



KKCG and SAZKA Group announce a strategic investment by Apollo Funds to support their global expansion in the lottery and gaming sectors

Luzern and Prague, 10 November 2020 – KKCG AG (“KKCG Group” or “KKCG”) and SAZKA Group a.s. (together with its subsidiaries, “SAZKA Group” or the “Company”) today announced that funds managed by affiliates of Apollo Global Management, Inc. (“Apollo” and such funds the “Apollo Funds”), one of the world’s leading investors in gaming and largest alternative investment managers, have agreed to invest €500 million in the Company in coordination with Karel Komárek’s KKCG Group. The investment will be effected through an investment into SAZKA Entertainment AG (“SAZKA Entertainment”), a newly- established 100% wholly-owned subsidiary of KKCG, which upon closing of the investment, will be the 100% owner of SAZKA Group.

“Our business is entering a new era and this investment and strategic partnership will support our long-term expansion plans. I am happy that, after a series of discussions with major investment funds from around the world, we came to an agreement to partner with Apollo. I believe the interest in SAZKA Group from one of the world’s leading investors in gaming and largest alternative investment managers and globally confirms the value and strategy of SAZKA Group, and is an endorsement of the excellent work of the entire SAZKA Group management team. In partnership with a strong US investor, SAZKA Group is well positioned to expand in Europe, the US and other potential regions, continuing to focus on lottery and complementary gaming verticals. I am convinced that the gaming industry is one of the most promising sectors for the future and SAZKA Group aspires to be a global player in this sphere. I have absolute confidence that with support from Apollo my team will take the business to the next level” commented Karel Komárek, founder of KKCG and Chairman of the Board of SAZKA Group.

“We are very excited to invest in SAZKA Group, one of Europe’s leading private lottery operators” said James Kim, Apollo Partner and European Co-Head of Hybrid Value. *“The company has a very successful track record of organic and inorganic growth and we believe this investment, coupled with our sector expertise and relationships, will help the management team achieve their strategic growth plans in Europe and around the globe.”*

The majority of Apollo Funds’ €500 million investment will be used to capitalise on acquisition and growth opportunities in Europe and North America, with a focus on lotteries. The transaction implies an equity valuation of €4.2 billion (approximately CZK 111 billion) for SAZKA Entertainment.

J.P. Morgan acted as financial advisor to SAZKA Group and Clifford Chance LLP, Prague and London offices, acted as legal advisors to SAZKA Group on this transaction.

The transaction is subject to customary closing conditions, including regulatory approvals, and is expected to be completed in 2021.

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Registered in Lucerne, Trade Register: CHE-326.367.231



About KKCG

KKCG Group, founded and led by successful Czech entrepreneur, Karel Komárek, is an international investment company with more than EUR6 billion (book value) of assets under management. KKCG operates in 19 countries and its key strategic sectors include gaming, oil and gas, technology and real estate. KKCG Group includes SAZKA Group, ARICOMA Group, MND Group, US Methanol, the Springtide Ventures capital fund, and others.

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.

About Apollo

Apollo is a leading global alternative investment manager with offices in New York, Los Angeles, San Diego, Houston, Bethesda, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong, Shanghai and Tokyo. Apollo had assets under management of approximately \$433 billion as of September 30, 2020 in credit, private equity and real assets funds invested across a core group of nine industries where Apollo has considerable knowledge and resources. For more information about Apollo, please visit www.apollo.com.

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Forward-Looking Statements

This announcement may include forward-looking statements regarding certain of our plans and our current goals, intentions, beliefs and expectations concerning, among other things, the investment in SAZKA Group referred to in this announcement, our future results of operation, financial condition, liquidity, prospects, growth, strategies, pending acquisitions or other transactions, financing plans and the industries in which we operate. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Generally, but not always, words such as “may,” “could,” “should,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “assume,” “believe,” “plan,” “seek,” “continue,” “target,” “goal,” “would” or their negative variations or similar expressions identify forward-looking statements. By their nature, forward-looking statements are inherently subject to risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that SAZKA Group’s actual results of operations, financial condition and liquidity and the development of the industries in which we operate, and the outcome of the transaction referred to in this announcement, may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. In addition, even if our results of operations, financial condition and liquidity and the development of the industries in which we operate are consistent with the forward-looking statements contained in this document, those past results or developments may not be indicative of results or developments in future periods.

We do not undertake any obligation to review, update or confirm expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this document.

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