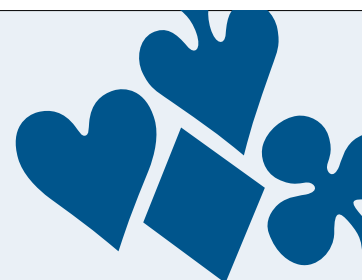


# 24hPoker

INTERIM REPORT

24HPOKER HOLDING AB (PUBL)

1 January – 30 June 2007



- ♣ Net sales for the period amounted to SEK 106.0 M (110.8).
- ♣ The loss after tax for the period was SEK –11.1 M (profit of SEK 14.9 M excl. Daydream).
- ♣ Earnings per share were SEK –0.02 (0.03).
- ♣ Earnings were impacted by one-time costs of SEK 10.2 M, consisting partly of impairment losses on accounts receivable.
- ♣ Cash flow from operating activities, after change in working capital and excluding blocked funds, was SEK 3.4 M (40.0).
- ♣ 1 August Peter Åström took up duties as the new CEO of 24hPoker Holding AB.
- ♣ 24hPoker is focusing its business through a division into a gaming supplier, 24hPoker Holding AB, and a gaming operator, 24hPoker.com.
- ♣ 24hPoker has signed a letter of intent with Martinspoker.com to establish a new joint gaming company that will drive the brands 24hPoker.com, Martinspoker.com and Staffpoker.com.

<b>FINANCIAL SUMMARY</b> Group SEK 000's	<b>Apr–June 2007</b>	<b>Apr–June 2006</b>	<b>Jan–June 2007</b>	<b>Jan–June 2006</b>	<b>Jan–Dec 2006</b>
Net, sales	52,288	46,794	105,993	110,755	208,512
Operating profit/loss	–12,107	6,450	–11,998	19,398	1,630
Profit/loss for the period, continuing operations	–11,285	5,672	–11,145	14,851	8,493
Profit/loss, discontinued operations	-	–99,397	-	–99,397	–103,347
Profit/loss for the period	–11,285	–93,725	–11,145	–84,546	–94,854
Equity per share (SEK)				0.10	0.08
Earnings per share (SEK)	–0.02	0.01 <sup>1</sup>	–0.02	0.03 <sup>1</sup>	0.02 <sup>1</sup>
Gaming surplus	66,330	66,294	135,177	147,955	275,319
Gross margin (%)	53.9	74.7	54.4	68.4	62.6
Operating margin (%)	–23.2	13.8	–11.3	17.5	0.8
Cash flow from operating activities <sup>2</sup>	15	2,089	3,362	40,069	18,380
Cash and cash equivalents	73,996	99,896	73,996	99,896	74,134

<sup>1</sup> Excluding operations in Daydream.

<sup>2</sup> Before change in blocked funds.

## Comments from the CEO

PETER ÅSTRÖM, CEO, 24HPOKERHOLDING AB

➔ On 1 August I took over as the new CEO of 24hPoker, a company with a relatively turbulent history and faltering profitability but also longstanding experience in the industry, highly competent personnel, well developed gaming platforms, one of the world's largest poker networks and a powerful sense of determination among the employees. In working to turn the company's development in a positive direction, our future focus will be concentrated in four main areas:

- ✓ streamlining
- ✓ revenue growth
- ✓ cost control
- ✓ product development

### STREAMLINING

To achieve better clarity and focus, the company will be divided into two parts – a business-to-business gaming supplier (24hPoker Holding AB) and a business-to-consumer gaming operator (24hPoker.com).

24hPoker has signed a letter of intent with Martinspoker regarding the incorporation of Martinspoker.com into the business-to-consumer gaming operation company, which will be responsible for driving these strong brands. 24hPoker will be the principal shareholder in the new company. We are convinced that a hiving off of business-to-consumer activities will increase the level of focus and efficiency in these operations and boost the aggregate value of the entire 24hPoker Group.

We believe that 24hPoker's core business, the delivery of qualified entertainment services, has the greatest potential for growth in markets outside Sweden. We will therefore work actively via selected partnerships to establish a presence in interesting new markets where our very wide product portfolio will attract new customers in the form of established gaming and media companies and other owners of strong brands.

### REVENUE GROWTH

To a greater extent we will productize our solutions such as gaming platforms, payment solutions, customer support, etc., as a means for maximising revenue. We will also be looking over our current pricing model and direct costs. In addition, we will more explicitly prioritise profitable partners and terminate our collaborations with a number

those who have proven unprofitable. In connection with this we are writing off all accounts receivable from partners, although this by no means implies that we will stop trying to collect on these claims – it is more likely that these efforts will be intensified.

### COST CONTROL

Cost control is the key to creating a profitable company and we must adapt our costs to our actual revenues and future development needs. 24hPoker has expanded rapidly and, like many other companies in similar situations, has allowed cost control to take a second seat to growth. In the future, each individual cost will be analysed and we will ensure that every expenditure is matched by a positive effect on the income statement.

### PRODUCT DEVELOPMENT

In order to raise the level of efficiency in these activities, a new product development organisation will be appointed. Stricter management and more advanced investment analysis of new development projects will help to reduce costs but also ensure that these projects make a more tangible contribution to profitability.

### RESULTS FOR Q2 2007

The second quarter was a disappointment from an earnings perspective. Although the rainy weather led to better than expected results in June, we recorded an operating loss for the period as a whole. We are moving forward aggressively to realise our strategy by streamlining our operations, intensifying our revenue focus and seeking interesting new partners to be presented during the autumn. We are tightening our cost control at all levels and are productizing our offering so that we can charge for all of the services we deliver.

We have all the conditions necessary to make 24hPoker a profitable company and a good value for the shareholders, and I promise that I and my staff will do everything in our power to put the company back on track.

I look forward to an exciting autumn,

**Peter Åström**

## Operations

➔ 24hPoker Holding AB is a Swedish-registered gaming group that develops proprietary software systems for online gaming through its subsidiaries and operates one of the world's largest poker networks.

24hPoker launched online poker in 2001 and conducts gaming activities via subsidiaries based in Malta. All gaming is denominated in Euro and 24hNetwork is licensed to market and conduct its own gaming activities and to deliver gaming services to partners in the poker network.

24hNetwork offers its partners an integrated solution that provides access only to the poker network with related software systems and peripheral services, as well as a turnkey solution in which

24hNetwork offers additional products such as sports betting and casino, site design, gaming licenses, operation, payment solutions, promotional tools and around-the-clock end-user support.

24hPoker.com is one of the leading online poker sites in the Nordic region and offers a variety of different gaming services and stake levels. 24hPoker.com is part of 24hNetwork.

The company presents up-to-date poker news on its own news site 24hPokerNews.com.

The support organisation and administration of sports betting are handled by subsidiaries in Estonia.

24hPoker Holding AB is traded on First North and has approximately 9,500 shareholders.

## Financial development

### NET SALES AND PROFIT

Starting in the fourth quarter of 2006, the accounting standards for revenue recognition have been changed in accordance with the applicable IFRS rules. This means that gaming revenues are now reported net, whereby the poker rake is reduced by promotions paid to players in the system (costs for bonuses, cash-backs, VIP points and tournament sponsorship).

Total net sales for the period amounted to SEK 106.0 M (110.8), down by 4.0% compared to the same period of last year.

Of total net sales, a sum of SEK 85.3 M (86.9) was generated by poker games, which declined by 2% compared to the same period of last year.

Revenues from other gaming activities, which consist of sports betting and casino, reached SEK 10.0 M (6.0), which is an increase of 67% compared to the same period of last year.

Royalty income in the network from partners with integrated solutions is reported at SEK 4.8 M (12.4) and has thus fallen by 61% compared to the same period of last year. The decrease is partly attributable to Unibet's exit from the network in the third quarter of 2006.

The operating loss for the period was SEK –12.0 M (19.4). Second quarter earnings were charged with total impairment losses of SEK

8.5 M which are reported under external expenses. The impairments pertain primarily to accounts receivable from partners and advertising materials. Furthermore, costs of SEK 1.7 M arose as a result of fraud violations against the company. All in all, second quarter earnings were charged with total one-time expenses of SEK 10.2 M.

The weaker operating margin relative to the same period of last year reflects the loss of royalties from partners that left the poker network in 2006 in addition to higher direct costs in the form of commissions to turnkey partners.

### CAPITAL EXPENDITURE

Capital expenditure during the period totalled SEK 4.4 M (133.6), of which SEK 3.6 M (126.3)<sup>1</sup> referred to intangible assets in the form of capitalised development costs and SEK 0.8 M (7.3) referred to tangible assets.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the period amounted to SEK 74.0 M, of which SEK 22.1 M was blocked as collateral for funds deposited via credit cards and e-wallets.

<sup>1</sup> Of which 98.4 M referred to the acquisition of the Daydream Group.

REVENUE BY TYPE SEK 000s	Apr–June 2007	Apr–June 2006	Jan–June 2007	Jan–June 2006	Jan–Dec 2006
Poker revenues	61,601	62,797	125,169	141,957	262,086
Revenues from other gaming activities	4,669	3,497	10,008	5,998	13,233
Gaming surplus	66,330	66,294	135,177	147,955	275,319
Refunds in the form of bonuses, cash-backs, etc.	–19,501	–27,526	–39,917	–54,987	–93,361
Net sales, gaming operations	46,769	38,768	95,260	92,968	181,958
Royalty income	2,659	5,649	4,793	12,446	19,459
Other revenues	2,860	2,377	5,940	5,341	7,095
<b>Net sales, Group</b>	<b>52,288</b>	<b>46,794</b>	<b>105,993</b>	<b>110,755</b>	<b>208,512</b>

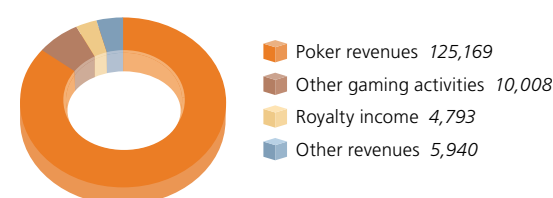
### CASH FLOW

The period's cash flow from operating activities after change in working capital but before change in blocked funds was SEK 3.4 M (40.0).

### PARENT COMPANY

The Parent Company 24hPoker Holding AB manages the shares in the underlying groups 24hPoker AB and B2B Poker (Sweden) AB, and conducts no other operations. The loss after tax was SEK –5.0 M.

### REVENUE BY TYPE SEK 000s



<b>SEGMENT REPORTING</b> Jan–June 2007 (SEK 000s)	<b>24hNetwork poker turnkey</b>	<b>24hNetwork poker integrated</b>	<b>24hNetwork other gaming</b>	<b>Unallocated/ eliminated</b>	<b>Total Group</b>
External revenues	90,670	5,372	9,951		105,993
Internal revenues from other segments		15,764		–15,764	0
Total revenues	90,670	21,136	9,951	–15,764	105,993
Depreciation/amortisation of tangible and intangible assets					0
Other expenses	–67,277	–6,565	–3,537	–4,256	–81,635
Personnel costs	–12,471	–8,975	–777	–3,967	–26,190
Other operating expenses	–79,748	–15,540	–4,314	–8,823	–107,825
Operating profit	10,922	5,596	5,637	–20,020	–1,832
Financial items					1,062
Income tax					–210
Impairments and other corrections	–6,859	–3,306			–10,165
<b>Profit for the period</b>					<b>–11,145</b>

<b>SEGMENT REPORTING</b> Jan–June 2006 (SEK 000s)	<b>24hNetwork poker turnkey</b>	<b>24hNetwork poker integrated</b>	<b>24hNetwork other gaming</b>	<b>Unallocated/ eliminated</b>	<b>Total Group</b>
External revenues	90,752	13,132	6,871		110,755
Internal revenues from other segments		27,604		–27,604	0
Total revenues	90,752	40,736	6,871	–27,604	110,755
Depreciation/amortisation of tangible and intangible assets					0
Other expenses	–58,295	–10,888	–147	–2,055	–71,385
Personnel costs	–9,734	–6,380	–596	–3,262	–19,972
Other operating expenses	–68,029	–17,268	–743	–5,317	–91,357
Operating profit	22,723	23,468	6,128	–32,921	19,398
Financial items					527
Income tax					–5,074
<b>Profit for the period</b>					<b>14,851</b>

## Player trend

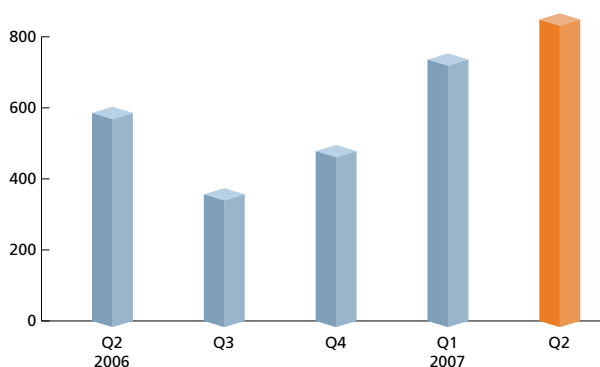
The number of registered players in 24hNetwork at the end of the period was 827,822 (593,221), an increase of close to 100,000 new players during the second quarter.

The number of active players in 24hNetwork during the period was 60,341 (108,638). This represents a decrease of 22% compared to the prior quarter that is partly attributable to seasonal variations.

<b>NUMBER OF PLAYERS</b>	<b>Apr–June 2007</b>	<b>Apr–June 2006</b>	<b>30 June 2007</b>	<b>30 June 2006</b>
Number of registered players, total		593,221	827,822	593,221
Number of registered players, turnkey			646,523	285,043
Number of active players, total	60,341	108,638		
Number of active players, turnkey	46,041	42,099		

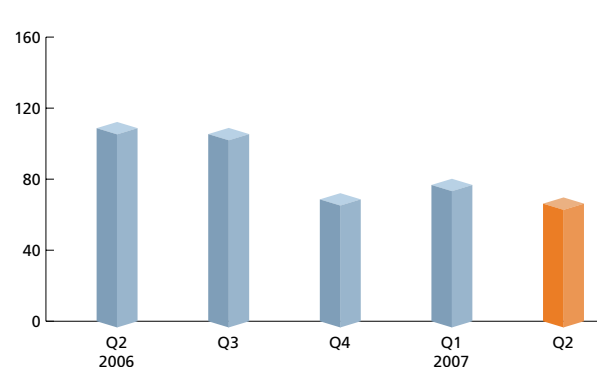
### NUMBER OF REGISTERED PLAYERS, TOTAL

Thousands



### NUMBER OF ACTIVE PLAYERS, TOTAL

Thousands



## Other

### PERSONNEL

The number of employees at the end of the period was 105 (114).

### DEFERRED TAX

The Group has a total tax loss of approximately SEK 170 M (138). Deferred tax on loss carryforwards amounts to SEK 15.8 M (15.4).

### THE 24HPOKER SHARE

24hPoker is listed on the First North marketplace of the OMX Stockholm Stock Exchange. The company's Certified Advisor is Remium AB.

The number of shareholders in 24hPoker Holding AB at 29 June 2007 was 9,552. The share showed favourable liquidity during the quarter and was traded on all possible days. The share price on 29 June 2007 was quoted at SEK 0.33, corresponding to a market capitalisation of SEK 171 M for the company.

## Key events in the second quarter

### AGM ON 10 MAY

As new members of the Board of Directors, the AGM elected Börje Fors (Chairman), Lisbeth Gustafsson, Niklas Borg, Christer Wikner and Per Hildebrand.

The AGM also resolved to increase the company's share capital through a bonus issue for SEK 87,823,239.36 by transferring a corresponding amount from non-restricted equity to the share capital. No new shares will be issued in connection with the bonus issue.

### LISTING ON FIRST NORTH

The company applied for a listing on the alternative marketplace First North in May and the share was introduced for trading on First North as of 4 June 2007. In connection with this, the 24hPoker share was removed from the OMX Nordic Exchange.

### PETER ÅSTRÖM NEW CEO

On 25 June, Peter Åström was appointed as new CEO of the company. Peter Åström is 41 years old and holds a B.Sc. degree in business administration and finance. Mr. Åström has solid experience of the media industry and has worked within the Bonnier and Schibsted groups. He took up his new position on 1 August 2007.

## Subsequent events

### CHANGE IN QUOTA VALUE

The Extraordinary General Meeting on 2 August 2007 resolved to change the limits for the company's share capital to not less than SEK 25,000,000 and not more than SEK 100,000,000, and the number of shares to not less than 500,000,000 and not more than 2,000,000,000. A decision was also made to reduce the company's share capital by SEK 263,975,239.48 to SEK 25,904,705.90 for transfer to non-restricted reserves without any cancellation of shares.

When the above changes have gone into effect, the quota value of the company's share will be SEK 0.05.

### STREAMLINING OF OPERATIONS

On 20 August 24hPoker announced its plans to streamline operations and hive off operations in the business-to-consumer gaming operator 24hPoker.com in a new company. It was also announced that the company had signed a letter of intent for a merger between 24hPoker.com and Martinspoker. This will enable 24hPoker Holding AB to focus on strengthening its position as a business-to-business gaming supplier and give 24hPoker.com greater scope to develop its full potential as a consumer gaming operator.

**Solna, 20 August 2007**

24hPoker Holding AB (publ)  
Board of Directors

This report has not been examined by the company's auditors.

### FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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### FINANCIAL CALENDAR

Interim report for the third quarter of 2007 - November, 15 2007

Year-end report for 2007 - February, 21 2008

All financial reports are published on [www.24hPoker.se](http://www.24hPoker.se).

<b>CONDENSED INCOME STATEMENT</b> SEK 000s	Apr–June 2007	Apr–June 2006	Jan–June 2007	Jan–June 2006	Jan–Dec 2006
<b>OPERATIONS, EXCL. DAYDREAM</b>					
<b>Net sales</b>	<b>52,288</b>	<b>46,794</b>	<b>105,993</b>	<b>110,755</b>	<b>208,512</b>
Direct costs for gaming operations	–24,096	–11,827	–48,363	–34,980	–77,950
<b>Gross profit</b>	<b>28,192</b>	<b>34,967</b>	<b>57,630</b>	<b>75,775</b>	<b>130,562</b>
Gross margin (%)	53.9	74.7	54.4	68.4	62.6
Personnel costs	–13,323	–10,555	–26,190	–19,973	–41,238
Other external expenses	–24,278	–16,001	–38,151	–33,006	–79,784
<b>Profit before depreciation/amortisation and impairment</b>	<b>–9,409</b>	<b>8,411</b>	<b>–6,711</b>	<b>22,796</b>	<b>9,540</b>
Depreciation/amortisation and impairment	–2,698	–1,961	–5,287	–3,398	–7,910
<b>Operating profit</b>	<b>–12,107</b>	<b>6,450</b>	<b>–11,998</b>	<b>19,398</b>	<b>1,630</b>
Financial items	760	546	1,062	527	3,084
<b>Profit after financial items</b>	<b>–11,347</b>	<b>6,996</b>	<b>–10,936</b>	<b>19,925</b>	<b>4,714</b>
Income tax	62	–1,324	–209	–5,074	3,779
<b>Profit for the period, continuing operations</b>	<b>–11,285</b>	<b>5,672</b>	<b>–11,145</b>	<b>14,851</b>	<b>8,493</b>
<b>DISCONTINUED OPERATIONS</b>					
Profit from discontinued operations	-	–99,397	-	–99,397	–103,347
<b>Profit for the period</b>	<b>–11,285</b>	<b>–93,725</b>	<b>–11,145</b>	<b>–84,546</b>	<b>–94,854</b>
Average number of shares before dilution (thousands)	518,094	515,799	518,094	515,799	496,160
Earnings per share before and after dilution (SEK) <sup>1</sup>	–0.02	0.01 <sup>2</sup>	–0.02	0.03 <sup>2</sup>	0.02 <sup>2</sup>

<sup>1</sup> The outstanding share options have no dilutive effect. On full exercise of the outstanding options, the number of shares would be increased by 9.1 million. The share options program was adopted in January 2007 and is exercisable for subscription to shares during the period ending 28 February 2009.

<sup>2</sup> Earnings per share excluding Daydream.

<b>CONDENSED BALANCE SHEET</b> SEK 000s	30 June 2007	30 June 2006	31 Dec 2006
<b>ASSETS</b>			
Intangible assets <sup>1</sup>	31,805	31,626	31,922
Tangible assets	6,028	8,596	6,695
Financial assets	17,333	23,576	17,748
Current receivables	6,996	22,125	7,656
Cash and cash equivalents	73,996	99,896	74,134
<b>Total assets</b>	<b>136,158</b>	<b>185,819</b>	<b>138,155</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	29,133	51,165	40,330
Long-term liabilities/Provisions <sup>2</sup>	14,204	8,617	13,995
Current liabilities <sup>2</sup>	92,821	126,037	83,830
<b>Total equity and liabilities</b>	<b>136,158</b>	<b>185,819</b>	<b>138,155</b>
Number of shares (thousands)	518,094	515,799	518,094
Equity per share	0.06	0.10	0.08

<sup>1</sup> Of which, goodwill SEK 5,657 thousand (3,504).

<sup>2</sup> Of which, interest-bearing liabilities SEK 0 (0).

<b>STATEMENT OF CHANGES IN EQUITY</b> SEK 000s	Jan–June 2007	Jan–June 2006	Jan–Dec 2006
Opening balance	40,330	35,399	35,399
Increase in equity (non-cash issue)		83,819	83,180
Change in translation difference	–52	–867	–755
Revaluation reserve <sup>1</sup>		17,360	17,360
<b>Profit for the period</b>	<b>–11,145</b>	<b>–84,546</b>	<b>–94,854</b>
Closing balance	29,133	51,165	40,330

<sup>1</sup> The revaluation reserve arose in connection with the acquisition of 23% of the shares in B2B Poker (Sweden) AB. As of 1 February 2006, B2B is consolidated as a subsidiary instead of a joint venture.

<b>CONDENSED CASH FLOW STATEMENT</b> SEK 000s	<b>Apr–June 2007</b>	<b>Apr–June 2006</b>	<b>Jan–June 2007</b>	<b>Jan–June 2006</b>	<b>Jan–Dec 2006</b>
Cash flow from operating activities before change in working capital	-10,353	13,210	-7,232	20,309	4,046
Change in working capital	10,368	-11,121	10,594	19,760	14,334
<b>Cash flow from operating activities</b>	<b>15</b>	<b>2,089</b>	<b>3,362</b>	<b>40,069</b>	<b>18,380</b>
Change in blocked funds	19,367	-2,551	9,695	-17,002	-22,406
Cash flow from investing activities	-1,230	-16,798	-3,994	-27,504	-29,363
Cash flow from financing activities	0	3,560	0	-368	0
<b>Cash flow for the period</b>	<b>18,152</b>	<b>-13,700</b>	<b>9,063</b>	<b>-4,805</b>	<b>-33,389</b>
Cash and cash equivalents at beginning of period	33,528	87,185	42,316	78,290	78,290
Exchange difference in cash and cash equivalents	194	0	495	0	-2,585
<b>Cash and cash equivalents at end of period</b>	<b>51,874</b>	<b>73,485</b>	<b>51,874</b>	<b>73,485</b>	<b>42,316</b>

#### ACCOUNTING POLICIES AND ADDITIONAL INFORMATION

All figures refer to the Group, unless otherwise specified. The comparative figures in the interim report refer to the corresponding period of the 2006 fiscal year, unless otherwise specified.

Starting in the fourth quarter of 2006 and as an adaptation to IFRS rules for revenue recognition, poker revenues are now reported net, whereby all bonuses, cash-backs, VIP points, tournament sponsorship and Bad Beat Jackpots to players are deducted from gross sales. The comparative figures for 2006 have been adjusted accordingly.

For casino and sports betting, revenues are reported net as the difference between the gross stakes laid and the winnings paid out.

Revenues from sports betting and casino are reported under the heading "other gaming operations".

Royalties consist of monthly revenues from partners with integra-

ted solutions. The amount of royalty is based on the rake generated by the partner's players.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and RR 31 Interim Reporting for Groups.

The accounting and valuation standards are the same as those applied in the company's 2006 Annual Report, which was prepared in compliance with the International Financial Reporting Standards (IFRS) endorsed by the EU and the Swedish Annual Accounts Act. The financial statements of the Parent Company are prepared in accordance with RR 32 Reporting for Legal Entities.

The company has also chosen to continue preparing its financial statements in accordance with IFRS, although the company is no longer required to do so after the move to the Stockholm Stock Exchange's First North list.

<b>KEY DATA</b> SEK 000s	<b>Apr–June 2007</b>	<b>Apr–June 2006</b>	<b>Jan–June 2007</b>	<b>Jan–June 2006</b>	<b>Jan–Dec 2006</b>
Gaming surplus for 24hNetwork <sup>1</sup>	66,330	66,294	135,177	147,955	275,319
<i>Of which, gaming surplus from poker</i>	<i>61,661</i>	<i>62,797</i>	<i>125,169</i>	<i>141,957</i>	<i>262,086</i>
Gross margin (%)	53.9	74.7	54.4	68.4	62.6
Sales growth (%)	11.7	66.6	-4.3	119.6	53.3
<b>Profit for the period, continuing operations</b>	<b>-11,285</b>	<b>5,672</b>	<b>-11,145</b>	<b>14,851</b>	<b>8,493</b>

<b>KEY DATA</b> SEK 000s	<b>30 June 2007</b>	<b>30 June 2006</b>	<b>31 Dec 2006</b>
Equity	29,133	51,165	40,330
Equity per share	0.06	0.10	0.08
Equity/assets ratio (%)	21.4	27.5	29.2
Cash and cash equivalents	73,996	99,896	74,134
<i>Of which, blocked funds</i>	<i>22,122</i>	<i>26,411</i>	<i>31,818</i>
Return on capital employed (%) <sup>2</sup>	-34.2	46.22	28.26
Return on equity (%) <sup>2</sup>	-31.5	46.04	22.43
Number of employees at end of period	105	114	110
Share price at end of period	0.34	1.13	0.67
Number of shares (thousands)	518,094	515,799	518,094
<b>Market capitalisation at end of period</b>	<b>176,152</b>	<b>582,853</b>	<b>347,123</b>

<sup>1</sup> 24hNetwork consists of all partners, including 24hPoker.com.

<sup>2</sup> Excluding Daydream.



# Definitions

## **24HNETWORK**

24hNetwork refers to the company's network, consisting of partners with integrated solutions, turnkey solutions and 24hPoker.com.

## **ACTIVE PLAYER**

Each unique player during the period (past 90 days) that has bet money in poker, sports betting or casino or participated in a competition where a stake in the form of money or bonus points was required.

## **RETURN ON EQUITY**

Net profit divided by average shareholders' equity.

## **RETURN ON CAPITAL EMPLOYED**

Profit after financial items plus financial expenses (excluding exchange differences) divided by average capital employed.

## **GROSS MARGIN**

Profit after direct costs for gaming operations in relation to net sales.

## **DIRECT COSTS FOR GAMING OPERATIONS**

Costs for gaming operations directly attributable to the corresponding revenues.

## **EQUITY PER SHARE**

Shareholders' equity in relation to the number of shares at the end of the period.

## **AVERAGE NUMBER OF SHARES**

The average number of shares during the period, adjusted for splits, bonus issues or dilutive effects.

## **INTEGRATED SOLUTION**

A partner with an integrated solution buys access to the poker network and related administrative tools, as well as licences to the poker software.

## **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents excluding blocked funds.

## **NET SALES (NEW DEFINITION ACCORDING TO IFRS)**

Gross revenue from all gaming operations among turnkey partners in 24hNetwork, royalties from external partners with integrated solutions in 24hNetwork and other revenue, less direct discounts to players in the form of bonuses, cash-backs, VIP points, tournament sponsorship and Bad Beat Jackpot.

## **REGISTERED PLAYER**

A player who has registered a user name in the network.

## **EARNINGS PER SHARE**

Profit after tax in relation to the average number of shares.

## **RAKE**

Portion of the pot that the gaming operator charges as a fee for the game.

## **OPERATING MARGIN**

Operating profit in relation to net sales.

## **OPERATING PROFIT PER EMPLOYEE**

Operating profit in relation to the average number of employees.

## **SKIN**

A partner site with its own customised graphic design where functions like support, payment systems and back office operations are administrated by 24hNetwork.

## **EQUITY/ASSETS RATIO**

Shareholders' equity including minority interest in relation to total assets.

## **GAMING SURPLUS**

Gross revenue from all gaming operations in 24hNetwork, excluding royalties.

## **CAPITAL EMPLOYED**

Total assets less non interest-bearing liabilities and provisions, including deferred tax liabilities.

## **TURNKEY SOLUTION**

A complete solution for companies that want to offer online poker. The company provides software, access to the poker network and functions like support, payment systems and back office operations.

## **PROFIT MARGIN**

Profit after net financial items in relation to net sales.