,535	27,190	31,787
Prepaid expenses and accrued income	35,872	45,622	37,047
Cash and cash equivalents*	969,208	974,125	801,474
Total current assets	2,242,637	1,851,545	2,005,894
TOTAL ASSETS	5,694,759	5,039,423	5,346,772
Equity and liabilities			
Share capital	650	650	650
Other capital contributed	2,429,053	2,429,274	2,429,053
Reserves	-155,153	-283,319	-267,301
Retained earnings including profit for the period	1,910,419	1,786,678	1,809,433
Total equity	4,184,969	3,933,283	3,971,835
Deferred tax liabilities	63,928	59,296	62,976
Non-current lease liabilities	76,289	65,289	77,394
Provision for pensions	1,700	-	1,610
Other non-current liabilities	129,799	279,434	129,869
Total non-current liabilities	271,716	404,019	271,849
Accounts payable	17,797	15,104	16,053
Current tax liabilities	1,094,257	557,857	957,241
Current lease liabilities	16,636	14,437	16,268
Other current liabilities	58,355	64,158	61,010
Accrued expenses and prepaid income	51,029	50,565	52,516
Total current liabilities	1,238,074	702,121	1,103,088
TOTAL EQUITY AND LIABILITIES	5,694,759	5,039,423	5,346,772
*Including restricted cash for jackpot liabilities	11,119	15,659	14,400

Condensed consolidated changes in equity

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
Closing equity 31/12/2024	650	2,429,053	-267,301	1,809,433	3,971,835

Group 2025, EUR thousands	Share capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 01/01/2025	650	2,429,053	-267,301	1,809,433	3,971,835
Warrants	-	-	-	391	391
Repurchase of own shares	-	-	-	-154,074	-154,074
Profit for the period	-	-	-	254,669	254,669
Other comprehensive income	-	-	112,148	-	112,148
Closing equity 31/03/2025	650	2,429,053	-155,153	1,910,419	4,184,969

Condensed consolidated statement of cash flow

Group, EUR thousands	Jan-Mar 2025	Jan-Mar 2024	Apr 2024- Mar 2025	Jan-Dec 2024
Operating profit	303,435	311,611	1,411,377	1,419,553
<i>Adjustment for items not included in cash flows:</i>				
Depreciation, amortisation and impairments	38,541	34,175	146,588	142,222
Other*	-3,440	-142	-151,359	-148,061
Interest received	4,763	7,007	18,715	20,959
Interest paid	-104	-688	213	-371
Tax paid	-4,110	-5,958	-72,571	-74,419
Cash flow from operating activities before changes in working capital	339,085	346,005	1,352,963	1,359,883
Increase/decrease accounts receivable	18,042	-48,283	5,981	-60,344
Increase/decrease accounts payable	1,902	1,967	2,415	2,480
Increase/decrease other working capital	2,306	2,125	-834	-1,015
Cash flow from operating activities	361,335	301,814	1,360,525	1,301,004
Acquisition of intangible assets	-16,635	-17,080	-70,950	-71,395
Acquisition of tangible assets	-16,974	-19,345	-62,947	-65,318
Acquisition of subsidiary	-	-	-7,583	-7,583
Increase/decrease other financial assets	427	-6,316	-96,932	-103,675
Cash flow from investing activities	-33,182	-42,741	-238,412	-247,971
Repayment of lease liability	-5,088	-4,398	-18,962	-18,272
Repurchase of own shares	-154,074	-284,033	-548,029	-677,988
Warrants	-	-59,319	-240	-59,559
New share issue	-	76,988	19	77,007
Dividend	-	-	-559,266	-559,266
Cash flow from financing activities	-159,162	-270,762	-1,126,478	-1,238,078
Cash flow for the period	168,991	-11,689	-4,365	-185,045
Cash and cash equivalents at start of period	801,474	985,756	974,125	985,756
Exchange rate differences	-1,257	58	-552	763
Cash and cash equivalents at end of period	969,208	974,125	969,208	801,474

*2024: Reduction of earn-out liability 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	Jan-Mar 2025	Jan-Mar 2024	Apr 2024-Mar 2025	Jan-Dec 2024
Net revenues	520,944	501,451	2,082,578	2,063,085
Adjusted EBITDA margin	65.6%	69.0%	67.6%	68.4%
EBITDA margin	65.6%	69.0%	69.8%	70.5%
Operating margin	58.2%	62.1%	63.2%	64.1%
Profit margin	48.9%	53.7%	55.0%	56.2%
Equity/assets ratio	73.5%	78.1%	73.5%	74.3%
Cash and cash equivalents	969,208	974,125	969,208	801,474
Average number of full-time equivalents	15,617	14,897	15,065	14,885
Number of full-time equivalents at end of period	16,368	15,547	16,368	15,381
Earnings per share before dilution, EUR (IFRS)	1.24	1.27	5.91	5.94
Equity per share, EUR	20.47	18.64	20.47	19.23
Operating cash flow per share before dilution, EUR	1.76	1.43	6.54	6.21
Average number of outstanding shares before dilution	205,610,452	211,325,865	208,133,898	209,562,751
Number of outstanding shares	204,462,162	211,043,728	204,462,162	206,562,243

Consolidated key ratios by quarter

Group, EUR thousands	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23
Net revenues	520,944	533,845	519,379	508,410	501,451	475,310	452,642	441,075	429,574
Adjusted EBITDA	341,976	363,557	355,607	345,767	345,786	336,963	318,599	311,693	300,158
Adjusted EBITDA margin	65.6%	68.1%	68.5%	68.0%	69.0%	70.9%	70.4%	70.7%	69.9%
EBITDA	341,976	454,965	415,257	345,767	345,786	336,963	318,599	311,693	300,158
EBITDA margin	65.6%	72.8%	71.7%	68.0%	69.0%	70.9%	70.4%	70.7%	69.9%
Operating profit	303,435	417,634	379,179	311,129	311,611	302,598	287,137	281,515	271,480
Operating margin	58.2%	66.8%	65.5%	61.2%	62.1%	63.7%	63.4%	63.8%	63.2%
Revenue growth vs prior year	3.9%	12.3%	14.7%	15.3%	16.7%	16.6%	19.6%	28.2%	31.5%
Revenue growth vs prior quarter	-2.4%	2.8%	2.2%	1.4%	5.5%	5.0%	2.6%	2.7%	5.4%
Cash and cash equivalents	969,208	801,474	663,730	688,687	974,125	985,756	813,320	541,707	759,736

Reconciliation of selected key ratios not defined in accordance with IFRS

Group, EUR thousands	Jan-Mar 2025	Jan-Mar 2024	Apr 2024-Mar 2025	Jan-Dec 2024
Net revenues				
Total operating revenues	520,944	501,451	2,233,636	2,214,143
Other operating revenues	-	-	-151,058	-151,058
Net revenues	520,944	501,451	2,082,578	2,063,085
Operating margin				
Profit before tax	302,189	317,488	1,423,625	1,438,924
Net financial items	1,246	-5,877	-12,248	-19,371
Operating profit (EBIT)	303,435	311,611	1,411,377	1,419,553
Divided by Total operating revenues	520,944	501,451	2,233,636	2,214,143
Operating (EBIT) margin	58.2%	62.1%	63.2%	64.1%
Adjusted EBITDA and Adjusted EBITDA margin				
Profit before tax	302,189	317,488	1,423,625	1,438,924
Net financial items	1,246	-5,877	-12,248	-19,371
Depreciation/amortisation	38,541	34,175	146,588	142,222
Other operating revenues	-	-	-151,058	-151,058
Adjusted EBITDA	341,976	345,786	1,406,907	1,410,717
Divided by Net revenues	520,944	501,451	2,082,578	2,063,085
Adjusted EBITDA margin	65.6%	69.0%	67.6%	68.4%
EBITDA and EBITDA margin				
Profit before tax	302,189	317,488	1,423,625	1,438,924
Net financial items	1,246	-5,877	-12,248	-19,371
Depreciation/amortisation	38,541	34,175	146,588	142,222
EBITDA	341,976	345,786	1,557,965	1,561,775
Divided by Total operating revenues	520,944	501,451	2,233,636	2,214,143
EBITDA margin	65.6%	69.0%	69.8%	70.5%
Profit margin				
Profit for the period	254,669	269,157	1,229,527	1,244,015
Divided by Total operating revenues	520,944	501,451	2,233,636	2,214,143
Profit margin	48.9%	53.7%	55.0%	56.2%
Equity/Assets ratio				
Total equity	4,184,969	3,933,283	4,184,969	3,971,835
Divided by Total assets	5,694,759	5,039,423	5,694,759	5,346,772
Equity/Assets ratio	73.5%	78.1%	73.5%	74.3%

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

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

Condensed Parent Company income statement and other comprehensive income

Parent company, EUR thousands	Jan-Mar 2025	Jan-Mar 2024	Apr 2024-Mar 2025	Jan-Dec 2024
Net sales	4,207	4,980	14,890	15,663
Other external expenses	-5,546	-5,089	-21,239	-20,782
Operating profit	-1,339	-109	-6,349	-5,119
Financial income and expenses	1,760	-1,823	1,452,464	1,448,881
Profit before tax	421	-1,932	1,446,115	1,443,762
Tax on profit for the period	-28,791	-29,503	-126,993	-127,705
Profit for the period*	-28,370	-31,435	1,319,122	1,316,057

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

Condensed Parent Company balance sheet

Parent company, EUR thousands	31/03/2025	31/03/2024	31/12/2024
Assets			
Intangible assets	51	128	40
Property, plant and equipment	247	336	264
Participating interest in Group companies	2,630,780	2,630,780	2,630,780
Deferred tax assets	554	373	628
Other financial assets	518	14	518
Total non-current assets	2,632,150	2,631,631	2,632,230
Receivables from Group companies	482,207	55,481	633,178
Other current receivables	1,508	1,337	1,047
Prepaid expenses and accrued income	6,264	8,454	6,222
Cash and cash equivalents	10,258	108,151	14,126
Total current assets	500,237	173,423	654,573
TOTAL ASSETS	3,132,387	2,805,054	3,286,803
Equity and liabilities			
Share capital	650	650	650
Retained earnings including profit for the period	2,970,764	2,759,158	3,153,208
Total equity	2,971,414	2,759,808	3,153,858
Accounts payable	560	314	407
Current tax liabilities	158,016	30,490	129,254
Liabilities to Group companies	-	13	6
Other current liabilities	425	12,634	1,324
Accrued expenses and prepaid income	1,972	1,795	1,954
Total current liabilities	160,973	45,246	132,945
TOTAL EQUITY AND LIABILITIES	3,132,387	2,805,054	3,286,803

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 2024 annual report. There are no amendments to IFRS standards in 2025 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.

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

In 2024, Evolution 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 the second half of 2025, Galaxy Gaming Inc. is therefore not yet included in the consolidated accounts.

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 equivalents	The average number of full-time equivalents during the period. Full-time equivalents include part-time positions.	Key ratio used by management to monitor the Group's number of employees' growth.
Per share		
Earnings per share before dilution	Profit for the period in relation to the average number of shares outstanding before dilution during the period.	Key ratio used by management to monitor the earnings trend in the Group.
Equity per share	Shareholders' equity divided by the number of shares outstanding at the end of the period.	Key ratio used by management to monitor the earnings trend in the Group.
Operational cash flow per share before dilution	Cash flow from operating activities in relation to the average number of shares outstanding before dilution during the period.	Key ratio used by management to monitor the cash flow trend in the Group.
Average number of shares outstanding	The average number of shares outstanding before dilution during the period.	Used to calculate key ratios in relation to the number of shares during the period.
Number of shares outstanding	Number of shares outstanding at the end of the period less shares in own custody.	Used to calculate key ratios in relation to the number of shares at the end of the period.