# Evolution

## ANNUAL REPORT 2024

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# The year in brief

A summary of another year in Evolution's history.

## THE YEAR IN FIGURES

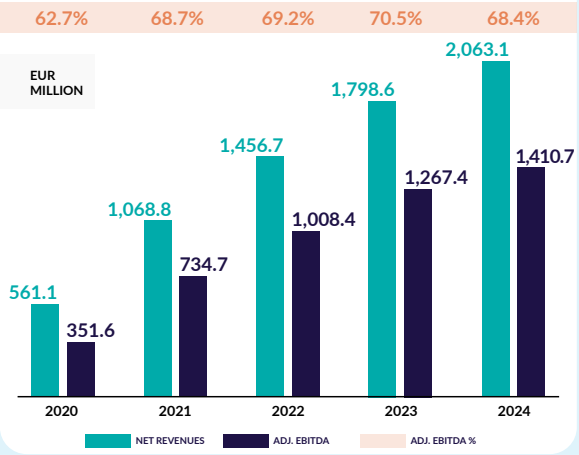
Adj. EBITDA **+11.3%** to **€1,410.7 million** (1,267.4) Adj. EBITDA margin **68.4%** (70.5)

Profit **+16.2%** to **€1,244.0 million** (1,070.9)

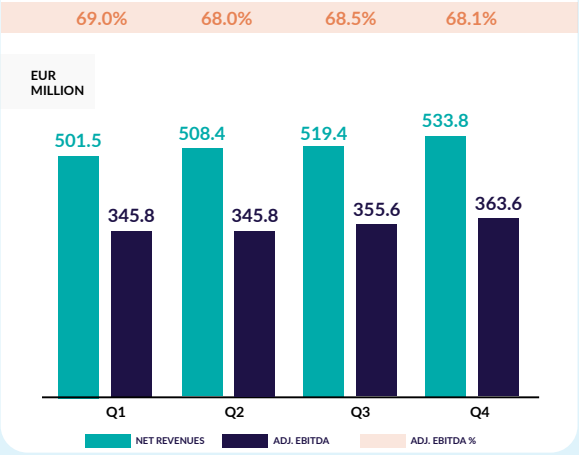
Earnings per share **€5.94** (5.01)

The Board proposes a dividend of **€2.80** (2.65) per share

### 5-year Financial Development




### Financial Development 2024



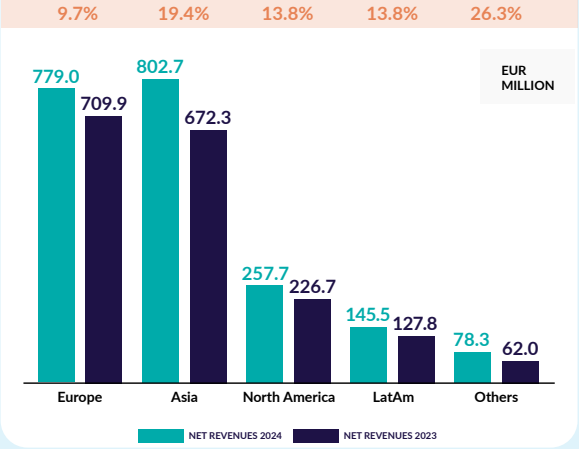

### Cost Structure

**18%**
Depreciation, amortisation and impairment

**27%**
Other operating expenses

**55%**
Personnel costs

### Geographic Growth 2024



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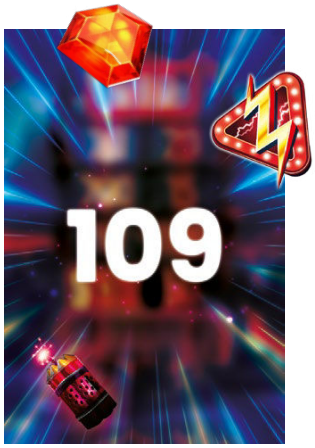
## HIGHLIGHTS

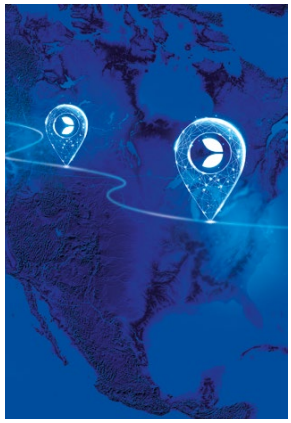



### 109 new titles including the 'biggest, most ambitious live game show ever created'

The number of new game launches from our brands increased again in 2024. Amongst a stream of highly successful live, RNG and slot titles, the biggest hitter was Lightning Storm, hailed by Chief Product Officer Todd Haushalter as the 'biggest, most ambitious live game show ever created'. Lightning Storm exceeded all our performance records, becoming our top release ever in terms of active users.

### Multiple new studios and studio expansions

Our global infrastructure and dominance were strengthened further by the opening of new live casino studios in the Czech Republic and Colombia. Construction also began on two new US studios — in New Jersey, and in Michigan. Increasing demand also drove expansion of our existing studios in Pennsylvania, Michigan and Connecticut in the USA, as well as in Canada, Armenia and Romania.



### Strong US market growth continues

Evolution's growth in the US market continued at pace. During the year Evolution entered the Delaware market, the sixth US state to open up for online casino. After the premiere launch of Crazy Time in New Jersey in late 2023, the game show was launched in Pennsylvania and Michigan during 2024. Also, Nolimit City launched its distinctive, high volatility slots in the US, joining our other online slot brands NetEnt, Red Tiger and Big Time Gaming.

### Further key acquisitions

Early in 2024 Evolution extended its offering with the acquisition of Livespins, the innovative B2B social streaming game provider. Livespins enables operators to offer players the opportunity to bet behind streamers.

In July, the acquisition of Galaxy Gaming was announced, a leading developer and distributor of innovative casino table games and enhanced gaming technology solutions. Galaxy Gaming is a premier provider of table game side bets – both for online and land-based casinos – games like "21+3", "Lucky Ladies" and "Perfect Pairs" are all in their catalogue.

The acquisition of Arcadia Gaming Solutions followed, with the arcade-style gaming specialist's innovative proprietary technology driving the launch of Ezugi's EZ Arcade online games Claw Roulette, Magic Claw and Coin Pusher.



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# Group CEO comments

A year of strong growth, innovation, and resilience.

2024 has been a year of continued expansion and innovation for Evolution. We have further strengthened our position as the world's leading provider and innovator of online casino games, delivering a solid financial performance while navigating challenges and seizing new opportunities in the global market.

Our net revenues for the year grew by 14.7 percent to EUR 2,063.1 million (1,798.6), reflecting the continued demand for our market-leading products and services. Our adjusted EBITDA margin for the year was 68.4 percent, slightly below our initial guidance due to external factors, but still demonstrating the strength of our highly scalable business model.

Throughout the year, we have remained committed to growth, making substantial investments in new studios, game development, and technology enhancements to drive long-term value creation. As part of our ongoing global expansion strategy, we launched new studios in Colombia and the Czech Republic and initiated projects in Brazil and the Philippines, reinforcing our commitment to serving a growing global market.

A key driver of our success in 2024 has been our commitment to innovation and product excellence. 2024 constituted the start of our 'Product Leap' years, as we introduced over 100 new games, maintaining our position at the forefront of gaming entertainment. Highlights include our biggest launch yet in the game show category Lightning Storm, the smash hit Lightning Dragon Tiger, and new types of games like Balloon Race.

We also started to roll-out new features on our OSS interface such as Bet with Streamers and AI Slot Recommender. Our Live Casino segment continues to thrive, delivering 16.6 percent growth compared to 2023, with over 1,700 tables live by year-end.

On the RNG side, we made significant progress with incremental improvements to our processes and high-quality game releases across our four brands – NetEnt, Red Tiger, Big Time Gaming and Nolimit City. The results of these efforts are evident, with RNG revenue showing steady improvements and increasing momentum heading into 2025.

While 2024 was a year of progress, we also encountered significant challenges. Disruptions at our Georgia studio, caused by external sabotage, and cyber-attacks targeting our Asian operations impacted our operations in the second half of the year. We responded swiftly with contingency plans, investments in new cyber security tools, and capacity expansions in other studios, minimising the impact on our customers and ensuring continued high-quality delivery and service.

As the regulatory landscape continues to evolve, with an increasing number of states introducing national regulations, we need to adapt to be able to seize the opportunities these changes provide us with. At the end of the year, we have implemented further technical measures to ring-fence locally regulated markets and to ensure that our games are available only through the locally licensed B2C operators in markets where local licenses are available. While these adjustments affected margins in the short term, we view the development of regulated markets as a long-term driver of growth, as it sets the foundation for sustainable growth and clear rules for operators.

All of our key markets demonstrated strong potential and continued growth.

North America delivered good growth in the states where we are active. During the year, we have introduced our Live Casino offering in Delaware, deepened partnerships with major operators and finished the year with very strong momentum. We very much look forward to 2025 and what it will bring in terms of development in the region.



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Martin Carlesund, Group CEO of Evolution.

Europe continued its steady growth trajectory, increasing almost 10 percent compared to the previous year. We are excited for the year to come in Latin America, where Brazil's new regulatory framework marks a major milestone. Our continued focus on studio expansion in the region will be important for us to capture opportunities in that market.

As Asia has faced operational disruptions due to the sophisticated cyber-attacks against our video streaming, we are seeing slower growth than in previous years. We are forcefully addressing these challenges to regain momentum in the coming year but expect the issue, as well as some of the measures launched, to affect growth for some quarters ahead. Long-term we still see very large potential in the Asia region.

Evolution remains a highly profitable, debt-free company with strong cash flow. The Board of Directors published a capital allocation framework during the year. For 2024, the Board of Directors proposes a dividend of EUR 2.80 per share, in addition, a share buyback program of up to EUR 500 million is planned for 2025, in line with the capital allocation framework.

As we enter 2025, our primary focus remains on growth and market share expansion. We will continue investing in new studios, game development, and technology-driven innovations to enhance our competitive advantage. While several external challenges are present at the moment, we are confident in our ability to adapt, innovate, and lead the industry forward.

With an exceptional team of over 21,000 dedicated professionals, Evolution is poised for another year of breakthroughs and success. I want to extend my deepest gratitude to our employees, partners, and shareholders for the continued trust and support. Together, we will keep pushing boundaries and shaping the future of online gaming.

Let's make Evolution even stronger in 2025 – one step at a time, every single day.

**Martin Carlesund,**
**Group CEO**



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300
75
225
105
150
45
1500
x2
30
300

# STRATEGIC REPORT


OUR BUSINESS MODEL, VISION AND STRATEGY

OUR MARKETPLACE

OUR ONLINE CASINO OPERATIONS

OUR GLOBAL STUDIOS

OUR WORLD-LEADING ONLINE CASINO PORTFOLIO

THE EVOLUTION SHARE

# Our business model, vision and strategy

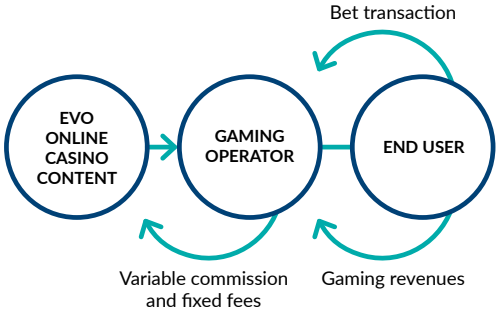
With a scalable business model and a market-leading offering, Evolution is paving the way for the development of the online casino segment on a global basis.

## Mission

To make operators successful and provide an excellent gaming experience for their end users.

## Vision

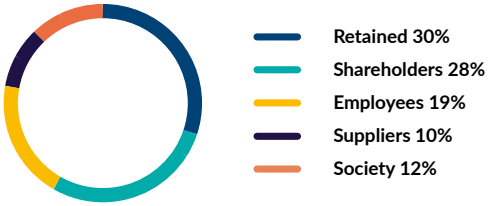
To be the leading online casino provider in the world.




## Business model

Evolution innovates, develops, and produces content for online casino on a B2B basis. Our content can only be played through the interface of an operator who adds important aspects of the gaming experience e.g. authentication of the player, player account management and user interface.

The gaming operators then market and offer the products to their end users. Evolution's customers include the majority of the largest online gaming operators in Europe and North America, as well as a growing number of land-based casinos that have begun to offer games online.

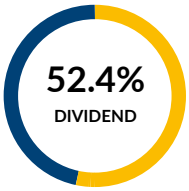



The chart shows the distribution of created economic value to employees in the form of salaries, suppliers for purchases of products and services, shareholders in the form of dividends and society in general by taxes and fees.

## Value creation

Through its operations, Evolution creates economic value for its various stakeholders. The Company's overarching aim is to create value for its shareholders by providing stable returns over time. In addition, Evolution contributes with value to the local communities where it has a presence, as well as to its employees, who are crucial to the Company's success. Evolution also has close and long-term relations with its suppliers to ensure quality in the service offering.

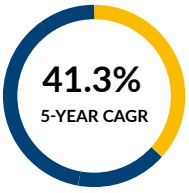
## Medium to long-term objectives




### Dividend

To distribute a minimum dividend of 50% of net profit over time.

- Outcome 2024: Proposal of **52.4%**




### Growth

To increase the gap with our competitors and grow faster than the global online casino market.

- Five-year compound annual growth rate **41.3%** compared with **23.1%** for the 5-year CAGR of the online casino market (according to H2GC)



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## Revenue model

The majority of Evolution's revenues consists of commission fees for both live and RNG casino. Commission is calculated as a percentage of the operators' winnings generated via the Company's casino offering.

For live casino, the most basic agreements normally include access to, and streaming from generic tables, while more complex agreements can include dedicated tables and environments, VIP services, native-speaking dealers and other customisations to produce a live casino experience that is unique for the end user and helps the operator to stand out from the crowd.

Dedicated table fees are monthly service charges to operators who have opted to provide dedicated tables for their end users. Dedicated tables are reserved and used exclusively by the operator and can be customised completely to the operator's requirements as regards to studio environment, graphics, brand attributes and language. The fee varies from customer to customer depending on factors such as the type of game, number of tables and active hours.

In addition to commission and dedicated table fees, there are other smaller sources of income such as set-up fees, which are invoiced to new customers in conjunction with the launch of their casino offering.

## Cost structure

Evolution's largest cost items are personnel costs. Personnel costs are primarily related to staff and recruitment within operations, as well as IT and product development. Other costs include royalty fees, consultants and communication among others.

Product innovation and development also constitutes a material cost item, both directly in terms of operating expenses, and indirectly through depreciation of capitalised development costs.

Evolution Group stand at the International Casino Exhibition (ICE) in London, UK.

## Growth through product innovation

Important aspects for expanding our market share are partly the migration to online, and partly new games that attract new players. We are excited to play a role in digitalising the industry as more and more players experience online casino through our games. The rate at which land-based will convert to online over the years to come remains unpredictable, however we have our growth runway in place to capitalise on the development.

In 2017, we revolutionised the live casino domain with the launch of in-house developed game shows. This category of games has been acting as a powerful conversion tool to attract new player types to live casino, such as first-time live players and those who do not traditionally play live casino. These game shows, with a unique mix of live casino and RNG with augmented reality technology, have enabled us to expand to a much broader group of end users and consolidate Evolution's position as the leading innovator in the gaming industry.

Evolution always strives to increase the gap to the competition. Already today, Evolution has clear leadership in the online casino market and aims to keep its growth momentum. As a Group, we are committed to creating the best gaming experience for every player in both live and slots. The most important growth factor is to create games with the highest player entertainment value delivered in an exceptional and flawless way. Since its inception, the Company has successfully launched innovative games and solutions that are attractive to both operators and their end users.

The core of our offering is traditional table games - Roulette, Blackjack and Baccarat, the demand for these games remains high, and we will also continue to develop variants and unique twists on these player favourites. We will also continue to expand our range of game shows, utilising the newest technological and live casino studio innovations to appeal to an even broader spectrum of players.

With the broadening of our product offering through the expansion into slots, Evolution has become a powerhouse that now offers solutions for operators and their players across live casino, including game shows, RNG table games and slots.

It is the players that are key to achieving our success. In order to earn their attention and excitement we need to be responsive to new player preferences. With technical innovations coming rapidly, it is also important for us to be at the forefront of new technology and digital trends in order to stay relevant among players.

In addition to new titles, an important part of our product development is to constantly improve the gaming experience in our existing games – securing long-term quality through continuous improvements and enhancement of user interfaces.

We have rebuilt our back-end structure and can now offer our partners our games through one integration – the One Stop Shop solution. It is a way for us to better serve our new and existing partners and facilitates the launch of new games.



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# Our marketplace

Online casino continues its strong performance in the gaming market.

## Total global gaming market

Evolution's services are available on a global scale and its products answer to a global demand.

According to market estimates from H2GC*, the total global gaming market, land-based and online, had an estimated value of EUR 545 billion (504) in 2024, measured in gross gaming revenues.

Roughly 72 percent (75) of this figure comprised land-based gaming, primarily via monopolised state-owned lottery operations, land-based casinos and gaming machines etc.

The global market for all types of online gaming has grown significantly faster than the total gaming market in recent years. For the past five years, online gaming achieved a compound annual growth rate of close to 15 percent compared with 5 percent for the market as a whole, including all types of gaming/gambling.

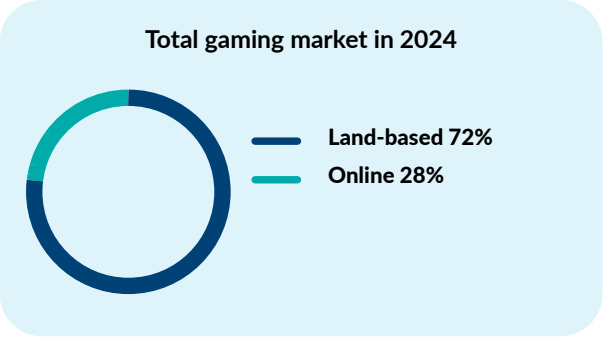
## Online casino five-year growth

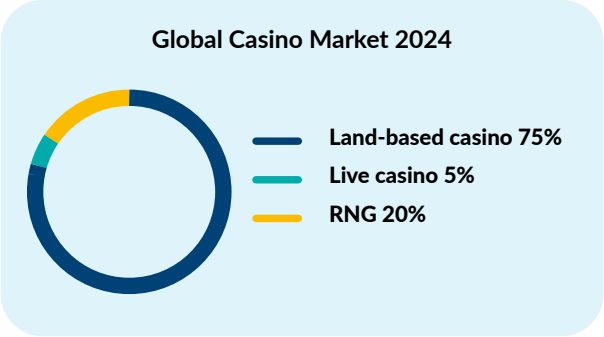
Globally online casino (live, RNG-tables and slots) has had a compound annual growth rate of 23 percent during the last five years. Live casino has been the fastest growing segment within online casino, with an annual growth rate of close to 25 percent in the same period.

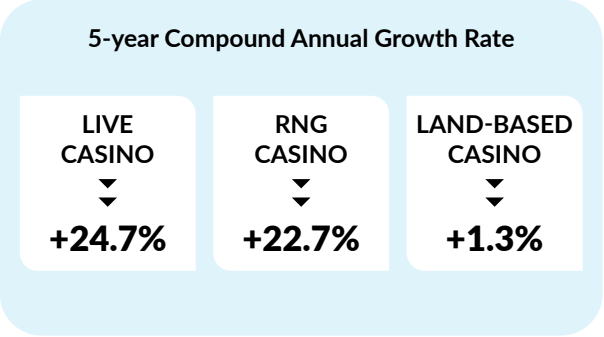
## Online casino 2024

According to H2GC, the global online casino market (live, RNG & slots) had in 2024 an estimated growth of 23 percent compared with the year before. The share of online amounted to 25 percent of the total casino market in 2024. The share of live, i.e. live casino's share of the total online casino market, was 20 percent in 2024.

*H2 Gambling Capital: Detailed Global Summary Data (€), 6th March 2025.






Patent Owner Evolution, EX2001, p. 11
Light & Wonder, Inc. v. Evolution Malta Ltd.
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## Regulation

The gaming industry is regulated at a national or a regional level. Many countries have regulations for land-based casinos that are not applied to online gaming. Some countries have a gaming monopoly, in which only one operator is permitted, while others have established systems in which several operators can be licensed to offer online games. In some cases, gaming operators that are licensed in one country offer games in other countries as well.

An increasing number of countries introduce national regulations. This means that gaming operators, and in some cases also providers, must apply for country-specific licences, pay local taxes and be subject to national monitoring.

Regulation is an important growth factor for the online casino market, because it brings more potential end users and gives operators greater opportunities to promote the product. Some markets require B2B providers to hold a local B2B license, other regulated markets only offer B2C licenses. Evolution holds all the relevant B2B licenses where they are required to sell our products. In markets requiring only a B2C license, new legislation tends mainly to affect the Company indirectly.

## LICENSES

Evolution endeavours to be the most reliable live casino provider in the market and holds all the licenses and certifications where available. Evolution aims to maintain the highest international standards in terms of regulatory compliance and security.

One or more brands within the Evolution Group is licensed and regulated in these jurisdictions:

| | |
|---|---|
| Alderney | Panama |
| Argentina | Peru |
| Bahamas | Romania |
| Belgium | South Africa |
| Botswana | Spain |
| Bulgaria | Sweden |
| Canada | Tanzania |
| Curaçao | Uganda |
| Denmark | United Kingdom |
| Georgia | USA - Connecticut |
| Gibraltar | USA - Delaware |
| Greece | USA - Michigan |
| Isle of Man | USA - New Jersey |
| Latvia | USA - Pennsylvania |
| Malta | USA - West Virginia |
| Namibia | |



Patent Owner Evolution, EX2001, p. 12
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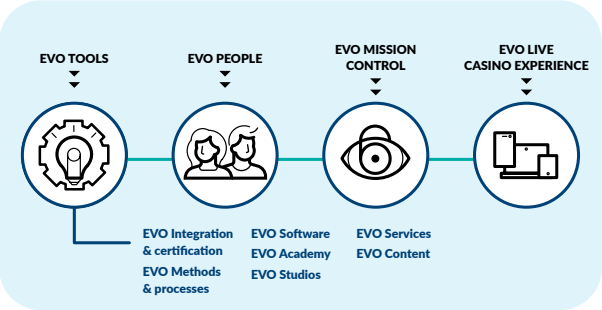
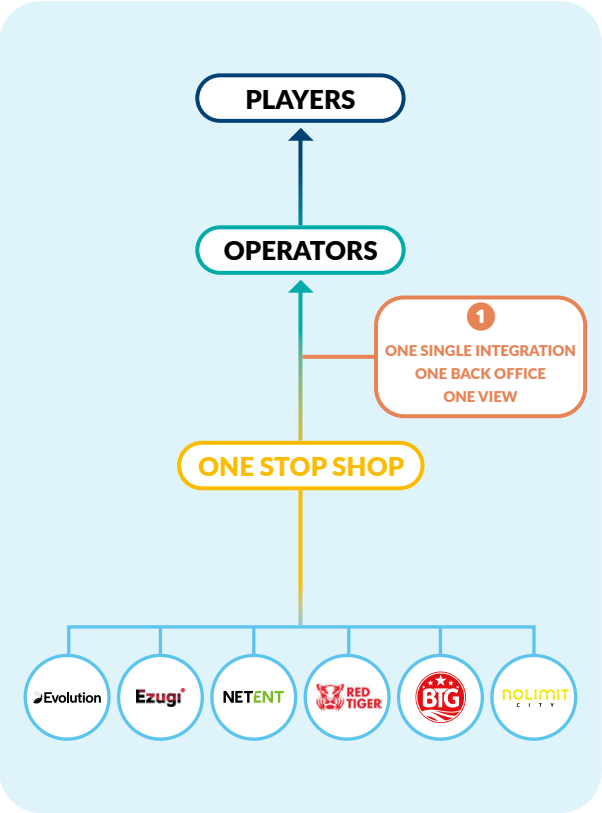
# Our online casino operations

Evolution offers a market-leading live casino platform that simultaneously handles hardware, software, video, employees and user data, giving the operators a complete live casino offering and the end users a unique gaming experience.




Evolution offers end users simple access to live casino games via all major platforms. The share of mobile revenue for Evolution represented 71 percent (68) in 2024.

## One Stop Shop

One Stop Shop (OSS) is Evolution Group's single platform that enables casino operators to achieve simple, fast and unified integration of Evolution, Ezugi, NetEnt, Red Tiger, Big Time Gaming and Nolimit City games.

Our OSS platform makes integration faster and simpler today while providing the foundation for future Evolution Group product expansion – all through a single technical touchpoint for operators. A single integration gives easy access to the extensive, exciting range of Evolution games and products, providing a shorter time to market and reduced effort to launch new casinos with a unified and optimised approach to new markets and changes in regulated markets. OSS also gives casino operators access to one unified Back Office with a 360-degree view of their players across all Evolution Group brands, as well as a unified set of promotional tools and the option to set up joint cross-Evolution brand promotional campaigns.

OSS is an extended, enhanced version of the established Evolution integration. Until 2020, OSS was simply known as Evolution integration and was used for Evolution live and First Person games. In 2021, OSS was extended to deliver NetEnt and Red Tiger games, and in 2022, we added Big Time Gaming and Nolimit City. Ezugi joined the OSS portfolio in 2023.

We are constantly improving the platform to be robust, horizontally scalable, and strong in various disciplines such as regulated markets coverage, concurrent user support, and a diversity of features that can be used to boost, enhance and elevate the products.

The Company has a stable and reliable technical system that integrates with the gaming operator's system. The technology is designed to be able to handle large amounts of data, while being scalable. Evolution has also built its own video coding solution with the aim of ensuring continuous video streaming in HD or the format that best fits the end users' capacity. In 2024, system availability was 99.96 percent (99.93), excluding scheduled maintenance.

**SYSTEM AVAILABILITY** ▸▸ **2024: 99.96%**



Patent Owner Evolution, EX2001, p. 13
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## Game integrity

During the year, Evolution games have remained running in a fully compliant environment and at the same time meeting operational excellence and security standards, as well as ensuring the safety of our employees. In 2024, the Game Integrity and Risk department has continued to support new ground-breaking games by setting up innovative real-time game protection systems, most of which are based on advanced video recognition technology and complex hardware setups.

Mission Control Room (MCR) is the heart of Evolution's operations. MCR is responsible for ensuring operational excellence, system availability, security and regulatory compliance.

As a means to protect game integrity and detect attempts of fraudulent behaviour, Evolution monitors all gaming activities on our gaming floors in real time, 24 hours a day, year-round. Tables, games, volumes, and behaviour patterns are monitored through a combination of automatic and manual control systems - all with the aim of optimising security and providing protection against fraud. This work is led by Evolution's Game Integrity and Risk department. All major studios have their own MCR, which in turn can monitor studios at other locations, thus ensuring scalability in Evolution's business.

## Customised services

The live casino product is a strategically important tool for operators who want to achieve brand differentiation and strengthen loyalty to their players.

Evolution has many years of experience of offering completely dedicated tables and environments, where virtually everything can be customised to the preferences of the individual operator.

## Customer portfolio

Evolution's customer portfolio, including all brands, consisted of approximately 800 customers at the end of 2024 and comprises online operators and land-based casinos. The online operators typically offer a wide range of different gaming verticals including RNG games, such as slots, live casino, sportsbook, as well as poker and bingo. See also Director's report page 60.

## Risk assessment for new customers

As a B2B provider, Evolution's revenues are generated via gaming operators and casinos. The Company has stringent monitoring processes in place to detect attempts at fraud and money laundering, but it is the operators that handle all monetary transactions with their end users.

The Company has established due diligence processes for when new agreements are signed and to continually evaluate existing customers. Evolution is always able to discontinue its services to operators that fail to comply with the relevant regulations, or that in some other way jeopardise Evolution's market position and/or gaming licences.

## 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 revenues**

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



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# Our global studios

Evolution operates 21 studios in Europe, North America and South America.

## Studio locations

| EUROPE | |
|---|---|
| Armenia | Lithuania |
| Bulgaria | Malta |
| Czech Republic | Romania |
| Georgia | Spain |
| Latvia | |
| **NORTH AMERICA** | |
| Canada — British Columbia | |
| USA — Connecticut | |
| USA — Michigan | |
| USA — New Jersey | |
| USA — Pennsylvania | |
| **SOUTH AMERICA** | |
| Argentina | |
| Colombia | |

## The art of studios

Evolution provides its services through live casino studios across Europe, North America and Latin America. Evolution has three main production studios, which serve as hubs for a clear majority of the markets where Evolution's games are offered. One is located in Riga, Latvia, one in Mriehel, Malta, and another one is located in Tbilisi, Georgia.

The production studio in Riga is where the Company develops, tests and launches many of its new games. The operations in Riga are conducted with primarily English-speaking game presenters serving both generic and dedicated tables. In Malta, there are mainly international game presenter teams serving native language tables in regulated markets such as Denmark and Sweden. Tbilisi is Evolution's largest hub, where a mix of English-speaking and international game presenter teams are working.

Besides the larger production studios, Evolution also operates studios in Lithuania, Romania, Czechia, Armenia, Spain and Bulgaria. Some of these have been built to meet the national gaming regulations requiring a physical presence in each market. Evolution also operates studios outside Europe, in Argentina, Colombia, British Columbia, Canada and the USA, in Pennsylvania, Michigan, Connecticut and New Jersey. In some jurisdictions, Evolution operates more than one studio. Altogether Evolution operates over 1,700 tables for Evolution's customers.

Evolution also operates Dual Play tables built on the premises of land-based casinos in the United Kingdom, Malta, Romania and the USA.

## Competition

The strong growth trend over recent years for live casino has encouraged more systems providers to develop live casino solutions. The barriers to entry can be seen as relatively low, while the barriers to success are considerably higher.

Live casino is a highly complex product that, in addition to a technical solution, requires both a certain volume and outstanding operational excellence to be profitable and perform satisfactorily. Our perpetual mission is to extend the gap with the competition and strengthen our market leadership. This is the common thread in our studio expansion as well as in product development, operational excellence and recruitment.

We have a strong position in RNG, offering an award-winning portfolio of games. The market is more fragmented than live casino with many other suppliers in the marketplace.

Game host presenting our new game show Lightning Storm in Riga, Latvia.



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## IT AND CYBER SECURITY

IT and cyber security is crucial in today's society. As hybrid attacks are becoming increasingly common, we have continued our work with IT and cyber security at the very highest level. This work is supported by our ISO 27001:2022 certification - the highest ISO standard for IT security.

This certification serves as proof that Evolution's in-house processes are organised in a way that ensures that data is available only to those entitled to access it, and protects the accuracy of the data and makes it available on appropriate occasions.

**Fraud**

Evolution is exposed to various types of IT and cyber threats in connection with fraud, money laundering, corruption or financing of terrorism, for example. Through clear policies, structures, procedures and tools, as well as being proactive and earmarking resources, we are working preventively and protecting our assets and employees.

**An established structure for governance and control**

Our global operations work in a coordinated manner with data protection and privacy, maintaining shared policies on information security and data protection that are adopted by the Board of Directors. We have implemented processes complying with Regulation (EU) 2016/679 of the European Parliament and Council of 27 April 2016. This regulation concerns the protection of natural persons regarding the processing of personal data and the free movement of such data (GDPR). Our data security work is also based on other applicable local data protection and privacy laws, such as the Data Protection Acts in South Africa, Brazil and Georgia among others.

**External and internal audits**

External audits are performed on an ongoing basis as a follow-up to compliance requirements in the different jurisdictions in which we operate. These involve vulnerability analyses, penetration testing and ISMS audits, these constitute approximately 50 safety activities annually. In addition, since Evolution is ISO27001 certified, we undergo recertification audits every three years and surveillance audits annually.

The data protection team also conducts regular internal and external data protection and privacy audits. We also perform regular internal security audits, vulnerability assessments or penetration tests of the Company's systems, products and practices that affect user data. As part of the ISO27001 requirements, we conduct internal audits annually before the monitoring and re-certification audits. These are performed by external auditors to ensure impartiality.

**Operational procedures to monitor and manage data breaches and cyber attacks**

Evolution ensures that any incoming threats are dealt with and that they do not escalate. We monitor our networks and respond to all alerts generated by our security systems and have several tools that detect and prevent incidents. All potential personal data breaches are assessed by the Data Protection and Privacy team, which also keeps a record of these.

**Regular training of our employees**

All Evolution employees undergo mandatory information security training annually. In addition, additional events are held to raise awareness about information security and phishing. The Data Protection and Privacy team also conducts tailored workshops for departments and teams that handle personal data on a daily basis. Increased awareness among employees in areas such as email management, and as knowledge of GDPR increases, employees are more likely to inform the Company about potential incidents.

**Mechanisms for reporting data privacy concerns**

All inquiries and suspected issues can be addressed directly to the Data Protection and Privacy team via an email address accessible from the external website. Internally additional channels of contact are provided and Evolution's employees are encouraged to use these. All cases opened are handled.

**Development and outlook**

In 2024, the Data Protection and Privacy Team discovered (or was informed of) several potential personal data breaches, two of which were reported to the relevant data protection authorities. The remainder of the potential personal data breaches were deemed to be of a minor nature or not classified as personal data breaches at all.

**Security work in brief**

- In 2024, Evolution moved from ISO 27001:2013 to ISO 27001:2022 certification, which is the latest version of the certification. In addition, seven new studios/offices were added to the certificate
- More than 50 security tests are carried out annually
- B2B licenses in all markets where required
- All employees for whom it is relevant must undergo data protection and information security training annually.



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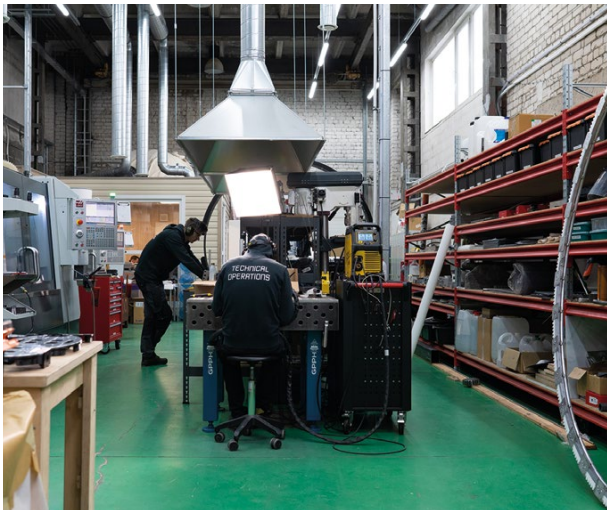
## Evolution Job Shop

The Evolution Job Shop is our boutique, in-house manufacturing facility in Riga. Producing items that often no-one else in the world can supply, it epitomises the Evolution ethos of innovation and is continually pushing the boundaries of what is possible.




Overview of the workshop in Riga, Latvia.

### Doing things extremely well

'If you want a thing done well, do it yourself' is a well-known saying. Those words sum up the inspiration for the Job Shop.

The Job Shop is both a mechanical workshop and a unique creative production resource. It was established in 2020 as part of our technical operations to make possible the rapid, high-quality prototyping and production of devices designed primarily by our R&D team.

The Job Shop grew out of the need to produce devices for our games and studios that were difficult to source from external vendors. In some cases, the device or part we wanted proved too expensive to procure; or it took too long to produce; or it was impossible to find a manufacturer able to supply the envisaged item.

### High quality at speed

Since it opened, the Job Shop has grown into a fully fledged small batch producer of our in-house designed gaming and studio equipment.

A key benefit is the speed at which devices and parts can be made. Often, the Job Shop's ability to produce equipment in a few days saves the day, enabling a studio and game to meet a demanding launch schedule. Another benefit is assured quality and consistency.

The main equipment in the Job Shop workshop consists of metalworking CNC (Computerised Numerical Control) machines.

CNC machinery is vital in the world of modern manufacturing, with pre-programmed software code controlling the movement of the equipment and enabling extremely precise cutting and shaping. There is also a lot of other kit too, such as lathes, axis mills, welding and painting equipment, to make the full production cycle possible.

The workshop team consists of skilled machinists/fabricators; print operators, who produce table layouts for most of our European studios; and the workshop manager, who oversees daily operations and ensures material and tool availability for an uninterrupted operation.

### Unique productions

The list of what the team produces is long and varied. Examples include kit for gaming tables equipped with our advanced scalable Blackjack technology, Sic Bo and Bac Bo automatic dice shakers, the Craps dice launcher, and the coin flip machine in our Crazy Coin Flip live game show.

Another key product category produced by the Job Shop is the gaming table layouts, which are subject to high usage. Availability and speed of replacements are critical, while having production in-house gives us the option to iterate quickly through different layouts in the design phase.

The smart design and vast experience of the Evolution R&D team and the precision of the Job Shop's output means that internally produced equipment delivers better and more consistent results.

The Job Shop is another innovative Evolution success story and its value is undeniable. This in-house facility means shorter product-to-market time and full control over production; the capability to manufacture products that simply don't exist outside of our imagination; and the agility to respond rapidly to the challenges posed by every new and unique studio build.

Working in the Job Shop in Riga, Latvia.



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## Product Research and Quality

At Evolution, we leave nothing to chance. The strive for perfection in the player's experience is what guides us in our everyday work, and what forms a workplace characterised by a 'never settle' mentality.

Our Product Research and Quality team are a testament to this mindset. Back in 2013, our products were exclusively available on desktop devices and only initial steps had been taken to bring the online casino experience mobile. The potential that lay in the development of smart phones and tablets was clear to our Product development teams. This development would be a game changer for our industry and for our Company's technological advantage.

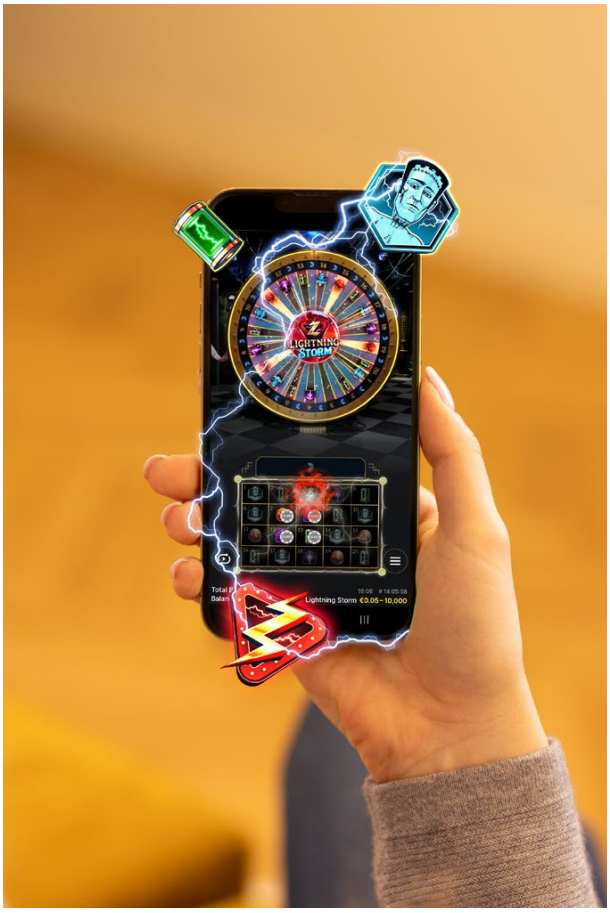
### Developing real testing

With the focus on this new mobile technology, Evolution quickly identified the need to test beyond code, regression testing and IT functionality – but rather test with a focus on player experience. The first testers were existing employees from various parts of the Company. Game Presenters, Shufflers and Floor Managers were selected and equipped with a smart phone to start testing products in their home environment. This small team became the first exploratory testers. Their mission? To test the design and execution of our products, identify issues and areas for improvement, and report findings for resolution. This valuable feedback went directly to the development team where any potential improvements could quickly be implemented. In time the mission grew to include learning about trends and drivers for players, analysing key market trends, implementation of products and of course, potential competition.

### A strategic transition to Product Research and Quality

As the market for mobile devices boomed, alongside the growing complexity of our product suite, this emphasised the value of findings that come from real world user testing. As the world of mobility grew so did the number of devices, operating systems and browsers where our games are available. Our products are global, but device preferences differ depending on where in the world the player is. But something that never differs is the gaming experience. And all because of this team's ability to safeguard the quality of the experience regardless of where and on what you are playing.

Slowly the initial team began working more and more with quality testing and market insights and eventually the team transitioned into a full-fledged department. Through this transition the teams were introduced to new responsibilities stretching beyond post-release testing, such as product research, product implementation and placement indexes, all to meet an evolving market, a fast-moving demand among players and increased customer onboarding needs.




### Leading the way

Through exploratory testing, market research, and strategic market insights the Product Research and Quality department is a crucial function, supporting both product development as well as sales. Evolution has always been leading the way for online casino, and with releases of game shows such as Crazy Time it has reshaped online gambling and truly broadened the audience. In the department's daily work lies drawing inspiration from other online industries such as video games, meanwhile also closely monitoring potential competitors, all to ensure that Evolution remains in the forefront of innovating games. The online casino industry is still in its infancy, and the need to quickly catch on to new trends and constantly evolve to keep gaining traction and seize opportunities is evident.

The Product Research and Quality department is another innovative Evolution success story and its value for ensuring product excellence is undeniable. As our Company evolves, it remains a vital force in shaping the future of our products and delivering outstanding experiences to players worldwide.



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# Our world-leading online casino portfolio

Evolution is a world-leading provider of online casino content. Our unrivalled portfolio offers the strongest live casino and live game show offering on the market, as well as Random Number Generated (RNG) First Person table games and slots titles. The games are delivered through our technical platform One Stop Shop (OSS).

## HIGHLIGHTS

| LIVE CASINO TABLES | NEW LIVE CASINO GAMES | NEW RNG GAMES |
|---|---|---|
| +1,700 | 14 | 95 |

At Evolution, our vision has always been to redefine live gaming by delivering experiences that players love. In 2024, we continued that mission with relentless innovation across every major category – Blackjack, Roulette, Baccarat, game shows, and live slots. We pushed boundaries, introduced groundbreaking new titles, and expanded on the successes of our existing brands.

One of our core beliefs is that great games are not built in a vacuum. They are shaped by an ecosystem of ideas, player feedback, and experimentation. Take our game show category, which has now fully matured into one of the most influential segments in online gaming. Crazy Time, Funky Time, and their extended family of Red Door Roulette and Crazy Coin Flip are no longer just games; they are cultural phenomena in live gaming, attracting an audience that goes beyond traditional casino players. These games have not only driven new engagement but also served as an entry point for players to explore the rest of the Evolution ecosystem. In other words, there are not just slot and table players anymore – there are now game show players. We are very proud to have created this category and brought it into the industry.

Our latest and most ambitious addition to the game show category is Lightning Storm. It is the biggest and most complex game we've ever built. This game marks a new era for Evolution's big-wheel game shows, bringing together seven years of learnings since the launch of Dream Catcher. The team behind that original success has once again created something truly special – an experience that captures the thrill of lightning multipliers while introducing new strategic elements that deepen engagement. This is our second game (after Funky Time) to be built using the DigiWheel, which we acquired a few years ago. The mechanics of this game are literally only possible with the DigiWheel, which lets us turn the massive wheel at the centre of the game into a spinning circular video.

But 2024 was not just about game shows – it was about refining and reimagining every corner of our portfolio. Our Baccarat and Blackjack offerings saw fresh updates to enhance the player experience, with new mechanics that add layers of excitement while preserving the purity of the core games.

We also continued our mission of blending live and slots in new and exciting ways. Crazy Coin Flip paved the way for this concept, and in 2024, we expanded on it with titles like Balloon Race, but more importantly we launched Livespins on One Stop Shop (OSS). This is our Bet with Streamers concept. It is early days, and we are evolving the product in different ways, but it is great to explore and to see if we can develop the live casino space in yet another new direction.

Beyond game development, we invested heavily in player experience and platform enhancements. Our OSS initiative has almost fully rolled out, bringing all our slot brands – NetEnt, Red Tiger, Big Time Gaming and Nolimit City – onto



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a unified platform that offers seamless distribution and new promotional tools. AI-driven recommendations, personalised player journeys, and enhanced integration between live and slots have all contributed to making Evolution's ecosystem even more engaging and accessible. One good example of this is our new promotional tool, Spin Gifts. This is a bonus that randomly awards free spins to players, and it sits across all OSS brands. This makes promotions easy for our customers as all tools for OSS can be used on all brands.

Security and integrity remain at the heart of what we do. The sophistication of advantage play and fraud attempts continues to rise, but so does our ability to detect and prevent them. AI and real-time monitoring have strengthened our ability to safeguard both our games and our partners, ensuring that Evolution remains the gold standard in trust and security. In this part of the business, you are never finished. Every day there are new methods of fraud being tried, and in a way, this becomes a big barrier to entry for those wishing to be a live casino provider.

Nolimit City has relentlessly focused on its brand and its core identity since its inception. This steady focus and dedication to serving the player of tomorrow has resulted in the brand steadily growing its base of players. The Nolimit City games are the most complex we have in our slots portfolio and for players who enjoy these games, it is likely they will find other companies' games boring after seeing the excitement of Nolimit City. We are excited to see what 2025 has in store for the brand as we believe NLC has been making the games of tomorrow for quite some time, and it seems tomorrow is starting to arrive.

NetEnt is also undergoing a renovation with a new logo, new features, and refreshing the old. At the end of the year, NetEnt got a major facelift with the launch of Starburst Galaxy, which has been the most successful NetEnt game made since the acquisition.

The game comes with an Elevate feature, that allows players to pay a little extra and have every spin come with special features. From now on, every NetEnt game will have Elevate. We are doing a lot of big changes with NetEnt games, and most of them will be seen in 2025 and beyond.

With the rise of TikTok and Reels, audiences are engaging more with fast-paced, bite-sized content. To align with this trend, we developed a quick, action-packed game called Stock Market. The game has been a success, and it gave birth to our second of these quick games, Race Track. In 2025 we will continue to cater to this type of player with our first ever 'Speed Game Show' called Ice Fishing.

2024 has been a year of immense progress, and as always, we are already looking forward to what's next. It is an honour to be creating games that a whole generation of players are growing up with. Past generations had Blackjack, Roulette, and basic slots and the new generation are getting our game shows and more. Our roadmap is filled with bold ideas, game-changing innovations, and new experiences that will continue to define what it means to play with Evolution. Every game we release, every feature we refine, and every system we improve is a step toward making Evolution the ultimate destination for online gaming.

If you ask us what our favourite Evolution game is, our answer remains the same: the next one.



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# Our games portfolio

Evolution is a world-leading provider of online casino content and entertainment. Our Group brands offer an unrivalled product portfolio that encompasses: the strongest live casino and live game show offering on the market through our Evolution and Ezugi brands; superior RNG-based gaming through our First Person range; top-performing slots from our NetEnt, Red Tiger, Big Time Gaming (BTG) and Nolimit City (NLC) brands; and exciting social live-streaming gaming experiences from our Livespins brand.

## Live games: Traditional table games and 'new takes'

Ever since Evolution was founded in 2006 and set the standard for online live casino, the bedrock of our game portfolio has been the casino classics.

These classics – timeless favourites such as Roulette, Blackjack and Baccarat – continue to account for a significant proportion of the revenue our games generate for operators.

Year after year we honour these classics, keeping them fresh and enticing for players old and new. We do this not only through continual improvements and enhancements in the gameplay and player experience, but also by creating innovative re-imaginings of the core games – new variants that surprise and delight.

That journey continued in 2024 with further exciting new versions of the classic table games. Examples include Infinite Fun Fun 21 Blackjack, Always 8 Baccarat and Super Speed Baccarat from Evolution, and EZ Dealer Roulette, Cricket Auto Roulette and Football Auto Roulette from Ezugi.

These 'new takes' invite exploration, entertain seasoned game devotees in new ways, generate renewed interest, and allow players to employ new gaming strategies. Just as importantly, they attract new generations of players, so creating the perennial favourites of tomorrow and new revenue streams for our group and its customers.



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## Live games: Uniquely entertaining game shows

Evolution invented the online live game show category with the Dream Catcher money wheel game in 2017. This was soon followed by our multi-award winning Lightning Roulette, and then our growing Lightning family of games. These advances were, quite literally, game-changers that redefined what is possible in live casino.

In 2024 we continued to break new ground and drive operator success with game shows that engage and entertain players in new ways, and on so many levels.

Our top headliner for 2024, Lightning Storm, 'the grandmother of all Lightning games', is by far our biggest, most ambitious and technologically advanced game yet. Underlining Evolution's commitment to innovation, it's our fifth generation of big wheel game shows, with our DigiWheel hardware platform central to the fun, alongside the unique blend of live action, RNG and augmented reality.

Balloon Race, our latest-generation online slot pushes the boundaries in other ways. It brings together traditional, much-loved slot features with the excitement of a live game-show-style bonus round. Stock Market, meanwhile, is an entirely new type of game with a unique mechanic, unlike anything we've done before. It offers exciting, fast-paced engagement as players aim to predict stock value movement in the game's virtual financial markets.

That is the essence of our game shows category: always offering something innovative, different and entertaining for players, while delivering success for operators.



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## RNG games: Table games and game shows

Our First Person games are faithful RNG-based recreations of our live casino and game show titles that offer players a premium-quality, 3D-rendered, animated gaming experience. These unique RNG games offer players true choice, with the freedom and control to enjoy the fun at their own pace.

The range of titles is staggering: multiple Roulette, Blackjack and Baccarat classics and exciting variants; entertaining game shows including Dream Catcher, Mega Ball, Football Studio, Deal or No Deal and Lightning Roulette, plus favourites such as Craps, Dragon Tiger and Super Sic Bo.

First Person games also act as a powerful, proven cross-selling tool for introducing RNG players to the thrilling world of Evolution live gaming. Players can enjoy each First Person game on its own considerable merits, but the opportunities go further. A click of the unique 'GO LIVE' button immediately takes the player through an in-game portal to the live version of the same game or game show.

It's a unique gaming experience. What's more, most First Person titles are fully customisable, so it's easy for operators to offer own-brand versions for their players.



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## RNG games: Slots

As part of our unwavering commitment to a world-class games portfolio that appeals to all player types, online slots continued to make a significant and growing contribution to Evolution.

Standout releases that met or exceeded performance targets included titles from all of our slot brands.

NetEnt's Starburst Galaxy, launched in November, was the top release of 2024. A sequel to the iconic Starburst, which forever reshaped the online video slot industry, Starburst Galaxy saw over 250,000 players in its first three days and recorded the longest average play session of any slot released this year.

Other top-performing new slot titles from the Group included NetEnt's Jungle Spirit Megaways™, Space Wars Megaways™ XXXtreme, and Pandora's Treasure™; Red Tiger's Primate King Megaways™, 777 Super Strike, and Piggy Riches 2 Megaways™; Nolimit City's Punk Rocker 2, Kenneth Must Die, and Outsourced; and Big Time Gaming's Fizzy Pennyslot™, Trigger Happy, and Panda Money.

As ever, our slots titles are distinguished by their unique creativity, IP and game mechanics. The trademarks Megaways™, xWays®, xNudge® and more, all fill operators with anticipation and keep players on the edge of their seats.

The inclusion of the Livespins 'bet behind' product Bet with Streamers on OSS (One Stop Shop game integration platform for customers), meanwhile, further extends the thrills in a new era of socially charged live digital gaming.



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# The Evolution share

Evolution's shares are quoted and traded on Nasdaq Stockholm in the large cap segment.

## Listing

Evolution's shares commenced trading on the Nasdaq First North Premier exchange on 20 March 2015. The Company was approved for listing on the main market of Nasdaq Stockholm in June 2017, with the first day of trading on 7 June 2017.

## Dividend

The Annual General Meeting 26 April 2024 resolved on a dividend of EUR 2.65 per share for 2023. The Board of Directors proposes 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 24 March 2025 with the deduction of Evolution's holding of own shares by the same date which amounted to 7,371,042 shares.

### SHARE DATA

| Share data | 2024 | 2023 | 2022 |
|---|---|---|---|
| Earnings per share, EUR | 5.94 | 5.01 | 3.95 |
| Dividend per share, EUR | 2.80 | 2.65 | 2.00 |
| Payout ratio | 52.4% | 52.7% | 50.6% |
| Shares outstanding at the end of the year | 211,833,204 | 215,604,777 | 215,111,115 |
| Average number of shares outstanding after dilution | 210,473,394 | 217,069,145 | 217,505,567 |
| Share price last closing day of the year, SEK | 852.80 | 1,202.20 | 1,015.40 |
| Total return | -26.5% | 20.6% | -19.9% |
| Number of shares traded | 139,188,196 | 115,495,931 | 237,658,521 |
| Market capitalisation at year-end, SEKm | 180,651 | 259,200 | 218,424 |
| Number of known shareholders | 91,730 | 93,676 | 101,203 |

**Source:** Evolution and Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

### 10 LARGEST SHAREHOLDERS PER 31 DECEMBER 2024

| Shareholder | Number of shares | Capital and votes |
|---|---|---|
| Capital Group | 33,220,860 | 15.7% |
| Österbahr Ventures AB | 22,400,140 | 10.6% |
| Spring Mountain Investments Ltd (Kenneth Dart) | 21,496,365 | 10.1% |
| Vanguard | 7,444,652 | 3.5% |
| BlackRock | 7,396,737 | 3.5% |
| Richard Livingstone | 4,056,678 | 1.9% |
| Norges Bank Investment Management | 3,081,131 | 1.5% |
| Avanza Pension | 2,950,664 | 1.4% |
| Canada Pension Plan Investment Board (CPP) | 2,945,350 | 1.4% |
| Tiger Global Management | 2,690,331 | 1.2% |
| **Total, 10 largest shareholders** | **107,682,908** | **50.8%** |
| **Holding of own shares** | **5,270,961** | **2.5%** |
| **Other Shareholders** | **98,879,335** | **46.7%** |

Monthly updated shareholder structure is available at www.evolution.com/investors/share/shareholder-structure/.

### TYPE OF OWNERS

| Type of Owners | Capital |
|---|---|
| Foreign institutional owners | 41.6% |
| Other Foreign owners | 15.9% |
| Other Swedish owners | 14.0% |
| Swedish private individuals | 11.0% |
| Anonymous | 10.8% |
| Swedish institutional owners | 4.1% |
| Holding of own shares | 2.5% |

### OWNERSHIP DISTRIBUTION BY COUNTRY

| Land | Capital |
|---|---|
| Sweden | 31.5% |
| USA | 32.7% |
| Cayman Islands | 10.1% |
| Canada | 3.7% |
| UK | 3.8% |
| Other | 7.3% |
| Unknown country | 10.9% |



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## CAPITAL ALLOCATION FRAMEWORK

The Board of Directors of Evolution published a Capital allocation Framework during 2024. The framework builds upon the Company's strong history of capital returns to shareholders. Returns have been primarily through dividend but also through re-purchase of shares. The goal of the Capital Allocation Framework is to clarify the Board's priorities and underline Evolution's commitment to drive shareholder value over the long-term.

We aim to be in a net cash position over time, with an ability to deploy modest short term leverage for unique shareholder value enhancing opportunities. We are a highly profitable business as a market leader with a best-in-class product in a growing global industry, supported by strong long-term secular tailwinds. Our first priority will be to invest in growing our existing business organically.

### Dividend policy

We adopted a dividend policy at the time of our IPO in 2015 to distribute a minimum dividend of 50 percent of net profits annually. This policy remains intact.

### Mergers and Acquisitions

M&A can be a way to support our existing business and/or our long-term vision. M&A can include acquiring companies, technologies, IP rights or other assets. All M&A will be done at financial terms that are long-term value enhancing to our shareholders and our operations.

The Company continuously evaluates M&A opportunities, but no set annual amount will be allocated to M&A. We will not allocate capital for M&A unless we are presented with strong candidates.

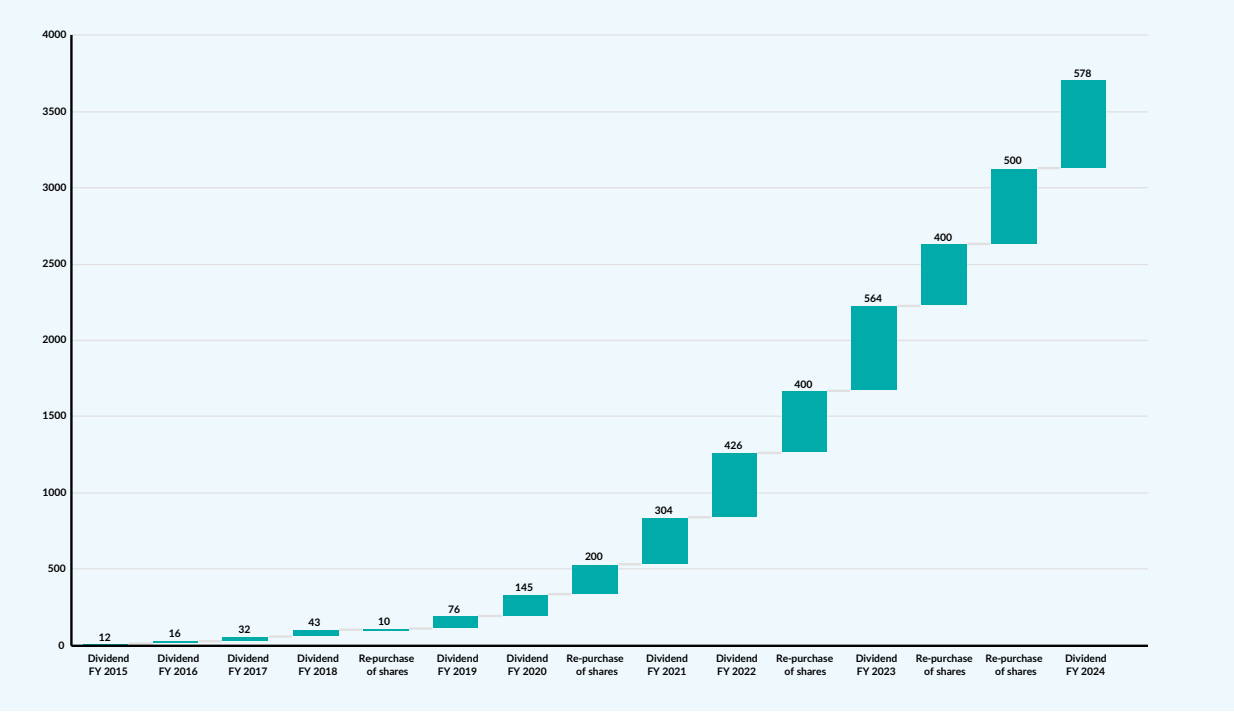
### Repurchase of own shares

Historically there has been excess cash after investments in the ongoing business, dividends and M&A. The Board has decided to distribute 100 percent of excess cash, exclusive of any aforementioned M&A activity. The distribution of this excess capital will generally be done through the repurchase of own shares.

The Board will annually seek authorisation from the Annual General Meeting to repurchase own shares up to an amount so that the holding of own shares does not exceed 10 percent of all shares in the Company from time to time. The Board will then make decisions on when to use that authorisation during the year in order to maximise the return for our shareholders.

The Board will endeavour to distribute excess cash in the most value enhancing way possible. There are times when repurchases of own shares are more value enhancing and there can be situations where extra dividends are preferred. In those cases, the Board may decide to pay a special divided which will be decided upon at the Annual General Meeting or at an Extraordinary General Meeting.

**CAPITAL RETURNS TO SHAREHOLDERS 2015-2024, EUR MILLION**



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# SUSTAINABILITY REPORT 2024


OUR SUSTAINABILITY WORK

OUR VALUE CHAIN

DOUBLE MATERIALITY ASSESSMENT

STAKEHOLDER DIALOGUE

GENERAL DISCLOSURES

ENVIRONMENT
- E1 CLIMATE CHANGE

SOCIAL
- S1 OWN WORKFORCE
- S4 CONSUMERS AND END-USERS

GOVERNANCE
- G1 BUSINESS CONDUCT

SUSTAINABILITY NOTES
- EU TAXONOMY
- ESRS DISCLOSURES
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- AUDITOR'S REPORT

# Sustainability report

Employees working in Riga, Latvia.

Evolution AB presents its sustainability information for 2024 in a format inspired by European Sustainability Reporting Standards (ESRS). Starting the transition to the new reporting structure in line with the CSRD is a natural step towards full reporting for the full year 2025. The report has been prepared in accordance with the Annual Accounts Act on sustainability reporting, and the auditor's opinion is referred to the requirements set out in the Annual Accounts Act.

## Our business model

Evolution innovates, develops and produces content for online casino on a B2B basis. We are a content provider, and our focus is on developing and delivering compatible games to customers with a valid licence; our customers in turn offer the games either to end-customers or to another operator. The licences are issued by the gaming authorities in a state or country, and as in other regulated industries, it is within the supervisory authority's terms of reference to issue licenses and monitor compliance. It is the gaming operators who offer and market the products to their end-users. Evolution cannot see the identity of the player, this information remains with the operator.

Evolution's business model is regulated by extensive legislation, and we regard regulatory compliance as an absolute minimum. Besides the statutory and regulatory requirements, we have our own high expectations and demands made by various stakeholders. Protecting end-users and contributing to positive gaming experiences based on ethical values and accountability, establishing a secure and stimulating work environment for our employees and countering all forms of corruption and money laundering are high priority matters and well-integrated into our strategy and ongoing operations.

We also stand behind the Paris Agreement, aiming to reduce our greenhouse gas emissions over time. We are affiliated with the United Nations Global Compact and adhere to the OECD guidelines for multinational companies, with our work against discrimination being based on the definitions and guidelines of the International Labour Organisation (ILO).

## Basis for preparation (BP)

The sustainability report has been prepared on a consolidated basis with the same scope as the financial report. Evolution's sustainability report is published annually, but this is the first year it has been inspired by ESRS. Our upstream and downstream value chain has been considered during the performance of the double materiality assessment underlying the sustainability information.

Where we have deemed it relevant, information on the value chain has been included in the reporting, such as disclosures on scope 3 and supplier management. Evolution has not made use of the option to omit certain information about intellectual property rights, know-how or results of innovation, and has not used exemptions from disclosure requirements regarding forthcoming developments or matters under negotiation.



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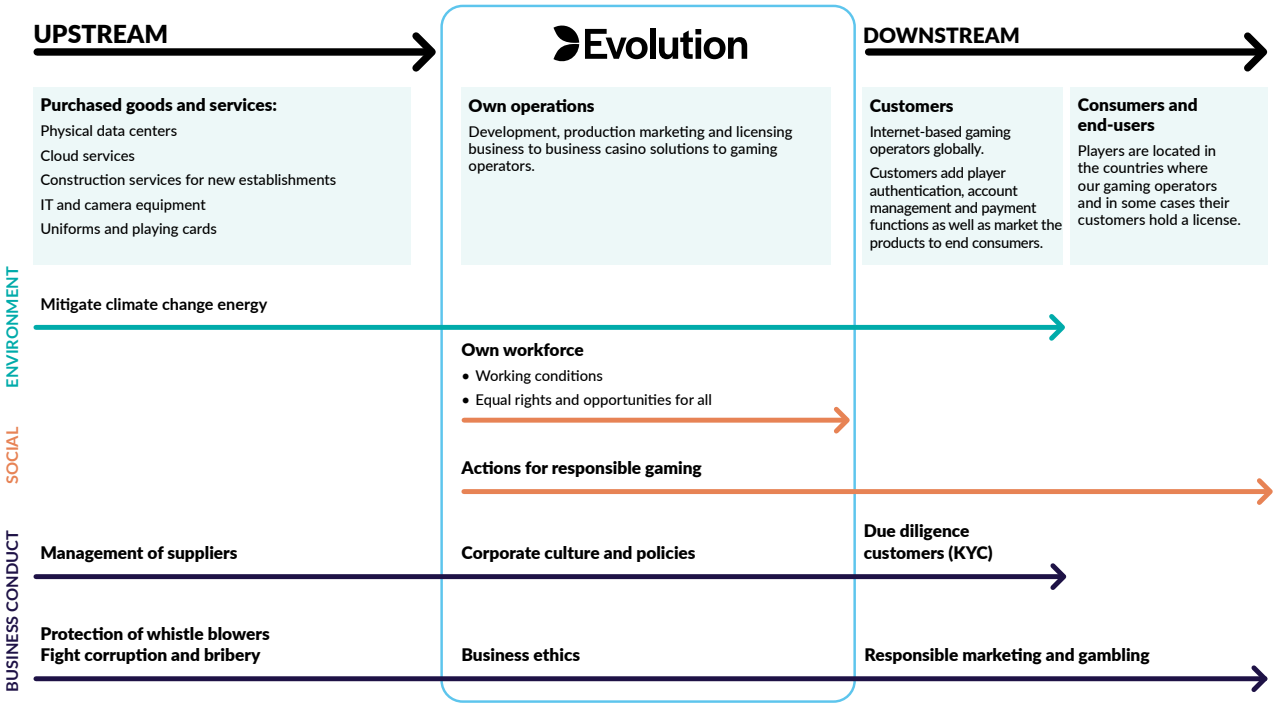
## OUR VALUE CHAIN




### Upstream – raw materials and subcontractors

At present, information on our subcontractors and specific raw materials is limited. The Swedish National Agency for Public Procurement authority has identified raw materials and the production of IT and electronic equipment as posing a potential risk. Evolution is not currently aware of any breaches of human rights or other risks. Our Vendor Due Diligence process and dialogue with contracted suppliers will continue to be developed and monitored. Human rights requirements, good working conditions, business ethics and climate change mitigation are an integral part of our upstream requirements.

### Upstream – suppliers

We have Vendor Due Diligence and Supplier Approval Guidelines processes in place to set sustainability requirements for our suppliers. Our largest purchases are related to server halls, premises, cloud services, IT and camera equipment, and construction services. Purchases are mainly made in Europe and North America. Construction services are procured locally where we build our studios. Other purchases with an impact on the environment are business travel and transport.

### Our operations

Evolution innovates, develops and produces content for online casino on a B2B basis. Our content can only be played through the interface of an operator who adds important aspects of the gaming experience, such as player authentication, player account management and user interface.

Our responsibility and operations are game development, content production and building robust and highly secure systems, including systems for flagging suspected gambling addiction problems.

Evolution's Game Integrity and Risk Department monitors gaming tables and patterns in real time, 24 hours a day, all year round to ensure the integrity of games and identify irresponsible gambling, which, if suspected, is reported to the customer, who can then take action.

### Downstream – our customers

Evolution only provides products to customers with a valid B2B or B2C licence. Evolution is a content provider and our focus is on developing and delivering compatible games to:

- Licensed B2C casino operators, who then offer the games to players
- Licensed B2B actors, who then offer the games to their operators, who in turn offer them to end-customers
- Companies holding both B2B and B2C licences.

### Downstream – final consumers

The identity of the end-user is unknown to us and they are located in all parts of the world. We work preventively to contribute to a positive gaming experience and to ensure that individual players with suspected gambling addiction problems receive help through effective processes and close cooperation with our customers. All gaming activities are monitored through a combination of automatic and manual control systems, where we report suspicious activity to our customers, who in turn can suspend players.



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## MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IRO-1)

While working on the double materiality assessment, it was found that our previously identified material impacts, risks and opportunities are well aligned with our prioritised sustainability areas and strategies for how we work. The areas where we believe we have the greatest opportunity to mitigate environmental impacts and contribute positively to both the social and business ethics dimensions are:

- Climate – actively contributing to limiting environmental impacts of our operations and value chain
- Our employees – promoting an attractive and inspiring working environment based on diversity and inclusion, as well as contributing to our employees' personal development
- Responsible gambling – promoting positive gaming experiences and increasing awareness of, and preventing, negative impacts of gambling addiction problems
- Responsible business – governance and responsibility, and actively countering all forms of corruption.

### Materiality assessment

Evolution has conducted a double materiality assessment to determine sustainability-related impacts, risks and opportunities in accordance with ESRS guidelines. Together with external expertise and key individuals from Evolution (CFO, Head of Investor Relations, Head of HR Operations and Global Finance Manager), the process was carried out in five steps:

1. Mapping Evolution's value chain, focusing on upstream and downstream sustainability challenges
2. Mapping the ESRS list (including sub-topics and their sub-sub-topics) towards the Evolution value chain
3. Evaluation of significant impacts – definition of thresholds
4. Evaluation of financial materiality – definition of thresholds
5. In total, four main topics and a total of nine sub-topics were identified as material

| ESRS standard | Sustainability topic | Impacts and/or financial materiality |
|---|---|---|
| E1 Climate change | Climate change mitigation | Actual negative impact |
| | Energy | Actual negative impact, potential positive impact |
| S1 Own workforce | Working conditions | Actual positive impact |
| | Equal treatment and equal opportunities for all | Actual positive impact, potential negative impact |
| S4 Consumers and end-users | Personal safety for consumers | Actual positive impact, potential negative impact |
| G1 Responsible business | Corporate culture | Actual positive impact, potential negative impact |
| | Protection of whistle-blowers | |
| | Management of relationships with suppliers | |
| | Corruption and bribery | |

The identified impacts, risks and opportunities cover short, medium and long-term timeframes and are specified for different parts of the value chain. Scoring was then done based on the criteria of ESRS 1 General Requirements for impact and financial materiality.

The results of the double materiality assessment have been communicated to the Board of Directors and auditors for their information and to provide them with an opportunity to exert influence. Group Management and key internal staff have also had opportunities to influence the outcome.

In line with ESRS, Evolution will evaluate and update the results of the double materiality assessment annually and as new information becomes known to the Company.

### Thresholds

Negative impacts were scored based on severity – a combination of scale, scope and irremediable character – and likelihood. Severity was prioritised based on the likelihood of consequences. Positive impacts were scored based on scale, scope and likelihood. The threshold for financial materiality was set at five percent of profit before tax for the previous year, representing approximately EUR 60 million. For material impacts, the threshold is set at five out of a possible ten points. The conclusions are that Evolution's sustainability work focuses on material impacts, as none of the ESRS topics are deemed to fall within the scope of financial materiality.

### Stakeholder dialogue

Our product and business model necessitates close dialogue with our stakeholders, and we strive for transparency, openness, shared ethical values and value creation. To maintain our position as a leading developer, there is a need for close collaboration, continuously being updated on regulations in all of our markets and attracting the most talented people and providing them with favourable conditions in which to develop both themselves and the business.

An important stakeholder group is regulatory authorities, who monitor compliance with licences and permits in a particular market. Legislators, trade associations and local authorities are other groups that we follow closely and that influence our sustainability work.

To ensure that our double materiality assessment covered all perspectives of the business, stakeholder dialogues were conducted in which our findings and insights were discussed with key suppliers, customers, owners and other stakeholders close to us. The topics that Evolution found to be material and the trade-offs it has made were then presented. The outcome of the dialogues points to a consensus on the industry's most important sustainability matters and Evolution's responsibility in this.

In addition, there were suggestions from our customers that we should clarify the sustainability requirements we impose on our suppliers.



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To identify both opportunities and risks related to our working environment at an early stage, we work systematically and proactively through a range of available channels and tools for dialogue.

| Stakeholder | Dialogue format | Material issues |
|---|---|---|
| Customers – the operators | · Due diligence in the form of thorough evaluations for both new and existing customers | · Responsible gambling – preventive efforts and the requirement to act quickly on suspicion<br>· Responsible marketing<br>· Background checks on beneficial owners as well as their licences<br>· Regulatory compliance<br>· Counteracting money laundering<br>· Counteracting corruption and bribery<br>· Sustainability requirements upstream |
| Supervisory authorities | · Permits<br>· New regulations | · Actual positive impact<br>· Actual positive impact, potential negative impact |
| Employees | · Daily contacts Personal development interviews<br>· Large-scale meetings<br>· Trade union cooperation<br>· Staff surveys | · Health and safety<br>· Inclusion and diversity<br>· Skills development<br>· Ethics and anti-corruption<br>· Responsible gambling |
| Suppliers | · Due diligence in procurement | · Due diligence process regarding human rights<br>· Renewable energy<br>· Climate impact of travel |
| Investors | · Investor meetings<br>· ESG surveys<br>· Financial statements | · Long-term sustainable development of financial value<br>· Risk management<br>· Responsible gambling<br>· Terms of employment<br>· Know your customer |

## GOVERNANCE

Evolution's sustainability work is integrated into all daily operations and is based on the UN Global Compact and the need for long-term value creation and responsibility for economic, environmental and social development. Sustainability work is an integral part of the overarching governance of the Company for which the Board and the CEO are ultimately responsible.

### Board of Directors

Evolution's Board of Directors bears overarching responsibility for the sustainability work. The Board's Compliance and Sustainability Committee is responsible for strategy and follow-up of regulatory compliance and sustainability matters. The Sustainability Policy and Code of Conduct form the basis of the Company's sustainability work and, along with other policies, are revised and adopted annually by the Board of Directors.

### CEO & Management Team

The Executive Management Team bears operational responsibility and reports to the Board of Directors. Together, they are responsible for delivering on targets and strategies, and for making decisions on overarching operational matters, including sustainability matters. They also have to ensure that systems and processes are in place to monitor and check the Company's operations and risks, including climate-related risks and opportunities. The CFO is a member of the Management Team and represents the sustainability agenda within the Company. The new CSRD sustainability reporting legislation is pursued by the Finance Department with support from other parts of the Company.

### Extended Group Management

Group Management is supported in these efforts by the Extended Group Management (EGM), which comprises a total of 17 senior executives from key operations around the Group. The EGM is responsible for pursuing sustainability matters and implementing and monitoring targets in their particular areas of responsibility.

### Managers and employees

To ensure that everyone in the Group is aware of relevant sustainability matters, the matters are interwoven in daily work and form part of existing processes and training programmes. All managers have a particular responsibility to embed, communicate and lead the work forward. They are also responsible for ensuring that their employees complete Evolution's mandatory training.

## KEY GOVERNING DOCUMENTS AND POLICIES

We are affiliated with the UN Global Compact and adhere to the OECD guidelines for multinational companies, with our work against discrimination being based on the definitions and guidelines of the International Labour Organisation (ILO). In that way we undertake to support ten basic principles in the areas of the environment, labour law, anti-corruption and human rights, and report our progress to the Global Compact.

To ensure that the world at large has confidence in us and always act in accordance with high standards of business ethics and sustainability matters, all employees are trained in our Code of Conduct and how they are expected to apply it in their daily work.

This represents our guiding principle and points to a high level of integrity in all contexts. In addition to the Code of Conduct – as well as globally recognised principles and frameworks – we have Group-wide policies that are signed off by the Board.



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To ensure that everyone within the Group is familiar with relevant sustainability matters, policies and guidelines, employees receive information when their employment begins. In addition, the policies are implemented through recurring information and training efforts for various employee groups. Information on updates is also available on the intranet. The Code of Conduct is also available on the public website. Rules and guidelines cover all employees at all levels of the business.

| POLICY | PURPOSE | RESPONSIBILITY |
|---|---|---|
| Sustainability Policy | Overarching positions adopted by Evolution in its sustainability work. | Group Management |
| Anti-Bribery and Anti-Corruption Policy | To establish the company's commitment to maintaining the highest standards of professionalism and ethical conduct in contacts with customers and suppliers. | Group Management |
| Anti-Money Laundering and Anti-Financing of Terrorism Policy | To detail the actions the Company must take to prevent the business from being used for money laundering or for financing terrorism. | Group Management |
| Communication Policy | Policy for external and internal communication that safeguards regulatory compliance for listed companies and well-informed employees. | Group Management |
| Global HR Policy | Policy on management and internal collaboration aimed at contributing to uniform governance and working methods based on current regulations. | HR |
| Work Environment Policy | Policy to build a good physical and psychological work environment and to respond to incidents that arise. | HR |
| Gender Equality Policy | To increase awareness of gender equality issues and to strive for an open attitude and equal treatment throughout the Company. | HR |
| Discrimination Policy | To ensure equal treatment of all employees and to prevent and avoid abusive treatment. | HR |
| Data Protection Policy | To protect employees, customers and the Company from damage resulting from personal data breaches. | Data Security Department |
| Data Security Policy | To protect employees, customers and the Company against data breaches and cyberattacks. | Data Security Department |

## Due diligence

Evolution operates in a highly regulated industry and therefore has extensive policies, controls and processes in place to counteract negative impacts on people and the environment. Like other regulated industries, it is within the supervisory authority's terms of reference to issue licences and monitor compliance. Due diligence is determined by the supervisory authority of the related jurisdiction. Clear roles and shared responsibilities in the value chain contribute to long-term competitiveness and value creation in our industry.

Evolution maintains a continuous dialogue with all relevant supervisory authorities and is regularly reviewed by them. All identified ways of refining the processes are implemented.

### Due diligence process for customers

Evolution only provides its products to customers with a valid online casino licence granted by a country or state (jurisdiction) and monitored for compliance by the relevant regulatory body. Evolution supplies both licensed B2C casino operators (casinos targeting private individuals), who then offer the games to players and to licensed B2B actors (addressing other companies), who then offer the games to their B2C licensed operators who, in turn, offer them to the end-customer.

Evolution annually scrutinises all direct contract partners (KYC - Know Your Customer) and makes a total business risk assessment in a risk matrix. There is also a requirement that all B2B operators in turn perform a thorough KYC on their B2C customers, our sub-licensees. Evolution additionally performs somewhat simplified due diligence on sub-licensees before they are approved.

Example of the contents of the risk assessment:

- Presentation of governance structure – including beneficial owner background checks
- Checking that the customer is licensed for its target markets
- For customers with B2B licenses, Evolution requires the customer to report every new operator and give an account of the operator's licence

In the annual due diligence reviews of existing customers, any suspected irregularities are investigated. If a customer does not meet the conditions or requirements in the agreement, Evolution reserves the right to terminate the agreement. If a regulatory authority suspects non-compliance in relation to Evolution's products, Evolution cooperates with the regulatory authority to investigate the situation and take appropriate action.



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| Core elements of due diligence | Page references |
|---|---|
| a) Embedded due diligence in governance, strategy and business model | 29-34 |
| b) Engaging with affected stakeholders in all key steps of the due diligence | 30-33, 39, 42 |
| c) Identifying and assessing adverse impacts | 30-31 |
| d) Taking actions to address those adverse impacts | 30, 35, 37-38, 42-43, 45-46 |
| e) Tracking the effectiveness of these efforts and communication | 30, 35, 38, 43, 45-46 |

Game Presenter at a Baccarat table in Riga, Latvia.



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# E1 ENVIRONMENT

## E1 CLIMATE CHANGE

Our activities generate greenhouse gas emissions, and we consume energy both in the production of our games and when they are used. In line with our Sustainability Policy and Code of Conduct, we take initiatives to reduce our climate impact and strive to develop smarter and more energy-efficient products.

### Identified risks and opportunities

We have an impact on climate change through our emissions and energy use. Emissions are mainly related to energy consumption in our premises, the purchasing of goods and services, the construction of our studios as we grow, and our business travel, which is largely by air due to the global reach of our operations. Energy use is a priority issue, and we aim to reduce the energy intensity of our operations.

Much of our technology and equipment is developed internally at data centres, which presents opportunities to work purposefully on energy efficiency. More than half of our data centres are powered by renewable energy, but we also operate in areas where access to renewable energy is currently limited. We continuously evaluate opportunities to increase the share of renewable energy.

### Policies and practices

Our Code of Conduct and Global Sustainability Policy, which cover all employees, form the basis of Evolution's sustainability work and, together with overarching policies, are reviewed and adopted annually by the Board. Evolution's CFO, who is a member of Group Management and reports to the CEO, is responsible for the Company's overarching policies and guidelines in the environment and climate, targets and follow-up.

Our Sustainability Policy and Code of Conduct highlight the importance of our contribution to climate change mitigation and energy efficiency. We consider sustainability aspects in our investments and actively encourage all employees to participate in efforts to mitigate climate change and contribute to efficient energy use.

### Activities in 2024

In 2024, Evolution conducted a more in-depth survey of identified greenhouse gas emissions to gain a better understanding of the major sources of emissions. When calculating greenhouse gas emissions under the GHG Protocol for the year, several new categories have been added such as purchased goods and services and capital goods (studio buildings). Therefore, comparative figures are not included in this year's report as the results would be misleading.

The results of the survey will be used as the basis for setting reduction targets and for identifying future activities to further reduce emissions, such as continued work on energy efficiency and resource use. To further reduce our impact on the environment, we focus on saving all our equipment during the dismantling of a studio to be reused in new studios. In total, the number of tables increased by around 100 net in 2024.

### Energy efficiency

We are continuously working to develop the technology and equipment needed for our games internally. During the year, we prioritised energy-efficient solutions in our procurement processes for all new buildings. The evaluations of new buildings assess energy efficiency and energy consumption. Our operations have high cooling needs, so we have installed refrigeration equipment to enable more efficient cooling. We continue to prioritise material choices that improve the long-term insulation performance of our buildings to also ensure energy efficiency. In our newly built offices, we have installed ventilation systems that are programmed to switch off automatically outside office hours. At the same time, the microclimate in our studios is monitored to optimise energy use. Our Riga office once again received ISO 50001 certification from Bureau Veritas, confirming our commitment to improving the management of energy consumption year after year.

### Metrics and targets

Evolution has not set any quantitative or timed targets related to greenhouse gas emission reduction, but we stand behind the Paris Agreement and intend to reduce our greenhouse gas emissions over time. The more detailed GHG Protocol calculations carried out in 2024 form the basis for setting reduction targets. We monitor our emissions in relation to net sales and our energy consumption annually. We have also surveyed our energy consumption by source in 2024, with the aim of increasing the share of renewable energy.

### Energy consumption and mix

Energy use in our business is mainly related to our studios and the development of our games. Data includes the energy consumption of the entire business and is based on electricity bills. It has not been possible to specify unidentified sources from the invoices. There are no comparative figures as Evolution measured energy consumption in a new way in 2024.

| Energy consumption and mix | 2024 |
|---|---|
| Total energy consumption from fossil sources, MWh | 3,702 |
| Total energy consumption from nuclear sources, MWh | 156 |
| Total energy consumption from renewable sources, MWh | 15,418 |
| Total energy consumption from undefined sources, MWh | 7,166 |
| **Total energy consumption, MWh** | **26,442** |
| **Share of renewable sources in total energy consumption, %** | **58** |



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## Gross scopes 1, 2, 3 and total GHG emissions

Evolution reports greenhouse gases according to the recommendations of the Greenhouse Gas Protocol Corporate Standards (GHG Protocol). We use relevant emission factors to calculate emissions, and they are calculated according to operational control.

| Greenhouse gas emissions | 2024 |
|---|---|
| **Scope 1 GHG emissions** | |
| Gross Scope 1 GHG emissions (tCO2eq) | 0 |
| **Scope 2 GHG emissions** | |
| Gross location-based Scope 2 GHG emissions (tCO2eq) | 4,667 |
| **Significant scope 3 GHG emissions** | |
| Total Gross indirect (Scope 3) GHG emissions (tCO2eq) | 4,041 |
| 1. Purchased goods and services | 1,336 |
| 2. Capital goods | 1,262 |
| 4. Upstream transportation and distribution | 292 |
| 6. Business traveling | 1,151 |
| **Total GHG emissions** | 8,708 |
| GHG intensity * (tCO2e/EUR) | 4.2 |

*Estimated in relation to net revenues 2024

### Scope 1:

We do not have any significant emissions from our own operations as we are entirely office-based and have no company cars. Evolution is not covered by any regulated emissions trading schemes.

### Scope 2:

Emissions are from purchased electricity within the organisation, which accounts for the majority of our identified emissions. Around 58 percent of the electricity we use comes from renewable energy sources. Data is collected based on electricity bills and calculated with relevant emission factors for each country where we operate. Energy consumption is related to the cooling of our premises, product development, live broadcasting of gaming and our offices. The calculations are made according to the location-based method.

### Scope 3:

Emissions are indirect from our value chain. The categories included are our most significant ones, based on the review conducted in 2024.

**Purchased goods and services:** Data includes the purchase of computer equipment, cloud services and gaming tables. Emissions for computer equipment and gaming tables are calculated based on number multiplied by the relevant emission factor. Emissions for cloud services are collected from the supplier.

**Capital goods:** Data includes emissions from the production of our studios and is based on square metres built. We have divided the emissions into installation and internal finishes and multiplied by the relevant emission factor. Emissions for square metres built are reported 100 percent in the year of construction, and no depreciation for useful life has been taken into account.

**Upstream transport and distribution:** Transport includes emissions from purchased transport. Data is collected from our transport providers and represents around 90 percent of purchased transport. Emissions include well-to-wheel (WtW) emissions.

**Business travel:** Business travel includes emissions from business travel by rail and air and hotel nights. Data is collected from our travel agencies.

Emission factors for the calculations come from a number of different public sources such as the construction sector's environmental calculation toll (BM) 24-12-30, Shedding light on energy Europe - 2024 edition, Carbon Database Initiative, CREEM-tool, IVL Schabloner för vissa byggdelar/Schabloner according to Malmqvist et.al (2021 and other open data sources.



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# S1 OWN WORKFORCE

**We are a company consisting of more than 21,000 employees representing over 100 nationalities. The majority of our young employees take their first step into the labour market with us. This places demands on us as an employer.**

Our business is global and the operational part where our employees meet our customers' customers in front of the camera runs 24 hours a day, all year round. More than 85 percent of all staff are connected to operational gaming activity, where the average age is 24 with game presenters/croupiers being the largest individual occupational group. We work proactively and systematically to provide our staff with positive first experiences of professional life and to promote a safe, fair and supportive working environment for all.

All managers and staff are trained in responsible gambling, information security, GDPR and our Code of Conduct, which is a mandatory part of our on-boarding for all staff. For many positions deemed to be relevant, courses on countering money laundering, terrorist financing, corruption and bribery are mandatory.

## Identified risks and opportunities

We offer young people, often without higher education or previous work experience, a route into professional life, a future career platform and favourable conditions and benefits. As well as being a key element in the development of individuals, it also contributes strongly to the labour market development in the communities in which we operate.

We are actively committed to diversity and inclusion, and we recognise the cultural and innovative strength of our more than 100 nationalities and gender balance.

The gaming and casino industry can be the subject of negative attitudes, which our employees may sometimes encounter from those around them. Evolution has a clear growth strategy which means we need to both retain and recruit new staff at a high rate.

## Policies and practices

We support the UN Guiding Principles on Business and Human Rights and adhere to global frameworks such as the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. Over the past year, we have also updated our policy framework to clarify our position with regard to human rights, employee dialogue and collective bargaining.

Evolution's Chief Human Resources Officer, who is a member of Group Management and reports to the CEO, is responsible for the Company's overarching policies and guidelines in the area of HR. The policies covering all employees are set by the Board of Directors and the overarching governing document is the Global HR Policy, which includes gender equality and anti-discrimination work. Our policies and Code of Conduct safeguard employees' freedom of association, the right to collective bargaining and respect for human rights in line with the UN Guiding Principles on Business and Human Rights, and strongly oppose all forms of forced labour, child labour and trafficking.

The process of on-boarding new employees includes a review of policies and guidelines, as well as ongoing training, both in-person and online through our portal. As we operate in a regulated business, no employee is under the age of 18.

### Prejudice-free recruitment and equal pay

We apply fair terms of employment, non-discriminatory recruitment processes and equal pay for equal work. The basic premise is that the person best meeting the qualification requirements will be employed or promoted. At the same time, we strive for balance in recruitment and take the diversity perspective into account in cases where applicants are otherwise equally qualified.

We aim to be an inclusive workplace where each individual is assessed based on their merits and qualifications. The work to counter discrimination is based on definition of discrimination by the International Labour Organisation (ILO). This means that we support equal rights for all and work actively to ensure that all employees have the same conditions in which to develop, which is a key part of our attractiveness as an employer. When employees feel at ease and grow with us, it creates a ripple effect for more people to join us.

### Awareness of and trust in our grievance mechanisms

We take proactive measures to ensure that our staff are aware of and are reminded of the grievance mechanisms that exist. This awareness is embedded in various aspects of our employee experience, including:

1. Code of Conduct training – our mandatory e-learning includes guidance on our policy for handling complaints and grievances.
2. Our global HR policy – the section 'Grievances and complaints' describes our employees' rights and support options in more detail.
3. Internal communication campaigns – we regularly communicate with our employees through various internal channels, including emails, newsletters, large-scale meetings, 'Speak to HR' meetings and our intranet, to remind them of the existence of grievance channels and to encourage them to use them and foster a culture where employees feel comfortable raising questions and comments about their work situation.



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## Our values and working practices

### Culture and values

Our focus is on providing our employees with positive experiences of the world of work, developing skills and experiences that will be of benefit to them in their next career step within Evolution. Our commitment to engagement and development is entrenched in our Code of Conduct, our overall offering as an employer, our values and culture, our employee handbook and our internal leadership programme.

### Leadership

There are well-structured career paths, and the majority of our managers are recruited internally. We give young leaders great responsibility and trust and provide tools, training materials and internal coaches to help them succeed in their roles. The average age of our managers and leaders is 30. We recognise that HR managers have great responsibility in driving employee engagement and motivation to develop in their leadership roles and continue their careers with us.

### Skills development

We believe in promoting from within and investing in the development and careers of our staff. All new employees in Studio Operations spend their initial time at the Evolution Academy. Regular performance reviews, mentoring programmes and internal career opportunities are offered to support employees' development and advancement. Thanks to our growth, there are ample opportunities to try out new roles and geographies, and we have many positive examples of people who have made a career with us.

### Health and safety

We prioritise health and safety. In addition to local laws and regulations, we also have rigorous internal guidelines. Regular safety training, risk assessments and compliance audits are carried out to proactively prevent workplace accidents and ensure the well-being of our staff. We have initiatives based on promoting health and well-being through physical activity, and in most studios there are 'Healthy EVO' events that everyone can register for.

### Employee survey

Employee engagement is key in a business focused on delivering experiences to customers, operators and their end-users. An Engagement Survey is therefore conducted in all teams annually, measuring how employee engagement affects productivity and how each leader can help increase engagement. The aim is to identify potential for improvement and ensure that the workplace and culture encourage development.

## Metrics and targets

In addition to the parameters we measure in the context of our employee survey and ongoing HR data, we intend to add depth to our knowledge of a number of future targets and development areas. In 2025, we will evaluate quantitative targets linked among other things to how we can develop in our role as the first employer for a large number of young people.

### Employee turnover (young labour, first job)

As the majority of our employees are students or new recruits, we will gauge their experience during their employment with us. This will be done through exit surveys conducted with employees who leave us, where they are asked to rate their experience with us. In 2025, we will review the structures and set targets to reduce the number of voluntary leavers.

### Engagement Index

Our Engagement Index score is on a similar level since 2023, and in addition to the annual survey, we will conduct a pulse survey to measure the effectiveness of the action plans from the Employee Engagement Survey. We will also measure the accountability of each employee manager and position through an accountability index. We have trained and developed staff as 'Engagement Coaches' to support overall employee engagement, HR managers to review outcomes and focus on continuous improvement in our action planning work.

### Code of Conduct

In 2024-2025, our Code of Conduct is being introduced as an annual refresher that will be followed up for all employees, not just new recruits.

### Leadership training

In 2025, we will hold mandatory training courses for all newly appointed/promoted team leaders to ensure that they are well equipped and prepared for the job of leadership.



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## Characteristics of our employees

Total number of employees including consultants and breakdown by gender and country for countries where Evolution has at least 10 percent of its total number of employees:

| Number of employees and consultants | Male | Female | Other* | Not stated | TOTAL |
|---|---|---|---|---|---|
| Georgia | 2,927 | 2,966 | 0 | 0 | 5,893 |
| Latvia | 1,729 | 1,761 | 0 | 0 | 3,490 |
| US | 1,587 | 1,475 | 21 | 1 | 3,084 |
| Other | 4,491 | 4,684 | 3 | 28 | 9,206 |
| **Total** | **10,734** | **10,886** | **24** | **29** | **21,673** |

| Gender distribution, % | Male | Female | Other* | Not stated |
|---|---|---|---|---|
| Georgia | 49.7 | 50.3 | 0 | 0 |
| Latvia | 49.5 | 50.5 | 0 | 0 |
| US | 51.5 | 47.8 | 0.7 | 0.0 |
| Other | 48.8 | 50.9 | 0.0 | 0.3 |
| **Total** | **49.5** | **50.2** | **0.1** | **0.1** |

| Employment type | Male | Female | Other* | Not stated | TOTAL |
|---|---|---|---|---|---|
| Total number of employees | 10,734 | 10,886 | 24 | 29 | 21,673 |
| Number of permanent employees** | 7,794 | 8,724 | 18 | 4 | 16,540 |
| Number of temporary employees** | 1,918 | 1,226 | 1 | 0 | 3,145 |
| Number of full-time employees | 9,861 | 9,887 | 23 | 23 | 19,794 |
| Number of part-time employees | 866 | 1,013 | 0 | 0 | 1,879 |

*Gender as reported by the employee.
**Agreement type is not registered for 1,988 employees, hence the reason why sum of permanent and temporary employees is not 21,673.

### Method for compiling data

Basis of reporting: The number of employees and consultants is reported as the number of persons. Each employee/consultant is counted as an individual, regardless of working hours or type of employment (e.g. part-time or full-time).

## Collective agreements and social dialogue

Our working conditions and terms of employment are influenced by collective agreements at specific sites where local regulations or social partners have this as the norm. Collective agreements are currently in place for employees in Spain and for certain groups of employees in Argentina.

In total, 7.2 percent of Evolution's employees are officially covered by collective agreements. This is based on data from Spain and Argentina. In other countries there are no official records of union membership.

## Social dialogue

At sites with collective agreements, such as in Spain and some roles in Argentina, employees take part in social dialogue through appointed representatives who meet management regularly. These representatives play a crucial role in discussing workplace conditions, safety measures and terms of employment, and in ensuring that employees' voices are heard and taken into account in organisational decisions.

In Georgia, there is a trade union within the organisation, but precise union membership numbers are not currently tracked, as local regulations do not allow the unions to disclose membership lists.

In the United States, in Michigan, unions represent employees in certain positions, providing a platform for direct engagement and dialogue with management on workplace issues and terms of employment specific to that segment of the workforce.

Where there is no trade union organisation or collective agreement, we work continuously to ensure a qualitative and continuous employee dialogue through various types of local forums and initiatives. We firmly believe that the opinions and experiences of our employees are key to the further development of our shared workplace.

## Diversity metrics

At Evolution, we are proud of our national diversity and inclusive workplace, providing a dynamic working environment where everyone can learn from each other's differences. Every day, over 100 nationalities work side by side. We have a gender balance as a result of an inclusive process in both recruitment and promotion of staff. We firmly believe that diversity brings new perspectives and in so doing creates dynamism and a high level of innovation.

### Age breakdown of employees and consultants

| Age group | No. of employees | % |
|---|---|---|
| < 30 | 16,030 | 74 |
| 30-50 | 5,168 | 24 |
| > 50 | 323 | 1 |
| Not stated | 152 | 1 |
| Total | 21,673 | 100 |

### Gender distribution at top management

| | Men | | Woman | | Total |
|---|---|---|---|---|---|
| Board of Directors | 4 | 67% | 2 | 33% | 6 |
| Senior Executives | 4 | 80% | 1 | 20% | 5 |
| Senior Management* | 41 | 61% | 26 | 39% | 67 |

*The executives included in the extended group management or reporting to the senior executives.



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Employees learning in our Academy in Lithuania.

## Adequate wage

Evolution follows local rules for terms of employment, and all employees are paid an adequate wage based on market conditions and purchasing power.

## Social protection

To be an attractive employer, good working conditions are crucial to success. In all markets, we comply with local laws and regulations, and in many cases our conditions far surpass the local norm. We wish to offer our employees a safe and secure workplace, as well as an awareness that if something unexpected happens, illness or injury, we provide fundamental security. As part of our proactive approach to inclusion and diversity, accessibility and adaptation of the workplace where necessary is self-evident.

Evolution believes in a fair remuneration system for health insurance and parental leave, which is offered to all employees. By providing better opportunities for more people, we hope to contribute to greater equality in our workplace globally. Where local legislation does not offer what we consider to be sufficient protection, we provide additional support to ensure equivalence in our employees' access to benefits.

## Metrics for the working environment

Evolution's health and safety management system covers all employees and is described in our health and safety policy. The management system was implemented in summer 2023 and complies with local legislation in all the countries where we operate.

During the year, a total of 305 incidents were reported. Of these, 100 incidents resulted in lost working time, representing around 30 percent. The most common accidents were falls and trips, followed by road accidents and pre-existing health conditions. No fatalities or accidents leading to permanent disabilities occurred during the year.

The Lost Time Incident Rate (LTIR) for the company averaged 1.41, which is lower than the average outcome for similar industries of 1.7. This figure reflects the number of lost-time injuries per 100 full-time workers and was calculated using the standard formula:
$LTIR=(N/EH)\times 200{,}000$ where N = number of injuries and illnesses, EH = total hours worked by employees.

## Metrics for work-life balance

We encourage and work towards a healthy work-life balance for our employees, with particular account being taken of family-related events. To ensure that all staff are empowered to manage both the joys and sorrows in their private lives, we offer various types of leave for important life events such as parental leave, family care leave and extended leave for specific family needs. The entitlement to these forms of leave is general, but length of leave and level of pay may differ depending on local legislation.



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## Remuneration indicators

**Defined pay ranges and annual pay reviews**

We prevent unfairness and grievances by having defined pay ranges for all positions and annual pay reviews. By ensuring transparent remuneration practices, we reduce the risk of unfair pay and give employees clear expectations about their earning potential.

At an aggregate level, i.e. women's pay divided by men's pay among our more than 21,000 employees, there is a pay gap of 11 percent, i.e. men on average earn 11 percent more than women. One explanation to this is that the engineers category, which is dominated by men, has a high salary level. Broken down by country, there are geographies where women earn more than men, such as Georgia. Our policy and ambition is equal pay for equal work, and if unwarranted differences in pay for equal work come to our attention, these will be corrected.

## Incidents, complaints and serious human rights impacts

We work systematically to ensure a safe, inclusive and respectful working environment. We monitor work-related incidents and human rights complaints across our operations, paying particular attention to discrimination based on gender, race, ethnicity, nationality, religion, disability, age, sexual orientation and other protected characteristics.

To protect employee rights and maintain workplace integrity, we have established robust monitoring, reporting and problem-solving mechanisms such as:

**Mechanisms for incident reporting:** Employees and stakeholders can report discrimination, harassment or other rights violations through several confidential channels, including a dedicated email address for human rights issues, and the HR department. All complaints are promptly investigated under established protocols.

**Regular reviews and follow-up:** We conduct regular reviews in our workplaces to assess compliance with human rights policies. These reviews help in identifying potential deficiencies and reinforce our commitment to creating a respectful and inclusive workplace.

**Training programmes:** Employees receive training on diversity, equality and inclusion, as well as specific training on recognising and preventing discrimination. Managers and HR staff receive additional training on how to manage human rights complaints in a responsive and effective manner.

**Cases of suspected discrimination**

In 2024, 239 complaints of discrimination, including harassment, were reported. These complaints represented about one percent of our workforce. Each case was reviewed and dealt with in accordance with our policies. Of the reported incidents, 99 percent were resolved within a three-month period with actions such as corrective training, mediation or, where appropriate, termination of employment for individuals found to have infringed our human rights guidelines and policies.

**Reported complaints**

A total of 909 general complaints were reported. These complaints represented approximately four percent of our workforce. Each case was investigated, evaluated and resolved and improvements were communicated. Of the reported incidents, 99 percent were resolved within a three-month period with actions including corrective training, mediation or, where applicable, termination of employment for individuals found to have infringed our human rights guidelines.

No serious human rights violations or human rights incidents were identified during the reporting period. Evolution has not been subject to fines or other financial penalties for discrimination or human rights violations.



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# S4 CONSUMERS AND END-USERS

**Evolution's mission is to provide a superior gaming experience for our customers' end-users. At the same time, we recognise the challenges faced by the industry and are committed to raising awareness of gambling addiction and working with other stakeholders to tackle it.**

As a major player in the industry, we wish to and are able to contribute to positive development. We do so through our involvement in industry organisations, training of both employees and operators, cooperation with licensing authorities, and by developing processes and tools that prevent unhealthy gambling.

Close collaboration and shared visions regarding responsible gambling are an important element in efforts to protect vulnerable consumers. Our customers clearly informed about how they are expected to market the products according to industry standards at the time when they sign a contract, and then receive regular reports of suspected gambling addiction that they are expected to act on. The gaming operators retain all data regarding the identities of each player.

It is through licensing authorities and our customers, the gaming operators, that we receive information on how best to continue developing both our games and our control mechanisms to protect vulnerable players. We also have access to a wealth of data on gaming behaviour that helps us to fine-tune our offering and take responsibility in the value chain.

## Identified risks and opportunities

Our business model and long-term strategy are based on remaining a world leader in online casino gaming. Unhealthy gambling and individuals with a gambling addiction pose a risk to our industry and, through our knowledge and size, we will seek to drive positive change within our industry. By working proactively and ensuring responsible business behaviour by the actors in the value chain, we can reduce the risk of increased regulation in different markets.

We see opportunities in continuing to develop games and products that contribute to unbeatable gaming experiences and that counteract all forms of money laundering. By always staying one step ahead, our customers, the gaming operators, will continue to choose our products.

## Policies related to consumers and end-users

In our Code of Conduct we take a clear stance on our responsibility to raise awareness of gambling addiction problems. The policy is updated by Group Management and adopted by the Board of Directors annually.

Evolution promotes responsible marketing of live casino games and supports the code developed by the UK industry organisation CAP (Committee of Advertising Practice).

We label all product materials used by gaming operators in accordance with the Code of Advertising Gaming and Gambling.

Evolution also cooperates with the operators preventively, firstly through internal training in responsible gambling, and secondly by our game hosts receiving training in responsible gambling from those operators who offer this.

Our employees are expected to complete mandatory training on responsible gambling, be familiar with signs of gambling addiction problems and apply our procedures for reporting potential problems. All suspicions should be reported immediately in accordance with the Code of Advertising Gaming and Gambling.

## Processes for engaging with consumers and end-users about impacts

### Demands on gaming operators

All gaming using our products is based on each player first setting up an account with a gaming operator who is an Evolution customer. We obtain a code name for each player from the operator. All personal data that makes it possible to determine the identity of a player remains with the operator. It is also the operator who approves whether or not a player may play our games through them and who handles all bets, including limits.

In its licence agreements, Evolution requires licensees to adhere to responsible gambling practices and provide training for all relevant categories of employees on how to detect high-risk behaviour and on other aspects of responsible gambling. The well-being of the end-customers is crucial for continued success.

It is only in live casino contexts – where the player, in dialogue with the game host, manifests something that may be associated with gambling problems – that Evolution is able to act directly. This is achieved by the game host reporting the incident to Evolution's control room, which, in turn, contacts the operator. It is then the operator who is responsible for direct contact being made with the player and action being taken.

## Actions

We cannot identify the individuals who play on our platforms, but our work focuses on identifying patterns or behaviours that indicate unhealthy gaming and alerting the operator concerned in real time. We have a thorough due diligence process for customers, to ensure they comply with industry standards and enforce mechanisms that protect vulnerable players. We require our licensees to follow responsible gambling practices through our licence agreements. We have also introduced game locks in response to suspicious activities and improved the reporting processes monitored by our risk analysts.



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**Mission Control Room (MCR) - the heart of our operations**

All Evolution's central studios have a Mission Control Room (MCR), which can also monitor studios on other sites, safeguarding the scalability of operations. We have gambling protection systems that are connected in real time, most being based on advanced video recognition technology and complex hardware installations. Our Mission Control Rooms ensure operational excellence, system accessibility, safety and regulatory compliance.

As a means of protecting the game's integrity and detecting attempted fraudulent behaviour we monitor all gaming activities on our gaming floors in real time, 24 hours a day, year round. Tables, games, volumes and behaviour patterns are monitored through a combination of automatic and manual control systems – all to optimise safety and protect against fraud.

**Increasing awareness**

We work continuously to develop the industry and support our licensed operators and trade associations on significant matters, which are divided into four principal areas:

- Sponsorship and collaboration with industry bodies that provide information, best practice and recommendations for addressing problem gambling.
- Contractual requirements that all business partners must adhere to with regard to responsible gambling practice and technical integration support enabling operators' gambling control systems, such as gaming limits.
- Effective internal reporting systems through which suspected gambling addiction problems is reported to the operator for further action.
- Employee training – mainly for those working at casino tables and in customer service – about what signs of suspected gambling addiction problems may look like and how they can be reported to the operator.

**Helping customers do the right thing**

Licences and permits are often associated with restrictions on the operator's offering to players in a specific market. Our contracts require operators to adhere to the standards for responsible gambling as set out by the relevant industry bodies for their markets. Our gaming products support the limits set in a gaming operator's system by the operator or the player.

We do not market our products directly to end-users but foster responsible marketing practices. We therefore support the Code of Advertising Gaming and Gambling, which maintains a recognised high international standard. Accordingly, Evolution has chosen to apply the Code in all markets where we operate. In line with this, we provide advice and support to limit the effects of gambling addiction problems in all of our product communications regarding the non-profit operation 'GambleAware'.

Licensees who use our materials to market the products in their offering must use the same information. All official accounts on social media platforms used to promote products – and that offer age restrictions – are subject to an 18-year age limit.

**More efficient tools**

In recent years, work aimed at identifying suspected gambling addiction problems has been enhanced. As a consequence of extended procedures, additional training and more effective aids, reporting to operators has increased. Examples of new actions:

- Chat moderators who analyse and capture warning signals in game chats.
- Digital aids where AI verifies behaviour at the table in real time, increasing safety in gaming. Of the cases detected during the year, AI accounts for 35 percent, compared to 22 percent in the previous year.
- The teams working at the tables are trained and tested on how to respond by raising the alarm if a player expresses concern about their gaming. All alarms are collated and reported to the operator.

## Metrics for suspected cases

The number of cases of suspected gambling addiction problems reported to operators increased by 114 percent compared with the previous year. This increase is mainly due to improved and consequently more sensitive AI tools, more people using our games (+57 percent compared to 2023) and an increase in the number of chat moderators of more than 60 percent.

Total number of suspected gambling addiction cases identified and reported to gaming operators:

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Number of notified cases | 316,732 | 148,250 | 95,202 | 68,002 | 23,096 |
| Number of cases/ net revenues | 0.014% | 0.008% | 0.007% | 0.006% | 0.004% |

The number of reported cases increased by approximately 114 percent.

As part of their introduction, all new employees undergo training in responsible gambling. This is provided through the Evolution Academy. The training includes relevant guidelines, as well as Evolution's Code of Conduct, and all teams are expected to complete the training every year. The manager concerned ensures that this actually happens.

In 2024, 76 percent (72) of employees received training in responsible gambling.



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# G1 BUSINESS CONDUCT

**Evolution fosters sound business practices in which respect for customers, employees, cooperation partners and human rights is fundamental. To ensure that the operations are pervaded by ethical business practices, we maintain robust systems and practices. We actively combat all forms of corruption and money laundering.**

## Identified risks and opportunities

To maintain a high level of ethics in the way we do business is important for several reasons, among them to remain attractive as an employer, to be reliable as a partner for our customers and to ensure the good standing of our industry. Any failure from us to achieve our standard would increase the risk of negative development in all these areas. In the long-term, breaches to our standards would also damage our brand and have a general impact on our business.

Our organisation is committed to fostering a strong corporate culture based on ethical behaviour, integrity and respect for stakeholders. This is reflected in our policies and internal training which outline how all employees are expected to behave. To ensure compliance with our standards we have extensive mechanisms to identify, report and investigate irregularities or acts that are not in line with our internal standards.

We believe we have a robust culture for business ethics in place supported by policies, training programmes, grievance mechanisms and whistle-blower systems. At present, we see no significant financial issues related to business ethics.

## Business ethics policies and corporate culture

As a world-leading Live Casino solutions supplier, we will not only comply with applicable statutory requirements, but also meet the highest professional and ethical standards in all our markets and proactively drive positive change within our industry. In addition to our Code of Conduct, we have a comprehensive anti-bribery and anti-corruption policy in place, which is aligned with the principles set out in the UN Convention against Corruption, as well as an anti-money laundering and anti-terrorist financing policy.

The policies apply to all employees and set out clear guidelines and actions to prevent unethical practices related to bribery and corruption. We invest considerable resources in complying with local and national legislation in each country where we maintain operations. We have a legal team – consisting of more than 130 people working on compliance on a daily basis.

We regularly review and update our Code of Conduct to ensure it reflects any changes in relevant laws or our own policies. Employees are informed immediately of any policy changes.

### Values

In addition to policies and guidelines, our operations are built on Group-wide values. These values are regularly communicated to all staff and at the time of new recruitment. Through our values, we create a culture that strengthens us as a company and that guides us in our day-to-day efforts.

- **ALIVE –** We are entrepreneurial, innovative and always on our toes, eager to capture the next opportunity. We challenge ourselves to do what no one has done before, and we deliver a unique end-user experience and first-class customer service, simply because we try harder. We look at our customers' business as our business and opt to always be ahead of the game.
- **do RIGHT –** We are committed to responsible gambling practices and to promoting a professional work environment which rewards integrity and high standards. We honour the trust that our customers put in us and recognise that our ability to deliver a reliable high-quality user experience is essential to our success. We strive to be an admirable employer, and we believe in giving back to the communities in which we operate.
- **work TOGETHER –** We recognise our diversity as a key strength. We promote an honest, inclusive and open work environment where we respect and support each other. Our pioneering ambition is dependent on our ability to work and develop together. At Evolution, every part of the chain counts.

### Mechanisms for identifying and reporting problems

Evolution provides several channels through which both internal and external stakeholders can report suspected irregularities or breaches of our policies. These mechanisms are designed to be accessible, confidential and secure so that individuals can feel confident in raising concerns. These channels include a dedicated email address for our legal team, reporting to managers/HR and our whistle-blowing system where external stakeholders can also report cases.

### Process for handling reports

Once a report is received, our organisation follows a rigorous investigation process to validate perceived issues and determine appropriate actions. This process is designed to be thorough, impartial and transparent.

**Preliminary assessment:** Each report is initially reviewed by the HR Department and the legal team to decide whether the problem warrants a full investigation. If the issue appears to be a significant problem, a detailed investigation is launched.



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**Investigation process:** The investigation is led by our HR Department and/or legal experts. It may include interviews with relevant individuals, document review and data analysis to gather all the necessary facts.

**Confidentiality and non-retaliation:** Throughout the investigation, confidentiality is maintained to protect the identity of both the person making the report and those involved in the investigation. We have a strict policy in place to protect whistle-blowers and stakeholders from negative treatment.

**Solution and follow-up:** Once the investigation is completed, the results are reviewed by senior management and, where appropriate, corrective or disciplinary action is taken. The person who made the notification is informed of the outcome, in line with confidentiality and data protection policies. Corrective action may include training, policy changes, disciplinary action or even legal action if the breach is serious.

**Annual audits:** We conduct regular audits to assess the effectiveness of our business ethics and code of conduct policies and ensure that the reporting mechanisms are working properly. These audits also help us identify areas for improvement in the management of reports and investigations.

### Whistle-blower system

Our whistle-blower system makes it possible to anonymously report suspicions of serious misconduct, such as irregularities or inappropriate actions affecting Evolution's vital interests. Both employees and external stakeholders are encouraged to report any suspicions, and notifications are handled by our Chief Legal and Compliance and Chief Human Relations.

To ensure that all employees are aware of their rights and channels for reporting, all staff receive both introduction and ongoing training on our Code of Conduct, which includes our whistle-blower protection policy, and information on how to report any concerns. We are committed to looking after employees who report suspected irregularities and have processes in place to ensure their safety and well-being.

In addition to the procedures for dealing with whistle-blowing in accordance with Directive (EU) 2019/1937, our organisation has a robust framework for investigating incidents, including suspected cases of corruption and bribery. These procedures ensure that all incidents are dealt with quickly, independently and objectively.

## Prevention and detection of corruption and bribery

We work proactively and systematically to prevent all forms of bribery and corruption and follow the Codes of Conduct established in the UK Bribery Act 2010, the US Foreign Corrupt Practices Act and applicable laws and regulations against corruption and bribery in the countries where we operate.

We conduct extensive examinations of new customers, including a background check of beneficial owners, as well as their licences. Customers holding a B2B license must, under their terms of contract, report all new operators to whom they provide our products. In that way, we can also perform due diligence on our customers' customers. Read more about our Know Your Customer Policy on page 33.

Evolution does not handle any monetary transactions from end-users. However, we participate in global efforts to combat money laundering and financing of terrorism.

The Internal Game Integrity and Risk Department ensures fair gaming, compliance with game rules and protection of the company's reputation by preventing fraud, cheating and misconduct. It manages risks through proactive assessment, data security and incident investigation, while promoting employee awareness and interdepartmental cooperation.

All managers and other employees are trained in responsible gambling, data security and GDPR. For certain selected positions, training on countering money laundering, terrorist financing, corruption and bribery is mandatory.

| Training | Employee training participation, % |
|---|---|
| Anti-Money Laundering | 75.7 |
| Anti-Money Laundering (Canada) | 89.4 |
| Responsible Gambling | 76.5 |
| Anti-Bribery | 84.6 |
| Information Security | 73.3 |
| Privacy and Data Protection Essentials | 73.6 |

### Training for exposed employees

Each year, employees in roles identified as being at increased risk of exposure to corruption and bribery receive targeted training to increase awareness and compliance with our policies and legal requirements. The functions considered most at risk include employees in finance, legal, purchasing, HR, Operations Service Management and all HR managers (regardless of function). The training also includes clarity on reporting procedures in identified suspected unethical behaviour.



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## Table: Training on corruption and bribery

| | Departments exposed to risk | Managers |
|---|---|---|
| **Number of employees receiving training** | | |
| Total number | 855 | 214 |
| Total receiving training | 724 | 176 |
| **Type and duration of the training** | | |
| Computer-based training | 0.5 h | 0.5 h |
| **Recurrent** | | |
| How often training is required | Annually | Annually |
| **Topics covered** | | |
| Definition of corruption | Yes | Yes |
| Policy | Yes | Yes |
| Procedures for suspicion/ detection | Yes | Yes |
| Responsible gambling | Yes | Yes |

### Cases of corruption and bribery

In 2024, Evolution had no confirmed incidents related to corruption or bribery.

Workshop between employees, Latvia.



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# Sustainability notes

## THE EU TAXONOMY

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU climate goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

In the following section, we as a non-financial Parent present the share of our Group turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the reporting period 2024, which are associated with Taxonomy-eligible economic activities related to the environmental objectives in accordance with Art. 8 Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act. In 2023, the EU Taxonomy was expanded with the four remaining environmental objectives covered by the EU Environmental Delegated Act and with amendments to the Climate Delegated Act. The amendments did not bring any impact on Evolutions Taxonomy eligibility.

Our economic activities as a B2B provider of online casino are determined Taxonomy-non-eligible. The Climate Delegated Act focuses on those economic activities and sectors that have the greatest potential to achieve the objective of climate change mitigation – that is, the need to avoid producing greenhouse gas (GHG) emissions, to reduce such emissions or to increase GHG removals and long-term carbon storage. The sectors covered include energy, selected manufacturing activities, transport and buildings. After a thorough review of our Group activities, we concluded that our economic activities are not covered by the Climate Delegated Act or Environmental Delegated Act and consequently are not Taxonomy-eligible or aligned. It can therefore be concluded that the Online Casino sector has not been identified as a major source of GHG emissions. There have been no significant changes in accounting policies regarding the taxonomy compared with the previous reporting period.

### Our KPIs

The key performance indicators ('KPIs') include the turnover KPI, the CapEx KPI and the OpEx KPI.

**Turnover**

Total turnover corresponds to net revenues in the consolidated income statement.

**CapEx**

Total CapEx corresponds to additions, including capitalized research and development costs, to balance sheet items property, plant and equipment, intangible assets before any remeasurement, depreciation, amortisation or impairment and excluding any changes in fair value, and IFRS 16 classified right of use assets, as specified in notes 11, 12 and 17 to the consolidated balance sheet, as presented in the Financial Report, part of the Annual Report.

**OpEx**

Total OpEx corresponds to total operating expenses in the consolidated income statement.

For the reporting period 2024, the KPIs have to be disclosed in relation to Taxonomy-eligible economic activities and Taxonomy-non-eligible economic activities (Art. 10 (2) of the Art. 8 Delegated Act). Since our economic activities as a group are not covered by the Climate Delegated Act, the share of Taxonomy-eligible economic activities in our total turnover is 0 percent. Furthermore, there are no CapEx plans to upgrade a Taxonomy-eligible economic activity to become Taxonomy-aligned or to expand a Taxonomy-eligible economic activity ('category b' acc. to Sect. 1.1.2.2 of Annex I to the Art. 8 Delegated Act. Only 'category c' CapEx and OpEx can therefore qualify as Taxonomy-eligible, i.e. CapEx/OpEx related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling the target activities (our non-eligible activities) to become low-carbon or to lead to greenhouse gas reductions (Sect. 1.1.2.2.(c) of Annex I to the Art. 8 Delegated Act). We have not identified any purchased outputs or individual measures that correspond to eligible economic activities and, thus, respond in Taxonomy-eligible or aligned CapEx/OpEx.

| **Nuclear and fossil gas related activities** | |
|---|---|
| **Nuclear energy related activities** | Yes/No |
| The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |
| **Fossil gas related activities** | Yes/No |
| The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |



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## Proportion of Taxonomy-aligned economic activities

**Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024**

| 2024 | Year | | | Substantial contribution criteria | | | | | | DNSH criteria (Do No Significant Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Code (2) | Turn-over (3) | Propor-tion of Turnover, year N (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) |
| Economic Activities | | EURm | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| A. TAXONOMY ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| N/A | | 0 | 0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | N/A | N/A |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | | |
| **Of which enabling** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | N/A | |
| **Of which transitional** | | 0 | 0% | 0% | | | | | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | | N/A |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL;N/EL | EL;N/EL | EL;N/EL | EL;N/EL | EL;N/EL | EL;N/EL | | | | | | | | | | |
| N/A | | 0 | 0% | N/A | N/A | N/A | N/A | N/A | N/A | | | | | | | | 0% | | |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | |
| **A. Turnover of Taxonomy-eligible activities (A.1+A.2)** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities | | 2,063 | 100% | | | | | | | | | | | | | | | | |
| **TOTAL** | | **2,063** | **100%** | | | | | | | | | | | | | | | | |

| | Proportion of turnover / Total Turnover | |
|---|---|---|
| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| CCM | 0% | 0% |
| CCA | 0% | 0% |
| WTR | 0% | 0% |
| CE | 0% | 0% |
| PPC | 0% | 0% |
| BIO | 0% | 0% |

**Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024**

| 2024 | Year | | | Substantial contribution criteria | | | | | | DNSH criteria (Do No Significant Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Code (2) | CapEx (3) | Propor-tion of CapEx, year N (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Econo-my (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Econo-my (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) |
| Economic Activities | | EURm | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| A. TAXONOMY ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| N/A | | 0 | 0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | N/A | N/A |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | | |
| **Of which enabling** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | N/A | |
| **Of which transitional** | | 0 | 0% | 0% | | | | | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | | N/A |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N; N/EL | EL; N; N/EL | EL; N; N/EL | EL; N; N/EL | EL; N; N/EL | EL; N; N/EL | | | | | | | | | | |
| N/A | | 0 | 0% | N/A | N/A | N/A | N/A | N/A | N/A | | | | | | | | 0% | | |
| **CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | |
| **A. CapEx of Taxonomy-eligible activities (A.1+A.2)** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities | | 137 | 100% | | | | | | | | | | | | | | | | |
| **TOTAL** | | **137** | **100%** | | | | | | | | | | | | | | | | |

| | Proportion of CapEx / Total CapEx | |
|---|---|---|
| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| CCM | 0% | 0% |
| CCA | 0% | 0% |
| WTR | 0% | 0% |
| CE | 0% | 0% |
| PPC | 0% | 0% |
| BIO | 0% | 0% |



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| Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024 | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2024 | Year | | | Substantial contribution criteria | | | | | | DNSH criteria (Do No Significant Harm) | | | | | | | | | |
| Economic Activities (1) | Code (2) | OpEx (3) | Proportion of OpEx, year N (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) |
| Economic Activities | | EURm | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| A. TAXONOMY ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| N/A | | 0 | 0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | N/A | N/A |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | | |
| Of which enabling | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | N/A | |
| Of which transitional | | 0 | 0% | 0% | | | | | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | | N/A |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N; N/EL | EL; N; N/EL | EL; N; N/EL | EL; N; N/EL | EL; N; N/EL | EL; N; N/EL | | | | | | | | | | |
| N/A | | 0 | 0% | N/A | N/A | N/A | N/A | N/A | N/A | | | | | | | | 0% | | |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | |
| A. OpEx of Taxonomy-eligible activities (A.1+A.2) | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities | | 795 | 100% | | | | | | | | | | | | | | | | |
| TOTAL | | 795 | 100% | | | | | | | | | | | | | | | | |

| | Proportion of OpEx / Total OpEx | |
|---|---|---|
| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| CCM | 0% | 0% |
| CCA | 0% | 0% |
| WTR | 0% | 0% |
| CE | 0% | 0% |
| PPC | 0% | 0% |
| BIO | 0% | 0% |



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## ESRS DISCLOSURES

| ESRS | Disclosure requirement | Full name of the disclosure requirement | Page | Comments |
|---|---|---|---|---|
| **General information** | | | | |
| ESRS 2 | BP-1 | General basis for preparation of sustainability | 29 | |
| ESRS 2 | BP-2 | Disclosure in relation to specific circumstances | N/A | |
| ESRS 2 | GOV-1 | The role of the administrative, management and supervisory bodies | 32 | |
| ESRS 2 | GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 32 | |
| ESRS 2 | GOV-3 | Integration of sustainability-related performance in incentive schemes | | Additional information 2025 |
| ESRS 2 | GOV-4 | Statement on due diligence | 33-34 | |
| ESRS 2 | GOV-5 | Risk management and internal controls over sustainability reporting | 30-32 | |
| ESRS 2 | SBM-1 | Strategy, business model and value chain | 9-10, 30 | |
| ESRS 2 | SBM-2 | Interests and views of stakeholders | 31-32 | |
| ESRS 2 | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 30-32 | |
| ESRS 2 | IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 31 | |
| ESRS 2 | IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement | 50 | |
| | | | | |
| **Environmental information** | | | | |
| **Climate change** | | | | |
| ESRS E1 | E1-1 | Transition plan for climate change mitigation | | Additional information 2025 |
| ESRS 2 | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 35 | |
| ESRS 2 | IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 30-31 | |
| ESRS E1 | E1-2 | Policies related to climate change mitigation and adaptation | 35 | |
| ESRS E1 | E1-3 | Actions and resources in relation to climate change policies | | Additional information 2025 |
| ESRS E1 | E1-4 | Targets related to climate change mitigation and adaptation | 35 | |
| ESRS E1 | E1-5 | Energy consumption and mix | 35 | |
| ESRS E1 | E1-6 | Gross Scopes 1, 2, 3 and Total GHG emissions | 36 | |
| | | | | |
| **Social information** | | | | |
| **Own workforce** | | | | |
| ESRS 2 | SBM-2 | Interests and views of stakeholders | 33, 38 | |
| ESRS 2 | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 37 | |
| ESRS S1 | S1-1 | Policies related to own workforce | 33, 37 | |
| ESRS S1 | S1-2 | Processes for engaging with own workers and workers' representatives about impacts | 38-39 | |
| ESRS S1 | S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns | 37, 41 | |
| ESRS S1 | S1-4 | Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | 37-38 | |
| ESRS S1 | S1-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 37-38 | |
| ESRS S1 | S1-6 | Characteristics of the undertaking's employees | 39-40 | |
| ESRS S1 | S1-8 | Collective bargaining coverage and social dialogue | 39 | |
| ESRS S1 | S1-9 | Diversity metrics | 39-40 | |
| ESRS S1 | S1-10 | Adequate wages | 40 | |
| ESRS S1 | S1-11 | Social protection | 40 | |
| ESRS S1 | S1-13 | Training and skills development metrics | 37, 43, 45-46 | |
| ESRS S1 | S1-14 | Health and safety metrics | 40 | |
| ESRS S1 | S1-15 | Work-life balance metrics | 40 | |
| ESRS S1 | S1-16 | Compensation metrics (pay gap and total compensation) | 41 | Additional information 2025 |



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|---|---|---|---|---|
| ESRS S1 | S1-17 | Incidents, complaints and severe human rights impacts | 41 | |
| | | | | |
| **Consumers and end-users** | | | | |
| ESRS 2 | SBM-2 | Interests and views of stakeholders | 33, 42 | |
| ESRS 2 | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 31, 42 | |
| ESRS S4 | S4-1 | Policies related to consumers and end-users | 33, 42 | |
| ESRS S4 | S4-2 | Processes for engaging with consumers and end-users about impacts | 42 | |
| ESRS S4 | S4-4 | Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions | 42-43 | |
| ESRS S4 | S4-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 43 | |
| | | | | |
| **Governance information** | | | | |
| ESRS 2 | GOV-1 | The role of the administrative, management and supervisory bodies | 32 | |
| ESRS 2 | IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 31-32 | |
| ESRS G1 | G1-1 | Corporate culture and business conduct policies and corporate culture | 44 | |
| ESRS G1 | G1-3 | Prevention and detection of corruption and bribery | 45-46 | |
| ESRS G1 | G1-4 | Confirmed incidents of corruption or bribery | 46 | No confirmed incidents |



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## DATA POINTS IN OTHER EU LEGISLATION

| Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | 'Page reference/ Not material' |
|---|---|---|---|---|---|
| ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d) | Indicator number 13 of Table #1 of Annex I | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | 68, 73 |
| ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e) | | | Delegated Regulation (EU) 2020/1816, Annex II | | 67 |
| ESRS 2 GOV-4 Statement on due diligence paragraph 30 | Indicator number 10 Table#3 of Annex I | | | | 33-34 |
| ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i | Indicators number 4 Table#1 of Annex I | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk | Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii | Indicator number 9 Table#2 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii | Indicator number 14 Table #1 of Annex I | | Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv | | | Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14 | | | | Regulation (EU) 2021/1119 Article 2(1) | Not stated |
| ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) | | Article 449a Regulation (EU) No 575/2913; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Article 12.1 (d) to (g), and Article 12.2 | | Not material |
| ESRS E1-4 GHG emission reduction targets paragraph 34 | Indictor number 4 Table #2 of Annex I | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book- Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 6 | | 35 |
| ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) | Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I | | | | Not material |
| ESRS E1-5 Energy consumption and mix paragraph 37 | Indicator number 5 Table #1 of Annex I | | | | 35 |
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | Indicator number 6 Table #1 of Annex I | | | | Not material |
| ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44 | Indicators number 1 and 2 Table #1 of Annex I | Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book- Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1) | | 36 |
| ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55 | Indicators number 3 Table #1 of Annex I | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book- Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 8(1) | | 36 |
| ESRS E1-7 GHG removals and carbon credits paragraph 56 | | | | Regulation (EU) 2021/1119, Article 2(1) | Not material |
| ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 | | | Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)<br>ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c). | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book- Climate change physical risk: Exposures subject to physical risk. | | | Not material |
| ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c). | | Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book- Climate change transition risk: Loans collateralised by immovable property- Energy efficiency of the collateral | | | Not material |



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|---|---|---|---|---|---|
| ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69 | | | Delegated Regulation (EU) 2020/1818, Annex II | | Not material |
| ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I | | | | Not material |
| ESRS E3-1 Water and marine resources paragraph 9 | Indicator number 7 Table #2 of Annex I | | | | Not material |
| ESRS E3-1 Dedicated policy paragraph 13 | Indicator number 8 Table 2 of Annex I | | | | Not material |
| ESRS E3-1 Sustainable oceans and seas paragraph 14 | Indicator number 12 Table #2 of Annex I | | | | Not material |
| ESRS E3-4 Total water recycled and reused paragraph 28 (c) | Indicator number 6.2 Table #2 of Annex I | | | | Not material |
| ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29 | Indicator number 6.1 Table #2 of Annex I | | | | Not material |
| ESRS 2- IRO 1 - E4 paragraph 16 (a) i | Indicator number 7 Table #1 of Annex I | | | | Not material |
| ESRS 2- IRO 1 - E4 paragraph 16 (b) | Indicator number 10 Table #2 of Annex I | | | | Not material |
| ESRS 2- IRO 1 - E4 paragraph 16 (c) | Indicator number 14 Table #2 of Annex I | | | | Not material |
| ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b) | Indicator number 11 Table #2 of Annex I | | | | Not material |
| ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c) | Indicator number 12 Table #2 of Annex I | | | | Not material |
| ESRS E4-2 Policies to address deforestation paragraph 24 (d) | Indicator number 15 Table #2 Annex I | | | | Not material |
| ESRS E5-5 Non-recycled waste paragraph 37 (d) | Indicator number 13 Table #2 of Annex I | | | | Not material |
| ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 | Indicator number 9 Table #1 of Annex I | | | | Not material |
| ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f) | Indicator number 13 Table #3 of Annex I | | | | Not material |
| ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g) | Indicator number 12 Table #3 of Annex I | | | | Not material |
| ESRS S1-1 Human rights policy commitments paragraph 20 | Indicators number 9 Table #3 and Indicator number 11 Table #1 of Annex I | | | | 37 |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | | | Delegated Regulation (EU) 2020/1816, Annex II | | 37 |
| ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22 | Indicator number 11 Table #3 of Annex I | | | | Not material |
| ESRS S1-1 workplace accident prevention policy or management system paragraph 23 | Indicator number 1 Table #3 of Annex I | | | | 40 |
| ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c) | Indicator number 5 Table #3 of Annex I | | | | 37 |
| ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) | Indicator number 2 Table #3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | 40, zero fatalities |
| ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e) | Indicator number 3 Table #3 of Annex I | | | | 40 |
| ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a) | Indicator number 12 Table #1 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | 41 |
| ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b) | Indicator number 8 Table #3 of Annex I | | | | Not stated |
| ESRS S1-17 Incidents of discrimination paragraph 103 (a) | Indicator number 7 Table #3 of Annex I | | | | 41 |
| ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a) | Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1) | | 41 |
| ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b) | Indicators number 12 and number 13 Table #3 Annex I | | | | Not material |



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| | | | | | |
|---|---|---|---|---|---|
| ESRS S2-1 Human rights policy commitments paragraph 17 | Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I | | | | Not material |
| ESRS S2-1 Policies related to value chain workers paragraph 18 | Indicator number 11 and n. 4 Table #3 of Annex I | | | | Not material |
| ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19 | Indicator number 10 Table #1 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | | Not material |
| ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | | | Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36 | Indicator number 14 Table #3 of Annex I | | | | Not material |
| ESRS S3-1 Human rights policy commitments paragraph 16 | Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex 1 | | | | Not material |
| ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17 | Indicator number 10 Table #1 Annex I | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | | Not material |
| ESRS S3-4 Human rights issues and incidents paragraph 36 | Indicator number 14 Table #3 of Annex I | | | | Not material |
| ESRS S4-1 Policies related to consumers and end-users paragraph 16 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I | | | | 42 |
| ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17 | Indicator number 10 Table #1 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | | 32 |
| ESRS S4-4 Human rights issues and incidents paragraph 35 | Indicator number 14 Table #3 of Annex I | | | | 42-43 |
| ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b) | Indicator number 15 Table #3 of Annex I | | | | 44 |
| ESRS G1-1 Protection of whistle- blowers paragraph 10 (d) | Indicators number 6 Table #3 of Annex I | | | | 45 |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) | Indicator number 17 Table #3 of Annex I | | Delegation Regulation (EU) 2020/1816, Annex II | | 46 |
| ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b) | Indicator number 16 Table #3 of Annex I | | | | 44-45 |



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## Sustainability Report

Evolution AB (publ)'s sustainability reporting summarises the work performed in 2024 and constitutes the Statutory Sustainability Report. It was prepared in accordance with the requirements set out with regard to sustainability reporting in Ch. 6, par. 12 of the Annual Accounts Act. The Sustainability Report covers the entire Group and all subsidiaries are included.

## Guidance – legally required disclosures

This is how the accounting requirements in accordance with the Annual Accounts Act are met:


- Business model, page 29
- Our value chain, page 30
- Material impacts, risks and opportunities, pages 31-32
- Our policies, page 33
- Due diligence, pages 33-34
- Risk section in the Directors' report, pages 61-64
- Environment, pages 35-36
- Social - Our own workforce, pages 37-41
- Social - Consumers and end-users, pages 42-43
- Business Conduct, pages 44-46
- Sustainability notes, pages 47-55


## AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the General Meeting of the shareholders in Evolution AB (publ), corporate identity number 556994-5792

### ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the statutory sustainability report for the year 2024 on pages 29-55 and 61-64 and that it has been prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

### THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### OPINION

A statutory sustainability report has been prepared.

Stockholm, 14 April 2025
Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Authorised Public Accountant



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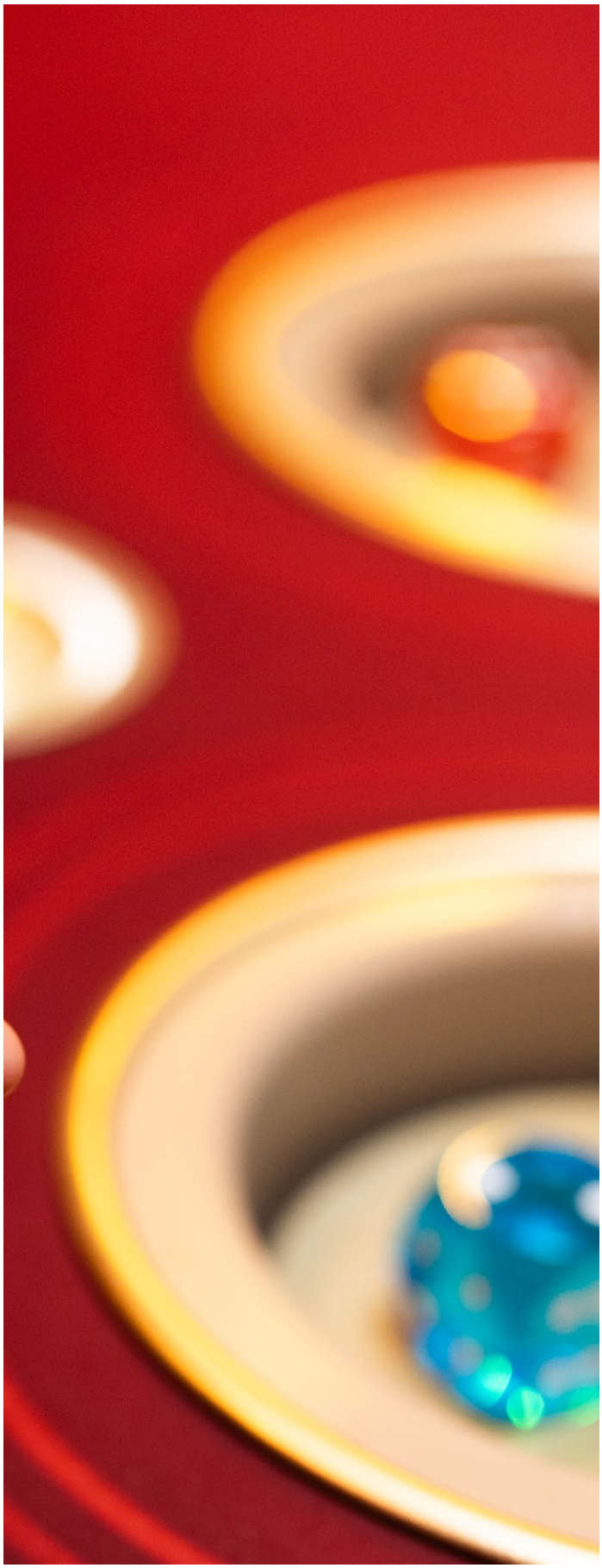

# GOVERNANCE


DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

OUR BOARD OF DIRECTORS

OUR GROUP MANAGEMENT TEAM





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# Directors' report

The Board of Directors and the Group CEO of Evolution AB (publ) 556994-5792 ('Evolution') hereby present the annual accounts for the Group and the Parent Company for the 2024 financial year.

## Operations

Evolution develops, produces, markets and licenses fully integrated live casino and slots solutions to gaming operators. In live casino, a game presenter, i.e. dealer, runs the game from a casino gaming table that is followed in real time via a video stream. End users, i.e. the players, make betting decisions on their devices like computers, smartphones, tablets, etc.

Evolution is a B2B supplier and, at the end of 2024, the Group had approximately 800 customers, including the majority of the foremost online casino operators in Europe and the USA, as well as a number of land-based casinos. The operators market the products to the end users.

Evolution's live casino platform is unique in its kind and covers all aspects required by a gaming operator – from the recruitment and training of game presenters and other staff to streaming, production, supervision, customer services and follow-up. Operators are offered a fully customised solution with a high degree of adaptability such as standard and VIP tables, control of how the environment looks and dedicated dealer teams. The Company has a broad portfolio of core games including both classic table games and new innovative casino games. Various game derivatives are also available, i.e. variations of the core games with new technical solutions and new content.

Evolution has production studios in Riga in Latvia, Tbilisi in Georgia and Mriehel in Malta, where the majority of the operations are conducted. In addition, the Company has studios in New Jersey, Pennsylvania, Michigan and Connecticut in the USA as well as Vancouver in Canada, Kaunas in Lithuania, Madrid in Spain, Sofia in Bulgaria, Prague in Czech Republic, Buenos Aires in Argentina, Medellin in Colombia and Yerevan in Armenia. The Company also runs on-premise studios at land-based casinos in Romania, and Spain. The Parent Company of the Group is located in Stockholm, Sweden.

Evolution's revenues consist of fixed and variable consideration from the Company's customers. A majority of the revenue derives from commission, which is calculated as a percentage of the customer's profit generated by the Company's online casino platform. Through commission, Evolution gains beneficial exposure to the general growth of the global online casino market. In addition to commission, a proportion of the Company's revenue derives from fees for dedicated tables. These are invoiced to customers who have chosen to offer their end users dedicated tables.

## Business concept and vision

Evolution's business concept is to offer gaming operators in regulated markets an unparalleled, locally adapted online casino service for all digital platforms. Its mission is to make operators successful and provide an excellent gaming experience for their end users. Evolution's vision is to be the leading online casino provider in the world.

## Significant events in 2024

- Launch of 109 new games
- Investments in studios throughout the year to meet global demand for online casino
- +1,700 Live tables at year-end
- The Board proposes a dividend of EUR 2.80 per share (2.65).

## Market

The global online casino market (Live & RNG) developed strongly in 2024 and, according to the independent institute H2 Gambling Capital*, it had an estimated value of EUR 48,833 million (39,636) at year-end. The North American online casino market had an estimated value of EUR 13,080 million (10,268) at year-end, the European EUR 23,817 million (20,904), and the Asian market was estimated to have a value of EUR 7,740 million (4,951). The development of online gaming is underpinned by technological progress and new distribution channels, as well as strong demand from gaming operators and their end users. Slots/RNG is the largest vertical with approximately 81 percent (79) of the online casino market.

*H2 Gambling Capital, Detailed Global Summary Data (€), Total iCasino Gross Win, 6 March 2025.

Evolution has a leading position among live casino operators in both Europe and North America. The Company intends to continue strengthening its leading position in the market by having a clear focus on activities that promote the business and the offering. The three strategic core areas — product innovation, customer optimisation and operational excellence — are considered to be of particular importance for a continued expansion of the advantage held compared to other players in the market and the creation of a stable foundation for continued growth.



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## New agreements and customers

In 2024, agreements were concluded with a number of smaller operators and platforms as well as with a number of regional operators. Many existing agreements were expanded to cover additional services and tables:

Evolution and Bet365 signed an agreement that extend their collaboration from having included the NetEnt and Red Tiger brands to now include Evolution´s full product suite.

A three-year extension of the US agreement with FanDuel Casino. The renewal strengthens the strategic partnership between the two companies, reaffirming Evolution as FanDuel's sole provider of core live dealer casino games.

Evolution and Caesars Digital signed a strategic agreement to expand partnership throughout North America. Under the terms of this partnership, Evolution and Caesars will work together to establish dedicated studios across multiple U.S. states, including one inside Caesars' New Jersey-based Tropicana Casino.

## Revenues and profit

### Revenues

Evolution's total operating revenues amounted to EUR 2,214.1 million (1,798.6) in the financial year ending on 31 December 2024. Other operating revenues of EUR 151.1 million (-) relates to reduced earnout liability. Net revenues amounted to EUR 2,063.1 million (1,798.6). The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised live casino environments.

### Expenses and profit

Total operating expenses amounted to EUR 794.6 million (655.9). The Company's personnel expenses rose to EUR 437.8 million (355.3), mainly driven by higher expenses for personnel in connection with the launch of new tables in the Company's studios.

Depreciation, amortisation and impairments amounted to EUR 142.2 million (124.7), an increase explained primarily by the expansion of the Company's studios. Other operating expenses rose to EUR 214.5 million (175.9), driven by expenses for premises, consumables and communications. Operating profit for the year amounted to EUR 1,419.6 million (1,142.7) with an operating margin of 64.1 percent (63.5).

Financial items had a positive impact on the profit and amounted to EUR 19.4 million (5.9).

The Group's effective tax rate for the year amounted to 13.5 percent (6.8). The effective tax rate is affected by estimated top-up tax related to Pillar II and by the countries in which Evolution conducts operations and generates profit, which may vary between reporting periods. Profit for the year amounted to EUR 1,244.0 million (1,070.9).

### Investments

The Group's investments in intangible assets amounted to EUR 71.4 million (52.0) in 2024. Investments in intangible assets refer to the development of new games and technical improvements of the platform, such as new functionality. Development projects during the year included the development of new games that will be launched in 2025, but also exclusive content rights.

Investments in property, plant and equipment amounted to EUR 65.3 million (42.2). Investments in property, plant and equipment primarily comprised new studio space and premises, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches. Investments in computer equipment were also made to meet needs in connection with the organisation's expansion, as well as in studio equipment in the Company's production studio.

Acquisition of subsidiaries amounted to EUR 7.6 million (47.5) and investment in bond portfolio amounted to EUR 100 million (-).

### 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 year. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 248.0 million (-139.4). A description of the investing activities is provided in the Investments section above. Cash flow from financing activities was negative in the amount of EUR 1,238.1 million (-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). Cash and cash equivalents amounted to EUR 801.5 million (985.8) at year-end.

### Employees

As of 31 December 2024, Evolution employed 21,252 (19,221) people, corresponding to 15,381 (14,850) full-time equivalents. The average number of full-time equivalents for the full year was 14,885 (13,044).

### Sustainability

Evolution AB's sustainability report is prepared in accordance with the requirements of the Annual Accounts Act (chapter 6, paragraph 12) on sustainability reporting. The sustainability report is on pages 29-55 and 61-64.

### Parent Company

The Parent Company is a holding company that was formed in December 2014. Operating revenues for 2024 amounted to EUR 15.7 million (19.3) and expenses to EUR 20.8 million (19.4). Operating profit was negative in the amount of EUR 5.1 million (-0.1). Profit for the period amounted to EUR 1,316.1 million (551.5). Dividends from the Maltese subsidiary of EUR 1,447.3 million (550.0) was received. Cash and cash equivalents amounted to EUR 14.1 million (53.1) at the end of the year and equity amounted to EUR 3,153.9 million (3,057.6). No significant investments were made in intangible or tangible assets.



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## Risk factors

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, sustainability and financial risks. When assessing the Company's future development, it is important to take into account the risk factors alongside any opportunities for profit growth.

The risk factors are not set out in any particular order, importance or potential impact on the Group's revenue, profit or financial position. Neither should these be seen as exhaustive, but rather as representing risks that are applicable to Evolution and that are monitored and evaluated by the Group management. In addition, the risks below are not the only risks to which the Group may be exposed. The Company may be unaware of certain risks. Financial risks are described in Note 22 Financial risk management.

**Political decisions and other legal aspects**

Evolution generates the majority of its income through the licensing and supply of its software and technology to gaming operators. The Group's business is therefore strongly dependent on the laws and regulations relating to the supply of gaming services. These laws and regulations are complex and inconsistent across jurisdictions and are subject to change as various jurisdictions regulate, deregulate and/or re-regulate the gaming industry. Direct enforcement actions may be taken against a member of the Group or any of its officers or directors, particularly in instances where the provision of the Group's services to a gaming operator is critical to the underlying gaming transactions. Should any of these events occur, the impact could have a material adverse effect on Evolution's business, financial position and profit.

Although the gambling laws and regulations of many jurisdictions do not specifically apply to the supply of services by licensors of gaming software, certain jurisdictions have sought to regulate or prohibit the supply of such services. While Evolution currently holds all licences and certifications deemed necessary to carry out its business, national gambling laws are under review and changing in European countries. The Company may be subject to such laws, directly or indirectly, insofar as it supplies services to customers that are subject to such laws. Changes in the regulatory frameworks of different jurisdictions could impact the Group's business in that such changes may lead to an increase in the number of market participants and competitors, result in customers losing their licences and permits to operate in such jurisdictions or break up monopolistic gaming operators, which could impact the Group's underlying contractual relationships.

Furthermore, many jurisdictions have not updated their laws to address the supply of remote gaming services from other countries, and courts may interpret older legislation unfavourably or determine that the activities of the Group and/or its customers are illegal. For example, a court or regulator may order that certain equipment be located in the jurisdiction in which products and services are offered, which could materially and adversely impact Evolution's operations and the business of its customers. Furthermore, several European countries have introduced, or are in the process of introducing, new online gaming regulations, which will require online gaming operators, and in some cases even providers, to hold, e.g., a country specific licence, pay gaming taxes, operate from a country domain and report gaming statistics in order to bring operators (and end users) under supervision. Although Evolution monitors the regulatory environment, legislation could be interpreted in an unfavourable or unanticipated manner. If regulatory or enforcement actions are brought against any of Evolution's customers, the Group's revenue streams from such customers may be frozen or traced by authorities, even if no Group entity is made a party to any legal proceedings against such customers. As a result, end users may face problems transferring funds in and out of certain jurisdictions, which may impact payments to gaming operators and hence Evolution.

In addition to gaming laws and regulations, Evolution is subject to a wide variety of laws and regulatory requirements. For example, the Group must comply with anti-money laundering regulations, market abuse regulations, data protection and privacy regulations (including GDPR), and is required to share bet and other transactional data with local regulators in certain markets. Compliance with all such laws and regulation laws is complex and expensive. The Company's non-compliance or deemed non-compliance with any of these other laws and regulatory requirements could result in sanctions. Any failure by Evolution to comply with these other laws and regulatory requirements could have a material adverse effect on the Group's business, financial position and profit.

**Operations subject to official approval**

Evolution has obtained and is obliged, given the nature of the software, services and technology it supplies, to maintain its licences and certifications in a number of jurisdictions, and may in the future be required to obtain licences and/or certifications in other jurisdictions. If any of these are withdrawn or are not renewed on equivalent terms (e.g. where there is a change in view as to what equipment needs to be located locally), the Company may not be able to continue to operate and offer services in certain jurisdictions. Additionally, to the extent that Evolution is unable to obtain requisite licences and/or certifications in jurisdictions, particularly with respect to jurisdictions that fall within or are comprised of newly regulated markets, the Company may not be able to follow customers into these jurisdictions and newly regulated markets. In such an event, customers may turn to competitors that are licensed and/or certified in the applicable jurisdiction, or that become licensed and/or certified before Evolution does. Any failure to renew or obtain any such licence or certification could have a material adverse effect on the Group's business, financial position and profit.



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Evolution's customers operate in a regulated industry, the laws and regulations of which are in a constant state of change. Various jurisdictions have implemented changes to their markets by introducing regulatory frameworks and licensing requirements. In addition to complying with local laws governing general business operations, the Company's customers may be required to adapt to new licensing regimes and conditions, such as the requirement to establish real-time data interfaces with the local regulator or pay retrospective taxes as a condition for the granting of a licence to operate in a particular jurisdiction. If the Company's customers refrain from entering newly regulated markets, or decide to exit markets in which they currently operate, due to changes in the local regulatory or licensing framework thereof, the Company's growth strategy and customer base could be adversely impacted.

**Disruptions to operations and information security breaches**

Evolution's ability to provide its software to gaming operators depends upon the integrity, reliability and operational performance of its systems. The functioning of the IT systems within the Group's operations, or that of its providers or partners, could be disrupted for reasons beyond its control. Furthermore, there may be technological challenges in rolling out new products and services.

Any such disruption or event may lead to customer claims against the Group or otherwise negatively impact the Group's ability to sell products and services to its customers due to reduced confidence. Any interruption in the systems could have a negative effect on the quality of products and services offered by Evolution and, as a result, on demand from customers and their end users. The Group's success depends, in part, on providing secure products and services to customers for use by their end users. Attempts to penetrate security measures may come from various combinations of customers, end users, employees and others. The Group's IT systems are ISO-27001:2013 certified and the ability to monitor and ensure the quality and integrity of Evolution's products and services is continuously reviewed and evaluated.

**External anomalies**

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of event 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. The spread of the Coronavirus is affecting societies and companies all over the world. Evolution employs over 21,250 persons and most of our games require staff on site in the studio to operate the games. Risks for Evolution include shortage of staff due to increased sick-leave or government restrictions on travelling to and from the workplace. Due to the digital nature of our products, restrictions on physical movements in society do not affect how operators and players can access our products.

**End users**

Although Evolution does not provide its services directly to end users, people who play live casino games with an operator via the Company's platform could sue the Company in its capacity as a developer and facilitator of games. While such claims against Evolution are likely to be dismissed, they could give rise to expenses and reduce confidence in the Group or impact its customers.

**Dependence on key personnel and skilled employees**

The majority of Evolution's employees operate, organise and oversee operations at the gaming tables. Approximately 85 percent of the Group's employees work on tables as hosts and dealers. These employees possess language, dealer and other trade skills that are essential in the day-to-day operations. Evolution aims to be an attractive employer and invests significantly in the training and development of its staff. In the ordinary course of operations, the Company experiences employee turnover with respect to employees working on tables, and such turnover can at times be significant. The loss of a significant number of its employees or any of its key employees, or any increased expenses that the Group may incur in order to retain any such employees or hire and train new employees, could have a material adverse effect on the Group's business, financial position and profit.

In addition, Evolution's business is dependent on a number of key individuals, senior executives and persons with specialist skills. These key individuals have established good relationships with market participants and have a thorough understanding of the complex environment in which the Group operates. Accordingly, these key individuals are central to the successful development of Evolution's business.

If any of these individuals terminate their relationships with the Group, or materially change or reduce their roles within the Group, Evolution may not be able to replace them or their services on a timely basis with other professionals capable of making comparable contributions to operations.

**Dependence on major customers**

In 2024, the top five customers (in terms of net revenue generated) contributed 46 percent (41) of Evolution's net revenue.

The Group's revenue stream from these sources may be adversely impacted by any deterioration or decline in the business of these five customers, or if one or more of these customers opted to use a competitor of the Company for its live casino solutions. The reduction in revenue generated from, or loss of, one or more of these five customers could have a material adverse effect on the Group's business, financial position and profit.



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**Counterparty risk**

Evolution is subject to counterparty risks, primarily the risk of payment default by operators. Although the Group conducts credit checks for new customers and has historically experienced low levels of payment default by its customers, the rate of customer default may rise or increase in the future. In particular, such risk may increase if Evolution were to expand into new markets where customers are less financially stable. Any payment defaults by operators could have a material adverse effect on the Group's business, financial position and profit.

**Competition**

Evolution operates in a competitive industry. Competition is expected to continue to intensify as new live casino providers enter the market and existing providers improve and expand their product and service offerings. If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position and profit. The Company's objective is to strengthen its leading market position and retain existing and attract new customers by developing its successful live casino platform further while focusing on a number of areas considered to be of strategic importance for continued growth.

**Intellectual property rights**

Evolution's ability to compete effectively depends, amongst other things, on its ability to protect, register and enforce its intellectual property rights. The Group also faces the risk that the use and exploitation of its intellectual property rights, including, in particular, rights relating to its software, may infringe the intellectual property rights of a third party. The expenses incurred in bringing or defending possible infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Company may result in royalties or damages being payable and/or the Company being required to cease using any infringing intellectual property or embodiments of any such intellectual property. The Group is also dependent on know-how and trade secrets, and it strives to protect such information by, for example, maintaining confidentiality agreements with employees, consultants and partners.

However, it is not possible to ensure total protection against unauthorised distribution of information and competitors, and others may gain access to such information, which may lead to the value of such information diminishing or competitors gaining an advantage, which in turn could have a material adverse effect on the Group's business, financial position and profit.

**Shares and ownership**

A detailed description of Evolution's shares and ownership can be found on page 25.

The Company has, during the period 2 January 2024 to 28 March 2024, acquired a total of 2,521,348 own shares within the framework of the repurchase programme introduced by the Board of Directors 23 November 2023. The shares were bought for an average price of SEK 1,278.08. The nominal value amounted to EUR 0.003 corresponding to 1.17 percent of the share capital.

On 26 April 2024, the Annual General Meeting in Evolution AB (publ) resolved on a redemption of 4,565,503 shares. The redemption was completed during May 2024. Following the redemption of shares, the number of shares and votes in Evolution AB (publ) amounts to 211,833,204.

An additional repurchase programme was announced on 18 July 2024 and was completed and closed on 21 October 2024. 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. The shares were bought for an average price of SEK 1,010.78. The nominal value amounted to EUR 0.003 corresponding to 2.12 percent of the share capital.

As per 31 December 2024, Evolution's holding of own shares amounted to 5,270,961. The shares were bought for an average price of SEK 1,050.81. The nominal value amounted to EUR 0.003 corresponding to 2.49 percent of the share capital.

**Risk management**

Evolution is exposed to the risk of money laundering and fraudulent activities by its customers, end users and third parties, as well as the potential collusion by operators and end users. The Group has implemented internal control systems and established a primary mission control centre in Latvia that monitors transactions, volumes and patterns, but these systems may not always succeed in protecting the Group from money laundering and fraud. To the extent that the systems are not successful in protecting the Group from money laundering or fraud, or if Evolution fails to comply with applicable regulations, the Group and its directors could be subject to criminal sanctions or administrative and civil fines and could directly suffer loss, the revocation of concessions and licences, operational bans, or lose the confidence of the customer base, all of which could have a material adverse effect on the Group's business, financial position and profit. In addition, effective internal controls are necessary for Evolution to provide reliable financial information and effectively prevent fraud. While the Group applies procedures and a system of internal control whereby internal risks are assessed, and the Group's Risk Committee meets on a quarterly basis to discuss and address potential risks, it is possible that the Group will not successfully manage internal risks or identify areas requiring improvement in the internal controls.

**Tax situation**

Evolution primarily conducts its business through subsidiaries that are active in the geographic markets in which it operates. The business, including intra-Group transactions, is conducted in accordance with the Company's interpretation of applicable laws, tax treaties and other regulations concerning taxes and the practice of tax authorities in the relevant countries.



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Evolution has obtained advice from independent tax advisors in this respect, but there is a risk that tax authorities in relevant countries may make decisions that deviate from the Group's interpretations and the advice received from independent tax advisors. In addition, the Group's interpretation of applicable laws, tax treaties, regulations and administrative practice may be incorrect and such rules may change, possibly with retroactive effect (in particular with regard to Maltese VAT legislation and the right of companies to deduct VAT). Furthermore, the Company has been advised that, to the extent that an individual ordinarily resident and domiciled in Malta acquires 5 percent or more of the Company, although the tax refunds in Malta should not be limited, certain Maltese withholding tax obligations may be imposed in respect of dividends attributable to such individuals. Regulatory or legislative changes, or decisions by tax authorities, may impair the present, future or previous tax position of Evolution, which could have a material adverse effect on the Group's business, financial position and profit.

Evolution is closely following and preparing for global, EU and local legislative changes following the OECD's reform of international taxation, which includes the minimum taxation component, known as Pillar II. These legislative changes related to Pillar II are expected to increase Evolution's effective tax rate from 1 January 2024 onwards.

## Expectations regarding future development

The Company's future development is mainly dependent on the development of the online casino market. Evolution's medium to long-term objective is to grow faster than the total global online casino market.

## Proposed appropriation of profits

The Board of Directors proposes that the 2025 Annual General Meeting approve the transfer to shareholders EUR 572,494,054 (559,265,879), corresponding to EUR 2.80 (2.65) per share.

| Following earnings are at the disposal of the Annual General Meeting | |
|---|---|
| Share premium reserve | 2,629,824,783 |
| Retained earnings | -792,673,535 |
| Profit for the year | 1,316,056,448 |
| **Total** | **3,153,207,696** |

| The Board of Directors proposes following appropriation | |
|---|---|
| Dividend to shareholders | |
| EUR 2.80 per share x 204,462,162 shares | 572,494,054 |
| Carried forward | 2,580,713,642 |
| **Total** | **3,153,207,696** |

## Statement by the board of directors on the proposed allocation of profits

With reference to the above and to what has otherwise come to the Board of Directors' knowledge, the Board of Directors believes that a comprehensive assessment of the Parent Company and the consolidated financial position indicated that the dividend is justified taking into account the demands that scope and risks of the operations place on the scope of equity in the Parent Company and the Group and on the consolidation needs, liquidity and financial position in other regards of the Parent Company and the Group.

The Group's and the Parent Company's positions as of 31 December 2024 and the profit of the operations for the 2024 financial year are stated in the following income statements and balance sheets, cash flow statements, statements of changes in equity and notes to the financial statements.

## Conflict in Ukraine

During 2022, Russia launched a military attack on Ukraine. Evolution had a game development hub in Ukraine, its activity was during 2022 significantly reduced and today Evolution has no employees in Ukraine albeit Evolution still has a legal entity in the country. Evolution continues to have no offices or customers based in Russia, and the direct financial effects of the war and sanctions were not material to the Group in 2024.

## Events following the balance sheet date

On 7 January 2025 Evolution AB (publ) announced that CFO Jacob Kaplan had decided to step down as CFO. He was replaced by Joakim Andersson from 18 February 2025.

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 stated above. Number of shares in own custody amounts thereafter to 7,371,042.



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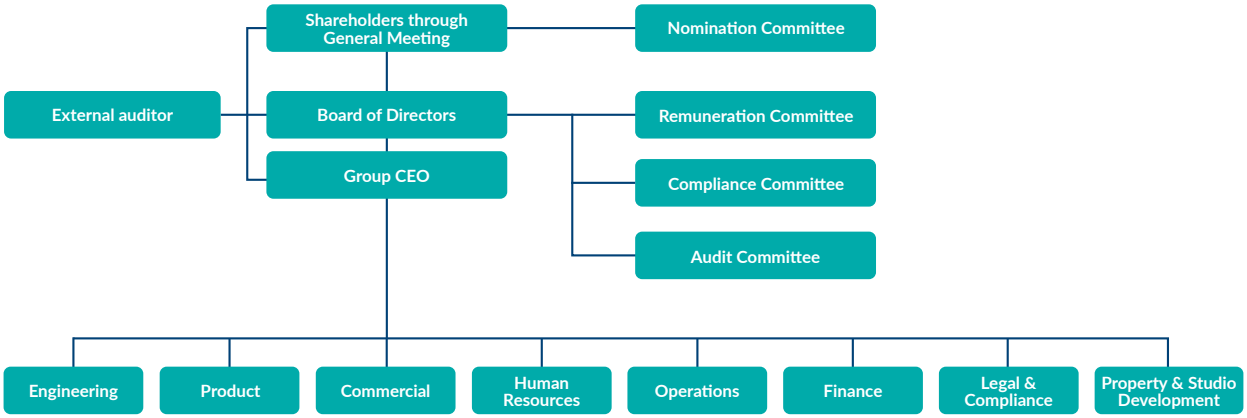
# Corporate governance report

Evolution AB (publ) ('Evolution') is a Swedish public limited company that was formed in December 2014 and that is listed on the Nasdaq Stockholm exchange. Evolution complies with all applicable statutes and regulations, including the Swedish Companies Act, EU Market Abuse Regulation, the Swedish Code of Corporate Governance (the 'Code') and other regulations and Nasdaq Stockholm's Rule Book for Issuers. The current Code is available at the Swedish Corporate Governance Board's website www.bolagsstyrning.se.

### Evolution's corporate governance model




### Ownership and voting rights

At the end of 2024, the share capital in Evolution amounted to EUR 650,406.53, divided between a total 211,833,204 shares with a nominal value of EUR 0.003 each. All shares belong to the same class of shares, with equal voting rights (one vote per share) and shares of the Company's capital and profit. On 31 December 2024, there were 91,730 shareholders. At the same point in time, the Company's largest shareholders were Capital Group with 15.68 percent of the share capital and votes, Jens von Bahr as well as Fredrik Österberg (through Österbahr Ventures AB) with 10.57 percent of the share capital and votes and Spring Mountain Investments Ltd (Kenneth Dart) with 10.15 percent of the share capital and votes.

The ten largest shareholders represented 50.78 percent of the share capital and votes. Further information about the company's share and shareholders is presented under 'The Evolution share' on page 25 and on the Company's website.

### General Meetings

The Annual General Meeting is Evolution's highest decision-making body, at which shareholders exercise their influence on the Company. All shareholders registered in the Company's CSD register who notify the company in time of their attendance are entitled to attend the General Meeting and vote for all of their shares. The Company's Annual General Meeting is held in the spring. The date and venue are announced in connection with the third interim report at the latest.

Information on how shareholders can have a matter considered at the Annual General Meeting in the following year, and when, at the latest, such a request must be received is detailed on the Company's website in connection with the publication of the third interim report at the latest. Notice of the Annual General Meeting is published no later than four weeks prior to the meeting through an advertisement in Post– och Inrikes Tidningar (official Swedish gazette) and by posting the notice on the Company's website. The Company will place an advertisement in Swedish financial daily Dagens Industri that the notice has been issued.

The Annual General Meeting's mandatory duties include making decisions on:

- Adoption of the income statement and balance sheet
- Appropriation of profits and dividend
- Discharge from liability for the Board of Directors and the Group CEO
- Election of the Board of Directors and auditors
- Determination of fees for the Board members and the auditors
- Nomination Committee.

At the Annual General Meeting, decisions are normally made by a simple majority of the votes cast. On certain decision matters, however, the Swedish Companies Act requires a proposal to be approved by a larger proportion of the votes cast. Extraordinary General Meetings may be held when necessary.



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**Annual General Meeting 2024**

The 2024 Annual General Meeting was held on 26 April 2024. At the meeting, 51.05 percent of all shares and votes were represented.

At the annual general meeting income statements and balance sheets for 2023 for the Company and the Group were adopted and it was resolved on, among other things, a dividend of EUR 2.65 per share, discharge from liability for the Board members and the managing director, re-election of the Board members and the Chairman of the Board, authorisation for acquisition and transfer of own shares, reduction of the share capital through redemption of own shares and increase of the share capital through bonus issue as well as authorisation for the Board of Directors to issue shares, warrants and convertible debt. The minutes of the meeting, as well as other documentation from the meeting, are available on the Company's website.

**Annual General Meeting 2025**

The 2025 Annual General Meeting will take place on 9 May 2025. Notification of the meeting will be issued on the Company's website, where requisite documents, such as information providing the basis for decisions, will also be made available prior to the meeting.

## Nomination Committee

The Annual General Meeting determines how the Nomination Committee should be appointed. At the 2024 Annual General Meeting, it was decided that the Chairman of the Board of Directors is to contact the three largest shareholders in terms of votes based on Euroclear Sweden AB's list of registered shareholders on the last business day of August. The three largest shareholders will be given the opportunity to elect one representative each to form the Nomination Committee along with one of the members of the Board of Directors who is independent in relation to the Company's Management. If any of these shareholders chooses to waive their right to elect a representative, their right is transferred to the shareholder who, after these shareholders, has the largest share ownership.

In preparation for the Annual General Meeting, the Nomination Committee is tasked with presenting proposals regarding:

- The chairman for the Annual General Meeting
- Number of Board members
- Board members and Chairman of the Board
- Board remuneration
- Possible remuneration for committee work
- Auditors and auditors' fees if such a decision is to be made
- Process for establishing the ensuing Nomination Committee.

The proposals of the Nomination Committee are presented in the notice of the Annual General Meeting and on the Company's website. The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed under the decision establishing the new Nomination Committee at the 2025 Annual General Meeting.

| Member | Appointed by | Independent in relation to the company and its senior management | Share of votes as per 31 December 2024 |
|---|---|---|---|
| Martin Rosell (Chairman) | Österbahr Ventures AB | Yes | 10.6% |
| Johan Sjöström | AP2 | Yes | 0.8% |
| Ian Livingstone | Richard Livingstone | Yes | 1.9% |
| Joel Citron | Board of Directors of Evolution AB (publ) | Yes | - |

## Board of Directors

**Responsibilities and duties of the Board of Directors**

The Board of Directors bears the overall responsibility for the organisation of the Company and the management of its affairs and is to work in the interests of the Company and all of its shareholders. The mandatory tasks of the Board of Directors include determining the Company's overall targets and strategies, evaluating the Group CEO, ensuring that there are systems in place for monitoring and controlling the operations and the risks associated with them, ensuring that there is satisfactory control of the Company's regulatory compliance and ensuring that the information issued by the Company is characterised by openness and is accurate, relevant and reliable.

## Instructions and policies

The Board of Directors annually reviews and adopts the following corporate governance related instructions and policies among others:

- Rules of procedure of the Board of Directors
- Instructions for the Group CEO
- Rules of procedure of the Audit Committee
- Rules of procedure of the Remuneration Committee
- Code of Conduct
- Sustainability Policy.



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**Composition of the Board of Directors**

The Board of Directors is appointed by the shareholders at the Annual General Meeting for the period until the end of the next Annual General Meeting and, in accordance with the Articles of Association, shall consist of at least three and at most eight members with no deputies. The Annual General Meeting determines the precise number of members.

At the 2024 Annual General Meeting, Jens von Bahr (Chairman), Joel Citron, Ian Livingstone, Fredrik Österberg, Mimi Drake and Sandra Urie were re-elected as members of the Board of Directors. For further details of each Board Member, see page 73.

Jens von Bahr was employed by the Company as Executive Chairman until April 2022.

## Independence

The number of Board members who are independent in relation to the Company is five (83 percent) and the number of Board members who are independent in relation to major shareholders are four (67 percent). Jens von Bahr and Fredrik Österberg together own approximately 10.6 percent of the shares and votes in the Company (through Österbahr Ventures AB) and are therefore not independent in relation to major shareholders. Since Jens von Bahr has been employed by the Company as Executive Chairman during the last three years he is not independent in relation to the Company or its senior management.

A Board member may not take part in decisions where a conflict of interest may exist. This comprises decisions regarding agreements between a Board member and the Company, agreements between the Company and third parties in which the Board member has a material interest that could constitute a conflict of interest for the Company, as well as agreements between the Company and the legal entity that the Board member represents.

## Working procedures and meetings

In addition to laws and recommendations, the work of the Board of Directors is governed by its rules of procedure. The rules of procedure have been adopted by the Board of Directors and include instructions concerning, among other things, Board meetings and their contents, the division of duties within the Board and information to the Board.

| | Fees[1] | | | Attendance[2] | | | |
|---|---|---|---|---|---|---|---|
| **Member** | **Board fee** | **Committee fee** | **Independent[3]** | **Board meetings** | **Audit Committee** | **Remuneration Committee** | **Compliance Committee** |
| **Jens von Bahr** | 400,000 | N/A | No/No | 16 | N/A | N/A | N/A |
| **Joel Citron** | 100,000 | 15,000 | Yes/Yes | 17 | 4 | 2 | 4 |
| **Mimi Drake** | 100,000 | 10,000 | Yes/Yes | 16 | 2 | N/A | 2 |
| **Sandra Urie** | 100,000 | 15,000 | Yes/Yes | 16 | 4 | 2 | 4 |
| **Ian Livingstone** | 100,000 | 5,000 | Yes/Yes | 17 | N/A | 2 | N/A |
| **Fredrik Österberg** | 100,000 | N/A | Yes/No | 17 | N/A | N/A | N/A |

[1] Fees refer to the amounts approved by the 2024 Annual General Meeting, EUR.
[2] Attendance refers to meetings during the 2024 financial year.
[3] Independent in relation to the Company and the Company's Management/to the largest shareholders.



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## Chairman of the Board in 2024

The Chairman of the Board is appointed by the Annual General Meeting. Jens von Bahr was re-elected Chairman of the Board by the 2024 Annual General Meeting for the period until the end of the next Annual General Meeting.

The Chairman's role is to organise the work of the Board so that it is run efficiently and generates conditions for optimum performance of the Board's commitments.

## Work of the Board of Directors in 2024

The Board of Directors held 17 meetings in 2024, of which one was a statutory meeting, three to approve interim reports and one to approve the year-end report. All meetings followed an agenda that, on relevant points, was addressed with documentation provided to members prior to the meetings. As a rule, the meetings are also attended by the Company's Director M&A as secretary to the Board, the Group CEO and Group CFO.

At each meeting, the Group CEO updates the Board Members on the Company's operational and financial development.

The principal points addressed by Board meetings in 2024 included matters regarding, as well as the approval of, the business plan and budget, Group policies, and annual, year-end and interim reports.

*The matters addressed by the Board of Directors at the Board meetings in 2024 include:*

- **February**

  Adoption of interim report for the fourth quarter of 2023
- **March**

  Approval of the annual accounts for 2023

  Evaluation of the work of the Board of Directors and the Group CEO

  Approval of the documentation for the 2024 Annual General Meeting
- **April**

  Adoption of interim report for the first quarter of 2024

  **July**

  Adoption of interim report for the second quarter of 2024
- **October**

  Adoption of interim report for the third quarter of 2024
- **December**

  Approval of 2025 budget.

**Assurance of quality in financial reporting**

The formal work plan adopted annually by the Board includes detailed instructions about which financial statements and what financial information is to be provided to the Board. The Group CEO is responsible for the Board receiving, in addition to the year-end report, interim reports and annual accounts, regular information about the Company's financial performance including its financial position and liquidity.

The Board of Directors also examines, primarily through its Audit Committee, the most significant accounting principles applied within the Group in respect to its financial reporting, as well as significant changes in the reporting principles. All Audit Committee meetings are recorded and the minutes kept available to all Board Members and the auditors.

**Evaluation of the work of the Board of Directors**

Through a systematic and structured process, the Board shall annually assess its work and the division of labour between individual members. The Chairman of the Board informs the Nomination Committee of the outcome of the evaluation. The Board continuously evaluates the work of the Group CEO and Group management. This evaluation shall be discussed at least once a year at a meeting of the Board without the Group CEO or any other member of Group Management being present.

**Remuneration to the Board of Directors**

Remuneration to the Board of Directors is proposed by the Nomination Committee and approved by the Annual General Meeting. At the 2024 Annual General Meeting, it was decided that a fee of EUR 100,000 should be paid to each Board Member and the Chairman should receive a fee of EUR 400,000.

The Annual General Meeting 2024 resolved that EUR 5,000 (0) shall be paid to each member of the Audit Committee, EUR 5,000 (0) shall be paid to each member of the Remuneration Committee, and EUR 5,000 (0) shall be paid to each member of the Compliance Committee.

**Diversity policy**

The Company's Board of Directors has adopted a diversity policy applicable to its own composition. According to this policy, the Board of Directors shall, taking into account the Company's operations, stage of development and circumstances, be appropriately composed and characterised by versatility and breadth in terms of the expertise, experience and background of the members elected by the Annual General Meeting. The objective is to seek an even gender distribution on the Board of Directors. Evolution considers diversity important in ensuring that Board Members' profiles provide the necessary range of perspectives, experience and skills required to achieve effective governance. In preparing its proposal for the composition of the Board of Directors, the Nomination Committee takes into account the Code and the Board's Diversity Policy, seeking to achieve diversity on the Board of Directors.



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## Board committees

The Board of Directors has established a Remuneration Committee, an Audit Committee and a Compliance Committee.

**Remuneration Committee**

The Remuneration Committee consists of Joel Citron (chairman), Ian Livingstone and Sandra Urie. The Remuneration Committee's duties include preparing the following matters for decision by the Board:

- Salary, other remunerations and pension benefits for the Group CEO
- The Company's remuneration policy and other terms of employment for the Company's senior management
- Share option programmes and similar arrangements, as well as other rewards or forms of compensation referred to, target a wider range of Group employees.

The Remuneration Committee shall also monitor and evaluate both current and completed variable remuneration programmes for the Company's senior management. In addition, the Committee shall monitor and evaluate the application of guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the Company. During 2024, one meeting was held.

**Audit Committee**

The Audit Committee consists of Joel Citron (chairman), Mimi Drake and Sandra Urie. The Audit Committee's tasks include:

- Preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the Company and the Group
- Monitoring the Company's financial reporting and assisting the Board in assuring the effectiveness of the Company's internal control, internal audit and risk management
- Regularly meeting the Company's auditors and being briefed on the statutory audit, focus and scope of the audit, as well as discussing the coordination between the external and internal audit as well as the view of the risks in the Company
- Establishing guidelines for which services, beyond audit services, the Company may purchase from the auditors, as well as evaluating and monitoring the independence of the Company's auditors and, in connection with this, paying particular attention to whether the auditor provides additional services to the Company beyond auditing
- Evaluating the audit and informing the Company's Nomination Committee of the outcome of this evaluation.

The Audit Committee shall also organise a selection process to prepare recommendations of auditors to the Nomination Committee when so required by applicable rules and assisting the Nomination Committee in preparing its proposals on auditors and compensation for auditing. During 2024, four meetings were held.

**Compliance Committee**

In 2023 the Board of Directors established a Compliance Committee in order to review and enhance compliance processes and procedures. The Compliance Committee consists of Joel Citron (chairman), Mimi Drake and Sandra Urie. The work in 2024 comprised several areas, including review of the internal processes and the regulatory framework for the Company. Further, the committee met with internal compliance team. During 2024, four meetings were held.

## Division of labour between the Chairman of the Board and the Group CEO

The Chairman of the Board is working mainly in the following areas: preparing long-term strategic issues beyond the Group CEO's strategic work within current business plans, ongoing evaluation of strategic partnerships and acquisitions, as well as assisting Group Management in strategic projects and in connection with the recruitment of key competencies. The Group CEO's instructions clarify that the duties of the Chairman of the Board should not interfere with the duties of the Group CEO and that the Chairman of the Board may not perform any ongoing management tasks.

## Auditors

Auditors are elected by the Annual General Meeting. The auditor shall examine the Company's annual report and accounts as well as the management by the Board of Directors and the Group CEO. The auditor shall also examine the Group accounts, as well as the relationship inter se of Group companies. In accordance with the Articles of Association, Evolution shall have one or two auditors. The auditors shall be appointed for the time period until the end of an Annual General Meeting held not later than during the fourth financial year after the election. The Annual General Meeting held in 2024 re-elected Öhrlings PricewaterhouseCoopers AB as the Company's auditors up until the close of the Annual General Meeting held in 2025. The auditor in charge is Johan Engstam, who was born in 1966 and is an authorised public accountant.

## Group CEO and Group Management

Evolution's Group Management has extensive experience and works to achieve long-term profitable growth in line with the Company's strategy and vision. The Group CEO is appointed by, and receives instructions from, the Board of Directors. In turn, the Group CEO appoints the other members of Group Management and is responsible for the ongoing administration of the Group in accordance with



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the Board's guidelines and instructions. The Group CEO reports to the Board of Directors, ensuring that it receives the information needed to make informed decisions. The Group CEO shall also ensure that matters to be addressed by the Board in accordance with applicable legislation, the Articles of Association and internal policies and guidelines are presented to the Board of Directors. The Group CEO attends, and reports to, all Board meetings, except on those occasions when the Group CEO is evaluated by the Board as well as when the Board meets the Company's auditor without management attending. Group Management embodies expertise covering all key areas of the Company's business and strategy. Evolution Malta Limited has a management team that addresses matters related to the operational activities. Group Management is supported by the Extended Group Management (EGM), which comprises a total of 17 senior managers from key areas within the Group.

**Working instructions for the Group CEO**

The Board of Directors has developed and adopted instructions covering the Group CEO's responsibilities and tasks, as well as entitlement to represent the company. Within the framework of applicable laws, the Articles of Association, the Board of Director's formal work plan, the Group CEO's instructions and other instructions issued by the Board, the Group CEO is responsible for overseeing the Company's day-to-day operations. The Group CEO is also responsible for ensuring that the Board receives information regularly to be able to monitor the Company's financial position, financial planning and development. Prior to each regular Board meeting, the Group CEO shall submit information as requested by the Board in assessing the Company's financial situation, including reports, metrics, proposed business plan and budget, forecasts, interim reports, financial statements and annual reports.

## Remuneration to senior executives

The 2024 Annual General Meeting established guidelines for senior executives for the period up until the Annual General Meeting held in 2025. Senior executives refer to the Group CEO and the Group Management of Evolution. The guidelines should also apply to remuneration for members of the Board who are employed by the Company, and what is stipulated in the guidelines regarding senior executives should when applicable also apply to members of the Board who are employed by the Company. For information on the composition of the Group Management, see page 74.

The objective of the guidelines is to ensure that the Company can attract, motivate and retain senior executives with the expertise and experience required to achieve the Company's operating goals.

The remuneration shall be based on conditions that are market competitive and at the same time aligned with shareholders' interests. Remuneration to the senior executives shall consist of a fixed and, for some senior executives, variable salary. These components shall create a well-balanced remuneration reflecting individual competence, responsibility and performance, both short-term and long-term, as well as the Company's overall performance.

**Fixed salary**

The senior executives' fixed salary shall be competitive and based on each senior executive's individual competences, responsibilities and performance. A review of the fixed salary shall be carried out on an annual basis for each calendar year.

**Variable compensation**

The senior executives (however not Board Members employed by the Company) may receive variable remuneration in addition to a fixed salary.

Annual variable remuneration is to be cash based and be based on predetermined and measurable performance criteria for the relevant senior executive aimed at promoting the Company's long term value creation. The performance criteria are to be established and documented annually.

Any variable compensation may not amount to more than 50 percent of the annual total remuneration or 100 percent of the annual base salary.

**Incentive programmes**

The Shareholders' Meeting shall be able to decide on long-term share and share-price related incentive programmes directed to, among others, the senior executives (however not to Board Members who are employed by the Company). Such incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the Company's shareholders and so that a personal holding of shares in the Company is promoted.

**Other benefits**

The Company provides other benefits to senior executives in accordance with local practice. Such other benefits can include, for example company health care. Occasionally, housing allowance, paid schooling for underage children or travel allowances could be granted.

**Notice of termination and severance pay**

The maximum notice period for senior executives during which salary is paid is 12 months. Severance compensation may be paid in an amount not greater than 12 months' fixed salary.

**Deviations from guidelines**

The Board of Directors may deviate from the above guidelines where a special cause exists in an individual case. In the event the Board of Directors deviates from the guidelines, it shall explain the reason for the deviation at the following Annual General Meeting.



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## Incentive programmes

### 2023/2026 programme

The Extra General Meeting on 9 November 2023 resolved to issue a maximum of 2,500,000 warrants. Each warrant entitles the holder to subscribe for one new share in the Company for SEK 1,296.60 during the period from and including 16 November 2026 (however not earlier than the day after the publication of the Company's interim report for the period January–September 2026) up to and including the date that falls 14 calendar days thereafter.

In total 1,995,389 warrants were subscribed, of which 58,346 where cancelled or bought back during 2024. If all 1,937,043 warrants are exercised for subscription of 1,937,043 shares, the dilution effect will be approximately 0.9 percent.

The recipients of the warrants are key employees throughout the Group. Employees in Sweden and Georgia have paid market value for the warrants. Employees outside Sweden have paid market value for one warrant, while receiving one without payment for each that had been paid for. For warrants acquired at market value, the price (warrant premium) has been determined using Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt.

| | 2023/2026 |
|---|---|
| Exercise price, SEK | 1,296.60 |
| Grant date | 16/11/2023 |
| Expiry date | 30/11/2026 |
| Number of recipients | 211 |
| **Total number of warrants subscribed** | **1,937,043** |

## Risk management and internal control

Evolution's control system has been developed to ensure accurate, reliable financial reporting and accounting in accordance with applicable laws and rules, accounting standards and other requirements for listed companies. The foundation of the control environment is defined through policies, routines and manuals, and is upheld with the help of the Company's organisational structure with clearly defined responsibilities.

**Control environment**

The Board of Directors bears the ultimate responsibility for an effective system of internal control and risk management being in place. Critical accounting issues and issues related to financial reporting are addressed by the Board and in the Board's Audit Committee. To ensure a well-functioning control environment, the Board of Directors has established a number of policies relevant to corporate governance and financial reporting. These include the Board's rules of procedure, Group CEO instructions and reporting instructions for financial reporting. The Company also has a financial handbook, which includes principles, guidelines and process descriptions for accounting and financial reporting. At the statutory Board meeting following the Annual General Meeting, a formal work plan is established for the Board and instructions for the work of the Group CEO are determined, in which responsibilities and powers are further defined.

The Board has appointed an Audit Committee, tasked with preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the Company and the Group, as well as monitoring the Company's financial reporting and assisting the Board in assuring the effectiveness of the Company's internal control, internal audit and risk management.

The CFO regularly reports to the Audit Committee and works together with the Company's finance function to develop and improve the internal control with regards to the Group's financial reporting, both proactively with a focus on the internal control environment, and by reviewing the effectiveness of internal control.

Responsibility for the daily work of maintaining the control environment rests primarily with the Group CEO. The Group CEO reports regularly to the Company's Board of Directors.

The Board of Directors in its entirety or any one Board Member together with the Chairman of the Board may sign on behalf of the Company. In addition, the Company's CFO and Director M&A together are entitled to sign on behalf of the Company.

In accordance with the Swedish Companies Act, the Group CEO may sign alone on behalf of the Company regarding duties which the Group CEO is obliged to carry out pursuant to section 29 of the Swedish Companies Act.

## Risk assessment

The Group has established a Risk Management Committee, in which representatives of various relevant parts of the organisation meet quarterly to assess, discuss and mitigate potential risks. The Group has also adopted procedures and established internal risk management control systems, including an annual risk analysis for all business areas within the Group, where the purpose is to identify, evaluate and manage risks threatening the Group's objectives and strategies. The risk analysis is divided into strategic, operational, compliance, legal and financial risks.
To ensure a relevant level of control, each business area has established a number of control activities counteracting the most significant risks identified in the risk analysis. A self-assessment of these control activities is performed annually and reported to the Risk Management Committee, which compiles and evaluates the results and reports to the Audit Committee and the Board of Directors.

**Risk assessment directly related to the provision of gaming services**

As certain jurisdictions have laws that explicitly consider the offering of, and participation in, gaming services conditional on particular licences or a criminal offence, the Group continuously undertakes precautionary measures, including Know Your Customer (KYC) checks of licensees and



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requiring, in its agreements, that operators comply with the laws and regulations applicable to them.

These provisions in the agreements constitute a form of legal protection and prevent certain end users from accessing the Group's products and services. The Group's customers (i.e. the casino operators) are responsible for the end users' access to their online gaming platforms at the local level and in accordance with local laws and regulations.

**Monitoring**

Monitoring of control activities is conducted continuously to ensure that risks have been satisfactorily observed and addressed. This includes tracking of results in relation to budget and plans, analyses and key figures. The Board of Directors continuously evaluates the information provided by the Company's management team. The process includes both reconciliation of monthly financial reports against budgets and goals and reporting at Board meetings. Through the Audit Committee, the Board of Directors reviews and assesses the internal control organisation and function. The Company's policies and instructions are evaluated and updated annually at a minimum or when needed.

The Company's CFO presents the results of internal control work as a standing agenda item at Audit Committee meetings.

The results of the Audit Committee's work in the form of observations, recommendations and proposals for decisions and measures are continuously reported to the Board of Directors.

**Information and communication**

The Company has information and communication channels to promote the accuracy of the financial reporting and to facilitate reporting and feedback from the operations to the Board of Directors and the Group Management, for example by making governing documents such as internal policies, guidelines and instructions regarding the financial reporting available and known to the employees concerned.

The Company is subject to the provisions of the EU Market Abuse Regulation No. 596/2014 (MAR). MAR sets out requirements on how inside information is to be published to the market, under which conditions the disclosure may be delayed and in what way the Company is obliged to keep a list of persons working for the Company and who has access to inside information. The Company has assigned a digital and semi-automated tool to ensure that its handling of inside information meets the requirements of MAR and its insider policy. Only authorised persons in the Company have access to the tool.

The Company's financial reporting complies with Swedish laws and regulations and the local rules in each jurisdiction where operations are conducted. The Company's information to shareholders and other stakeholders is provided through the interim reports, press releases and annual report according to the Group's Communication Policy.

**Internal audit**

The Company has no separate review function (internal audit). The Board does not consider there to be special circumstances in operations or other conditions that would warrant such a function.



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# Our Board of Directors

### JENS VON BAHR
**Chairman of the Board**

Born 1971. Elected 2015, Chairman since 1 November 2016.

**Other assignments:** Jens is Board member in JOvB Investment AB, Österbahr Ventures AB, Barnebys Group AB and Sitoo AB.

**Experience:** Jens is co-founder of Evolution. Before founding the Company, Jens was Managing Director of Oriflame Sri Lanka. He has also started several entrepreneurial companies. Jens holds a BSc in Business from Stockholm University and an MBA from the University of Western Sydney.

**Shareholding:** 22,400,140 shares through Österbahr Ventures AB (jointly owned with Fredrik Österberg) and 15,310 shares through JOvB Investment AB.
Not independent in relation to the Company, the Company's Management or major shareholders of the Company.

### JOEL CITRON
**Board member**

Born 1962. Elected 2015.

**Other assignments:** Joel is CEO of Tenth Avenue Holdings LLC and Chairman of Tenth Avenue Commerce LLC.

**Experience:** Joel has vast experience from various management positions in investment and operating companies in Europe and the USA. He holds a BSc Business Administration and MA. Economics from the University of Southern California.

**Shareholding:** 1,004,864 shares through Tenth Avenue Holdings and 210,000 shares privately.
Independent in relation to the Company, the Company's Management and major shareholders of the Company.

### MIMI DRAKE
**Board member**

Born 1968. Elected 2021.

**Other assignments:** Mimi is a Partner and Practice Leader at Cerity Partners. Among other assignments, she is Founding Board Member and Chair Emerita of the Board of 100 Women in Finance and serves on the Boards of Hudson Global, Thomas Jefferson University and Jefferson Health System.

**Experience:** Mimi has worked in the financial services industry since 1995. She received her M.B.A. in Finance from The Wharton School at the University of Pennsylvania and her B.A. in Economics from Trinity College (cum laude). She also attended the Radcliffe Publishing Program at Harvard University.

**Shareholding:** 305 shares.
Independent in relation to the Company, the Company's Management and major shareholders of the Company.

### IAN LIVINGSTONE
**Board member**

Born 1962. Elected 2015.

**Other assignments:** Ian is Executive Chairman of London+Regional Properties Limited. He also holds various Board assignments within the London+Regional Properties group.

**Experience:** Ian has vast experience from various senior positions in property development and retail.

**Shareholding:** 500,000 shares.
Independent in relation to the Company, the Company's Management and major shareholders of the Company.

### SANDRA URIE
**Board member**

Born 1952. Elected 2021.

**Other assignments:** Sandra is retired Chairman Emeritus and Managing Director of Cambridge Associates, LLC. Among other assignments, she is a Board Member of Social Finance US and Accounting for Sustainability (A4S). In addition, she serves on the President's Council of Ceres.

**Experience:** In addition to her current assignment, Sandra was CEO and Chairman of Cambridge Associates, LLC for sixteen years of her thirty-eight years with the firm. She also served as Vice Chair of The Investors' Committee of the U.S. President's Working Group on Financial Markets and of 100 Women in Finance, and served on the Board of Stanford Management Company and on the Advisory Board of other organisations. She graduated from Stanford University and received a Master's in Public and Private Management from the Yale School of Management. She is a Chartered Financial Analyst (CFA).

**Shareholding:** 650 shares.
Independent in relation to the Company, the Company's Management and major shareholders of the Company.

### FREDRIK ÖSTERBERG
**Board member**

Born 1970. Elected 2015.

**Other assignments:** Fredrik is a Board member in FROS Ventures AB, Österbahr Ventures AB and SORF AB.

**Experience:** Fredrik is cofounder of Evolution. Before founding the company, Fredrik was CEO of Sportal Nordic. Fredrik holds a BSc in Business Administration and Economics from Stockholm University.

**Shareholding:** 22,400,140 shares through Österbahr Ventures AB (jointly owned with Jens von Bahr) and 50,000 shares privately.
Independent in relation to the Company and the Company´s Management, not independent in relation to major shareholders of the Company.

| | |
|---|---|
| **The Company's auditor** | **Johan Engstam** |
| **Öhrlings PricewaterhouseCoopers AB** | **Authorised Public Accountant** |



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# Our Group Management team

Until 18 February 2025, the Group Management team consisted of CEO Martin Carlesund, CFO Jacob Kaplan, Chief Product Officer Todd Haushalter, Chief Strategy Officer Sebastian Johannisson and Chief Human Resources Louise Wiwen-Nilsson.

### MARTIN CARLESUND
**Group CEO**

Born 1970. Employed by the Group since 2015.

**Shareholding:** 684,710 shares.

**Warrants:** Rights through warrant programme 2023/2026: 175,000

**Other assignments:** Martin is Chairman of Carlesund Investments & Consulting AB and Sandstjärna Holding.

**Experience:** Martin has been CEO of Highlight Media Group, Eniro Sverige, Eniro Finland and 3L System AB. He holds a MSc in finance together with courses in computer science, law and mathematics at University of Borås, Gothenburg School of Economics and Linköping University.

### JESPER VON BAHR
**Chief Strategy Officer and Secretary to the Board of Directors**

Born 1970. Employed by the Group since 2011.

**Shareholding:** 17,500 shares.
**Warrants:** Rights through warrant programme 2023/2026: 60,000
**Experience:** Jesper was previously employed as Director of M&A and Chief Legal Officer at Evolution. He has worked as a lawyer at several Swedish law firms and has also been a corporate lawyer and management consultant at McKinsey & Co.

### JOAKIM ANDERSSON
**Chief Financial Officer**

Born 1974. Employed by the Group since 2025.

**Shareholding:** 2,100 shares.

**Experience:** Joakim started as CFO at Evolution in February 2025 and has previously, among other things, been CFO for Kinnevik AB (publ) and Cint Group AB (publ). He has a master's degree in business administration from Växjö University.

### Extended Group Management

In addition to the Group Management there is the Extended Group Management which consists of the CEO and a number of other key employees within the group. The EGM is the main group for decision making and operational governance of the company. The EGM is responsible for pursuing strategy matters and implementing and monitoring targets in their particular areas of responsibility. The EGM includes, in addition to the CEO, the Chief Finance Officer, Chief Strategy Officer, CEO Europe, CEO North America, CEO Ezugi & Commercial Director LATAM & Africa, Commercial Director Europe, Commercial Director Asia, Commercial Director North America, Chief Properties and Studio Development Officer, Chief Technical Officer, Chief Legal Officer, Chief Operating Officer, Chief Human Resources Officer, Chief Product Officer and Chief Business Development Officer Europe.



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# FINANCIAL REPORTS

The Board of Directors and the Group CEO of Evolution AB (publ) 556994-5792 ('Evolution') hereby present the annual accounts for the Group and the Parent Company for the 2024 financial year.


CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CASH FLOWS

INCOME STATEMENT – PARENT COMPANY

BALANCE SHEET – PARENT COMPANY

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

CASH FLOW STATEMENT – PARENT COMPANY

NOTES




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# Consolidated income statement

| | NOTE | 2024 | 2023 |
|---|---|---|---|
| Revenues - Live | | 1,775,734 | 1,523,274 |
| Revenues - RNG | | 287,351 | 275,327 |
| **Net revenues** | 4 | **2,063,085** | **1,798,601** |
| Other operating revenues | 25 | 151,058 | – |
| **Total operating revenues** | | **2,214,143** | **1,798,601** |
| | | | |
| Personnel expenses | 5 | –437,835 | –355,300 |
| Depreciation, amortisation and impairment | 11, 12, 17 | –142,222 | –124,683 |
| Other operating expenses | 6, 17 | –214,533 | –175,888 |
| **Total operating expenses** | | **–794,590** | **–655,871** |
| | | | |
| **Operating profit** | | **1,419,553** | **1,142,730** |
| | | | |
| Financial income | 7 | 26,590 | 15,589 |
| Financial expenses | 8 | –7,219 | –9,712 |
| **Profit before tax** | | **1,438,924** | **1,148,607** |
| | | | |
| Tax on profit for the year | 9 | –194,909 | –77,749 |
| **Profit for the year** | | **1,244,015** | **1,070,858** |
| | | | |
| *Of which attributable to:* | | | |
| Owners of the Parent Company | | 1,244,015 | 1,070,858 |
| | | | |
| Average number of shares, basic | 10 | 209,562,751 | 213,566,498 |
| Earnings per share basic, EUR | | 5.94 | 5.01 |
| Average number of shares, diluted | 10 | 210,473,394 | 217,069,145 |
| Earnings per share diluted, EUR | | 5.91 | 4.93 |

# Consolidated statement of comprehensive income

| | 2024 | 2023 |
|---|---|---|
| **Profit for the year** | **1,244,015** | **1,070,858** |
| | | |
| ***Other comprehensive income*** | | |
| *Items that may subsequently be reclassified to profit or loss for the year* | | |
| Exchange differences arising from the translation of foreign operations | –60,349 | 8,326 |
| **Other comprehensive income for the year** | **–60,349** | **8,326** |
| **Comprehensive income for the year** | **1,183,666** | **1,079,184** |



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# Consolidated statement of financial position

| | NOTE | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| ***Assets*** | | | |
| Goodwill | 11 | 2,276,524 | 2,324,005 |
| Other intangible assets | 11 | 692,399 | 714,509 |
| Land and buildings | 12 | 20,126 | 10,968 |
| Right of use assets | 17 | 83,673 | 70,382 |
| Other property, plant and equipment | 12 | 147,493 | 121,106 |
| Bond portfolio | 13 | 100,824 | – |
| Other financial assets | 13 | 10,537 | 6,779 |
| Deferred tax assets | 9 | 9,302 | 3,471 |
| **Total non-current assets** | | **3,340,878** | **3,251,220** |
| Accounts receivable | 14 | 408,985 | 348,420 |
| Current tax receivables | | 726,601 | 314,239 |
| Other current receivables | 15 | 31,787 | 27,827 |
| Prepaid expenses and accrued income | 16 | 37,047 | 46,022 |
| Cash and cash equivalents | 23 | 801,474 | 985,756 |
| **Total current assets** | | **2,005,894** | **1,722,264** |
| **TOTAL ASSETS** | | **5,346,772** | **4,973,484** |
| ***Equity and liabilities*** | | | |
| Share capital | | 650 | 648 |
| Other capital contributed | | 2,429,053 | 2,411,607 |
| Reserves | | –267,301 | –206,952 |
| Retained earnings including profit for the year | | 1,809,433 | 1,800,912 |
| **Total equity** | | **3,971,835** | **4,006,215** |
| Deferred tax liabilities | 9 | 62,976 | 61,393 |
| Provision for pensions | | 1,610 | – |
| Non-current lease liabilities | 17 | 77,394 | 65,534 |
| Other long-term liabilities | 18 | 129,869 | 279,019 |
| **Total non-current liabilities** | | **271,849** | **405,946** |
| Accounts payable | | 16,053 | 13,063 |
| Current tax liabilities | | 957,241 | 418,957 |
| Current lease liabilities | 17 | 16,268 | 13,923 |
| Other current liabilities | 19 | 61,010 | 62,029 |
| Accrued expenses and prepaid income | 4, 20 | 52,516 | 53,351 |
| **Total current liabilities** | | **1,103,088** | **561,323** |
| **TOTAL EQUITY AND LIABILITIES** | | **5,346,772** | **4,973,484** |



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# Consolidated statement of changes in equity

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

| 2024 | Share capital | Other capital contributed | Reserves | Retained earnings including profit for the year | Total equity |
|---|---|---|---|---|---|
| **Opening equity 01/01/2024** | **648** | **2,411,607** | **–206,952** | **1,800,912** | **4,006,215** |
| Profit for the year | – | – | – | 1,244,015 | 1,244,015 |
| Other comprehensive income | – | – | –60,349 | – | –60,349 |
| **Transactions with shareholders** | | | | | |
| Repurchase of own shares | – | – | – | –677,988 | –677,988 |
| Dividend | – | – | – | –559,266 | –559,266 |
| Warrants | – | –59,559 | – | 1,760 | –57,799 |
| New share issue | 2 | 77,005 | – | – | 77,007 |
| **Closing equity 31/12/2024** | **650** | **2,429,053** | **–267,301** | **1,809,433** | **3,971,835** |



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# Consolidated statement of cash flows

| | NOTE | 2024 | 2023 |
|---|---|---|---|
| Operating profit | | 1,419,553 | 1,142,730 |
| Adjustment for items not included in cash flow | 23 | –5,839 | 125,818 |
| Interest received | | 20,959 | 14,308 |
| Interest paid | | –371 | –39 |
| Tax paid | | –74,419 | –49,772 |
| **Cash flow from operating activities before changes in working capital** | | **1,359,883** | **1,233,045** |
| | | | |
| Increase/decrease accounts receivable | | –60,344 | –72,370 |
| Increase/decrease accounts payable | | 2,480 | 3,044 |
| Increase/decrease other working capital | | –1,015 | 4,728 |
| **Cash flow from operating activities** | | **1,301,004** | **1,168,447** |
| | | | |
| Acquisition of intangible assets | 11 | –71,395 | –51,973 |
| Acquisition of property, plant and equipment | 12 | –65,318 | –42,219 |
| Acquisition of subsidiaries | 25 | –7,583 | –47,536 |
| Increase/decrease other financial assets | | –103,675 | 2,370 |
| **Cash flow from investing activities** | | **–247,971** | **–139,358** |
| | | | |
| Repayment of lease liabilities | 17, 23 | –18,272 | –18,907 |
| Repurchase of own shares | | –677,988 | –115,758 |
| Warrants | | –59,559 | –48,187 |
| Dividend paid | | –559,266 | –427,398 |
| New share issue | | 77,007 | 35,749 |
| **Cash flow from financing activities** | | **–1,238,078** | **–574,501** |
| | | | |
| **Cash flow for the year** | | **–185,045** | **454,588** |
| | | | |
| Cash and cash equivalents at beginning of the year | | 985,756 | 532,554 |
| Exchange rate differences | | 763 | –1,386 |
| **Cash and cash equivalents at year-end** | 23 | **801,474** | **985,756** |



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# Income statement — Parent Company

| | NOTE | 2024 | 2023 |
|---|---|---|---|
| Net sales | 4 | 15,663 | 19,289 |
| Other external expenses | 6 | –7,112 | –4,790 |
| Personnel expenses | 5 | –13,397 | –14,303 |
| Depreciation, amortisation and impairments | 11, 12 | –273 | –322 |
| **Operating profit** | | **–5,119** | **–126** |
| Interest income and similar income items | 7 | 1,451,927 | 552,145 |
| Interest expenses and similar expense items | 8 | –3,046 | — |
| **Profit before tax** | | **1,443,762** | **552,019** |
| Tax on profit for the year | 9 | –127,705 | –509 |
| **Profit for the year** | | **1,316,057** | **551,510** |

Profit for the year coincides with comprehensive income for the year.



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# Balance sheet — Parent Company

| | NOTE | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| ***Assets*** | | | |
| **Non-current assets** | | | |
| Intangible assets | 11 | 40 | 185 |
| Property, plant and equipment | 12 | 264 | 342 |
| Participating interest in Group companies | 13 | 2,630,780 | 2,630,780 |
| Other financial assets | 13 | 518 | 14 |
| Deferred tax asset | 9 | 628 | 1 |
| **Total non-current assets** | | **2,632,230** | **2,631,322** |
| | | | |
| **Current assets** | | | |
| Current tax receivables | | 860 | 885 |
| Receivables from Group companies | | 633,178 | 375,378 |
| Other current receivables | 15 | 187 | 4,611 |
| Prepaid expenses and accrued income | 16 | 6,222 | 9,843 |
| Cash and cash equivalents | 23 | 14,126 | 53,051 |
| **Total current assets** | | **654,573** | **443,768** |
| | | | |
| **TOTAL ASSETS** | | **3,286,803** | **3,075,090** |
| | | | |
| ***Equity and liabilities*** | | | |
| **Restricted equity** | | | |
| Share capital | | 650 | 648 |
| **Unrestricted equity** | | | |
| Share premium reserve | | 2,629,824 | 2,612,378 |
| Retained earnings | | −792,673 | −106,929 |
| Profit for the year | | 1,316,057 | 551,510 |
| **Total equity** | | **3,153,858** | **3,057,607** |
| | | | |
| **Current liabilities** | | | |
| Accounts payable | | 407 | 108 |
| Current tax liabilities | | 129,254 | 607 |
| Liabilities from Group companies | | 6 | 589 |
| Other current liabilities | 19 | 1,324 | 14,586 |
| Accrued expenses and prepaid income | 20 | 1,954 | 1,593 |
| **Total current liabilities** | | **132,945** | **17,483** |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **3,286,803** | **3,075,090** |



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# Statement of changes in equity — Parent Company

| | Restricted equity | Unrestricted equity | | |
|---|---|---|---|---|
| **2023** | **Share capital** | **Share premium reserve** | **Retained earnings** | **Total equity** |
| **Opening equity 01/01/2023** | **647** | **2,604,734** | **436,227** | **3,041,608** |
| Profit for the year | — | — | 551,510 | 551,510 |
| **Transactions with shareholders** | | | | |
| Dividend | — | — | –427,398 | –427,398 |
| Warrants | — | –48,187 | — | –48,187 |
| Repurchase of own shares | — | — | –115,758 | –115,758 |
| Non-cash issue | — | 20,083 | — | 20,083 |
| New share issue | 1 | 35,748 | — | 35,749 |
| **Closing equity 31/12/2023** | **648** | **2,612,378** | **444,581** | **3,057,607** |

| | Restricted equity | Unrestricted equity | | |
|---|---|---|---|---|
| **2024** | **Share capital** | **Share premium reserve** | **Retained earnings** | **Total equity** |
| **Opening equity 01/01/2024** | **648** | **2,612,378** | **444,581** | **3,057,607** |
| Profit for the year | — | — | 1,316,057 | 1,316,057 |
| **Transactions with shareholders** | | | | |
| Dividend | — | — | –559,266 | –559,266 |
| Warrants | — | –59,559 | — | –59,559 |
| Repurchase of own shares | — | — | –677,988 | –677,988 |
| New share issue | 2 | 77,005 | — | 77,007 |
| **Closing equity 31/12/2024** | **650** | **2,629,824** | **523,384** | **3,153,858** |

| | |
|---|---|
| **2023** | |
| Outstanding shares at year-end | 212,771,346 |
| **2024** | |
| Outstanding shares at year-end | 206,562,243 |

The share quota value is EUR 0.003



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# Cash flow statement — Parent Company

| | NOTE | 2024 | 2023 |
|---|---|---|---|
| Operating profit | | –5,119 | –126 |
| Adjustment for items not included in cash flow | 23 | –2,466 | 2,399 |
| Interest received | | 1,327 | 647 |
| Tax paid | | 340 | –671 |
| **Cash flow from operating activities before changes in working capital** | | **–5,918** | **2,249** |
| | | | |
| Increase/decrease accounts payable | | 299 | –89 |
| Increase/decrease intercompany receivables and liabilities, net | | –261,343 | 45,043 |
| Increase/decrease other working capital | | 1,064 | 5,539 |
| **Cash flow from operating activities** | | **–265,898** | **52,742** |
| | | | |
| Acquisition of intangible assets | 11 | –40 | –2 |
| Acquisition of property, plant and equipment | 12 | –10 | –345 |
| Acquisition of financial assets | | –504 | — |
| **Cash flow from investing activities** | | **–554** | **–347** |
| | | | |
| Repurchase of own shares | | –677,988 | –115,758 |
| Warrants | | –59,559 | –48,187 |
| Dividend paid | | –559,266 | –427,398 |
| Dividend received | | 1,447,333 | 550,000 |
| New share issue | | 77,007 | 35,749 |
| **Cash flow from financing activities** | | **227,527** | **–5,594** |
| | | | |
| **Cash flow for the year** | | **–38,925** | **46,801** |
| | | | |
| Cash and cash equivalents at beginning of the year | | 53,051 | 6,250 |
| **Cash and cash equivalents at year-end** | 23 | **14,126** | **53,051** |



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# NOTES

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# Notes

## NOTE 1. GENERAL INFORMATION

Evolution AB (publ), corporate registration number 556994-5792, is a public limited liability company incorporated in Sweden and domiciled in Stockholm. The address of the Company's headquarters is Hamngatan 11, 111 47 Stockholm, Sweden. Evolution AB (publ) has been listed on Nasdaq Stockholm Large Cap since June 2017 using the ticker EVO.

The Company and its subsidiaries ('Company', 'Evolution' or 'the Group') is a leading B2B provider of live and slots casino systems. The Company develops, produces, markets and licenses fully integrated online casino systems to gaming operators. At the end of 2024, the Group had over 800 customers, including a majority of the foremost online casino operators globally. The operators market the products to end users. Accordingly, Evolution is a pure operating and development company; it does not conduct any gaming operations of its own.

### COMPLIANCE WITH STANDARDS AND LAW

The annual report and consolidated financial statements were approved for publication by the Board of Directors on 14 April 2025. The Parent Company's income statement and balance sheet and the consolidated statement of comprehensive income and statement of financial position will be subject to adoption by the Annual General Meeting on 9 May 2025. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR1 Supplementary Accounting Rules for Groups have also been applied. The Parent Company and the Group apply the same accounting policies, except where specified under 'Parent Company accounting policies'.

### FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The Parent Company's functional currency is the euro (EUR), which is also the presentation currency for the Parent Company and the Group. Accordingly, the financial statements are presented in EUR. Unless otherwise stated, all amounts are rounded to the nearest thousand. Amounts or figures in parentheses are comparisons for the year-earlier period.  reclassified to the income statement.

### CURRENCY EXCHANGE RATES

| Currency code | Closing rate 31 Dec 2024 | Average rate Jan-Dec 2024 | Closing rate 31 Dec 2023 |
|---|---|---|---|
| AMD | 0.002416 | 0.002350 | 0.002233 |
| ARS | 0.000937 | 0.001016 | 0.001120 |
| AUD | 0.597398 | 0.609668 | 0.616427 |
| BGN | 0.511292 | 0.511292 | 0.511292 |
| BRL | 0.156203 | 0.171515 | 0.156203 |
| BYN | 0.275893 | 0.283961 | 0.282781 |
| CAD | 0.670767 | 0.675888 | 0.683991 |
| COP | 0.000219 | 0.000227 | 0.000234 |
| CZK | 0.039680 | 0.039811 | 0.039680 |
| GBP | 1.209686 | 1.181839 | 1.153413 |
| GEL | 0.341227 | 0.338682 | 0.336101 |
| ILS | 0.265268 | 0.251368 | 0.250548 |
| INR | 0.011289 | 0.011052 | 0.010889 |
| NGN | 0.000626 | 0.000672 | 0.000626 |
| PLN | 0.233690 | 0.232202 | 0.230112 |
| RON | 0.201041 | 0.201014 | 0.201021 |
| SEK | 0.087274 | 0.087568 | 0.089864 |
| TWD | 0.029506 | 0.028861 | 0.029495 |
| UAH | 0.023113 | 0.023053 | 0.023848 |
| USD | 0.966137 | 0.925232 | 0.905882 |
| ZAR | 0.051161 | 0.050403 | 0.049500 |

### IMPACT OF EXTERNAL FACTORS ON CONSOLIDATED ACCOUNTING POLICIES

The risks and uncertainties faced by the Group are analysed regarding sector- and business-related conditions and based on the current macroeconomic situation. Macroeconomic trends including the weaker EUR, rising inflation, increased interest rates and slower economic growth have affected the Company's performance in terms of revenues, costs and valuation. Consolidated accounting policies have not been altered in response to macroeconomic changes, but the models used have been affected. Impairment testing of goodwill, for which the discount rate is a material component, is one example (see Note 2). In addition to impairment testing of intangible assets, the effects include the impact of risks and uncertainty factors on expected credit losses, which is presented in Note 14, as well as associated deferred taxes. Increased climate-related impacts due to climbing temperatures, rising sea levels and more frequent extreme weather events could damage important infrastructure in the value chain, which could lead to insufficient capacity to deliver our services. Consequently, transition risks related



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to technological advances, altered geopolitical conditions and higher energy prices could affect operational and capital expenditures and the Company's financial performance. The Group has determined that there has been no material impact on the financial statements for 2024 and believes there will be no significant effects in the future as a consequence of these impacts. The Sustainability Report describes the Group's sustainability programme in greater detail.

## NOTE 2. JUDGEMENTS AND ESTIMATIONS IN THE FINANCIAL STATEMENTS

### KEY ACCOUNTING JUDGEMENTS AND ESTIMATIONS

Preparation of the financial statements and application of accounting policies are often based on management's judgements and estimations as well as assumptions deemed reasonable and carefully considered when the judgement is made. However, if other judgements, assumptions or estimations were used, the outcome might differ, and events might occur that could require significant adjustment of the carrying amount of the relevant asset or liability. The most material accounting policies whose application is based on key judgements are specified below, along with the sources of estimation uncertainty that the Group has determined could have the most material impact on the Group's reported financial performance and position.

The information provided in this note is categorised as follows:

- Key sources of estimation uncertainty
- Management's judgements related to application of consolidated accounting policies.

### REVENUE RECOGNITION

**Key sources of estimation uncertainty**

The Group uses estimates and judgements to determine the amounts and dates of revenue recognition, particularly in order to determine the transaction price and its allocation among identified contractual performance obligations. The transaction price, including variable consideration, e.g., income derived from volume discounts, is estimated at contract inception and periodically thereafter. Judgements are used in the estimation process based on past experiences with the type of business or the customer class. This includes possible price adjustments based on the most recent available information on contract negotiations, which could have retrospective effect on the prices of previously delivered services. Expected credit losses for accounts receivable and contract assets are regularly analysed.

**Judgements related to application of consolidated accounting policies**

Revenue for services is recognised when control of the service has been transferred to the customer. This evaluation should be made from a customer perspective, taking into account indicators such as the transfer of the significant risks and rewards of ownership, the customer's acceptance of the asset, access and the right to invoice. Judgements may be required to evaluate whether risks and rights have been transferred to the customer and whether the customer has accepted the services. All indicators of control transfer are often considered as a whole to determine whether the transfer of control has occurred in a customer contract. Management regularly evaluates the customer's ability and intention to pay according to contract. The evaluation is based on the customer's latest credit report and payment history. The evaluation may change during fulfilment of the contract, and if there is evidence that the customer's ability or intention to pay has deteriorated, there should be no further recognition of revenue until the payment criteria have been satisfied.

### BUSINESS COMBINATIONS, INTANGIBLE ASSETS INCLUDING GOODWILL

**Key sources of estimation uncertainty**

Future cash flows are estimated at initial recognition to ensure that carrying amounts do not exceed the estimated discounted cash flows for this type of asset. Subsequent to initial recognition, impairment tests are performed when there is an indication that the asset has decreased in value. Goodwill is also tested for impairment annually in connection with updated business plans. One indication of impairment may be significant differences in actual cash flows compared to the business plan, as well as new estimations that indicate lower future cash flows. An individual assessment of the nature of the acquisition is required for each individual transaction. Estimations related to acquired intangible assets are based on similar assumptions and risks as for goodwill. Allocation in connection with an acquisition analysis requires management's judgement, for example in connection with determination of the fair value of acquired intangible assets.

**Judgements related to application of consolidated accounting policies**

Upon initial recognition and subsequent remeasurements, management assesses both fundamental assumptions and indications of impairment. Judgement is also required to define cash-generating units for impairment testing. Value at closing date for goodwill amounts to EUR 2,276.5 million (2,324.0). The impairment requirement for the Group's goodwill arises through comparison of the recoverable value with the goodwill's carrying value. The recoverable value is produced by means of a current value calculation of forecasted cash flows. The discounting rate before tax is used for the calculation and amounts to 10.7 percent (10.0), which is equal to the calculated required return. The future cash flows used are based on the Group's four-year forecast. Cash flows after forecast period are based on annual growth of 2 percent (2), which coincides with the Group's long-term assumptions about inflation and long-term market growth. As of 31 December 2024, the recoverable amount exceeded the



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carrying value and a sensitivity analysis has been conducted where a 30 percent negative change on WACC, growth or margin respectively has been simulated. There was no indication of impairment in any of the scenarios used for the sensitivity analysis.

## LEASES

**Key sources of estimation uncertainty**

There is estimation uncertainty related to potential future changes in the organisation, which may affect the actual lease term for a contract if for example, a reorganisation is initiated that could entail the termination of existing leases. The determination of interest rates by which lease liabilities are discounted is another uncertainty that affects the amounts of the lease liability and interest expense. The incremental borrowing rate is used to discount lease liabilities and requires judgement to reflect the interest rate that Evolution would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment. As of 31 December 2024, lease liabilities amounted to EUR 93.7 million (79.5). See Note 17 for more information.

**Judgements related to application of consolidated accounting policies**

Management makes judgements regarding the lease term upon initial recognition and subsequent remeasurement of leases. The outcome of these judgements may differ from the actual outcome for the lease and may have adverse impact on right of use assets.

## DEFERRED TAX

**Key sources of estimation uncertainty**

Valuation of deferred tax assets entails judgement concerning the tax deductibility of costs that are not yet taxable and estimations regarding sufficient future taxable income to allow the use of loss carry-forwards (LCFW) and/or unused tax credits in various jurisdictions. All deferred tax assets are subject to annual review of probable use. Valuation of temporary differences, LCFW and tax credits are based on management's estimations of future taxable income in various jurisdictions against which temporary differences and LCFW can be used. These judgements are based primarily on business plans for the Group's assessed outcomes regarding future taxable profit. More information is provided in Note 9.

## ACCOUNTING FOR INCOME TAX, VALUE ADDED TAX AND OTHER TAXES

**Key sources of estimation uncertainty**

Accounting for income tax is based on evaluation of income tax in all jurisdictions where profits are generated. According to the rules set down in IFRIC 23, uncertainty over income tax treatment is considered only if and in connection with accounting for and valuation of income tax items in the financial statements. Assets related to value added tax and other taxes are considered separately for use in each jurisdiction in accordance with local regulations. The total complexity of the rules that concern taxes and accounting for taxes require management's involvement in judgements of the classification of transactions and in estimations of the probable outcomes of claimed deductions and/or disputes.

**Judgements related to application of consolidated accounting policies**

Significant judgement is required in determining the provisions for income taxes. For many transactions and calculations in the current operations, the ultimate tax determination is uncertain when the transactions take place or calculations are made. To ensure that taxes are handled correctly, the Company made an assessment, assisted by legal experts, of how tax regulations may affect the business. This assessment also covers indirect taxes. The Company reports the tax amounts that it believes to be correct and pays these to the tax authorities. However, these amounts may turn out to be insufficient, if the tax authorities make an interpretation of the regulations that is more restrictive than the Company's interpretation, which the Company considers to be correct.

## NEW STANDARDS AND INTERPRETATIONS IN 2024

The following new or revised standards and interpretations are effective for reporting periods beginning on or after 1 January 2024 and have been applied to the consolidated financial statements for 2024. The amendments have had no material impact on the consolidated or Parent Company financial statements.

- IAS 1 Presentation of Financial Statements, regarding classification of liabilities as current or non-current, particularly when the liabilities are subject to covenants.
- IFRS 16 Leases, on accounting for lease liability in a sale and leaseback transaction.
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures regarding disclosure requirements concerning supplier finance arrangements.

## NEW AND AMENDED IFRS AND INTERPRETATIONS NOT YET EFFECTIVE

IASB has published the following new or revised standards:

- Amendments to IAS 21 – Lack of Exchangeability.
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures. The new or amended accounting standards have been determined to have no material impact on the consolidated financial statements in the period of initial application.



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- IFRS 18 Presentation and Disclosure in Financial Statements. Effective for financial years beginning after 1 January 2027. IFRS 18 will replace IAS 1 Presentation of Financial Statements, and introduce new requirements that will help achieve comparability in the reporting of financial results for similar entities and provide users with more relevant information and transparency. Although IFRS 18 will not affect the recognition or measurement of items in the financial statements, its effects on presentation and disclosure are expected to be far-reaching, particularly those related to the income statement and performance measures defined by management. Management is currently evaluating the exact consequences of applying the new standard to the consolidated financial statements.

None of the new or revised standards have been early applied by the Group.

## NOTE 3. ACCOUNTING POLICIES

### CONSOLIDATION POLICIES AND BUSINESS COMBINATIONS

**Subsidiaries**

Subsidiaries are entities that the Parent Company, Evolution AB (publ), controls. Potential voting rights and whether contractual control exists are taken into account when assessing whether control exists. Subsidiaries are reported using the acquisition method of accounting. Transaction costs that arise, except for transaction costs attributable to the issue of equity instruments or debt instruments, are recognised as other external expenses when they occur. Contingent consideration is recognised at acquisition-date fair value. If the contingent consideration is classified as an equity instrument, the original amount is not remeasured and is settled in equity. For other contingent consideration, the items are remeasured at every reporting date and the change is recognised in profit or loss for the year as other operating revenue or expense.

### SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group CEO of the Group, who makes strategic decisions. The Group CEO of the Group considers the Group to consist of a single segment, i.e. the provision of solutions for online casino and associated services to gaming operators.

### CASH FLOW STATEMENT

Cash flow is reported using the indirect method. The reported cash flow only covers transactions involving cash receipts and cash payments. This means that there may be deviations related to changes of individual items in the balance sheet.

### FOREIGN CURRENCY

**Transactions in foreign currency**

Items included in the financial statements of subsidiaries of the Group are measured in each subsidiary's functional currency. In general, the local currency of the country in which the company operates is the functional currency, other than in isolated cases where EUR is used as the functional currency instead of the local currency. Exchange rate differences arising upon translation of receivables and liabilities are recognised as financial income or financial expenses. Translation differences arising in foreign operations are recognised in other comprehensive income and are accumulated in the translation reserve in equity. Upon disposal of part or all of a foreign operation, the accumulated translation differences attributable to the operation are realised in profit or loss and recognised as financial income or financial expense.

### REVENUE

Evolution develops, produces, markets and licenses (right-to-use) fully integrated live casino and slots solutions to gaming operators. In live casino, a game presenter, i.e. dealer, runs the game from a casino gaming table that is followed in real time via a video stream. End users, i.e. the players, make betting decisions on their devices (computers, smartphones, tablets etc.). The Group's revenues consist of fixed and variable fees from gaming operators that uses the Group's solutions for online casino and from other associated services. Revenue is reported excluding VAT and discounts and after the elimination of intra-Group sales. Revenue is recognised based on the contract with the customer and is measured based on the consideration Evolution expects to be entitled to in exchange for transferring the promised services. Revenues are allocated across performance obligations and are recognised at a point in time determined based on how control is passed to the customer. Most of the Group's revenue is commission; therefore the revenue is only divided between Live (live casino) and RNG (slots solutions).

Consolidated accounts receivable comprises receivables that carry an unconditional right to payment, while contract assets that refer to accrued income have a conditional right to payment. A conditional right to payment means that a final obligation in the contract must be performed before an unconditional right to payment exists. Accounts receivable are presented in Note 14 and accrued income in Note 16. Recognised liabilities related to contracts with customers are disclosed in Note 4(b).

**Commission income and other fees**

The Group receives gaming fees from its contracted partners. These include a percentage of the gaming operators' revenue from using the Group's solution for online casino. These gaming fees are calculated according to the terms and conditions of each agreement and reported in the period when the gaming transactions are conducted.



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A majority of the revenue derives from commission/royalty fees, which is calculated as a percentage of the customer's profit generated by the Group's online casino platform. In addition to commission, a proportion of the Group's revenue derives from fees for dedicated tables, integration and set-up fees. Dedicated table fees are invoiced to customers who have chosen to offer their end users dedicated tables.

**Set-up fees**

Fees from other closely related services, such as set-up fees for integration of live casino solutions, are reported when the services have been provided. Revenues, based on gain of control by the customer, should be recognised either over time or at a point of time. Nevertheless, set-up fees should be accounted for over time due to when control is gained by the customer, similar to long term projects and revenue recognised as per progress. As it always takes less than a year to set up an environment for a customer, it is assumed to be low level of risk and immaterial volume of revenues. Splitting such a project would mean a big administrative effort over immaterial changes in group revenues, total set-up fees including new integrations is a marginal part of group revenues. That is why management has decided not to split the project by progress – revenue is recognised after go-live. The set-up fees approach is reviewed on a regular basis (at least once a year) if the arguments on the current approach are still valid and if materiality changes over time.

## LEASES

**Leases in which the Group is the lessee**

The Group recognises a right of use (RoU) asset and a lease liability when the lease commences. The RoU asset is initially recognised at cost, which consists of the initial value of the lease liability plus payments at or prior to commencement plus any initial direct costs and an estimate of any costs to dismantle and remove the asset at the end of the lease. The RoU asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The Group also assesses the RoU assets for impairment when such indicators exist. When the cost of the RoU asset reflects the fact that the Group will exercise the option to purchase the underlying asset, the asset is depreciated to the end of the period of use.

The lease liability, which is divided into current and non-current components, is initially measured at the present value of remaining lease payments during the estimated lease term. The lease term is the non-cancellable period plus extension periods in the contract if it is considered reasonably certain at the commencement date that these periods will be used. The majority of the extension options related to leasing of studio/offices and other leases have not been included in the lease liability because the Group cannot reliably determine that they will be extended. Extension options are assessed initially when the new lease is arranged, but may be updated regularly during the lease term. Lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, which is normally the case for the Group's leases, the Group's incremental borrowing rate is used.

Subsequent to initial measurement, the liability will be reduced for payments made and increased with interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments When the lease liability is remeasured, the corresponding adjustment is reflected in the RoU asset, or profit or loss if the RoU asset is already depreciated to zero.

The exception provided in IFRS 16 is applied to short-term leases and leases in which the underlying asset is of low value. Accordingly, no RoU assets or lease liabilities are recognised for these leases. Payments for these leases are recognised as an expense on a straight-line basis over the lease term. This also applies to variable lease payments.

## FINANCIAL INCOME AND EXPENSES

Financial income consists of interest income on invested funds, dividend income, exchange gains and other financial income. Financial expenses consist of interest expenses, exchange losses and other financial expenses. Financial income and expenses are recognised in profit or loss when they arise, distributed over the time they refer to using the effective interest method, unless they are considered to constitute doubtful receivables.

## CURRENT AND DEFERRED TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or directly in equity, respectively. The current tax charge is calculated based on the tax laws enacted or announced at the reporting date in the countries where the Group operates and generates taxable income. The Group management regularly evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. Where appropriate, it establishes provisions based on amounts expected to be paid to the tax authorities.

On 13 December 2023, the government of Sweden, where the Parent Company is incorporated, enacted the Pillar II income taxes legislation effective from 1 January 2024. Under the legislation, the Parent Company is required to pay, in Sweden, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 percent. The main jurisdictions in which exposures to this exist include Malta. The Group is continuing to assess the impact of the Pillar II income taxes legislation on its future performance.

The Group's taxes are primarily affected by the allocation of profits between Malta and the other countries where the Group operates as well as the tax regulations in each country. Corporate income tax rate in Malta is 35 percent. However,



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when Maltese companies distribute dividend, 6/7 of the tax is refunded. The refund is not received simultaneously as the corporate income tax is paid; therefore the tax liability and the tax receivable are reported gross in the financial statement.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or announced at the end of the reporting period and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax assets and liabilities relate to the same tax authority, regardless of whether they relate to the same or different taxable entities, but where there is an intent to settle the balances on a net basis.

Evolution has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, Evolution neither recognises nor discloses information about any deferred tax assets or liabilities related to Pillar II income taxes.

## INTANGIBLE ASSETS

**Goodwill**

Goodwill is measured at cost less accumulated impairments. Goodwill is tested for impairment at least annually or when there are indications that the carrying amount of the asset has decreased.

**Proprietary software**

Development expenses for developing new and existing services and processes are capitalised on an ongoing basis if they satisfy the criteria. Expenditures that do not satisfy the criteria, such as maintenance and training costs, are immediately expensed. Capitalised expenditures refer to both direct internal costs and external costs, e.g., compensation to employees for software development and external consultants. Amortisation begins when the software is available for use. Development costs recognised in the statement of financial position are carried at cost less accumulated amortisation and impairment losses. Costs incurred subsequently for proprietary software are recognised in the statement of financial position as an asset only if they increase the future economic benefits of the specific asset to which they relate. All other costs are recognised as an expense when they are incurred.

**Other intangible assets**

Other intangible assets comprise brands, customer relationships, game portfolio, licenses, patents and platforms and are carried at cost less accumulated amortisation and impairments.

**Amortisation of intangible assets**

Amortisation of intangible assets is based on the estimated useful life of the asset. Amortisation is on a straight-line basis over the estimated useful life of the asset, unless the asset has an indefinite useful life. Intangible assets with finite useful lives are amortised as of the date they are ready to be used. Estimated useful lives are reassessed annually.

Estimated useful lives:

- Brands, indefinite useful life
- Customer relationships, 10 years
- Game portfolio, 5-10 years
- Licenses, 5 years
- Patents, 5-8 years
- Platform, 3-10 years
- Proprietary software, 3-10 years

**Impairment of intangible assets**

The Group tests intangible assets for impairment at each reporting date to determine whether there is indication of impairment. If there is indication of impairment, the recoverable amount of the asset is estimated. The recoverable amount of goodwill is also estimated at least annually. A detailed description of impairment testing is provided in Note 2. Impairment losses are charged to profit or loss.

## PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are carried at cost less accumulated depreciation and impairments. The cost includes expenses that are directly related to the acquisition of the assets. Subsequent expenses are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that they increase the future economic benefits of the specific asset to which they relate. All other costs are recognised as an expense when they are incurred. Assets are depreciated on a straight-line basis across the estimated useful life of the asset.



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Estimated useful lives:

- Leasehold improvements, 10 years
- Office, technical and user equipment, 3-5 years
- Property, 50 years
- Servers and network equipment, 7 years
- Studio environment, 5 years

The useful lives for leasehold improvements are based on the remaining term of the underlying lease or estimated useful life, whichever is shorter. Depreciation methods applied and the estimated useful lives of assets are reviewed at the end of each year.

**Impairment of property, plant and equipment**

The Group tests items of property, plant and equipment for impairment at each reporting date to determine whether there is any indication of impairment. If there is indication of impairment, the recoverable amount of the asset is estimated. Impairment losses are charged to depreciation, amortisation and impairments in profit or loss.

## FINANCIAL INSTRUMENTS

**Classification and measurement**

The Group's financial instruments are recognised at amortised cost except for liabilities for contingent consideration, which are measured at fair value. Changes in fair value are recognised in operating profit or loss as other operating revenues or other operating expenses for contingent consideration (earnout).

**Expected credit loss impairments**

Evolution recognises an allowance for expected credit losses (ECL) on financial assets measured at amortised cost. The simplified approach is used to estimate credit losses on accounts receivable and contract assets using a provision matrix based on historical events, current conditions and forecasts of future economic conditions. The Group's exposure to credit risk is primarily attributable to accounts receivable and cash and cash equivalents. Impairments of accounts receivable and contract assets are recognised in operating profit or loss as other operating expenses. Large individual receivables for which there is indication of increased credit risk are individually assessed for ECL allowances. Other items are assessed collectively.

## EMPLOYEE BENEFITS

**Defined contribution pension plans**

Evolution has different pension schemes in different countries. All pension solutions in the Group consist of defined contribution pension plans. The Company's obligations regarding payments to defined contribution plans are charged to profit or loss under employee benefits expenses, as the employees render services.

**Post-employment benefits**

Evolution has no obligation towards the employees after they have retired or otherwise ended their employment with the Company.

**Share-related remunerations**

Evolution has equity-settled incentive programmes consisting of warrants that have been offered to senior management personnel and key individuals. See Note 5 for detailed information. The cost of share-based payments is based on the fair value of the subscription rights the employee is granted. The fair value of granted warrants is estimated using the Black & Scholes model and takes the terms, conditions and circumstances in effect at grant date into account. The amount recognised as an expense over the vesting period is adjusted to reflect the actual number of warrants vested. In subsequent periods, this expense is adjusted to reflect the actual number of warrants vested. Social insurance fees attributable to the employee benefits expense that arises upon vesting are expensed over the vesting period. The provision for social insurance fees is based on the fair value of the warrants at the reporting date. Fair value is measured using the same model that was used when the warrants were issued. Upon exercise within the framework of equity-settled programs, treasury shares are delivered to the employee. Upon exercise, the payment of the exercise price received from the employee is recognised as an increase in share capital (quotient value) and other capital contributions.

## PARENT COMPANY ACCOUNTING POLICIES

The Parent Company's financial statements were prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and recommendation RFR 2 Accounting of Legal Entities issued by the Swedish Financial Accounting Standards Council. Opinions issued by the Swedish FASC applicable to listed companies were also applied. RFR 2 requires the Parent Company to apply all IFRS's and interpretations endorsed by the EU to its annual accounts for the legal entity to the extent possible within the framework of the Annual Accounts Act and the Swedish Pension Obligations Vesting Act, while observing the relationship between accounting and taxation. RFR 2 specifies the exceptions and additions to IFRS that must be made. Differences between consolidated and Parent Company accounting policies are disclosed below.

**Changed accounting policies**

If not otherwise stated below, the Parent Company's accounting policies have changed in accordance with that stated concerning the Group.

**Classification and presentation**

An income statement and a statement of comprehensive income is presented for the Parent Company. The Parent Company uses the designations "balance sheet" and "statement of cash flows". The Parent Company income statement and balance sheet are presented as required by



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the Swedish Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively. The differences against the consolidated financial statements found in the Parent Company income statement and balance sheet comprise mainly financial income and expenses and equity reporting.

**Subsidiaries**

The Parent Company accounts for investments in subsidiaries using the cost method and include transaction costs directly attributable to the acquisition. Contingent consideration is recognised when a probable and reliable amount can be estimated and any remeasurements of the value are adjusted against acquisition cost. The consolidated financial statements recognise contingent consideration at fair value with changes in value through profit or loss.

**Financial instruments**

By reason of the relationship between accounting and taxation, the rules in IFRS 9 are not applied to the Parent Company as a legal entity. Non-current financial assets are measured at cost less any impairment losses and current financial assets are measured at the lower of cost and net realisable value.

**Anticipated dividends**

Anticipated dividends from subsidiaries are recognised when the Parent Company has the unilateral right to determine the amount of the dividend and the Parent Company has decided the amount of the dividend before publishing its financial statements.

**Equity-settled programmes issued to employees in subsidiaries**

The estimated value and carrying amount of equity-settled programmes issued to employees of other companies in the Group are recognised in the Parent Company as capital injections to subsidiaries. When the Parent Company recognises an increase in equity, the value of investments in subsidiaries simultaneously increases. The costs related to employees in the companies concerned are billed onward to the respective subsidiary on an ongoing basis and are settled in cash, which neutralises the increase in investments in subsidiaries.

**Revenue**

Parent Company revenues consist primarily of internal Group services, which are recognised when the counterparty obtains the service.

**Leases**

The Group applies the exemption permitted under RFR 2 and all leases are accounted for as operating leases and thus on a straight-line basis over the lease term.

**Shareholder contributions**

Shareholder contributions are recognised by the recipient directly in equity and are capitalised in shares and participating interests by the Parent Company to the extent that impairment is not required.

**Receivables from Group companies**

The Parent Company applies corresponding impairment losses as the Group for expected credit losses on current and non-current receivables due from Group companies. No significant increase of credit risk had been determined to exist for any claim against a Group company as of the reporting date. It has been assessed that expected credit losses are insignificant and therefore no ECL allowance has been recognised.



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## NOTE 4. NET REVENUES

The Group CEO considers the Group to consist of a single segment, i.e. the provision of solutions for Online Casino and associated services to gaming operators.

Net revenues derives from fees from gaming operators that uses the Group's solutions for Online Casino and from other associated services, all recognised at a point in time.

### 4 (a) Disaggregation of net revenues from contracts with customers per invoicing jurisdiction and fixed assets per country

| | Sweden | | Malta | | Australia | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Total net revenues | 43,806 | 45,602 | 2,249,662 | 1,736,984 | 40,830 | 50,413 |
| Of which Intercompany | 43,793 | 44,169 | 599,121 | 417,279 | 2,551 | 4,505 |
| **Net revenues from external customers** | **13** | **1,433** | **1,650,541** | **1,319,705** | **38,279** | **45,908** |
| **Tangible and intangible assets** | **2,080,802** | **2,178,940** | **419,794** | **396,915** | **458,730** | **466,325** |

| | North America | | Curacao | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Total net revenues | 233,129 | 195,490 | 290,816 | 340,839 | 495,948 | 428,974 | 3,354,191 | 2,798,302 |
| Of which Intercompany | 226,006 | 178,312 | 579 | 1,968 | 419,056 | 353,468 | 1,291,106 | 999,701 |
| **Net revenues from external customers** | **7,123** | **17,178** | **290,237** | **338,871** | **76,892** | **75,506** | **2,063,085** | **1,798,601** |
| **Tangible and intangible assets** | **107,198** | **78,250** | **13,143** | **13,382** | **140,548** | **107,158** | **3,220,215** | **3,240,970** |

### 4 (b) Liabilities related to contracts with customers

| Group | 2024 | 2023 |
|---|---|---|
| **Opening balance** | **3,611** | **2,743** |
| Net revenues recognised from opening balance | –3,278 | –1,325 |
| Liabilities recognised | 2,151 | 4,943 |
| Net revenues recognised | –807 | –2,710 |
| Translation difference | 1 | –40 |
| **Closing balance** | **1,678** | **3,611** |

### 4 (c) Net revenues per geographical region

| Group, EUR million | 2024 | 2023 |
|---|---|---|
| Europe | 779.0 | 709.9 |
| Asia | 802.7 | 672.3 |
| North America | 257.7 | 226.7 |
| LatAm | 145.5 | 127.8 |
| Other | 78.3 | 62.0 |
| **Net revenues** | **2,063.1** | **1,798.6** |
| Revenues regulated markets | **819.6** | **718.6** |
| Regulated markets' share | **40%** | **40%** |

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationship 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.

Table 4 (c) shows the geographic markets from which Evolution's net revenues originate. Net revenues based on player activity are allocated according to the end-users' location, while net revenues not based on player activity are allocated to the operator's location.

Evolution Group had one customer (two in 2023) that singlehandedly contributed 13 percent (13) to the Group's net revenues.



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## NOTE 5. EMPLOYEES, EMPLOYEE BENEFITS EXPENSE AND COMPENSATION TO SENIOR EXECUTIVES

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **Personnel expenses** | Senior executives | Other employees | Total | Senior executives | Other employees | Total |
| Salary and other remunerations | 6,372 | 391,262 | **397,634** | 11,252 | 318,182 | **329,434** |
| Pension expenses | 601 | 3,354 | **3,955** | 101 | 2,972 | **3,073** |
| Other social security expenses | 1,675 | 53,920 | **55,595** | 2,995 | 40,344 | **43,339** |
| Other personnel expenses | | | **29,848** | | | **25,264** |
| Own work capitalised | | | **–49,197** | | | **–45,810** |
| **Total personnel expenses** | **8,648** | **448,536** | **437,835** | **14,348** | **361,498** | **355,300** |

| **Remuneration and other benefits 2024** | **Base salary/ Board fee** | **Bonus** | **Other benefits** | **Share based payment** | **Pension expenses** | **Other social security** | **Total** |
|---|---|---|---|---|---|---|---|
| **Chairman of the Board:** | | | | | | | |
| Jens von Bahr | 400 | – | – | – | – | 126 | 526 |
| **Other members of the Board:** | | | | | | | |
| Joel Citron | 100 | – | – | – | – | 31 | 131 |
| Fredrik Österberg | 100 | – | – | | – | 31 | 131 |
| Ian Livingstone | 100 | – | – | – | – | 31 | 131 |
| Mimi Drake | 100 | – | – | – | – | 31 | 131 |
| Sandra Urie | 100 | – | – | – | – | 10 | 110 |
| **CEO:** Martin Carlesund | 3,086 | – | 3 | – | 438 | 1,077 | 4,604 |
| **Other senior executives:** | | | | | | | |
| 4 persons | 1,539 | 734 | 1 | 109 | 163 | 336 | 2,882 |
| **Total senior executives** | **5,525** | **734** | **4** | **109** | **601** | **1,675** | **8,648** |

| **Remuneration and other benefits 2023** | Base salary/ Board fee | **Bonus** | Other benefits | Share based payment | Pension **expenses** | Other social security | Total |
|---|---|---|---|---|---|---|---|
| **Chairman of the Board:** | | | | | | | |
| Jens von Bahr | 400 | – | – | – | – | 126 | 526 |
| **Other members of the Board:** | | | | | | | |
| Joel Citron | 100 | – | – | – | – | 31 | 131 |
| Fredrik Österberg | 100 | – | – | – | – | 31 | 131 |
| Ian Livingstone | 100 | – | – | – | – | 31 | 131 |
| Jonas Engwall[1] | 33 | – | – | – | – | 10 | 43 |
| Mimi Drake | 100 | – | – | – | – | 31 | 131 |
| Sandra Urie | 100 | – | – | – | – | 31 | 131 |
| **CEO:** Martin Carlesund | 2,613 | – | 2,246[2] | – | – | 1,527 | 6,386 |
| **Other senior executives:** | | | | | | | |
| 6 persons (2 part of year) | 2,073 | 872 | 2,163 | 352 | 101 | 1,175 | 6,736 |
| **Total senior executives** | **5,619** | **872** | **4,409** | **352** | **101** | **2,995** | **14,348** |

[1] Jonas Engwall resigned 24 May 2023

[2] 2,232 kEUR conditional for acquiring warrants in Evolution

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **Number and proportion of women in management positions at year-end** | **Number of men** | **Number of women** | **Proportion of women** | Number of men | Number of women | Proportion of women |
| **Group** | | | | | | |
| Board of Directors | 4 | 2 | 33% | 4 | 2 | 33% |
| Other senior executives | 4 | 1 | 20% | 4 | 1 | 20% |
| **Parent Company** | | | | | | |
| Board of Directors | 4 | 2 | 33% | 4 | 2 | 33% |
| Other senior executives | 3 | 1 | 25% | 3 | 1 | 25% |



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| Senior executives 31 December 2024 | |
|---|---|
| Martin Carlesund | Group CEO Evolution AB (publ) |
| Jacob Kaplan | Chief Financial Officer |
| Todd Haushalter | Chief Product Officer & Games Operations |
| Sebastian Johannisson | Chief Strategy Officer |
| Louise Wiwen-Nilsson | Chief Human Resources Officer |

**Terms for the Group CEO[1)]**

In his employment contract, Martin Carlesund has a term of notice of six months and severance pay for an additional six months, in case of termination by the Company other than for breach of contract.

**Terms for senior executives[1)]**

Remunerations to senior executives consist of a fixed salary part and a variable part. The annual variable part is cash based and based on predetermined and measurable performance criteria. There is also Incentive programmes to senior executives, long-term share and share-price related programmes. Severance compensation may be paid in an amount not greater than 12 months fixed salary. More details of remunerations to senior executives are described in the Corporate governance report.

[1)]All senior executives are members of Group management.

**Incentive programmes**

The Company has one outstanding incentive programme, 2023/2026.

The extra general meeting on 9 November 2023 resolved to issue a maximum of 2,500,000 warrants. Each warrant entitles the holder to subscribe for one new share in the Company for SEK 1,296.60 during the period from and including 16 November 2026 (however not earlier than the day after the publication of the Company's interim report for the period January–September 2026, the 'First Exercise Date') up to and including the date that falls 14 calendar days thereafter.

In total 1,995,389 warrants were subscribed, of which 58,346 warrants have been terminated or bought back during 2024. If all 1,937,043 warrants are exercised for subscription of 1,937,043 shares, the dilution effect will be approximately 0.9 percent.

The recipients of the warrants are key employees throughout the Group. Employees in Sweden and Georgia have paid the market value for the warrants. Employees outside Sweden have paid the market value for one warrant, while receiving one warrant without payment for each warrant that had been paid for (equity settled). For warrants acquired at market value, the price (warrant premium) has been determined using Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt.

| 2024 | 2021/2024 | 2023/2026 |
|---|---|---|
| Opening number of warrants | 3,474,719 | 1,995,389 |
| Warrants granted | – | – |
| Terminated or bought back | –63,408 | –58,346 |
| Warrants exercised | –3,411,311 | – |
| **Closing number of warrants** | **0** | **1,937,043** |

| 2023 | 2020/2023 | 2021/2024 | 2023/2026 |
|---|---|---|---|
| Opening number of warrants | 3,890,050 | 3,718,479 | – |
| Warrants granted | – | – | 1,995,389 |
| Terminated or bought back | –109,950 | –243,760 | – |
| Warrants exercised | –3,780,100 | – | – |
| **Closing number of warrants** | **0** | **3,474,719** | **1,995,389** |

Total personnel cost expensed in 2024 related to the incentive programmes amounted to EUR 1,604 thousand (1,962).



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**2021/2024 programme:** During February-March 2024, the incentive programme that was adopted on the Extra General Meeting on 21 January 2021 exercised. Upon exercise, 793,930 new shares were subscribed for by a number of key individuals in the Group. Dilution effect amounted to 0.4 percent.

**2020/2023 programme:** During February-March 2023, the incentive programme that was adopted on the Extra General Meeting on 16 January 2020 exercised. Upon exercise, 493,662 new shares were subscribed for by a number of key individuals in the Group. Dilution effect amounted to 0.2 percent.

**Calculation of fair value per IFRS 2 at grant date is based on the following conditions:**

**2021/2024 programme:** The valuation of the warrants has determined the fair market value to be SEK 72.60 per warrant, including a reduction of 30 percent to reflect that the warrants will not be traded on a liquid market. The price of the Evolution share was SEK 856.80 and exercise price 130 percent higher, i.e. SEK 1,113.80. The risk-free interest rate was -0.40 percent, a volatility of 33 percent and a dividend yield of 1.20 percent was assumed during the expected terms of 3.20 years.

**2023/2026 programme:** The valuation of the warrants has determined the fair market value to be SEK 86.00 per warrant, including a reduction of 30 percent to reflect that the warrants will not be traded on a liquid market. The price of the Evolution share was SEK 997.60 and exercise price 130 percent higher, i.e. SEK 1,296.60. The risk-free interest rate was 3.26 percent, a volatility of 33 percent and a dividend yield of 3.22 percent was assumed during the expected terms of 3.04 years.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Average number of employees** | **Average number of employees** | **of which women** | **Average number of employees** | **of which women** |
| Argentina | 101 | 91 | 18 | 10 |
| Armenia | 983 | 597 | 442 | 278 |
| Australia | 19 | 6 | 20 | 6 |
| Bulgaria | 257 | 112 | 211 | 81 |
| Canada | 852 | 459 | 591 | 305 |
| Estonia | 39 | 14 | 38 | 13 |
| Georgia | 6,987 | 3,486 | 6,823 | 3,774 |
| Great Britain | 15 | 8 | 12 | 6 |
| Latvia | 3,396 | 1,698 | 3,151 | 1,567 |
| Lithuania | 796 | 403 | 379 | 171 |
| Malta | 1,554 | 666 | 1,391 | 629 |
| Netherlands | 55 | 10 | 42 | 4 |
| Poland | 163 | 71 | 119 | 0 |
| Portugal | 68 | 25 | 67 | 20 |
| Romania | 941 | 467 | 850 | 356 |
| Spain | 1,263 | 561 | 578 | 241 |
| Sweden | 209 | 72 | 173 | 58 |
| Taiwan | 72 | 44 | 63 | 36 |
| USA | 3,017 | 1,506 | 2,662 | 1,395 |
| Other countries | 186 | 70 | 133 | 89 |
| **Total Group** | **20,973** | **10,366** | **17,763** | **9,039** |
| Of which Parent Company (Sweden) | 13 | 6 | 13 | 6 |



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## NOTE 6. AUDITOR REMUNERATION

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **PwC** | | | | |
| Auditing assignments | –866 | –894 | –378 | –394 |
| Audit-related services, in addition to auditing | –3 | –9 | –3 | –9 |
| Tax advisory services | –68 | –30 | – | – |
| Other services | –86 | –90 | –76 | –69 |
| **Total PwC** | **–1,023** | **–1,023** | **–457** | **–472** |

Of the Group's remuneration, EUR 488 thousand (501) pertains to Öhrlings PricewaterhouseCoopers AB.

Fees to other audit firms amounts to EUR 536 thousand (424).

## NOTE 7. FINANCIAL INCOME

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Interest income | 22,335 | 14,364 | 1,329 | 647 |
| Currency exchange gains | 4,255 | 1,225 | 305 | 2,077 |
| Dividends/Group contribution | – | – | 1,450,293 | 549,421 |
| **Total financial income** | **26,590** | **15,589** | **1,451,927** | **552,145** |

## NOTE 8. FINANCIAL EXPENSES

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Interest expenses | –2,382 | –1,606 | –2 | – |
| Interest expenses on lease liabilities | –3,988 | –3,405 | – | – |
| Currency exchange losses | –560 | –4,610 | –3,044 | – |
| Other financial expenses | –289 | –91 | – | – |
| **Total financial expenses** | **–7,219** | **–9,712** | **–3,046** | – |

## NOTE 9. INCOME TAX AND DEFERRED TAX

| | GROUP | | PARENT COMAPNY | |
|---|---|---|---|---|
| **Income tax** | 2024 | 2023 | 2024 | 2023 |
| **Current tax** | | | | |
| Sweden | –128,472 | –575 | –128,332 | –510 |
| Outside Sweden | –71,547 | –82,660 | – | – |
| **Total current tax** | **–200,019** | **–83,235** | **–128,332** | **–510** |
| | | | | |
| **Deferred tax** | | | | |
| Sweden | 2,173 | 775 | 627 | 1 |
| Outside Sweden | 2,937 | 4,711 | – | – |
| **Total deferred tax** | **5,110** | **5,486** | **627** | **1** |
| **Total tax expense** | **–194,909** | **–77,749** | **–127,705** | **–509** |



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| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **Tax reconciliation** | **2024** | **2023** | **2024** | **2023** |
| *The difference between the actual tax expense and tax expense based on current tax rate* | | | | |
| **Profit before tax** | **1,438,924** | **1,148,607** | **1,443,762** | **552,019** |
| Income tax calculated according to domestic tax rates on profits in each country | –487,418 | –406,581 | –297,414 | –113,716 |
| Tax effect of: | | | | |
| Income not subject to tax | 37,610 | 6,147 | – | – |
| Dividend | 383,130 | 339,139 | 298,151 | 113,300 |
| Expenses not deductible for tax purpose | –1,215 | –12,550 | –110 | –93 |
| Tax related to prior years | 4,877 | –5,296 | 722 | – |
| Non-capitalised tax loss carry-forwards | –1,180 | –209 | – | – |
| Change in deferred tax | 76 | 1,876 | – | – |
| Top-up tax Pillar II | –129,054 | – | –129,054 | – |
| Other | –1,735 | –275 | – | – |
| **Total tax expense** | **–194,909** | **–77,749** | **–127,705** | **–509** |

The effective tax rate for the Group amounted to 13.5% (6.8%).

The Group's estimated tax expense related to Pillar II income tax amounts to 129,054 kEUR (–).

### Deferred tax

Deferred tax assets and deferred tax liability refer to temporary differences and loss carry-forwards. Temporary differences occur in cases where the carrying amount and tax values of assets and liabilities are different. Deferred tax assets arising from deductible temporary differences and loss carry-forwards are recognised only to the extent it is probable that the temporary differences will result in lower tax payments in the future. Deferred tax assets and deferred tax liability refer to temporary differences and loss carry-forwards as follows:

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **Deferred tax** | **31 December 2024** | **31 December 2023** | **31 December 2024** | **31 December 2023** |
| **Deferred tax assets** | | | | |
| Loss carry-forwards | 2,673 | 11 | 628 | 1 |
| Other | 6,629 | 3,460 | – | – |
| **Total deferred tax assets** | **9,302** | **3,471** | **628** | **1** |
| **Deferred tax liability** | | | | |
| Intangible assets | –55,868 | –58,855 | – | – |
| Other | –7,108 | –2,538 | – | – |
| **Total deferred tax liability** | **–62,976** | **–61,393** | **–** | **–** |
| **Deferred tax assets and deferred tax liability, net** | **–53,674** | **–57,922** | **628** | **1** |

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **Change** | **2024** | **2023** | **2024** | **2023** |
| **Opening balance** | **–57,922** | **–63,328** | **1** | **–** |
| Through acquisition of subsidiary | –1,453 | – | – | – |
| Recognised in income statement | 5,110 | 5,482 | 627 | 1 |
| Translation difference | 591 | –76 | – | – |
| **Closing balance** | **–53,674** | **–57,922** | **628** | **1** |



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| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **Time of use** | **31 December 2024** | **31 December 2023** | **31 December 2024** | **31 December 2023** |
| Deferred tax assets used after 12 months | 3,768 | 2,168 | – | – |
| Deferred tax liability used after 12 months | 52,868 | 54,335 | – | – |

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| **Capitalised tax loss carry-forwards by country** | **LCFW** | **Tax effect** | **LCFW** | **Tax effect** |
| Gibraltar | – | – | 79 | 10 |
| Great Britain | 5,871 | 1,254 | – | – |
| India | 43 | 11 | – | – |
| Malta | 2,229 | 780 | – | – |
| Sweden | 3,049 | 628 | 5 | 1 |
| **Total** | **11,191** | **2,673** | **84** | **11** |

The loss carry-forwards have unlimited useful life.

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| **Non-capitalised tax loss carry-forwards by country** | **LCFW** | **Tax effect** | **LCFW** | **Tax effect** |
| Great Britain | 7,377 | 1,793 | 13,858 | 1,875 |
| Ireland | 6,621 | 828 | 4,987 | 623 |
| Malta | 5,598 | 1,959 | – | – |
| **Total** | **19,596** | **4,580** | **18,845** | **2,498** |

The loss carry-forwards have an unlimited useful life but have not been capitalised due to uncertainty prevails as to whether sufficient future taxable profits will be generated.

## NOTE 10. EARNINGS PER SHARE

| | GROUP | |
|---|---|---|
| | **2024** | **2023** |
| Profit after tax attributable to owner of the Parent Company | 1,244,015 | 1,070,858 |
| Average number of shares, basic | 209,562,751 | 213,566,498 |
| **Earnings per share basic, EUR** | **5.94** | **5.01** |
| Average number of shares, diluted | 210,473,394 | 217,069,145 |
| **Earnings per share diluted, EUR** | **5.91** | **4.93** |
| | | |
| Number of outstanding shares at beginning of the year | 213,566,498 | 213,267,500 |
| Additional weighted average number of shares converted | –4,003,747 | 298,998 |
| **Total weighted average number of outstanding shares, basic** | **209,562,751** | **213,566,498** |
| | | |
| Number of outstanding shares at beginning of the year | 213,566,498 | 213,267,500 |
| Additional weighted average number of shares converted | –4,003,747 | 298,998 |
| Additional weighted average number of shares in case of full conversion | 910,643 | 3,502,647 |
| **Total weighted average number of outstanding shares, diluted** | **210,473,394** | **217,069,145** |

In addition, Evolution holds 5,270,961 shares (2,833,431) in own custody. Please refer to Director's Report for further information about repurchase programme.

The additional weighted average number of shares in case of full conversion relates to incentive program 2023/2026. Conditions for conversions of the incentive programme and dilution effects regarding subscription premiums can be found in Note 5. For more information about



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the Incentive programme and warrants, see section in the Corporate Governance Report.

Dividend per share amounted to EUR 2.65 for financial year 2023, paid in 2024. Proposed dividend for financial year 2024 amounts to EUR 2.80 per share, not reported as a liability per 31 December 2024.

## NOTE 11. INTANGIBLE ASSETS

| Group 2024 | Gaming programme | Licenses and patents | Goodwill | Customer relationships | Brand | Platform | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|
| **Opening acquisition cost** | **407,218** | **21,819** | **2,324,005** | **211,972** | **327,430** | **5,011** | **0** | **3,297,455** |
| Acquisition for the year | 68,578 | 2,294 | – | – | – | – | 523 | 71,395 |
| Through acquisition of subsidiary | – | 6,812 | – | – | – | 8,561 | – | 15,373 |
| Disposals/retirements | – | –189 | – | – | – | – | – | –189 |
| Translation differences | –4,256 | 335 | –47,481 | –4,973 | –8,720 | 102 | – | –64,993 |
| **Closing acquisition cost** | **471,540** | **31,071** | **2,276,524** | **206,999** | **318,710** | **13,674** | **523** | **3,319,041** |
| **Opening amortisation** | **–181,187** | **–15,029** | **–** | **–61,210** | **–** | **–1,515** | **–** | **–258,941** |
| Amortisation for the year | –68,164 | –3,401 | – | –20,903 | – | –1,575 | – | –94,043 |
| Through acquisition of subsidiary | – | –129 | – | – | – | – | – | –129 |
| Disposals/retirements | – | 23 | – | – | – | – | – | 23 |
| Translation differences | 1,362 | –19 | – | 1,589 | – | 40 | – | 2,972 |
| **Closing amortisation** | **–247,989** | **–18,555** | **–** | **–80,524** | **–** | **–3,050** | **–** | **–350,118** |
| **Closing residual value** | **223,551** | **12,516** | **2,276,524** | **126,475** | **318,710** | **10,624** | **523** | **2,968,923** |

| Group 2023 | Gaming programme | Licenses and patents | Goodwill | Customer relationships | Brand | Platform | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|
| **Opening acquisition cost** | **355,944** | **20,503** | **2,315,332** | **211,069** | **325,838** | **4,989** | **16** | **3,233,691** |
| Acquisition for the year | 50,519 | 1,341 | – | – | – | – | 113 | 51,973 |
| Reclassifications | – | 4 | – | – | – | – | – | 4 |
| Disposals/retirements | –22 | –21 | – | – | – | – | –129 | –172 |
| Translation differences | 777 | -8 | 8,673 | 903 | 1,592 | 22 | – | 11,959 |
| **Closing acquisition cost** | **407,218** | **21,819** | **2,324,005** | **211,972** | **327,430** | **5,011** | **0** | **3,297,455** |
| **Opening amortisation** | **–123,816** | **–10,973** | **–** | **–39,685** | **–** | **–957** | **–** | **-175,431** |
| Amortisation for the year | –56,818 | –4,074 | – | –20,861 | – | –542 | – | –82,295 |
| Reclassifications | – | –4 | – | – | – | – | – | –4 |
| Disposals/retirements | 22 | 21 | – | – | – | – | – | 43 |
| Translation differences | –575 | 1 | – | –664 | – | –16 | – | –1,254 |
| **Closing amortisation** | **–181,187** | **–15,029** | **–** | **–61,210** | **–** | **–1,515** | **–** | **–258,941** |
| **Closing residual value** | **226,031** | **6,790** | **2,324,005** | **150,762** | **327,430** | **3,496** | **0** | **3,038,514** |

| | PARENT COMPANY | |
|---|---|---|
| **Licenses and patents** | **2024** | **2023** |
| **Opening acquisition cost** | **1,132** | **1,130** |
| Acquisition for the year | 40 | 2 |
| **Closing acquisition cost** | **1,172** | **1,132** |
| **Opening amortisation** | **–947** | **–698** |
| Amortisation for the year | –185 | –249 |
| **Closing amortisation** | **–1,132** | **–947** |
| **Closing residual value** | **40** | **185** |



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## NOTE 12. PROPERTY, PLANT AND EQUIPMENT

| Group 2024 | Land | Property | Leasehold improvements | Office, technical & user equipment | Advance payments | Total |
|---|---|---|---|---|---|---|
| **Opening acquisition cost** | **1,664** | **11,219** | **111,340** | **105,140** | **10,861** | **240,224** |
| Acquisitions for the year | 2,511 | 7,170 | 20,126 | 15,121 | 20,390 | 65,318 |
| Through acquisition of subsidiary | – | – | 41 | 4 | – | 45 |
| Reclassifications | – | – | 7,606 | 5,364 | –12,970 | 0 |
| Disposals/retirements | – | – | –1,265 | –3,388 | – | –4,653 |
| Translation difference | –45 | –129 | 3,942 | 1,424 | 48 | 5,240 |
| **Closing acquisition cost** | **4,130** | **18,260** | **141,790** | **123,665** | **18,329** | **306,174** |
| **Opening depreciation** | **–** | **–1,915** | **–37,160** | **–69,075** | **–** | **–108,150** |
| Depreciation for the year | – | –349 | –14,855 | –15,959 | – | –31,163 |
| Through acquisition of subsidiary | – | – | –18 | –1 | – | –19 |
| Reclassifications | – | – | –1,567 | 1,567 | – | 0 |
| Disposals/retirements | – | – | 671 | 2,121 | – | 2,792 |
| Translation difference | – | – | –999 | –1,016 | – | –2,015 |
| **Closing depreciation** | **–** | **–2,264** | **–53,928** | **–82,363** | **–** | **–138,555** |
| **Closing residual value** | **4,130** | **15,996** | **87,862** | **41,302** | **18,329** | **167,619** |

| Group 2023 | Land | Property | Leasehold improvements | Office, technical & user equipment | Advance payments | Total |
|---|---|---|---|---|---|---|
| **Opening acquisition cost** | **1,664** | **11,219** | **90,584** | **94,475** | **14,504** | **212,446** |
| Acquisitions for the year | – | – | 11,671 | 12,082 | 18,466 | 42,219 |
| Reclassifications | – | – | 17,329 | 4,151 | -21,483 | –3 |
| Disposals/retirements | – | – | –5,922 | –4,174 | – | –10,096 |
| Translation difference | – | – | –2,322 | –1,394 | –626 | –4,342 |
| **Closing acquisition cost** | **1,664** | **11,219** | **111,340** | **105,140** | **10,861** | **240,224** |
| **Opening depreciation** | **–** | **–1,696** | **–30,199** | **–58,368** | **–** | **–90,263** |
| Depreciation for the year | – | –219 | –13,173 | –15,132 | – | –28,524 |
| Reclassifications | – | – | –123 | 126 | – | 3 |
| Disposals/retirements | – | – | 5,696 | 3,509 | – | 9,205 |
| Translation difference | – | – | 639 | 790 | – | 1,429 |
| **Closing depreciation** | **–** | **–1,915** | **–37,160** | **–69,075** | **–** | **–108,150** |
| **Closing residual value** | **1,664** | **9,304** | **74,180** | **36,065** | **10,861** | **132,074** |

| | PARENT COMPANY | |
|---|---|---|
| **Office, technical & user equipment** | **2024** | **2023** |
| **Opening acquisition cost** | **466** | **121** |
| Acquisition for the year | 10 | 345 |
| **Closing acquisition cost** | **476** | **466** |
| **Opening depreciation** | **–124** | **–51** |
| Depreciation for the year | –88 | –73 |
| **Closing depreciation** | **–212** | **–124** |
| **Closing residual value** | **264** | **342** |



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## NOTE 13. FINANCIAL ASSETS

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **Financial assets** | **31 December 2024** | **31 December 2023** | **31 December 2024** | **31 December 2023** |
| Bond portfolio | 100,824 | – | – | – |
| Deposits | 8,781 | 6,779 | 18 | 14 |
| Endowments | 1,256 | – | – | – |
| Other financial assets | 500 | – | 500 | – |
| **Total** | **111,361** | **6,779** | **518** | **14** |

| | PARENT COMPANY | |
|---|---|---|
| **Investments in Group companies** | **2024** | **2023** |
| Opening acquisition cost | 2,630,780 | 2,630,780 |
| **Closing book value** | **2,630,780** | **2,630,780** |

| | | | % of equity and votes | | Carrying value in Parent | |
|---|---|---|---|---|---|---|
| **Name** | **Corporate ID** | **Registered office** | **31 Dec –24** | **31 Dec –23** | **31 Dec –24** | **31 Dec –23** |
| **Direct ownership** | | | | | | |
| Evolution Malta Holding Ltd | C48665 | Sliema, Malta | 100 | 100 | 2,630,780 | 2,630,780 |
| **Indirect ownership** | | | | | | |
| Evolution Malta Ltd | C48666 | Malta | 100 | 100 | – | – |
| Evolution Gaming Malta Ltd | C44213 | Malta | 100 | 100 | – | – |
| SIA Evolution Latvia | 40003815611 | Latvia | 100 | 100 | – | – |
| SIA Evolution Latvia Properties | 50103931761 | Latvia | – | 100 | – | – |
| Evolution Gaming Limited | 5944946 | Great Britain | 100 | 100 | – | – |
| Evolution Belgium BVBA | 0638.824.479 | Belgium | 100 | 100 | – | – |
| Evolution Products RO SRL | J40/6452/2016 | Romania | 100 | 100 | – | – |
| Evolution US LLC | 536294-5 | USA | 100 | 100 | – | – |
| EvoGame Estonia OU | 14035717 | Estonia | 100 | 100 | – | – |
| Evolution Netherlands BV | 66682452 | Netherlands | 100 | 100 | – | – |
| EG Overseas Services BV | 135218 | Curacao | 100 | 100 | – | – |
| Evolution Canada Gaming Limited | BC1114063 | Canada | 100 | 100 | – | – |
| Evolution Georgia LLC | 405209689 | Georgia | 100 | 100 | – | – |
| Evolution Products Development LLC | 193224142 | Belarus | 100 | 100 | – | – |
| Ezugi NV | 126712 | Curacao | 100 | 100 | – | – |
| Ezugi NJ LLC | 0600424206 | USA | 100 | 100 | – | – |
| Rommemut Ruah | 513411078 | Israel | 100 | 100 | – | – |
| Ezugi RO SRL | J40/3190/2019 | Romania | 100 | 100 | – | – |
| Evolution Malta Services Ltd | C83448 | Malta | 100 | 100 | – | – |
| Evolution Georgia Services LLC | 400305022 | Georgia | 100 | 100 | – | – |
| Darwin's Theory Pty Ltd | 648162903 | Australia | 100 | 100 | – | – |
| Bigtime Gaming Pty Ltd | 65151000592 | Australia | 100 | 100 | – | – |
| Evolution Madrid S.L. | B 06959365 | Spain | 100 | 100 | – | – |
| Transigo Ltd | 543403 | Ireland | 100 | 100 | – | – |
| Evolution Development Co Limited | 82919295 | Taiwan | 100 | 100 | – | – |
| Evolution Services SA PTY Limited | 2019/311298/07 | South Africa | 100 | 100 | – | – |
| Evolution Studio AM LLC | 286.110.1116835 | Armenia | 100 | 100 | – | – |
| Evolution Lithuania UAB | 305561054 | Lithuania | 100 | 100 | – | – |
| Evolution Canada Studio Limited | BC1253510 | Canada | 100 | 100 | – | – |
| Evo Products Development Portugal Unipessoal LDA | 516364570 | Portugal | 100 | 100 | – | – |
| Evolution Services Sweden AB | 556532-6443 | Stockholm, Sweden | 100 | 100 | – | – |
| NetEnt Alderney Ltd | 1790 | Alderney | 100 | 100 | – | – |
| NetEnt Americas Holding Inc. | 5627584 | USA | – | 100 | – | – |
| NetEnt Americas LLC | 400697458 | USA | – | 100 | – | – |
| Evolution NetEnt (Gibraltar) Limited | 97195 | Gibraltar | 100 | 100 | – | – |
| Evolution NetEnt International Ltd | O17601V | Isle of Man | 100 | 100 | – | – |
| Evolution NetEnt Solutions PLC | C47277 | Malta | 100 | 100 | – | – |



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| | | | | | | |
|---|---|---|---|---|---|---|
| NetEnt Ukraine LLC | 38090640 | Ukraine | 100 | 100 | – | – |
| Intropin Technology Pvt Ltd | U72900TG-2020FTC140125 | India | 100 | 100 | – | – |
| Red Tiger International (IOM) Limited | 132871C | Isle of Man | 100 | 100 | – | – |
| Red Tiger Gaming (Gibraltar) Limited | 118413 | Gibraltar | – | 100 | – | – |
| Evolution Gaming Bulgaria EOOD | 203270608 | Bulgaria | 100 | 100 | – | – |
| Evolution Products Development Poland Sp. Z o.o | 0000937260 | Poland | 100 | 100 | – | – |
| Evolution Products Development Germany GmbH | HRB 239047 | Germany | 100 | 100 | – | – |
| Evo LATAM Corp SRL | 4065000046288 | Costa Rica | 100 | 100 | – | – |
| Evolution Argentina S.A. | 182550 | Argentina | 100 | 100 | – | – |
| Nolimit City Holding Ltd | C53383 | Malta | 100 | 100 | – | – |
| Nolimit City Ltd | C54001 | Malta | 100 | 100 | – | – |
| Nolimit City RO SRL | J35/1974/2022 | Romania | 100 | 100 | – | – |
| Nolimit City Stockholm AB | 556671-7202 | Stockholm, Sweden | 100 | 100 | – | – |
| NLCI Games Private Ltd | 06AAGCN2443M1ZB | India | 100 | 100 | – | – |
| Nolimit City Services Ltd | 018118V | Isle of Man | 100 | 100 | – | – |
| Evolution Development Colombia S.A.S | 0077316202 | Colombia | 100 | 100 | – | – |
| Transigo US LLC | E37246562023-8 | USA | 100 | – | – | – |
| Evolution Creative Services Limited | 7341167 | Nigeria | 100 | – | – | – |
| Evolution CZ s.r.o. | 21290041 | Czech Republic | 100 | – | – | – |
| Plaspan LLC | 204876330 | Georgia | 100 | – | – | – |
| Livespins Holding Limited | 135217C | Isle of Man | 100 | – | – | – |
| Livespins Ltd | C101094 | Malta | 100 | – | – | – |
| Livespins Entertainment Limited | 135223C | Isle of Man | 100 | – | – | – |
| SIA Evolution R82 Production | 50203564801 | Latvia | 100 | – | – | – |
| Evolution US Holding LLC | 4413744 | USA | 100 | – | – | – |
| Uplay 1 | NV20111617873 | USA | 100 | – | – | – |
| Evolution Services Brazil LTDA | 35264311638 | Brazil | 100 | – | – | – |
| Evolution Slovakia S.R.O | 56403623 | Slovakia | 100 | – | – | – |
| Ezugi IOM Limited | 021806V | Isle of Man | 100 | – | – | – |
| Arcadia Gaming Solutions Ltd. | 516038957 | Israel | 100 | – | – | – |
| **Carrying value in Parent Company** | | | | | **2,630,780** | **2,630,780** |

## NOTE 14. ACCOUNTS RECEIVABLE

| | GROUP | |
|---|---|---|
| **Accounts receivable** | **31 December 2024** | **31 December 2023** |
| Accounts receivable | 418,979 | 358,827 |
| Credit loss reserve | –9,994 | –10,407 |
| **Net accounts receivable** | **408,985** | **348,420** |

The carrying amount for accounts receivable, net after expected credit loss allowance, has been assessed as equal to fair value.

| | GROUP | |
|---|---|---|
| **Ageing analysis accounts receivable** | **31 December 2024** | **31 December 2023** |
| Not due | 249,868 | 223,432 |
| Overdue 1-30 days | 104,052 | 76,446 |
| Overdue 31-90 days | 37,427 | 37,789 |
| Overdue 91-180 days | 11,312 | 11,526 |
| Overdue >181 days | 16,320 | 9,634 |
| **Total** | **418,979** | **358,827** |



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| Ageing analysis expected credit loss allowance | GROUP | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Overdue 1-30 days | – | –799 |
| Overdue 31-90 days | – | –751 |
| Overdue 91-180 days | –241 | –1,632 |
| Overdue >181 days | –9,753 | –7,225 |
| **Total** | **–9,994** | **–10,407** |

Historically, the Group's customer losses have been low. The Group's customers operate in a growth market with strong balance sheets. More information about customer credit risk is presented in Note 22.

## NOTE 15. OTHER CURRENT RECEIVABLES

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | 31 December 2024 | 31 December 2023 |
| Inventory | 9,142 | 7,170 | – | – |
| Prepayments to suppliers | 4,795 | 1,812 | 15 | – |
| VAT | 14,525 | 13,684 | 169 | 112 |
| Other | 3,325 | 5,161 | 3 | 4,499 |
| **Total** | **31,787** | **27,827** | **187** | **4,611** |

## NOTE 16. PREPAID EXPENSES AND ACCRUED INCOME

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | 31 December 2024 | 31 December 2023 |
| Prepaid license fees, software and IT services | 8,438 | 10,155 | 432 | 309 |
| Accrued revenues | 9,285 | 10,773 | – | – |
| Prepaid rent | 1,475 | 1,014 | 92 | 92 |
| Prepaid marketing | 1,332 | 551 | – | – |
| Prepaid employee costs | 9,994 | 15,592 | 5,291 | 9,058 |
| Prepaid insurance | 256 | 1,129 | 352 | 323 |
| Prepaid maintenance expenses | 151 | 225 | – | – |
| Other prepaid expenses | 6,116 | 6,583 | 55 | 61 |
| **Total** | **37,047** | **46,022** | **6,222** | **9,843** |



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## NOTE 17. LEASING - GROUP

Agreements where the Group is a lessee mainly relate to lease of offices and studio space. The leases do not contain any special terms or restrictions. The majority of the extension options related to leases have not been included in the lease liability as the Group cannot reliably determine that they will be extended. Extension options are assessed initially when the new lease is arranged, but may be updated regularly during the lease term.

| Right of use assets | 2024 | 2023 |
|---|---|---|
| **Opening acquisition cost** | **104,666** | **92,551** |
| Acquisitions for the year | 34,942 | 18,534 |
| Disposals/retirements | –15,231 | –4,997 |
| Translation difference | 2,099 | –1,422 |
| **Closing acquisition cost** | **126 476** | **104 666** |
| **Opening depreciation** | **–34,284** | **–24,651** |
| Depreciation during the year | –15,819 | –13,864 |
| Disposals/retirements | 7,823 | 3,690 |
| Translation difference | –523 | 541 |
| **Closing depreciation** | **–42,803** | **–34,284** |
| **Closing residual value** | **83,673** | **70,382** |

The undiscounted maturity of lease liabilities is as follows:

| Maturity structure lease liabilities | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Within 1 year | 17,336 | 14,545 |
| 1-2 years | 18,058 | 16,505 |
| 2-3 years | 16,045 | 14,521 |
| 3-4 years | 13,601 | 12,825 |
| 4-5 years | 12,751 | 9,793 |
| After 5 years | 33,576 | 23,608 |
| **Total** | **111,367** | **91,797** |
| Effect of discounting | –17,705 | –12,340 |
| **Leasing liability in balance sheet** | **93,662** | **79,457** |
| short-term liability | 16,268 | 13,923 |
| long-term liability | 77,394 | 65,534 |

| Lease expenses in income statement | 2024 | 2023 |
|---|---|---|
| Short-term leases[1)] | –173 | –143 |
| Short-term leases of low-value assets[1)] | –271 | –178 |
| Depreciation, right of use assets | –15,819 | –13,864 |
| Interest expenses on lease liabilities[2)] | –3,988 | –3,405 |
| **Total** | **–20,251** | **–17,590** |

[1)] Included in Other operating expenses, not recognised as lease liability
[2)] Included in Financial expenses

| Amounts recognised in cash flow statement | 2024 | 2023 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Cost of short-term leases | –173 | –143 |
| Cost of low-value leases | –271 | –178 |
| **Cash flow from financing activities** | | |
| Repayment of lease liabilities | –18,272 | –18,907 |
| **Total cash outflow** | **–18,716** | **–19,228** |



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## NOTE 18. OTHER NON-CURRENT LIABILITIES

| | GROUP | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Contingent consideration | 129,837 | 278,989 |
| Other non-current liabilities | 32 | 30 |
| **Total** | **129,869** | **279,019** |

## NOTE 19. OTHER CURRENT LIABILITIES

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | 31 December 2024 | 31 December 2023 |
| Employee-related liabilities | 29,661 | 28,509 | 1,324 | 4,798 |
| Jackpot liabilities | 14,400 | 13,298 | – | – |
| Contingent consideration | 13,142 | 6,902 | – | – |
| Other current liabilities | 3,807 | 13,320 | – | 9,788 |
| **Total** | **61,010** | **62,029** | **1,324** | **14,586** |

Jackpot liabilities consist of several jackpots where operator's players contribute to the accumulation of a jackpot. The amount is the entire jackpot that can be won and paid out to the winning operator. Other current liabilities in Parent Company 2023 was repurchase of own shares not yet withdrawn from bank account.

## NOTE 20. ACCRUED EXPENSES AND PREPAID INCOME

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | 31 December 2024 | 31 December 2023 |
| Employee-related expenses | 26,285 | 23,316 | 1,138 | 1,224 |
| Contract liabilities | 1,678 | 3,611 | – | – |
| Accrued audit and consulting fees | 2,252 | 2,641 | 792 | 359 |
| Accrued utility expenses | 828 | 638 | – | – |
| Accrued royalty expenses | 6,021 | 8,710 | – | – |
| Other accrued expenses | 15,452 | 14,435 | 24 | 10 |
| **Total** | **52,516** | **53,351** | **1,954** | **1,593** |



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## NOTE 21. FINANCIAL ASSETS AND LIABILITIES

The table below presents the Group's financial assets and liabilities, recognised at carrying amount and fair value, classified in categories in accordance with IFRS 9. No financial instruments have been set off in the accounts.

| Group 31 December 2024 | Financial assets and liabilities measured at amortised cost | Obligatory measurement at fair value through profit or loss | Carrying amount | Fair value |
|---|---|---|---|---|
| **Financial assets not recognised at fair value** | | | | |
| Bond portfolio, Note 13 | 100,824 | – | 100,824 | 100,824 |
| Deposits, Note 13 | 8,781 | – | 8,781 | 8,781 |
| Other financial assets, Note 13 | 1,756 | – | 1,756 | 1,756 |
| Accounts receivable, Note 14 | 408,985 | – | 408,985 | 408,985 |
| Accrued revenue from contracts with customers, Note 16 | 9,285 | – | 9,285 | 9,285 |
| Cash and cash equivalents, Note 23 | 801,474 | – | 801,474 | 801,474 |
| **Total financial assets** | **1,331,105** | **–** | **1,331,105** | **1,331,105** |
| **Financial liabilities at fair value** | | | | |
| Contingent consideration, Level 3, Note 18 & 19 | – | –142,979 | –142,979 | –142,979 |
| **Financial liabilities not recognised at fair value** | | | | |
| Lease liability, Note 17 | –93,662 | – | –93,662 | –93,662 |
| Jackpot liability, Note 19 | –14,400 | – | –14,400 | –14,400 |
| Accounts payable | –16,053 | – | –16,053 | –16,053 |
| **Total financial liabilities** | **–124,115** | **–142,979** | **–267,094** | **–267,094** |

The Group's maximum credit risk consists of the amounts in the table above. As in the preceding year, the "Cash and cash equivalents" item consists entirely of bank deposits.

| Group 31 December 2023 | Financial assets and liabilities measured at amortised cost | Obligatory measurement at fair value through profit or loss | Carrying amount | Fair value |
|---|---|---|---|---|
| **Financial assets not recognised at fair value** | | | | |
| Deposits, Note 13 | 6,779 | – | 6,779 | 6,779 |
| Accounts receivable, Note 14 | 348,420 | – | 348,420 | 348,420 |
| Accrued revenue from contracts with customers, Note 16 | 10,773 | – | 10,773 | 10,773 |
| Cash and cash equivalents, Note 23 | 985,756 | – | 985,756 | 985,756 |
| **Total financial assets** | **1,351,728** | – | **1,351,728** | **1,351,728** |
| **Financial liabilities at fair value** | | | | |
| Contingent consideration, Level 3, Note 18 & 19 | – | –285,891 | –285,891 | –285,891 |
| **Financial liabilities not recognised at fair value** | | | | |
| Lease liability, Note 17 | –79,457 | – | –79,457 | –79,457 |
| Jackpot liability, Note 19 | –13,298 | – | –13,298 | –13,298 |
| Accounts payable | –13,063 | – | –13,063 | –13,063 |
| **Total financial liabilities** | **–105,818** | **–285,891** | **–391,709** | **–391,709** |



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**Determination of fair value**

Financial assets and liabilities measured at fair value in the statement of financial position, or where the fair value is disclosed, are classified in one of three levels based on the information used to measure fair value.

Evolution uses the following methods and assumptions to determine the fair value of recognised financial instruments:

**Bond portfolio**

The bond portfolio is measured at amortised cost and is held to maturity. Fair value hierarchy and fair value sensitivity disclosures are therefore not required.

**Contingent consideration**

Contingent consideration (earnout) is measured according to Level 3, i.e. financial instruments for which fair value is determined based on measurement models where significant inputs are based on unobservable market data, at the present value of future cash flows that are based on forecasts of the companies' future performance. Material assumptions in this estimate are future growth rate and earnings capacity. Undiscounted amounts to be paid are shown in Note 22.

The carrying amounts of other financial assets and liabilities are considered a good approximation of the fair values due to short maturity and because credit margin has not changed.

**Profit or loss from financial assets and liabilities**

The effects of financial assets and liabilities on profit or loss are accounted for in financial income or financial expenses, except for change in fair value of contingent considerations who are accounted for as other operating revenues or other operating expenses.

| Group 2024 | Financial assets and liabilities measured at amortised cost | Obligatory measurement at fair value through profit or loss | Total |
|---|---|---|---|
| Other operating revenues | – | 151,058 | 151,058 |
| Interest income/interest expenses | 18,231 | –2,266 | 15,965 |
| Exchange rate differences | 3,695 | – | 3,695 |
| **Total** | **21,926** | **148,792** | **170,718** |

| Group 2023 | Financial assets and liabilities measured at amortised cost | Obligatory measurement at fair value through profit or loss | Total |
|---|---|---|---|
| Interest income/interest expenses | 11,009 | –1,656 | 9,353 |
| Exchange rate differences | –3,385 | – | –3,385 |
| **Total** | **7,624** | **–1,656** | **–5,968** |



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## NOTE 22. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest risk), credit risk and liquidity risk. The risk management is coordinated at Group level for all companies that have Evolution AB (publ) as the ultimate Parent Company. The Group has not used derivative instruments to hedge any risk exposure in present or previous periods. The Group does not engage in speculative trading in financial instruments.

**Liquidity risk and financing risk**

The Group is exposed to liquidity risk as regards meeting of future obligations regarding its financial liabilities, which mostly comprise accounts payable and other liabilities. Prudent risk management means having sufficient liquidity and credit facilities to ensure that the Group has sufficient funding to meet its obligations.

Considering the inflow and outflow of cash that occur at the maturity of financial liabilities, the Group's liquidity risk is not considered to be material. The value of the Group's assets and liabilities as measured at the end of the reporting period is analysed per category, based on the remaining time to agreed maturity, in the relevant notes to the financial statements.

The Group management monitors liquidity risk by reviewing expected cash flows and ensuring that no additional financing will be needed in the upcoming years. As per 31 December 2024, Evolution's financial liabilities amounted to EUR 267,094 thousand (391,709).

**Maturity structure financial liabilities, undiscounted**

| 31 December 2024 | Less than 3 months | Between 3 months and 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years |
|---|---|---|---|---|---|
| Contingent consideration | – | 13,504 | 118,242 | 13,317 | 4,215 |
| Lease liability | 4,334 | 13,002 | 18,058 | 42,397 | 33,576 |
| Jackpot liability | 14,400 | – | – | – | – |
| Accounts payable | 16,053 | – | – | – | – |
| **Total** | **34,787** | **26,506** | **136,300** | **55,714** | **37,791** |

| 31 December 2023 | Less than 3 months | Between 3 months and 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years |
|---|---|---|---|---|---|
| Contingent consideration | – | 6,944 | 140,000 | 156,056 | – |
| Lease liability | 3,636 | 10,909 | 16,505 | 37,139 | 23,608 |
| Jackpot liability | 13,298 | – | – | – | – |
| Accounts payable | 13,063 | – | – | – | – |
| **Total** | **29,997** | **17,853** | **156,505** | **193,195** | **23,608** |

**Market risk**

Market risk is the risk that the fair value of cash flows or future cash flows from a financial asset will vary due to changes in market price. Market risk are categorised by IFRS into three types: currency risk, interest rate risk and other price risks. The market risks that primarily affect the Group are currency risk and interest rate risk.

***Currency risk***

The currency risk is related to future commercial transactions and recognised assets and liabilities reported in a different currency from each entity's functional currency. Currency fluctuations may impact Evolution's financial performance. The Group's accounts are maintained in EUR, while revenues from customer agreements are partially in different local currencies, including CAD, GBP, USD and ZAR. Certain expenses are also denominated in foreign currencies.

The Group's exposure to currency risk is stated in the following table, showing percentage of net revenues derived in other currencies than EUR.



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| Exposure | 2024 | 2023 |
|---|---|---|
| CAD | 2.6% | 2.7% |
| GBP | 0.9% | 1.3% |
| USD | 9.3% | 9.1% |
| ZAR | 1.1% | 0.8% |

The exchange rates between the local currencies and EUR have fluctuated significantly and may in the future fluctuate significantly. While foreign exchange risk and exposure to currency fluctuations have not had a material impact on the Group's business, financial position or profit historically, the Company does not hedge its exposure to currency fluctuations. As a consequence, fluctuations in exchange rates and currencies could have a significant effect on the cash flows of the Company, which could impact the Group's financial results in ways unrelated to its operations and/or have a material adverse effect on its business, financial position and profit. The Group management does not consider the Group to have such a significant exposure to currency risk that it is necessary to carry out a sensitivity analysis showing how the profit/loss and equity would be affected if there were reasonable possible exchange rate fluctuations at the end of the reporting period. In 2024, the Group reported a gain in the income statement for exchange rate differences of EUR 3,695 thousand (loss 3,385).

***Cash flow interest rate risk***

Except for financial assets valued at amortised cost and cash and cash balances, the Group does not have any material interest-bearing assets and liabilities.

**Credit risk**

Credit risk describes the Group's risks in financial assets and arises if a counterparty fails to perform its contractual payment obligation towards Evolution. Credit risk is divided between financial credit risk, which refers to the risk in interest-bearing assets, and customer credit risk, which refers to the risk in accounts receivable and accrued revenue. At 31 December 2024, total financial credit risk exposure, including accounts receivable and accrued revenue, was EUR 1,331,105 thousand (1,351,728), of which cash and cash equivalents EUR 801,474 thousand (985,756). See Note 14 and 21 for more information.

***Financial credit risk***

Financial credit risk is the risk the Group have in relation to financial counterparties in connection with placement of surplus funds, balances in bank accounts and investment in financial assets. The Group's maximum financial credit risk corresponds to the fair values of financial assets, see Note 21.

Evolution limits its exposure to financial counterparties by using banks and financial institutions with high credit ratings. The Group's financial interest-bearing assets consist mainly of bond portfolio and bank deposits. There is some concentration of credit risk in cash and cash equivalents where deposits are placed with banks with high quality standards or high credit ratings. Financial counterparty risk has been assessed as limited and is evaluated on an ongoing basis.

***Customer credit risk***

The risk that Evolution's customers will not meet their obligations, i.e. that payment is not obtained from customers, is a customer credit risk. The Group's exposure to customer credit risk is primarily attributable to accounts receivable and to a lesser extent to accrued revenue. As per 31 December 2024, credit exposure in accounts receivable amounted to EUR 408,985 thousand (348,420). Evolution has historically had low credit losses.

Due to the Group's operations and the market in which it operates, a limited number of customers account for a certain part of the Group's revenues. The Group management does not consider that any individual customer or group of interdependent customers constitute any material concentration of credit risk with regard to accounts receivable. The Group regularly monitors how its receivables perform in order to discover bad debt losses, with previous



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experience of the collection of current receivables as the starting point.
The Group management considers the accounts receivable to be secure; the Group often conducts business with these counterparties, which are considered by the Group management to have a good credit rating, as they have hitherto managed their payments without remarks. The Group has suitable policies in place to ensure that services are only sold to customers with a sufficient credit rating.

The Group has past-due accounts receivable for which provisions have been made of EUR 9,994 thousand (10,407). These past due receivables include receivables within the category overdue more than 181 days, which refer to a number of independent customers that have not been in financial difficulties as of late. Even if a number of customers account for a certain proportion of the Group's past due receivables, the Group management does not believe the concentration of credit risk represents a material risk factor. The Group classifies past due receivables according to the applicable terms of credit and the credit arrangements that are de facto applied to manage the exposure to customers.

See Note 14 for disclosure on expected credit loss allowances for accounts receivable and the ageing analysis of accounts receivable.

**Capital management**

The Group's managed capital consists of equity, as stated in the balance sheet. The Group maintains a capital level adapted to the financial liabilities and obligations that the business gives rise to. The Group management considers the capital to be of a suitable size at the end of the reporting period, considering the nature of the Group's operations.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

***Capital allocation framework and dividend policy***

On 18 July 2024, the Board of Directors of Evolution adopted a capital allocation framework that outlines the intended future uses of capital. The goal of the capital allocation framework is to clarify the Board's priorities and underline Evolution's commitment to drive shareholder value over the long-term.

Evolution aim to be in a net cash position over time, with an ability to deploy modest short-term leverage for unique shareholder value enhancing opportunities. Evolution adopted a dividend policy in 2015 to distribute a minimum dividend of 50 percent of net profits annually, this policy is intact.

M&A can be a way to support the existing business and/or the long-term vision. M&A can include acquiring companies, technologies, IP rights or other assets. All M&A will be done at financial terms that are long-term value enhancing to Evolution's shareholders and the operations.

Historically, there has been excess cash after investments in the ongoing business, dividends and M&A. The Board has decided to distribute 100 percent of excess cash, exclusive of any M&A activity. The distribution of excess capital will generally be done through repurchase of own shares.

The Board will annually seek authorisation from the Annual General Meeting to repurcahse own shares up to holding of own shares does not exceed 10 percent of all shares in the Company from time to time.

The Board will endeavour to distribute excess cash in the most value enhancing way possible. There are times when repurchase of own shares are more value enhancing and there can be situations where extra dividends are preferred, which in that case will be decided at the Annual General Meeting or at an Extraordinary General Meeting.



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## NOTE 23. CASH FLOW

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | 31 December 2024 | 31 December 2023 |
| Cash and cash equivalents | 801,474 | 985,756 | 14,126 | 53,051 |
| **Total** | **801,474** | **985,756** | **14,126** | **53,051** |

Cash and cash equivalents consists of cash and current accounts in banks. 14,400 kEUR (13,298) relates to jackpot liabilities, see Note 19. The Group has 251,801 kEUR (541,275) in short-term investments on the closing day.

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **Adjustment for non-cash items** | **2024** | **2023** | **2024** | **2023** |
| Depreciation and amortisation | 142,222 | 124,683 | 273 | 322 |
| Income from reduced earnout liability | –151,058 | – | – | – |
| Warrants vesting | 1,605 | 1,962 | – | – |
| Unrealised exchange rate differences | 1,376 | –271 | –2,739 | 2,077 |
| Other | 16 | –556 | – | – |
| **Total** | **–5,839** | **125,818** | **–2,466** | **2,399** |

**Reconciliation of liabilities attributable to financing activities**

| | | Non-cash items | | | | | Cash flow | |
|---|---|---|---|---|---|---|---|---|
| **2024** | **Opening balance** | **Through acquisition of subsidiary** | **New agreements** | **Terminated agreements** | **Interest** | **Currency exchange differences** | **Amortisation** | **Closing balance** |
| Lease liabilities | 79,457 | – | 34,683 | –8,255 | 3,988 | 2,061 | –18,272 | 93,662 |

| | | Non-cash items | | | | | Cash flow | |
|---|---|---|---|---|---|---|---|---|
| **2023** | **Opening balance** | **Through acquisition of subsidiary** | **New agreements** | **Terminated agreements** | **Interest** | **Currency exchange differences** | **Amortisation** | **Closing balance** |
| Lease liabilities | 79,553 | – | 18,528 | –1,773 | 3,405 | –1,349 | –18,907 | 79,457 |

## NOTE 24. TRANSACTIONS WITH RELATED PARTIES

Related companies are defined as the subsidiaries in Evolution Group and companies over which related physical persons have a controlling, joint controlling or significant influence.

Related persons include Board Members, senior executives and close family members of the same.

No Board Member, senior executives or shareholder has:

(i) been a party to a transaction with the Company on unusual terms or that was of an unusual nature, or

(ii) that is of importance, or has been of importance, for the operations as a whole in the present or immediately preceding financial year, or in any previous financial year, and in any way may be considered outstanding in any way or incomplete.

Information about participation in Group companies can be found in Note 13.

The Group has transactions with related parties reported in Note 4 where intercompany revenues account for 38 percent (36) of net revenues as presented in the note. Parent Company's net revenues of EUR 15,663 thousands (19,289) entail allocation of centrally incurred administration costs.

Information about Remunerations and other benefits can be found in Note 5 and in the Corporate Governance Report.

All intra-group transactions take place on general and commercial terms and at market price.



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## NOTE 25. ACQUISITIONS

**2024**

**BTG**

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

**NLC**

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

**Galaxy Gaming**

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.

**Livespins**

Evolution has acquired 100 percent of the share capital in Livespins Holding Limited (Livespins), 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 cash consideration was EUR 4.8 million net on a cash and debt free basis. In addition, Evolution may pay an earnout based on Livespins' performance in 2026. Livespins is included in the consolidated accounts, the effect on Evolution Group's results of operations is not material.

The useful life of the platform is estimated to be five years.

**Arcadia**

Evolution has acquired 100 percent of the share capital in Arcadia Gaming Solutions Ltd (Arcadia). 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 cash consideration was EUR 2.9 million net on a cash and debt free basis. In addition, Evolution may pay an earnout based on Arcadia's performance in 2025. Arcadia is included in the consolidated accounts, the effect on Evolution Group's results of operations is not material.

The useful life of the platform is estimated to be five years.



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| Fair value acquired net assets | Livespins | Arcadia |
|---|---|---|
| Platform | 4,829 | 4,211 |
| Property, plant and equipment | – | 3 |
| Deferred tax assets | 780 | – |
| Accounts receivable | 78 | – |
| Other short-term receivables | 70 | 16 |
| Accrued income and prepaid expenses | 13 | – |
| Cash and cash equivalents | 74 | 113 |
| Deferred tax liability | –686 | –632 |
| Accounts payable | –81 | –297 |
| Tax liability | –169 | – |
| Accrued expenses | –67 | – |
| **Total acquired net assets** | **4,840** | **3,413** |

| Purchase consideration | Livespins | Arcadia |
|---|---|---|
| Initial purchase consideration | 5,000 | 2,930 |
| Working capital adjustment | –160 | – |
| Contingent consideration, debt net present value | – | 483 |
| **Total purchase consideration** | **4,840** | **3,413** |
| Fair value acquired net assets | –4,840 | –3,413 |
| **Goodwill** | **0** | **0** |

| Investing activities | Group |
|---|---|
| Consideration paid Livespins | –4,840 |
| Consideration paid Arcadia | –2,930 |
| Cash in acquired companies | 187 |
| **Effect on consolidated cash and cash equivalents** | **–7,583** |

### 2023

During 2023, earnout payment for BTG was made. Total amount was EUR 67.6 million, EUR 47.5 million was paid in cash and EUR 20.1 million with 199,333 Evolution shares.

## NOTE 26. EVENTS FOLLOWING THE BALANCE SHEET DATE

On 7 January 2025, Evolution AB (publ) announced that CFO Jacob Kaplan has decided to step down as CFO. He was replaced by Joakim Andersson from 18 February 2025.

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 stated above. Number of shares in own custody amounts thereafter to 7,371,042.



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## 5-YEAR SUMMARY

| Condensed consolidated income statements | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Total operating revenues | 2,214,143 | 1,798,601 | 1,456,737 | 1,068,777 | 561,134 |
| Total operating expenses | –794,590 | –655,871 | –548,675 | –414,773 | –261,434 |
| **Operating profit** | **1,419,553** | **1,142,730** | **908,062** | **654,004** | **299,700** |
| Financial items | 19,371 | 5,877 | –1,469 | –6,513 | –1,018 |
| **Profit before tax** | **1,438,924** | **1,148,607** | **906,593** | **647,491** | **298,682** |
| **Profit for the year** | **1,244,015** | **1,070,858** | **843,361** | **605,435** | **284,622** |

| Condensed consolidated balance sheets | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| ***Assets*** | | | | | |
| **Total non-current assets** | **3,340,878** | **3,251,220** | **3,259,996** | **3,093,655** | **2,669,883** |
| Current receivables | 1,204,420 | 736,508 | 576,821 | 387,980 | 277,554 |
| Cash and cash equivalents | 801,474 | 985,756 | 532,554 | 421,432 | 221,675 |
| **Total current assets** | **2,005,894** | **1,722,264** | **1,109,375** | **809,412** | **499,229** |
| **TOTAL ASSETS** | **5,346,772** | **4,973,484** | **4,369,371** | **3,903,067** | **3,169,112** |
| ***Equity and liabilities*** | | | | | |
| **Total equity** | **3,971,835** | **4,006,215** | **3,460,281** | **3,190,950** | **2,726,171** |
| Non-current liabilities | 271,849 | 405,946 | 483,197 | 341,987 | 74,744 |
| Current liabilities | 1,103,088 | 561,323 | 425,893 | 370,130 | 368,197 |
| **Total liabilities** | **1,374,937** | **967,269** | **909,090** | **712,117** | **442,941** |
| **TOTAL EQUITY AND LIABILITIES** | **5,346,772** | **4,973,484** | **4,369,371** | **3,903,067** | **3,169,112** |

| Condensed consolidated cash flow statements | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Cash flow from operating activities | 1,301,004 | 1,168,447 | 877,465 | 598,895 | 316,051 |
| Cash flow from investing activities | –247,971 | –139,357 | –371,596 | –154,952 | 6,821 |
| Cash flow from financing activities | –1,238,078 | –574,501 | –394,201 | –248,516 | –279,910 |
| **Cash flow for the year** | **–185,045** | **454,589** | **111,668** | **195,427** | **42,962** |
| Cash and cash equivalents at year-end | 801,474 | 985,756 | 532,554 | 421,432 | 221,675 |

| Key ratios | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| EBITDA margin | 70.5% | 70.5% | 69.2% | 68.7% | 59.2% |
| Operating margin | 64.1% | 63.5% | 62.3% | 61.2% | 53.4% |
| Profit margin | 56.2% | 59.5% | 57.9% | 56.6% | 50.7% |
| Equity/assets ratio | 74.3% | 80.6% | 79.2% | 81.8% | 86.0% |
| Average number of full-time employees | 14,885 | 13,044 | 10,802 | 7,917 | 5,118 |
| Full-time employees at year-end | 15,381 | 14,850 | 12,144 | 8,987 | 6,825 |
| Earnings per share basic, EUR | 5.94 | 5.01 | 3.95 | 2.83 | 1.55 |
| Equity per share, EUR | 19.23 | 18.83 | 16.23 | 14.91 | 12.84 |
| Dividend (proposed dividend) per share, EUR | (2.80) | 2.65 | 2.00 | 1.42 | 0.68 |
| Quota value per share | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 |
| Average number of outstanding shares, basic | 209,562,751 | 213,566,498 | 213,267,500 | 213,714,575 | 183,927,915 |
| Average number of outstanding shares, diluted | 210,473,394 | 217,069,145 | 217,505,567 | 221,818,828 | 189,021,346 |
| Number of outstanding shares, excluding shares in own custody | 206,562,243 | 212,771,346 | 213,205,250 | 213,952,250 | 212,327,008 |



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## KEY RATIOS NOT DEFINED IN ACCORDANCE WITH IFRS

The Company presents certain financial measures in the interim report that are not defined under IFRS. These key ratios are common to use in our industry for benchmarking companies. One of the financial objectives in the IPO was >35 percent EBITDA margin. 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 section Glossary and definitions.

**Reconciliation of key ratios not defined in accordance with IFRS**

| | GROUP | |
|---|---|---|
| ***EBIT and EBIT margin*** | **2024** | **2023** |
| ***Operating margin*** | | |
| Profit before tax | 1,438,924 | 1,148,607 |
| Net financial items | –19,371 | –5,877 |
| **Operating profit (EBIT)** | **1,419,553** | **1,142,730** |
| Divided by Total operating revenues | 2,214,143 | 1,798,601 |
| **Operating (EBIT) margin** | **64.1%** | **63.5%** |
| | | |
| ***EBITDA and EBITDA margin*** | | |
| Profit before tax | 1,438,924 | 1,148,607 |
| Net financial items | –19,371 | –5,877 |
| Depreciation/amortisation | 142,222 | 124,683 |
| **EBITDA** | **1,561,775** | **1,267,413** |
| Divided by Total operating revenues | 2,214,143 | 1,798,601 |
| **EBITDA margin** | **70.5%** | **70.5%** |
| | | |
| ***Adjusted EBITDA and Adjusted EBITDA margin*** | | |
| EBITDA | 1,561,775 | 1,267,413 |
| Other operating revenues | –151,058 | – |
| **Adjusted EBITDA** | **1,410,717** | **1,267,413** |
| Divided by Net revenues | 2,063,085 | 1,798,601 |
| **Adjusted EBITDA margin** | **68.4%** | **70.5%** |
| | | |
| ***Profit margin*** | | |
| Profit for the year | 1,244,015 | 1,070,858 |
| Divided by Total operating revenues | 2,214,143 | 1,798,601 |
| **Profit margin** | **56.2%** | **59.5%** |
| | | |
| ***Equity/Assets ratio*** | | |
| Total equity | 3,971,835 | 4,006,215 |
| Divided by Total assets | 5,346,772 | 4,973,484 |
| **Equity/Assets ratio** | **74.3%** | **80.6%** |



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# Declaration by the Board of Directors

The Board of Directors and the Group CEO certify that the annual accounts and the sustainability report have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities and give a true and fair view of the Company's financial position and earnings and that the Directors' Report gives a fair overview of the development of the Company's operations, position and earnings, and describes significant risks and uncertainties that the Company faces.

The Board of Directors and the Group CEO certify that the consolidated accounts, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and give a true and fair view of the Group's financial position and earnings, and that the Directors' Report for the Group gives a fair overview of the development of the Group's operations, position and earnings and describes significant risks and uncertainties that the companies included in the Group faces.

**JENS VON BAHR**
**Chairman of the Board**

**JOEL CITRON**
**Board Member**

**MIMI DRAKE**
**Board Member**

**IAN LIVINGSTONE**
**Board Member**

**SANDRA URIE**
**Board Member**

**FREDRIK ÖSTERBERG**
**Board Member**

**MARTIN CARLESUND**
**Group CEO**

As stated above, the annual and consolidated accounts were approved for publication by the Board of Directors on 14 April 2025.

The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet are subject to approval by the Annual General Meeting on 9 May 2025.

Our audit report was issued on 14 April 2025.
Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Authorised Public Accountant



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# Auditor's report

To the general meeting of the shareholders of Evolution AB (publ), corporate identity number 556994-5792.

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### OPINIONS

We have audited the annual accounts and consolidated accounts of Evolution AB (publ) for the year 2024 except for the corporate governance statement on pages 65-72. The annual accounts and consolidated accounts of the company are included on pages 59-116 and 119 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and group cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinion do not cover the corporate governance statement on pages 65-72. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the income statement and statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Audit Committee in accordance with the Audit Regulation (537/2014) Article 11.

### BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

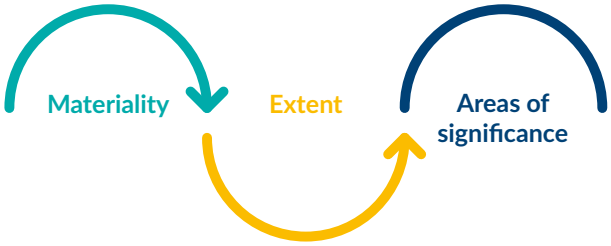
This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### OUR AUDIT APPROACH

**Overview**

- Overall materiality: €60 million, which corresponds to about 5% of profit before tax.
- Existence and accuracy of revenues.
- Group audit covering over 85% of the group's revenues, including full-scope audits of the parent company and companies in Malta, Latvia, Georgia, and USA.




**Focus and scope of the audit**

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.



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**Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated inancial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

| | |
|---|---|
| **Overall group materiality** | €60 million |
| **How it was determined** | Circa 5% of profit before tax |
| **Rationale for benchmark applied** | We selected profit before tax as a benchmark because we believe that this is the value that users most often compare the Group's results with and because it is a generally accepted benchmark. The 5% level is considered, in auditing standards, to be an acceptable quantitative materiality threshold. |

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €6 million as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

**Revenue**

Net revenues total €2,063 million and refer primarily to revenues from the provision of internally developed online casino games. The company's customers pay commission fees based on the gaming surplus the products generate on behalf of the customers, and a fixed monthly fee. In addition, fees for services such as start-up fees for integration are also invoiced to the customers. The company's revenues are a significant item comprised of a large number of transactions and which are calculated according to the terms of condition of each agreement.

There is a risk that the above performance obligations have not been met (existence) and that transactions are priced incorrectly (accuracy).

Accounting principles are found in Note 3. Further description of the net revenues is found in Note 4.

**How our audit addressed the Key audit matter**

Based on the number of transactions and the customer specific contracts to which the revenues refer, in performing our audit we have primarily focused on determining whether performance obligations have been fulfilled (existence) and that they are priced correctly (accuracy). The audit activities performed have implied that we have, amongst other things:

- Obtained an understanding of the significant transaction flows and critical IT systems, and as regards these we have examined important controls in order to manage the risk of misstatements in the financial reporting. In our audit, we have also utilised the expertise of IT specialists.
- Evaluated to determine if changes in the company's application of accounting principles and/or assessment has impacted the reporting of revenues.
- For a selection of individual revenue transactions, verified that these have been priced according to the customer contracts in place and that the revenues recognised in the year exist.
- We have undertaken a follow-up of payments of outstanding accounts receivable and have also discussed matured receivables to assess whether the provisions have been reported correctly based on the assessed risk of bad debts.
- We have also assessed if the accounting principles and disclosures in the annual report are correct and in accordance with IFRS.



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### OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-58, 117-118 and 127-128. The information in Evolution AB (publ)'s Remuneration Report 2024, which is published on the company's website at the same time as this report also constitutes other information. The Board of Directors and the Group CEO are responsible for this other information.
Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.
In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.
If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE GROUP CEO

The Board of Directors and the Group CEO are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, as regards the consolidated accounts, according to IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Group CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.
In preparing the annual accounts and consolidated accounts, The Board of Directors and the Group CEO are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Group CEO intend to liquidate the company, to cease operations, or has no realistic alternative to doing any of this.
The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Auditor's Inspection's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

## REPORT ON OTHER REQUIREMENTS ACCORDING TO LAWS AND OTHER CONSTITUTIONS

### THE AUDITOR'S EXIMINATION OF THE ADMINISTRATION OF THE COMPANY AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS

#### OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and Group CEO of Evolution AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Group CEO be discharged from liability for the financial year.

#### BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE GROUP CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and group's equity, consolidation requirements, liquidity and position in general.



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The Board of Directors is responsible for the company's organisation and the management of the company's affairs. This includes among other things continuous assessment of the company's and group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Group CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

## AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Group CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Auditor's Inspection's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

## THE AUDITOR'S EXAMINATION OF THE ESEF REPORT OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Group CEO have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securitites Market Act (2007:528) for Evolution AB (publ) for the year 2024.

Our examination and our opinion relate only to the statutory requirements. In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

## BASIS FOR OPINIONS

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is decribed in more detail in the Auditors' responsibility section. We are independent of Evolution AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE GROUP CEO

The Board of Directors and the Group CEO are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 (a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Group CEO determine is necessary to prepare the Esef report without material misstatements, whetehe due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 (a) of the Swedish Securitites Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be exptected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the report, whether due to fraud or error.



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In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Group CEO, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and resonableness of assumptions made by the Board of Directors and the Group CEO.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

## THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 65-72 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, Sweden, was appointed auditor of Evolution AB (publ) by the general meeting on 26 April 2024 and has been the company's auditor since 2014.

Stockholm 14 April 2025

Öhrlings PricewaterhouseCoopers AB

Johan Engstam

Authorised Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.



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# Glossary and definitions

## FINANCIAL KEY RATIOS, ITEMS AND TERMS

| | |
|---|---|
| **Operating profit, EBIT** | Profit before tax excluding net financial items. |
| **Operating profit/EBIT margin** | Operating profit in relation to total operating revenues. |
| **EBITDA** | Operating profit excluding depreciation, amortisation and impairments. |
| **EBITDA margin** | EBITDA in relation to total operating revenues. |
| **Adjusted EBITDA** | EBITDA excluding other operating revenues. |
| **Adjusted EBITDA margin** | Adjusted EBITDA in relation to net revenues. |
| **Profit margin** | Profit for the year in relation to total operating revenues. |
| **Equity/assets ratio** | Equity at the end of the year in relation to total assets at the end of the year. |
| **Cash and cash equivalents** | Cash and bank assets. |
| **Average number of full-time employees** | The average number of full-time employees during the year. Full-time equivalents include part-time positions. |
| **EUR, EURm, kEUR** | EUR, EUR million, EUR thousands. |
| **PER SHARE** | |
| **Earnings per share basic, EUR** | Profit for the year in relation to total average number of outstanding shares before dilution. |
| **Earnings per share diluted, EUR** | Profit for the year in relation to total average number of outstanding shares after dilution. |
| **Equity per share, EUR** | Equity at the end of the year in relation to total number of outstanding shares at the end of the year. |
| **Quota value per share, EUR** | Share capital divided by total number of outstanding shares at the end of the year. |
| **Average number of shares outstanding** | The average number of shares outstanding during the year. |

## OPERATIONAL AND OTHER TERMS

| | |
|---|---|
| **Number of shares outstanding** | Number of shares outstanding at the end of the year. |
| **B2B** | Refers to "Business-to-Business," i.e. business conducted between two companies with no private individuals involved. |
| **B2G** | Refers to "Business-to-Government," i.e. business conducted between a company and a government body with no private individuals involved. |
| **Gross Gaming Revenue** | Consists of the bet reduced by the winnings returned to the player. |
| **Derivative/game derivative** | Refers to further developments of Evolution's core games. They may be subject to special rules or have other characteristics that are not found in the original game. |
| **Direct Game Launch** | Refers to add-on functionality in Evolution's offering which allows the operator to place links that open a live casino game directly when the end user clicks on them. |
| **H2GC** | Refers to the independent market analysis firm H2 Gambling Capital. |
| **HD** | Refers to "High Definition", i.e. a high resolution image. |
| **MCR** | Refers to "Mission Control Room," the control room that controls Evolution's operations in all live casino studios. |
| **RNG** | Refers to "Random Number Generated," i.e. games based on random number generated data. |
| **Share of live** | Refers to the proportion of the revenue that stems from live casino in relation to the total gaming revenue. |
| **Slots** | A game about getting three symbols in a row, on a row of rotating reels. |
| **End users** | Refers to the gaming operators' customers, i.e. gamers. |
| **Streaming** | Refers to the English term for playing audio and video files on the recipient's unit at the same time as they are transferred via a network, such as the Internet. |
| **Tier 1** | Refers to customers of materially strategic and/or financial importance. Evolution communicates all new Tier 1 customers via press releases and/or interim statements. |



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## GAME LEGAL LINES

| | |
|---|---|
| **MONOPOLY Live** | The MONOPOLY name and logo, the distinctive design of the game board, the four corner squares, the MR. MONOPOLY name and character, as well as each of the distinctive elements of the board, cards, and the playing pieces are trademarks of Hasbro for its property trading game and game equipment and are used with permission. © 1935, 2025 Hasbro. All Rights Reserved. Licensed by Hasbro. |
| **Deal or No Deal Live** | Based on the Endemol Shine television programme Deal or No Deal © 2003. Deal or No Deal Live Project © 2025 Endemol Shine IP B.V. Deal or No Deal is a registered trademark of Endemol Shine IP B.V. Used with permission. All rights reserved. |



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