

Regulatory news #002/2020

17 March 2020

COVID-19 update

SAZKA Group wishes to give an update to its stakeholders regarding the measures our companies and retail partners have taken with regard to the COVID-19 virus outbreak.

First and foremost, in order to protect the health and safety of our customers, employees, partners and the public, all our companies have fully complied with all the decisions and recommendations of the public authorities in the countries of their operations. We have successfully implemented contingency and business continuity plans with no significant impact to our business processes, and almost all our employees are currently working from home.

While all our digital channels continue to operate without interruption, our physical retail networks have adopted various measures to safeguard public health and the health of our employees.

We anticipate that these developments will impact our financial performance. The extent of the impact will depend on factors including the duration of the outbreak, how longer current restrictions remain in place, further measures taken by governments, and the extent of economic disruption.

Robert Chvatal, CEO commented: *“Management are working on mitigating steps to minimise the financial impact for our companies, our employees, and our partners. SAZKA Group is in daily contact with its local operating companies to coordinate timely response to the developments in individual markets.”*

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

Greece

On Friday 13 March 2020, the Greek government published its decision to impose a temporary ban on the operation of a wide range of shops, indoor venues and other locations. As a result, all of the OPAP stores and PLAY gaming halls in Greece will be closed for two weeks, from Saturday 14 March until Friday 27 March 2020 inclusive. The horseracing facility at Markopoulo Park will also be closed.

Consequently, during this period, the company’s gaming activities will only be operating through its online platforms, which offer sports betting and certain other lottery games, and via the street vendor network of Hellenic Lotteries, which offers scratch cards and passive lotteries.

OPAP’s stores in Cyprus have been temporarily closed as of today.

Austria

On Friday 13 March 2020, the Austrian government published its decision to impose a temporary ban on the operation of a wide range of shops, excluding those providing basic services such as food retail, pharmacies, post offices, banks, petrol stations and tobacco stores. The decision went into force on Monday 16 March 2020. The ban has so far had only a limited impact on the availability of Austrian lotteries products through its main retail channels, as more than 90% of all point-of-sales are excluded from the ban.

Austrian Lotteries' online gaming activities remain available to the public during the entire period. They include draw based games (including Austrian Lotteries' major products Lotto and Euromillions), instant scratch cards, online casino, poker, bingo and sports betting.

In coordination with the authorities, Casinos Austria has decided to close all its casinos in Austria and its subsidiary Austrian Lotteries has decided to close all its 19 gaming halls on March 13, 2020. The casinos and gaming halls will be closed at least until April 13, 2020. The Austrian government is introducing measures to support part time work, which may allow reduce Casinos Austria and Austrian Lotteries to reduce the financial impact of the closure

Casinos Austria International, which operates casinos and VLT businesses in multiple countries, is closely monitoring the situation and acting in accordance with the instructions of local governmental bodies.

Czech Republic

As of Monday 16 March, the State Security Council of the Czech Republic has decided to severely limit free movement in the Czech Republic in order to limit the spread of the COVID-19 coronavirus epidemic. Citizens are allowed going to work and shop for supplies limited to food, vital supplies, fuel and medicine, as well as use of necessary financial and postal services. We estimate that 70% of SAZKA's Czech retail network, including newsstands and post offices, continues providing their services to the public.

At the same time, we are actively promoting the use of online platforms for lottery products as well as digital-only offerings. In recent weeks we have seen a 25-30% increase in sales via digital channels compared to previous weeks.

Italy

Most shops, restaurants and cafes in Italy are currently closed as a result of a number of recent measures. Tobacconists, which are a key channel for LOTTOITALIA, are allowed to remain open, however traffic has declined.

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.

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