

## Regulatory news #004/2020

10 November 2020

### COVID-19 update

SAZKA Group a.s. (together with its subsidiaries, "SAZKA Group" or the "Company") wishes to give an update to its stakeholders on the impact of the recent restrictions that have been implemented due to the COVID-19 virus, as well as certain other recent developments.

In line with our approach during H1, we have fully complied with all the recommendations of the public authorities in the countries of our operations to protect the health and safety of our customers, employees, partners and the public.

While all our digital channels continue to operate without interruption, our physical retail networks have to various degrees been affected by recently introduced restrictions. The extent of the financial impact will largely depend on the duration of the outbreak and the extent and nature of resulting restrictions.

Robert Chvatal, CEO commented: *"Our business proved to be resilient during the first wave of COVID-19 as we benefited from our geographical diversification, multiple land-based and online sales channels and broad range of products, and management took mitigating steps to minimise the financial impact for our companies, our employees, and our partners through selective cost measures and selective participation in government support schemes. This time around, the measures implemented by governments are more targeted, and we have the benefit of our experience of dealing with such circumstances as well as an enhanced digital offering."*

Below is a brief overview of the current situation in our markets:

#### Austria

The Austrian government has imposed a number of restrictions for a period of four weeks from 3 November. There is a curfew from 20:00 to 06:00 and a temporary ban on the operation of a wide range of shops and venues, excluding those providing essential services such as food retail, pharmacies, post offices, banks, petrol stations and tobacco stores.

As was the case during the restrictions in force in H1, these measures have so far had a limited impact on the availability of Austrian Lotteries products through its land-based channels, as key categories of points of sale are allowed to remain open under the restrictions.

Austrian Lotteries' online gaming offerings remain available to the public as normal. They include draw based games (including Austrian Lotteries' major products Lotto and EuroMillions), online casino, poker, and sports betting.

Casinos Austria has closed all its casinos in Austria in accordance with the restrictions. The same regulation applies to Casinos Austria's 21 gaming halls which were closed at the same time. Casinos Austria International has currently closed some of its casinos in Europe, while certain other casinos in Europe and globally remain open.

## **Czech Republic**

As of Monday 22 October, the Government has limited free movement in the Czech Republic. Citizens are allowed to go to work and shop for supplies limited to food, vital goods, fuel and medicine, as well as use some necessary financial and postal services.

As was the case when similar restrictions were in force in H1, and similar to the impact of similar restrictions on Austrian Lotteries, these measures are expected to have a limited impact on the availability of SAZKA a.s.' products through its land-based channels, as key categories of points of sale (including newsstands, tobacco stores and post offices) are allowed to remain open under the restrictions. Approximately 95% of SAZKA a.s.'s points of sale have been operating in recent days.

SAZKA a.s.' online gaming offerings remain available to the public as normal. We are continuing to promote the use of our online platforms for lottery products as well as digital-only offerings. In the weeks before the new restrictions, around 35% of our sales were via digital channels.

## **Greece**

On 5 November 2020, the Greek Government announced a nationwide lockdown, aiming to contain the spread of COVID-19. As a result and following the publication of the Joint Ministerial Decision, a temporary suspension of business activity for a series of sectors is imposed from Saturday, 7 November until Monday, 30 November 2020, including OPAP stores, PLAY gaming halls across Greece, street vendors distributing Hellenic Lotteries' products (Scratch and Passive lotteries) as well as the horseracing facility at Markopoulo.

During this period, OPAP's gaming activities will continue to operate online, offering an extended range of products (sports betting, Tzoker, virtual games, and casino). At the same time, the full range of Stoiximan's products is available through its own platforms.

## **Italy**

The Italian Government announced new provisions which are in force between 6 November and 3 December. LOTTOITALIA continues to offer its games (which were suspended by the Agenzia Dogane Monopoli during the first wave) and tobacconists (LOTTOITALIA's largest category of points of sale) remain open everywhere. Bars and cafes remain open until 6pm in certain areas.

## **Other updates**

On 26 October, SAZKA Group signed a €100 million bank loan facility with a margin of 3% and a tenor of 1 year, which has subsequently been drawn.

In November, SAZKA Group paid a dividend of €110 million.

## About SAZKA Group

We are one of the largest pan-European lottery operators. Our businesses operate lotteries in all the major continental European countries where lotteries are privately operated, including the Czech Republic, Greece, Austria and Italy, and in Cyprus. Our businesses focus on the lottery segment, including numerical lotteries (draw-based games) and instant lotteries (scratch cards), and also provide complementary products, including sports-betting and digital-only games. They sell their products both through various retail networks and through digital platforms. The lottery operators are members of the World Lottery Association and the European Lottery Association and operate in accordance with their codes of practice.

## Investor and media enquiries

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