

SAZKA Group a.s.

**Condensed interim consolidated financial statements
for the period ended 30 June 2018**

SAZKA Group a.s.

Condensed interim consolidated financial statements for the period ended 30 June 2018 (in thousands of EUR)

<i>Condensed consolidated statement of financial position</i>	Note	30/06/2018	31/12/2017
ASSETS			
Intangible assets	3	1 944 808	1 974 662
Goodwill	3	821 434	623 096
Property, plant and equipment	4	144 421	138 182
Investment property	4	913	922
Other non-current investments	5	901	918
Equity-accounted investees	5	573 934	498 579
Long-term trade receivables and other non-current assets	7	29 042	23 372
Deferred tax asset	6	633	5 430
Total non-current assets		3 516 086	3 265 161
Inventories		8 697	8 400
Short-term trade receivables and other current assets	7	182 770	213 522
Current tax asset		260	893
Short-term financial assets	8	2 416	8 908
Cash and cash equivalents	9	316 686	410 288
Total current assets		510 829	642 011
Total assets		4 026 915	3 907 172

The notes on pages 10 to 50 are an integral part of these consolidated financial statements.

SAZKA Group a.s.

Condensed interim consolidated financial statements for the period ended 30 June 2018 (in thousands of EUR)

Condensed consolidated statement of financial position (continued)	Note	30/06/2018	31/12/2017
EQUITY AND LIABILITIES			
Equity			
Share capital	11	81	81
Capital contributions and other reserves		475 573	485 439
Translation reserve		-12 986	-12 462
Retained earnings and profit for the current period		307 223	250 063
Total equity attributable to equity holders of the Company		769 891	723 121
Non-controlling interest	12	915 084	927 718
Total equity		1 684 975	1 650 839
Liabilities			
Bank loans and other borrowings – non-current portion	13	1 405 539	1 338 235
Other long-term liabilities		13 905	11 912
Long term provisions	15	33 888	33 767
Employee benefits	17	3 898	3 084
Deferred tax liability	6	223 754	225 801
Total non-current liabilities		1 680 984	1 612 799
Bank loans and other borrowings – current portion	13	307 685	261 429
Short-term trade and other payables	14	323 858	370 268
Current tax liability		15 986	2 148
Short-term provisions	15	13 427	9 689
Total current liabilities		660 956	643 534
Total liabilities		2 341 940	2 256 333
Total equity and liabilities		4 026 915	3 907 172

The notes on pages 10 to 50 are an integral part of these consolidated financial statements.

SAZKA Group a.s.

Condensed interim consolidated financial statements for the period ended 30 June 2018 (in thousands of EUR)

Condensed consolidated statement of comprehensive income for the six-month period ended 30 June	Note	2018	2017
Net gaming revenue (NGR)	18	599 247	530 764
Other revenues	18	62 378	53 631
Other operating income	19	6 001	4 728
Agent´s commissions	20	-196 394	-193 570
Materials, consumables and services	21	-162 000	-127 626
Marketing expenses	22	-44 813	-45 988
Personnel expenses	23	-50 073	-39 730
Other operating expenses	24	-24 100	-31 018
Share of profit of equity-accounted investees (net of tax)	25	48 783	36 451
Operating EBITDA*	26	239 029	187 642
Depreciation and amortization	27	-48 425	-45 802
Profit from operating activities		190 604	141 840
Interest income	28	1 257	1 510
Interest expense	28	-37 394	-34 084
Other financial gain/loss	28	-5 088	552
Loss from financial operations		-41 225	-32 022
Profit before income tax		149 379	109 818
Income tax expense	29	-38 957	-29 100
Profit for the period after tax		110 422	80 718
<i>Items that are or may be reclassified to profit or loss:</i>			
Foreign currency translation differences for foreign operations		-492	-6 176
Remeasurement of hedging derivatives (net of tax)		-5 477	9 391
Share of other comprehensive income of equity accounted investees		-5 197	--
Other comprehensive income/loss for the period	30	-11 166	3 215
Total comprehensive income for the period		99 256	83 933

*Operating profit before interest, tax, depreciation and amortization.

SAZKA Group a.s.

Condensed interim consolidated financial statements for the period ended 30 June 2018 (in thousands of EUR)

Condensed consolidated statement of comprehensive income for the six-month period ended 30 June (continued)

		2018	2017
Profit for the period after tax attributable to:			
Equity holders of the Company		57 651	44 062
Non-controlling interests		52 771	36 656
Profit for the period after tax		110 422	80 718
Total comprehensive income attributable to:			
Equity holders of the Company		47 258	47 277
Non-controlling interests		51 998	36 656
Total comprehensive income for the period		99 256	83 933
Earnings per share	Note	2018	2017
		(6 months)	(6 months)
Basic earnings per share for the period (in TEUR)	11	2 883	2 203
Diluted earnings per share for the period (in TEUR)	11	2 883	2 203

The notes on pages 10 to 50 are an integral part of these consolidated financial statements.

SAZKA Group a.s.

Condensed interim consolidated financial statements for the period ended 30 June 2018 (in thousands of EUR)

<i>Condensed consolidated statement of changes in equity</i>	Note	Share capital	Capital contributions and other reserves	Retained earnings and profit for the period	Translation reserve	Total equity*	Non-controlling interest	Total equity
Balance at 1 January 2018		81	485 439	250 063	-12 462	723 121	927 718	1 650 839
Profit for the period ended 30 June 2018		--	--	57 651	--	57 651	52 771	110 422
Other comprehensive loss		--	-9 869	--	-524	-10 393	-773	-11 166
Total comprehensive income		--	-9 869	57 651	-524	47 258	51 998	99 256
Transactions with owners, recorded directly in equity:								
Reallocation of profit of previous period		--	3	-3	--	--	--	--
Effect of new acquisitions		--	--	--	--	--	11 896	11 896
Dividends paid		--	--	--	--	--	-68 028	-68 028
Other movements in equity		--	--	-488	--	-488	-2 239	-2 727
Reduction in share capital		--	--	--	--	--	-6 261	-6 261
Total transactions with owners		--	3	-491	--	-488	-64 632	-65 120
Balance at 30 June 2018	11	81	475 573	307 223	-12 986	769 891	915 084	1 684 975

* Total equity attributable to equity owners of the Company.

The notes on pages 10 to 50 are an integral part of these consolidated financial statements.

SAZKA Group a.s.

Condensed interim consolidated financial statements for the period ended 30 June 2018 (in thousands of EUR)

Condensed consolidated statement of changes in equity	Note	Share capital	Capital contribution s and other reserves	Retained earnings and profit (loss) for the period	Translation reserve	Total equity*	Non- controlling interest	Total equity
Balance at 1 January 2017		81	437 820	183 041	-7 738	613 204	1 139 164	1 752 368
Profit for the period ended 30 June 2017		--	--	44 062	--	44 062	36 656	80 718
Other comprehensive income		--	9 392	--	-6 177	3 215	--	3 215
Total comprehensive income		--	9 392	44 062	-6 177	47 277	36 656	83 933
Transactions with owners, recorded directly in equity:								
Reallocation of profit of previous period		--	48	-48	--	--	--	--
Other capital contributions		--	31 651	--	--	31 651	--	31 651
Dividends paid		--	--	--	--	--	-129 227	-129 227
Other movements in equity		--	-351	121	--	-230	-1 520	-1 750
Effect of change in ownership interests		--	--	-26 383	--	-26 383	-9 771	-36 154
Total transactions with owners		--	31 348	-26 310	--	5 038	-140 518	-135 480
Balance at 30 June 2017	11	81	478 560	200 793	-13 915	665 519	1 035 302	1 700 821

* Total equity attributable to equity owners of the Company.

The notes on pages 10 to 50 are an integral part of these consolidated financial statements.

Condensed consolidated statement of cash flows	Note	30 June 2018	30 June 2017
<u>OPERATING ACTIVITIES</u>			
Profit (+) for the half year		110 422	80 718
<i>Adjustments for:</i>			
Income tax expense	29	38 957	29 100
Depreciation and amortization	27	48 425	45 802
Profit (-) / loss (+) on sale of property, plant and equipment and intangible assets	19,24	-24	55
Net interest expense (+)	28	36 137	32 574
Net FX losses	28	-1 070	-2 125
Share of profit (-) of equity-accounted investees	25	-48 783	-36 451
Operating result before changes in working capital and provisions		184 064	149 673
Increase (+) / decrease (-) in provisions		4 673	17 401
Increase (-) / decrease (+) in inventories		-297	4 127
Increase (-) / decrease (+) in trade receivables and other assets		190 867	16 950
Increase (+) (decrease (-) in trade and other payables		-27 490	-56 683
Cash generated from operating activities		351 817	131 468
Interest paid		-23 230	-23 081
Income tax paid		-20 201	2 948
Net cash generated from operating activities		308 386	111 335
<u>INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment and intangible assets		-50 667	-18 156
Acquisition of subsidiaries and equity-accounted investees, net of cash acquired		-295 339	-102 046
Proceeds from sale of property, plant and equipment and intangible assets		128	49
Interest received		960	1 268
Decrease (+) in short-term financial assets	8	6 492	3 388
Net cash used in investing activities		-338 426	-115 497
<u>FINANCING ACTIVITIES</u>			
Dividends paid		-68 028	-129 227
Other contributions to equity		--	31 651
Loans and borrowings received		527 972	321 662
Repayment of loans and borrowings		-424 270	-129 258
Other movements in equity		--	-1 585
Transaction with non-controlling interest		-6 261	--
Acquisition of NCI		--	-36 154
Net cash generated from financing activities		29 413	57 089
Net increase in cash and cash equivalents		-627	52 926
Effect of currency translation		-92 975	-2 068
Cash and cash equivalents at the beginning of the accounting period	9	410 288	365 999
Cash and cash equivalents at the end of the accounting period	9	316 686	416 857

The notes on pages 10 to 50 are an integral part of these consolidated financial statements.

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Notes to the condensed interim consolidated financial statements

1. General information about the Group

1.1 Description

SAZKA Group a.s. ("the Company") was established on 2 April 2012 by the entry in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18161. The Company's registered office is at Vinohradská 1511/230, Strašnice, 100 00 Praha 10, Ident. No. 242 87 814. The Company was founded for the purpose of holding capital investments in other entities.

SAZKA Group a.s. ("the Group") operates its lottery, betting and non-lottery business in the Czech Republic, Greece, Cyprus, Austria, Italy, Croatia and other countries and is included into the consolidated Group of the parent Company KKCG AG (for more details see also note 1.5 below).

1.2 Principal activity

The principal activity of the Group is the operation of lotteries and other similar games in accordance with applicable legislation, i.e. the operation of instant and numerical lotteries, sports and odds betting and other similar games.

In addition to lottery and betting activities, the Group also operates non-lottery business activities through points of sale and terminals (e.g. telecommunication, payment services etc.). Furthermore, the Group also develops investing activities within which shares in companies with similar business activities are acquired.

1.3 Group companies

The following table details companies that are part of SAZKA Group a.s.'s consolidated group and shows ownership interests held by the parent company in these companies.

Company name	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: SAZKA Group a.s.	Czech Republic	--	--	full
Subsidiary: SAZKA Czech a.s. – sub-group	Czech Republic	100%	100%	full
Subsidiary: Austrian Gaming Holding a.s. – sub-group	Czech Republic	100%	100%	full
Subsidiary: RUBIDIUM HOLDINGS LIMITED	Cyprus	100%	100%	full
Subsidiary: Vitalpeak Limited	Cyprus	100%	100%	full
Subsidiary: IGH Financing a.s. – sub-group	Czech Republic	100%	100%	full
Subsidiary: Emma Delta Management Ltd – sub-group	Cyprus	66.7%	66.7%	full
Subsidiary: SAZKA Asia a.s. – sub-group	Czech Republic	100%	100%	full
Subsidiary: SAZKA Group Financing a.s.	Slovakia	100%	100%	full
Subsidiary: SAZKA Group Russia LLC	Russia	100%	100%	full
Subsidiary: SAZKA Group Adriatic d.o.o. sub-group (1)	Croatia	100%	--	full

(1) SAZKA Group Adriatic d.o.o. entered the consolidated group on 30 January 2018.

SAZKA Group a.s.

Condensed interim consolidated financial statements for the period ended 30 June 2018 (in thousands of EUR)

SAZKA Czech a.s. sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: SAZKA Czech a.s.	Czech Republic	--	--	full
Subsidiary: SAZKA FTS a.s.	Czech Republic	100%	100%	full
Subsidiary: SAZKA a.s.	Czech Republic	100%	100%	full
Subsidiary: SPORTLEASE a.s.	Czech Republic	100%	100%	full
Subsidiary: Kavárna štěstí s.r.o.	Czech Republic	100%	100%	full

Austrian Gaming Holding a.s. sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: Austrian Gaming Holding a.s.	Czech Republic	--	--	full
Subsidiary: CAME Holding GmbH – sub-group	Austria	100%	100%	full

CAME Holding GmbH sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: CAME Holding GmbH	Austria	--	--	full
Subsidiary: BAIH Beteiligungsverwaltungs GmbH – sub-group	Austria	100%	100%	full
Associated company: LTB Beteiligungs GmbH	Austria	41.77%	41.77%	equity
Subsidiary: Medial Beteiligungs GmbH – sub-group (2)	Austria	88.89%	29.63%	full

(2) On 15 January 2018, the Group acquired an additional 59.26% of shares in Medial Beteiligungs GmbH.

BAIH Beteiligungsverwaltungs GmbH sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: BAIH Beteiligungsverwaltungs GmbH	Austria	--	--	full
Associated company: CLS Beteiligungs GmbH	Austria	66.67%	66.67%	equity
Associated company: LTB Beteiligungs GmbH	Austria	24.90%	24.90%	equity

Medial Beteiligungs-GmbH – sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: Medial Beteiligungs GmbH	Austria	--	--	full
Associated company: Casinos Austria AG (3)	Austria	38.29%	38.29%	equity

(3) On 15 January 2018, the Group increased its interest in Casinos Austria AG via the acquisition of additional shares in Medial Beteiligungs GmbH (see also comment (2) above in this Note). After the acquisition, the aggregated interest in Casinos Austria AG sub-group is 34.04% at the Group level).

IGH Financing a.s. sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: IGH Financing a.s.	Czech Republic	--	--	full
Subsidiary: Italian Gaming Holding a.s. – sub-group	Czech Republic	100%	100%	full

Italian Gaming Holding a.s. sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: Italian Gaming Holding a.s.	Czech Republic	--	--	full
Associated company: LOTTOITALIA S.r.l.	Italy	32.5%	32.5%	equity

Emma Delta Management sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: Emma Delta Management Ltd	Cyprus	--	--	full
Subsidiary: EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD – sub-group (4)	Cyprus	100% / 71.87%	100% / 71.87%	full

(4) The controlling interest in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD is represented by 100 % of voting rights held by parent company. However, the economic interest attributable to the Group is represented by 71.87% of investor shares owned by the company RUBIDIUM HOLDINGS LIMITED.

EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD	Cyprus	--	--	full
Subsidiary: Emma Delta Finance Plc	Cyprus	100%	100%	full
Subsidiary: Emma Delta Hellenic Holdings Limited – sub-group	Cyprus	100%	100%	full

Emma Delta Hellenic Holdings Limited sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: Emma Delta Hellenic Holdings Limited	Cyprus	--	--	full
Subsidiary: OPAP S.A. – sub-group (5)	Greece	33%	33%	full

(5) According to IFRS 10, the Group has control over the OPAP sub-group.

SAZKA Group holds its interest in OPAP through a 66.7% voting interest in Emma Delta Management Limited ("Emma") which in turn holds an indirect 33% interest in OPAP. The remaining 33.3% voting interest in Emma is held by Georgiella Holdings Co. Limited "Georgiella". Emma is the manager of, and owner of all voting management shares in, Emma Delta Variable Capital Investment Company Limited (Cyprus) (the "Fund") which through an intermediate company holds the 33% interest in OPAP.

Under the terms of a shareholders' agreement between, among others, Georgiella and SAZKA Group relating to Emma (the "Emma Delta Shareholders' Agreement"), SAZKA Group is entitled to nominate a majority of the directors to the board of Emma, one of whom is to act as chairman.

Although Emma's shareholding in OPAP is below 50%, its 33% shareholding is the largest individual shareholding in OPAP (the other 67% shareholding being widely dispersed among numerous other public market investors). Since the acquisition of its interest in OPAP in 2013, all shareholder resolutions proposed at general meetings which Emma has voted in favour of have been passed.

The combination of SAZKA Group's appointees making up a majority of the OPAP Board (including in the roles of CEO and Executive Chairman) and Emma's shareholding in OPAP being the largest individual shareholding (with the remaining free float of OPAP being widely held by minority shareholders), has led SAZKA Group to determine that it exercises sufficient control over OPAP in order to be able to consolidate it into its financial statements.

OPAP S.A. sub-group includes:	Registered office	Ownership interest at 30/06/2018	Ownership interest at 31/12/2017	Consolidation method
Parent company: OPAP S.A.	Greece	--	--	full
Subsidiary: OPAP CYPRUS LTD	Cyprus	100%	100%	full
Subsidiary: OPAP INTERNATIONAL LTD	Cyprus	100%	100%	full
Subsidiary: OPAP SERVICES S.A.	Greece	100%	100%	full
Subsidiary: OPAP SPORTS LTD	Cyprus	100%	100%	full
Subsidiary: OPAP INVESTMENT LTD	Cyprus	100%	100%	full
Subsidiary: HELLENIC LOTTERIES S.A.	Greece	67%	67%	full
Subsidiary: TORA DIRECT S.A.	Greece	100%	100%	full
Subsidiary: HORSE RACES S.A.	Greece	100%	100%	full
Subsidiary: TORA WALLET S.A.	Greece	100%	100%	full
Subsidiary: Neurosoft S.A.	Greece	67.72%	67.72%	full

SAZKA Group a.s.

Condensed interim consolidated financial statements for the period ended 30 June 2018 (in thousands of EUR)

SAZKA Asia a.s. sub-group includes:	Registered office	Ownership structure at 30/06/2018	Ownership structure at 31/12/2017	Consolidation method
Parent company: SAZKA Asia a.s.	Czech Republic	--	--	full
Subsidiary: Sazka Asia Vietnam Company Limited	Vietnam	100%	100%	full
Subsidiary: Sazka Distribution Vietnam Joint Stock Company	Vietnam	100%	90%	full

SAZKA Group Adriatic d.o.o. sub-group includes:	Registered office	Ownership structure at 30/06/2018	Ownership structure at 31/12/2017	Consolidation method
Parent company: SAZKA Group Adriatic d.o.o. (1)	Croatia	--	--	full
Subsidiary: SUPER SPORT d.o.o. - sub-group (6)	Croatia	67%	--	full
Subsidiary: Minus5 d.o.o. (8)	Croatia	51%	--	full

(6) SUPER SPORT d.o.o. entered the consolidated group on 26 April 2018.

(7) minus5 d.o.o. entered the consolidated group on 26 April 2018.

SUPER SPORT d.o.o. sub-group includes:	Registered office	Ownership structure at 30/06/2018	Ownership structure at 31/12/2017	Consolidation method
Parent company: SUPER SPORT d.o.o. - sub-group	Croatia	--	--	full
Subsidiary: PUNI BROJ d.o.o. (8)	Croatia	100%	--	full

(8) PUNI BROJ d.o.o. entered the consolidated group on 26 April 2018.

1.4 Statutory body and supervisory board

The board of directors as at 30 June 2018:

Chairman of the board of directors:	Karel Komárek
Member of the board of directors:	Jiří Šmejč
Member of the board of directors:	Pavel Šaroch
Member of the board of directors:	Pavel Horák

Supervisory board as at 30 June 2018:

Chairman of the supervisory board:	Tomáš Porupka
Member of the supervisory board:	Jakub Sokol
Member of the supervisory board:	Radka Blažková

1.5 Shareholders as at 30 June 2018:

KKCG AG 75%

Registered office:

Kapellgasse 21,
6004 Luzern
Switzerland

EMMA GAMMA LIMITED 25%

Registered office:

Esperidon 12, 4th floor
1087 Nicosia
Cyprus

2. Basis of preparation

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in compliance with IAS 34 Interim Financial Reporting. These financial statements do not disclose all information that is required to be disclosed in the financial statements in full format prepared in compliance with IFRS and therefore should be read and assessed along with the consolidated financial statements of SAZKA Group a.s. for the accounting period ended 31 December 2017.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

These condensed interim consolidated financial statements were approved by the board of directors on 26 October 2018.

(b) Basis of measurement

The condensed interim consolidated financial statements have been prepared on a going concern basis, using the historical cost method, unless otherwise stated in the accounting policies.

The accounting policies applied in the condensed interim consolidated financial statements are the same as the accounting policies applied by the Group in the last annual consolidated financial statements for the period ended 31 December 2017.

(c) Functional and presentation currency

The functional currency of the Company is the Czech Koruna (CZK); individual group entities have their own functional currencies.

These condensed interim consolidated financial statements are presented in Euro (EUR). All financial information presented in EUR was rounded to the nearest thousand ("TEUR"), except when otherwise indicated.

Amounts in the condensed interim consolidated financial statements were rounded to thousands of EUR. Any differences between the amounts included in the financial statements and the respective amounts included in the notes are attributed to rounding.

(d) Use of estimates and judgements

The preparation of the condensed interim consolidated financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates that affect the reported amounts of assets, liabilities, income and expenses. It also requires the Group's management to make assumptions based on its own judgement in applying accounting policies. Consequently, actual results may differ from the estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised either in the period in which the estimate is revised (providing that the revision relates only to that period) or in the revision period and future periods (providing that the revision relates to both the current and future periods).

Significant assumptions used by the Group when applying the Group's accounting policies and key sources of uncertainty upon making estimates during the preparation of the condensed interim consolidated financial statements were the same as those used during the preparation of consolidated financial statements for the period ended 31 December 2017.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed interim consolidated financial statements is included in the following notes:

- Notes 3 – recognition of goodwill, impairment of goodwill, impairment of intangible assets that have indefinite useful lives and assessment of useful lives of intangible assets;
- Notes 4 – assessment of useful lives of property, plant and equipment;

- Note 10 – new acquisitions;
- Note 15 – provisions;
- Note 16 – derivative financial instruments;
- Note 18 – revenues and other revenues;
- Note 29 – income tax expense;
- Note 31 – definition of contingencies, assessment of litigations.

(e) Significant accounting policies

Accounting policies applied in the condensed interim consolidated financial statements are the same as the accounting policies applied by the Group in the last annual consolidated financial statements for the period ended 31 December 2017.

The accounting policies described below have not changed when comparing to the most recent annual financial statements; however, the Group decided to provide more precise description of the following policies in the 2018 financial statements.

IFRS 9 Financial instruments

Open betting positions

The Gaming contracts are considered to be a financial derivatives under IFRS 9 if in the transaction, in which the gaming institution takes a position against its customers. The value of the individual contract is contingent on the outcome of a specified event and the gaming institution is not, therefore, normally guaranteed a specific commission or return.

The net gain or loss on the revaluation of open positions of such a transactions at period end is included in gaming revenues.

Basis of consolidation

Associates and joint ventures (equity accounted investees)

Under the equity method, on initial recognition in the investment in associate or joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investors share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

Any new standards, interpretations and amendments to the existing standards effective as at 1 January 2018 do not have any impact on the Group's financial statements.

The Group did not apply any standard, interpretation or amendment that had been issued but has not yet effective (except standards IFRS 9 and IFRS 15).

(f) Changes in presentation – Consolidated statement of comprehensive income

As described in Note 34 the Group is considering an issue of notes. Since other listed gaming companies are presenting Share of profit/loss of equity accounted investees within operating EBITDA section of the Consolidated Statements of Comprehensive income (market benchmark), the Group has decided to change its presentation in the Consolidated Statements of Comprehensive income to provide investors with comparable results (i.e. the Group presents Share of profit/loss of equity accounted investees in section "Operating EBITDA" as a part of operating result).

The consideration was made based on assumptions that the main business activities of the Equity accounted investees are the same as the Group's fully consolidated entities and the presentation is still in line with IFRS.

(g) Standards, interpretations and amendments to standards adopted before 30 June 2018 but not yet effective

The following new standards and amendments were not effective for the period ended 30 June 2018 and were not applied when preparing these interim consolidated financial statements.

IFRS 16 Leases

Endorsed by EU on 31 October 2017 effective for annual period beginning on 1 January 2019 with early adoption permitted.

IFRS 16 supersedes IAS 17 Leases and related interpretations. The Standard eliminates the current dual accounting model for lessees and instead requires companies to bring most leases on-balance sheet under a single model, eliminating the distinction between operating and finance leases.

Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For such contracts, the new model requires a lessee to recognise a right-of-use asset and a lease liability. The right-of-use asset is depreciated and the liability accrues interest. This will result in a front-loaded pattern of expense for most leases, even when the lessee pays constant annual rentals.

The new Standard introduces a number of limited scope exceptions for lessees which include:

- leases with a lease term of 12 months or less and containing no purchase options, and
- leases where the underlying asset has a low value ('small-ticket' leases).

Lessor accounting, however, shall remain largely unchanged and the distinction between operating and finance leases will be retained.

The Group will aim for modified retrospective transition option applying the practical expedient of:

- application of a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Group leases a following types of underlying assets resulting from contractual arrangements that would be in the scope of new standard (treated as operating lease) as at 30 June 2017:

- Premises
- Cars
- IT equipment

In relation to premises, the Group does expect that the new Standard, when initially applied, will have a significant impact on the financial statements, since it will require the Group to recognise in its statement of financial position assets and liabilities relating to operating leases for which the Group acts as a lessee. The Group calculated the estimated present value of remaining lease payments of rents with definite lease term of TEUR 31 480 as at 31 December 2017.

The Group has identified a rents of promise and cars with indefinite lease term for which the detailed analysis of separate lease term is required and will be undertaken as at date of adoption. As at 31 December 2017, the Group does not expect a significant impact on financial statements resulting from rents with indefinite lease term.

In relation to IT equipment, The Group does not expect that the new Standard, when initially applied, will have material impact on the financial statements because the Group is party to a contractual arrangement that results in variable lease payments, which are excluded from the measurement of lease assets and lease liabilities. Instead, these costs are recognised as expenses in the period in which they are incurred. As the Group has only lease contracts with variable lease payments, those are linked to future sales from the leased item, there is no change in accounting treatment under adoption of IFRS 16.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018)

Effective date 1 January 2019. Not yet endorsed for use in the EU.

When accounting for defined benefit plans under IAS 19, the standard generally requires entities to measure current service cost using actuarial assumptions determined at the start of the annual reporting period. Similarly, net interest is generally calculated by multiplying the net defined benefit liability (asset) by the discount rate, both as determined at the start of the annual reporting period.

However, when a plan amendment, curtailment or settlement occurs during the annual reporting period, the amendments to IAS 19 specify that an entity must:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

As the amendments apply prospectively to plan amendments, curtailments or settlements that occur on or after the date of first application the Group does not expect any significant impact on the Group.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Effective date deferred indefinitely. EU endorsement currently halted.

Amends IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations),
- require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IFRIC 23 Uncertainty over Income Tax Treatments (issued by IASB on 7 June 2017)

The interpretation clarifies how to report and value deferred tax and current income tax receivable/payable where uncertainty over income tax treatments during the preparation of an income tax return exists. IFRIC 23 shall be applied when determining taxable income (tax losses), taxable bases, unutilised tax losses, unutilised tax offsets and tax rates where uncertainty over the accounting for income tax exists.

Effective for annual periods beginning on or after 1 January 2019. This interpretation has not yet been approved for application within the EU.

IFRS 17 Insurance contracts

Effective for annual periods beginning on or after 1 January 2021. Not yet endorsed for use in the EU.

IFRS 17 was issued in May 2017 a replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

This standard will have no impact on the Group's financial statements.

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Annual improvements to IFRS standards 2015-2017 Cycle

Effective for annual periods beginning on or after 1 January 2019. Not yet endorsed for use in the EU.

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period.

3. Intangible assets and goodwill

2018	Licences & property rights	Brands and trademarks	Software	Intangible assets under construction	Other intangible assets	Goodwill	Total
Acquisition cost							
Balance at 1/1/2018	1 220 706	797 658	45 730	487	4 393	623 096	2 692 070
Effect of new acquisitions	22	--	--	--	94	205 298	205 414
Additions	42	--	9 772	176	10	--	10 000
Transfers	-4 380	--	4 570	-192	2	--	--
Disposals	--	--	-69	--	--	--	-69
Effect of currency translation	-87	-1 352	-206	-9	-42	-6 960	-8 656
Balance at 30/6/2018	1 216 303	796 306	59 797	462	4 457	821 434	2 898 759
Accumulated amortisation							
Balance at 1/1/2018	-77 627	--	-15 795	--	-890	--	-94 312
Amortisation expense	-33 637	--	-4 558	--	-188	--	-38 383
Transfers	103	--	-105	--	2	--	--
Disposals	--	--	69	--	--	--	69
Effect of currency translation	8	--	89	--	12	--	109
Balance at 30/6/2018	-111 153	--	-20 300	--	-1 064	--	-132 517
Net book value at 1/1/2018	1 143 079	797 658	29 935	487	3 503	623 096	2 597 758
Net book value at 30/6/2018	1 105 150	796 306	39 497	462	3 393	821 434	2 766 242

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2017	Licences & property rights	Brands and trademarks	Software	Intangible assets under construction	Other intangible assets	Goodwill	Total
Acquisition cost							
Balance at 1/1/2017	1 216 205	793 644	21 646	--	7 286	561 937	2 600 718
Effect of new acquisitions	4	--	4 210	--	--	40 493	44 707
Additions	4 227	--	16 495	348	3	--	21 073
Transfers	--	--	3 680	124	-3 094	--	710
Disposals	--	--	-751	--	--	--	-751
Effect of currency translation	270	4 014	450	15	198	20 666	25 613
Balance at 31/12/2017	1 220 706	797 658	45 730	487	4 393	623 096	2 692 070
Accumulated amortisation							
Balance at 1/1/2017	-8 384	--	-8 295	--	-493	--	-17 172
Amortisation expense	-69 225	--	-8 046	--	-370	--	-77 641
Disposals	--	--	751	--	--	--	751
Effect of currency translation	-18	--	-205	--	-27	--	-250
Balance at 31/12/2017	-77 627	--	-15 795	--	-890	--	-94 312
Net book value at 1/1/2017	1 207 821	793 644	13 351	--	6 793	561 937	2 583 546
Net book value at 31/12/2017	1 143 079	797 658	29 935	487	3 503	623 096	2 597 758

Intangible assets primarily comprise intellectual property rights (mainly licenses), brands and trademarks, software and goodwill.

As at 30 June 2018 and 31 December 2017 trademarks were pledged as collateral. As at 30 June 2018, the net book value of pledged trademarks was TEUR 71 942 (as at 31 December 2017: 73 294 TEUR) see Note 31.

As at 30 June 2018, provisional goodwill is recognised from new acquisition of SUPER SPORT d.o.o. sub-group and Minus5 d.o.o. Goodwill is provisional as the purchase price allocation process has not been finished yet. However, the Group expects that intangible assets as Brands and trademarks will be recognized (see Note 10).

As at 31 December 2017, goodwill was recognized from new acquisition of Neurosoft S.A. sub-group see Note 10.

The most significant additions to intangible assets in 2018 and 2017 were acquisitions of new software for draw based games and sports betting.

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Brands and trademarks

	30/06/2018	31/12/2017
SAZKA a.s.	71 942	73 294
OPAP S.A.	724 364	724 364
Total	796 306	797 658

Goodwill

	30/06/2018	31/12/2017
SAZKA a.s.	370 334	377 294
Emma Delta Management Ltd sub-group	205 309	205 309
NEUROSOFT S.A.	40 493	40 493
SUPER SPORT d.o.o. sub-group*	204 628	--
Minus5 d.o.o.*	670	--
Total	821 434	623 096

* subject to ongoing acquisition accounting

Indefinite-lived intangible assets, goodwill, and impairment testing

Impairment is determined by estimating the recoverable amount of the cash-generating unit to which goodwill and other non-depreciable assets relate.

Intangible assets with indefinite useful lives, i.e. trademarks and goodwill, were tested for impairment at the end of the previous period.

For the purpose of preparing this interim report, the Group did not identify any internal or external impairment indicators that would result in the necessity to update the above testing.

4. Property, plant and equipment, investment property

2018	Land – owned	Buildings – owned	Machinery and equipment – owned	Machinery and equipment – leased	Tangible assets under construction	Other tangible assets	Total
Acquisition cost							
Balance at 1/1/2018	11 493	43 458	60 119	188	1 620	46 235	163 113
Effect of new acquisitions	--	--	2 196	--	--	8	2 204
Additions	--	289	4 369	--	391	9 632	14 681
Transfers	--	518	446	--	-964	--	--
Disposals	--	-3	-4 350	--	-13	-1 899	-6 265
Effect of currency translation	-47	-403	-94	--	-18	-26	-588
Balance at 30/6/2018	11 446	43 859	62 686	188	1 016	53 950	173 145
Accumulated depreciation							
Balance at 1/1/2018	--	-6 225	-5 968	-188	--	-12 550	-24 931
Depreciation expense	--	-1 626	-3 468	--	--	-4 939	-10 033
Disposals	--	--	4 275	--	--	1 886	6 161
Effect of currency translation	--	38	40	--	--	1	79
Balance at 30/6/2018	--	-7 813	-5 121	-188	--	-15 602	-28 724
Net book value at 1/1/2018	11 493	37 233	54 151	--	1 620	33 685	138 182
Net book value at 30/6/2018	11 446	36 046	57 565	--	1 016	38 348	144 421

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2017	Land – owned	Buildings – owned	Machinery and equipment – owned	Machinery and equipment – leased	Tangible assets under construction	Other tangible assets	Total
Acquisition cost							
Balance at 1/1/2017	11 352	40 195	7 720	186	--	41 216	100 669
Effect of new acquisitions	--	288	1 281	--	--	257	1 826
Additions	--	1 697	47 932	--	1 553	9 622	60 804
Transfers	--	147	3 580	--	19	-4 456	-710
Disposals	--	--	-783	--	--	-499	-1 282
Effect of currency translation	141	1 131	389	2	48	95	1 806
Balance at 31/12/2017	11 493	43 458	60 119	188	1 620	46 235	163 113
Accumulated depreciation							
Balance at 1/1/2017	--	-3 094	-3 018	-186	--	-1 856	-8 154
Depreciation expense	--	-3 039	-3 404	--	--	-11 074	-17 517
Disposals	--	--	640	--	--	380	1 020
Effect of currency translation	--	-92	-186	-2	--	--	-280
Balance at 31/12/2017	--	-6 225	-5 968	-188	--	-12 550	-24 931
Net book value at 1/1/2017	11 352	37 101	4 702	--	--	39 360	92 515
Net book value at 31/12/2017	11 493	37 233	54 151	--	1 620	33 685	138 182

The most significant additions to property, plant and equipment in 2018 mainly concern lottery terminals, printers and monitors as well telecommunication equipment for OPAP network.

The most significant additions to property, plant and equipment in 2017 mainly concern lottery terminals, printers and monitors.

As at 30 June 2018, the net book value of the building and the adjacent land, pledged as a collateral, totals TEUR 21 259 (2017: TEUR 21 488).

Machinery and equipment - leased comprise primarily draw equipment which the Group has acquired under finance leases.

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Investment property

	30/06/2018	31/12/2017
Acquisition cost:		
Balance as at beginning of reporting period	1 681	898
Additions	--	1
Transfers	--	782
Balance as at end of the reporting period	1 681	1 681
Accumulated depreciation:		
Balance as at beginning of reporting period	-759	42
Depreciation expense	-9	-19
Transfers	--	-782
Balance as at end of the reporting period	-768	-759
Net book value as at the end of the reported period	913	922

Investment property comprises a number of commercial properties that are leased to third parties.

The useful life of buildings is estimated to be 20 years and the straight-line method of depreciation is used.

According to the Group's estimates, the fair value of the property does not differ substantially from its book value.

As at 30 June 2018 the Group income received from leasing of these investments properties amounted to TEUR 124 (30 June 2017: TEUR 124).

5. Other non-current investments and equity-accounted investees

Other non-current investments

		30/06/2018	31/12/2017
Other non-current investments	Ownership interest (%)	901	918
IGT Czech Republic LLC, organizační složka (former GTECH Czech Republic LLC.) (1)	63.00%	756	770
SALEZA, a.s. (2)	98.10%	--	--
Ski Pec a.s.	5.40%	24	25
Sportovní areál Harrachov a.s.	1.90%	69	70
SKIAREÁL Špindlerův Mlýn, a.s.	1.80%	52	53

- 1) The Group has a 63% ownership interest in IGT Czech Republic LLC, organizační složka (former GTECH Czech Republic LLC). The ownership interest in IGT Czech Republic LLC, organizační složka is classified as "Other non-current investments" and the investment was valued at acquisition date in the amount TEUR 1 561. The IGT Czech Republic LLC, organizační složka financial information as of 30 June 2018 is not available and therefore the investment is recorded at historical cost less distributions, which represented the dissolution of the investment fund. The ownership interest remained unchanged.

The reason for classifying the ownership interest as "Other non-current investments" is that the Group (despite being the majority owner of IGT Czech Republic LLC, organizační složka) does not control the possibility to pay dividends and the transferability of its ownership interest is limited. In addition, managerial control over the entity is delegated to IGT Global Solutions Corporation.

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Based on a concluded agreement, the remaining 37% ownership interest in IGT Czech Republic LLC, organizační složka should be acquired on 31 December 2022.

The option to purchase the remaining 37% ownership interest in IGT Czech Republic LLC, organizační složka, which arises from the concluded agreement and has a fair value of TEUR 2 010 (31 December 2017: TEUR 1 993), is recognised as a long-term liability arising from financial instruments. The nominal value of this financial obligation is TEUR 2 535 (USD 3 million).

The Group considers that the carrying amount of the investment is a reasonable approximation of fair value and therefore the investment is not revaluated.

- 2) As at 30 June 2018, the Group holds a 98.10% ownership interest in SALEZA, a.s., against which insolvency proceedings were initiated based on a notice issued by the Municipal Court in Prague dated 17 January 2011. The legal effects of the insolvency proceedings occurred on 17 January 2011. The Municipal Court in Prague declared insolvency of the debtor in its resolution dated 29 March 2011. The legal effects of the resolution occurred on 29 March 2011. The Municipal Court in Prague restricted the debtor's right to dispose of the assets in its resolution dated 3 May 2011. The legal effects of the resolution occurred on 3 May 2011. The Municipal Court in Prague adjudicated bankruptcy order over the debtor's assets in its resolution dated 27 May 2011. The legal effects of the resolution occurred on 30 May 2011.

As at 30 June 2018, the Company's current financial statements are unavailable.

Equity-accounted investees

		30/06/2018	31/12/2017
Equity – accounted investees	Ownership interest (%)	573 934	498 579
Medial Beteiligungs-GmbH (3)	29.63%	--	79 039
Casinos Austria AG (4)	38.29%	192 532	--
LTB Beteiligungs GmbH (5)	66.67%	48 561	46 798
CLS Beteiligungs GmbH (6)	66.67%	48 505	46 754
LOTTOITALIA S.r.l. (7)	32.50%	284 336	325 988

Change in the value of investments accounted for using the equity method contains reserve distribution paid and the share of profit or loss along with other comprehensive income of the equity accounted investments less paid dividends.

The following tables represent assets and liabilities, revenues, profit/loss and total comprehensive income related to significant equity accounted investments:

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- 3) Medial Beteiligungs-GmbH is a company holding participations in lottery and gaming businesses. The Group held as at 31 December 2017 a share of 29.63% and therefore the company was accounted for using the equity method. In the first quarter of 2018 the Group acquired an additional 59.26% share of Medial Beteiligungs-GmbH and the company become fully consolidated (see Note 1.3).

Medial Beteiligungs-GmbH *)	30/06/2018	31/12/2017
Non-current assets	--	70 984
Current assets	--	10 999
Non-current liabilities	--	--
Current liabilities	--	-4
Net assets (100%)	--	81 979
Group´s share (29.63%)	--	24 290
Fair value adjustments	--	54 749
Carrying amount of interest in associate	--	79 039

Medial Beteiligungs-GmbH *)	30/06/2018	30/06/2017
Profit for the period	--	11 633
Total comprehensive income	--	11 633
Group´s share of total comprehensive income	--	3 447

*) The company does not prepare financial statements according to IFRS. Its preparation would require additional expenses that would not create any relevant benefit.

- 4) Casinos Austria is a worldwide gaming and entertainment group based in Austria. The Group holds a share of 38.29% through the company Medial Beteiligungs-GmbH.

Acquisition of additional interest while continuing to apply equity accounting

Additional share (22.69%) acquired in the net identifiable assets	56 769
Goodwill	60 685
Consideration paid for additional share acquired (22.69 %)	117 454
Initial share held as at 31 December 2017	79 039
Total carrying amount of equity-accounted investee as at the date of acquisition	196 493

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Casinos Austria AG	30/06/2018	31/12/2017
Non-current assets	824 393	--
Current assets	274 352	--
Non-current liabilities	-408 276	--
Current liabilities	-384 275	--
Net assets	306 194	--
Non-controlling interest	-66 344	--
Net assets attributable to Casino Austria AG equity holders	239 850	--
Group's share (38.29%)	91 839	
Fair value adjustments	100 693	--
<i>of which Goodwill from initial stake</i>	<i>40 008</i>	--
<i>of which Goodwill from step-up acquisition</i>	<i>60 685</i>	--
Carrying amount of interest in associate	192 532	--
Casinos Austria AG	30/06/2018	30/06/2017
Profit for the period	31 881	--
Total comprehensive income	19 651	--
Group's share of total comprehensive income	7 524	--

- 5) LTB Beteiligungs GmbH is a company holding participations in lottery and gaming businesses. The share of 66.67% is owned through BAIH Beteiligungsverwaltungs GmbH. According to the company's Articles of Association, the company's shareholders meeting is able to make and adopt resolutions only with 75% shareholders approval. Therefore, the Group considers this to be an investment in an associate and the company is accounted for using the equity method.

LTB Beteiligungs GmbH *)	30/06/2018	31/12/2017
Non-current assets	-5 001	-1 596
Current assets	6 083	3 472
Non-current liabilities	--	--
Current liabilities	-6	-3 443
Net assets (100%)	1 076	-1 567
Group's share (66.67%)	718	-1 045
Fair value adjustments	47 843	47 843
Carrying amount of interest in associate	48 561	46 798
LTB Beteiligungs GmbH *)	30/06/2018	30/06/2017
Profit for the period	2 834	2 703
Total comprehensive income	2 646	2 703
Group's share of total comprehensive income	1 764	1 802

*) The company does not prepare financial statements according to IFRS. Its preparation would require additional expenses that would not create any relevant benefit.

- 6) CLS Beteiligungs GmbH is a company holding participations in lottery and gaming businesses. The share of 66.67% is owned through BAIH Beteiligungsverwaltungs GmbH. According to the company's Articles of Association, the company is able to make a decision only with 75% shareholder approval. Therefore the Group considers it as an investment in associate and the company is accounted for using the equity method.

CLS Beteiligungs GmbH *)	30/06/2018	31/12/2017
Non-current assets	-4 995	-1 596
Current assets	6 097	51
Non-current liabilities	--	--
Current liabilities	-23	-3
Net assets (100%)	1 079	-1 548
Group's share (66.67%)	719	-1 032
Fair value adjustments	47 786	47 786
Carrying amount of interest in associate	48 505	46 754
CLS Beteiligungs GmbH *)	30/06/2018	30/06/2017
Profit for the period	2 819	2 703
Total comprehensive income	2 629	2 703
Group's share of total comprehensive income	1 753	1 802

*) The company does not prepare financial statements according to IFRS. Its preparation would require additional expenses that would not create any relevant benefit.

- 7) LOTTOITALIA S.r.l. is a company that organizes and manages a lottery and gaming business in Italy. The Group holds a share of 32.5% with the share in the company being acquired on 5 May 2016. The company is accounted for using the equity method.

LOTTOITALIA S.r.l.	30/06/2018	31/12/2017
Non-current assets (1)	758 370	809 085
Current assets (2)	248 423	279 346
Non-current liabilities	--	--
Current liabilities (3)	-131 914	-85 391
Net assets (100%)	874 879	1 003 040
Group's share (32.50%)	284 336	325 988
Fair value adjustments	--	--
Carrying amount of interest in associate	284 336	325 988
LOTTOITALIA S.r.l.	30/06/2018	30/06/2017
Revenues	198 101	180 144
Profit from continuing operations	100 139	89 537
Total comprehensive income	100 139	89 537
Group's share of total comprehensive income	32 545	29 100

(1) Non-current assets comprise system, equipment and other assets related to contract, net; other non-current assets and deferred tax assets.

(2) Current assets comprise inventories, trade and other receivables, current financial assets and other current assets.

(3) Current liabilities comprise trade and other payables, other current payables and income tax payables.

6. Deferred tax assets and liabilities

The deferred tax was calculated using tax rates applicable in individual companies.

A total decrease in the net deferred tax liability of TEUR 2 750 relates to the following:

- change in deferred tax asset of TEUR 1 344 relating to hedging accounting, recorded against equity;
- change in deferred tax in profit or loss of TEUR 4 286 (see Note 29);
- FX translation adjustment (gain) of TEUR 192.

7. Trade and other receivables

Long-term receivables comprise advances and deposits provided that are due in more than 12 months after the reporting date.

	30/06/2018	31/12/2017
Long-term trade receivables and other non-current assets	29 042	23 372
Long-term advances and deposits provided	1 234	1 172
Advances for pension benefits	221	221
Long-term receivables from financial derivatives	208	454
Receivables from VLT vendors	22 232	17 928
Long-term loans provided	4 527	2 928
Other long-term receivables	620	670

Receivable from VLT vendors is not interest bearing and the discount is immaterial.

	30/06/2018	31/12/2017
Short-term trade receivables and other current assets	182 770	213 522
Short-term receivables from agents	82 799	107 640
Short-term trade receivables	34 700	28 713
Receivables from VAT and other taxes	13 125	23 905
Short-term receivables from financial derivatives	11 612	11 652
Short-term loans provided	4 995	8 928
Short-term prepaid expenses	15 508	14 780
Other short-term receivables	20 031	17 904

Short-term prepaid expenses are comprised mainly of prepayments made to football clubs for advertising and sponsoring services according to the terms of separate contracts with each of those associations. Furthermore, it also includes prepaid consultancy fees, prepaid rent for casinos facilities and storages.

Short-term trade receivables are comprised mainly of trade receivables of non-gaming entities in the amount of TEUR 22 659 (31 December 2017: TEUR 19 915).

8. Short-term financial assets

Short-term financial assets in the amount of TEUR 2 416 comprise receivable based on a cashpooling agreement concluded with KKCG Structured Finance AG (31 December 2017: TEUR 8 908).

9. Cash and cash equivalents

	30/06/2018	31/12/2017
Cash and cash equivalents	316 686	410 288
Bank accounts	248 151	267 624
Fixed-term deposits	62 043	131 281
Cash in hand	6 492	11 383

The Group has restricted cash amounted to TEUR 8 258 (31 December 2017: TEUR 7 960) mainly for the purpose of game principals, due to guarantees received from the agents, liabilities to suppliers and as security to the borrowing facility.

As at 30 June 2018, the Group has pledged bank accounts with a total balance of TEUR 39 446 (31 December 2017: TEUR 31 538) under various borrowing facilities.

10. New acquisitions

In half year of 2018 the Group acquired interest in the following companies or group of companies:

Company	Ownership interest	Acquisition date
SUPER SPORT d.o.o. sub-group (1)	67%	26 April 2018
Minus5 d.o.o.	51%	26 April 2018

(1) SUPER SPORT d.o.o. sub-group was acquired on 26 April 2018. On 26 April SUPER SPORT d.o.o. acquired Puni broj d.o.o. (see Note 1.3.). Consideration paid for SUPER SPORT d.o.o. sub-group includes variable parts that can change in time.

Given the fact that the acquisition accounting is considered incomplete, the Group recognized provisional goodwill due to the pending finalisation of the fair valuation of the acquired intangible assets.

The Group supposes to recognize a newly identifiable intangible asset referring to an internally generated brand ("SUPER SPORT"). Based on Group's historical experience with similar transactions, the most suitable method to determine the fair value of the brand is assumed to be the income approach. The respective value of the deferred tax liability will be recognized in respect of the pending recognition of the brand.

All other assets and liabilities presented above are considered as adequate (the values are approximate to fair values) and are in line with the Group accounting policies and therefore no fair value adjustments are expected.

The remaining goodwill (difference between provisional goodwill and newly identifiable brand) will be attributable mainly to synergies between the operating business of the Group and the acquiree and the value of intangibles not meeting the criteria for recognition, subsumed in the goodwill. Goodwill from the acquisition will not be deductible for tax purposes.

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In 2017 the Group acquired interest in the following companies or group of companies:

Company	Ownership interest	Acquisition date
Fsázky a.s. (1)	100.00%	23 May 2017
Sazka Distribution Vietnam Joint Stock Company	90.00%	28 June 2017
Neurosoft S.A. (2)	38.19%	31 July 2017
SAZKA Group Financing a.s	100.00%	18 October 2017
SAZKA Group Russia LLC	100.00%	29 August 2017

- (1) Fsázky a.s. was acquired on 23 May 2017. Effective from 1 December 2017 the company merged with Sazka a.s. (see Note 1.3).
- (2) The Group owned 29.53% share in Neurosoft S.A. as at 31 December 2016. On 31 July 2017, the Group acquired an additional stake of 38.19% in this company and from that date Neurosoft S.A. is fully consolidated (see Note 1.3).

11. Equity**Share capital**

The Group's share capital consists of 20 ordinary shares in certificated form with a nominal value of TCZK 100 per share. No changes were made in the share capital in the periods ended 30 June 2018 or in 30 June 2017. The share capital is fully paid-up.

Earnings per share

	Period ended 30 June			
	2018	2017		
Profit attributable to ordinary shareholders (in TEUR)				
Net profit attributable to ordinary shareholders	57 651	44 062		
Net profit attributable to ordinary shareholders	57 651	44 062		
Weighted average number of ordinary shares				
	Number of shares	Weight	Weighted average	Weighted average
Issued ordinary shares at 1 January	20	1	20	20
Newly issued shares	--	--	--	--
Issued ordinary shares at 30 June	20	1	20	20
Weighted average number of ordinary shares at 30 June	20	1	20	20
Basic earnings per share for the year (in TEUR)			2 883	2 203
Diluted earnings per share for the year (in TEUR)			2 883	2 203

12. Non-controlling interests

The Group's non-controlling interests amount to TEUR 915 084 as of 30 June 2018 (31 December 2017: TEUR 927 718) and relate mainly to OPAP S.A. sub-group with non-controlling interest 66% (including 33% non-controlling interest in its subsidiary HELLENIC LOTTERIES S.A. and 32.28% non-controlling interest in its subsidiary Neurosoft S.A.), where the Group has an economic interest of 33% on its equity.

Other non-controlling interests represent 28.13% on equity of the whole Emma Delta Management Ltd sub-group, 11.11% on equity Medial Beteiligungs GmbH, 33% on equity of SUPER SPORT d.o.o. sub-group and 49% on equity of Minus5 d.o.o.

The reconciliation of non-controlling interest is presented in table below:

	OPAP S.A. sub-group	Others (individually immaterial)	Total
Non-current assets	2 059 051		
Current assets	331 458		
Non-current liabilities	-906 670		
Current liabilities	-252 366		
Sub-group's non-controlling interest	-33 714		
Net assets attributable to the Group	1 197 759		
Non-controlling interest percentage	67.00%		
Non-controlling interest calculation	802 499		
Sub-group's non-controlling interest entering into consolidation	33 714		
Carrying amount of non-controlling interest	836 213	78 871	915 084
Net gaming revenue	495 460		
Profit	66 101		
Other comprehensive income	-336		
Total comprehensive income	65 765		
Non-controlling interest percentage	67.00%		
Profit allocated to non-controlling interest	44 288		
Share of profit of sub-group's non-controlling interest entering into consolidation	278		
Total comprehensive income attributable to non-controlling interest	44 566	7 432	51 998
Net inflow / outflow (-) of cash and cash equivalents for the year	-66 277	31 557	-34 720

13. Loans and borrowings

	30/06/2018	31/12/2017
Bank loans and other borrowings – non-current portion	1 405 539	1 338 235
Long-term bank loans and borrowings received	558 957	669 632
Long-term liabilities arising from debt securities (bonds)	846 582	668 603
	30/06/2018	31/12/2017
Bank loans and other borrowings – current portion	307 685	261 429
Current portion of long-term bank loans and borrowings	113 600	91 920
Short-term bank loans and borrowings received	193 080	--
Short-term liabilities arising from debt securities (bonds)	422	169 338
Overdrafts	583	171

As at 25 July 2018 the Group was aware that a bank loan previously presented as long term in the amount of TEUR 158 744 is going to be fully repaid, and therefore the Group decided to present this loan as short-term in financial statements for the period ended 30 June 2018 (see Note 34).

Reconciliation of movements of short-term and long-term loans and borrowings and other long-term liabilities to cash flow:

	2018	2017
Balance 1 January	1 611 576	1 290 899
<i>Cash flows</i>		
Loans and borrowings received	527 972	321 662
Repayment of loans and borrowings	-424 270	-129 259
<i>Non-cash changes</i>		
Unpaid interest	14 164	10 760
Effect of FX differences	4 678	-11 697
Effect of currency translation	-6 991	19 476
Balance 30 June	1 727 129	1 501 841

14. Trade and other payables

	30/06/2018	31/12/2017
Short-term trade and other payables	323 858	370 268
Liabilities arising from unpaid wins	88 370	105 051
Lottery tax liabilities	58 289	66 280
Short-term trade payables	71 620	99 385
Payables to state (social and health insurance liabilities, other taxes)	23 260	34 535
Deferred revenues	13 528	8 972
Payables to employees	12 084	7 869
Short-term payables from financial instruments	84	284
Other payables	56 623	47 892

Trade payables comprise items arising from the Group's ordinary course of business and are due as specified in the respective payment terms.

As at 30 June 2018 and 31 December 2017, trade and other payables were not secured.

15. Provisions

Short-term provisions	Short-term provision for jackpots	Other short-term provisions	Total
Balance at 1/1/2017	7 605	2 225	9 830
Effect of new acquisitions	866	63	929
Additions	7 105	2 293	9 398
Utilisation	-7 805	-2 283	-10 088
Release	-866	-63	-929
Effect of currency translation	419	130	549
Balance at 31/12/2017	7 324	2 365	9 689
Balance at 1/1/2018	7 324	2 365	9 689
Additions	12 495	1 103	13 598
Utilisation	-7 337	-2 263	-9 600
Release	--	-2	-2
Effect of currency translation	-238	-20	-258
Balance at 30/06/2018	12 244	1 183	13 427

The provision for jackpots is generated cumulatively until the jackpot is won.

Long-term provisions	Litigation provision	Other long-term provisions	Total
Balance at 1/1/2017	32 194	3 480	35 674
Additions	17 978	834	18 812
Utilisation	-817	-160	-977
Release	-19 862	--	-19 862
Effect of currency translation	--	120	120
Balance at 31/12/2017	29 493	4 274	33 767
Balance at 1/1/2018	29 493	4 274	33 767
Additions	716	431	1 147
Utilisation	-773	--	-773
Release	-196	--	-196
Effect of currency translation	--	-57	-57
Balance at 30/06/2018	29 240	4 648	33 888

The aim of the long-term bonus programme is to motivate the management to meet the long-term growth target of the Group. Long-term provision totalling TEUR 4 648 (31 December 2017: TEUR 4 274) was recognized in this respect.

Release of litigation provision as of 31 December 2017 in the amount of TEUR 19 862 was driven by the change of estimation due to the positive outcome of similar cases.

16. Derivatives

As at 30 June 2018, the Group had the following financial derivatives for hedging:

Hedging derivatives	Due date	Fair value as at 30/06/2018
Payables from swap transactions – long-term	2023	-687
Receivables from swap transactions – long-term	2022	205
Receivables from swap transactions – short-term	2018	2 812
Total hedging financial derivatives		2 330

As at 30 June 2018, the Group held derivatives to hedge future cash flows from the payments of interest according to the credit contracts or loan agreements (interest rate swaps).

As at 30 June 2018, the Group had the following financial derivatives for trading:

Trading derivatives	Due date	Fair value as at 30/06/2018
Receivables from option transactions - short-term	2018	8 800
Receivables from swap transactions – long-term	2021	3
Payables from option transactions – long-term	2021	-1 972
Payables from swap transactions - long-term	2022	-123
Payables from swap transactions - long-term	2021	-575
Payables from forward transactions - short-term	2019	-84
Total trading financial derivatives		6 049

As at 30 June 2018, the Group held trading derivatives in the form of purchase option (Note 5).

Receivables from option transactions in the amount of TEUR 8 800 represent the equity option to acquire investments for a fixed price.

All financial derivatives were stated at fair value as at 30 June 2018 and categorised to Level 2 in the fair value hierarchy.

As at 31 December 2017, the Group had the following financial derivatives for hedging:

Hedging derivatives	Due date	Fair value as at 31/12/2017
Payables from swap transactions – long-term	2023	-214
Receivables from swap transactions – long-term	2022	453
Receivables from swap transactions – short-term	2018	2 852
Total hedging financial derivatives		3 091

As at 31 December 2017, the Group held derivatives to hedge future cash flows from the payments of interest according to the credit contracts or loan agreements (interest rate swaps).

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As at 31 December 2017, the Group had the following financial derivatives for trading:

Trading derivatives	Due date	Fair value as at 31/12/2017
Payables from option transactions – long-term	2021	-1 993
Payables from swap transactions - short-term	2018	-284
Receivables from option transactions - short-term	2018	8 800
Receivables from swap transactions - long-term	2022	2
Total trading financial derivatives		6 525

As at 31 December 2017, the Group held trading derivatives in the form of purchase option.

All financial derivatives were stated at fair value as at 31 December 2017 and categorised to Level 2 in the fair value hierarchy.

17. Employee benefits

Defined Benefit Plan

Under Greek labor law, employees are entitled to termination payments in the event of retirement with the amount of payment varying in relation to the employee's compensation and length of service. The liability arising from the above obligation is actuarially valued by an independent actuarial company. The liability as at 30 June 2018 was TEUR 3 898 (31 December 2017: TEUR 3 084).

In March 2017, the board of directors of OPAP S.A. approved a long-term motivation programme, designed to distribute part of net profit to members of the board of directors and key executives when set up KPI's are fulfilled. It is a three-year programme for the period 2017-2019.

The programme's objectives (KPI's) are:

- meeting the OPAP S.A. sub-group's profitability plans for the reported period, and
- increasing the share price at the Athens Exchange.

18. Revenues and other revenues

	30/06/2018	30/06/2017
Gross gaming revenues (GGR)	875 228	782 423
Lottery Tax	-275 981	-251 659
Net gaming revenue (NGR)	599 247	530 764
Other revenues	62 378	53 631
Sales of goods	45 389	43 334
Sales of services	16 786	10 189
Revenues from lease of real estates	203	108

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In the following table total revenue is disaggregated by major product/service lines and timing of revenue recognition. The table also includes a reconciliation of disaggregated revenue with the Group's operating segments (see Note 32).

30 June 2018							
Gross Gaming Revenues (GGR) and other revenues according to major products/service lines	Numerical Lotteries	Instant lotteries	Sports Betting	Digital	VLTs & gaming machines	Other	Total
Draw based games	466 768	--	--	15	--	--	466 783
Passive lotteries	29 710	--	--	--	--	--	29 710
Instant lotteries	--	63 607	--	2 167	--	--	65 774
Sports Betting	--	--	217 234	--	--	--	217 234
VLT & gaming machines revenues	--	--	--	4 955	90 800	--	95 755
Mobile virtual network operator (MVNO)	--	--	--	--	--	5 007	5 007
Mobile phone top-up service	--	--	--	--	--	46 311	46 311
Ticket sale	--	--	--	--	--	89	89
Other	--	--	--	--	--	10 943	10 943
Total Gross Gaming Revenues (GGR) and other revenue	496 478	63 607	217 234	7 137	90 800	62 350	937 606
Lottery tax							-275 981
Total Net gaming revenues (NGR) and other revenue							661 625

30 June 2017							
Gross Gaming Revenues (GGR) and other revenues according to major products/service lines	Numerical Lotteries	Instant lotteries	Sports Betting	Digital	VLTs & gaming machines	Other	Total
Draw based games	491 993	--	--	--	--	--	491 993
Passive lotteries	26 829	--	--	--	--	--	26 829
Instant lotteries	--	62 770	--	908	--	--	63 678
Sports Betting	--	--	190 224	--	--	--	190 224
VLT & gaming machines revenues	--	--	--	--	9 376	--	9 376
Mobile virtual network operator (MVNO)	--	--	--	--	--	4 796	4 796
Mobile phone top-up service	--	--	--	--	--	41 418	41 418
Ticket sale	--	--	--	--	--	71	71
Other	--	--	--	--	--	7 669	7 669
Total Gross Gaming Revenues (GGR) and other revenues	518 822	62 770	190 224	908	9 376	53 954	836 054
Lottery tax							-251 659
Total Net gaming revenues (NGR) and other revenue							584 395

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30 June 2018	Numerical Lotteries	Instant lotteries	Sports Betting	Digital	VLTs & gaming machines	Other	Total
Timing of Gross Gaming Revenues (GGR) and other revenues recognition							
Products and services transferred at point in time	496 478	63 607	217 234	7 137	90 800	62 350	937 606
Products and services transferred over time	--	--	--	--	--	--	--
Total Gross Gaming Revenues (GGR) and other revenues	496 478	63 607	217 234	7 137	90 800	62 350	937 606

30 June 2017	Numerical Lotteries	Instant lotteries	Sports Betting	Digital	VLTs & gaming machines	Other	Total
Timing of Gross Gaming Revenues (GGR) and other revenues recognition							
Products and services transferred at point in time	518 822	62 770	190 224	908	9 376	53 954	836 054
Products and services transferred over time	--	--	--	--	--	--	--
Total Gross Gaming Revenues (GGR) and other revenues	518 822	62 770	190 224	908	9 376	53 954	836 054

The Group does not recognise any contract assets or contract liabilities.

19. Other operating income

	30/06/2018	30/06/2017
Other operating income	6 001	4 728
Revenue from the sale of operating leases	1 748	360
Income from subsidies	246	172
Proceeds from the sale of material	2	22
Penalties and default interests	3	174
The remaining portion of operating income	4 002	4 000

20. Agent's commissions

In general agent's commissions are commissions accrued to the agents for their services and they are accounted as a portion of amounts staked, GGR or NGR (depending on operating segment).

21. Materials, consumables and services

	30/06/2018	30/06/2017
Materials, consumables and services	-162 000	-127 626
Cost of goods sold	-46 199	-42 735
Fees to system providers	-38 732	-9 136
Advisory and other professional services	-28 765	-24 303
Cost of IT and software services	-25 779	-28 272
Telecommunication services	-5 329	-6 412
Materials and consumables	-2 184	-4 727
Cost of operating leases	-6 306	-3 551
Other services	-8 706	-8 490

The majority of expenses are directly related to revenue from lottery and betting activities.

22. Marketing expenses

	30/06/2018	30/06/2017
Marketing expenses	-44 813	-45 988
Advertising	-32 052	-31 956
Sponsorship and donations	-12 761	-14 032

23. Personnel expenses

	30/06/2018	30/06/2017
Personnel expenses	-50 073	-39 730
Wages and salaries	-39 268	-31 857
Social security and health insurance	-9 037	-6 814
Retirement benefit costs	-945	-309
Other social expenses	-823	-750

24. Other operating expenses

	30/06/2018	30/06/2017
Other operating expenses	-24 100	-31 018
Repair and maintenance	-1 034	-929
Other taxes	-7 119	-4 854
Travel expenses	-1 960	-1 005
Insurance premiums	-517	-270
Fees	-667	-535
Loss from the sale of non-current assets	--	-55
The remaining portion of operating expenses	-12 803	-23 370

In the remaining portion of operating expenses are included construction cost of stores relating to the VLTs business, transportation costs, costs of litigation provision, and subscriptions to international organizations in the amount of TEUR 2 545 (30 June 2017: 1 874).

25. Share of profit of equity-accounted investees

	30/06/2018	30/06/2017
Share of profit of equity-accounted investees (net of tax)	48 783	36 451

As at 30 June 2018 the Group has significant influence in associated companies Casinos Austria AG, LTB Beteiligungs GmbH, CLS Beteiligungs GmbH, and LOTTOITALIA S.r.l., as described in Note 5.

None of these companies are publicly traded.

26. Operating EBITDA

The Directors of the Group have presented the performance measure of operating EBITDA as they monitor this performance measure at a consolidated level. Operating EBITDA is not a defined performance measure in IFRS.

Operating EBITDA is calculated as profit for the period before income tax expense, other financial gains/losses, interest expense, interest income and depreciation and amortization. Operating EBITDA excludes non-operating expenses and revenues.

27. Depreciation and amortization

	30/06/2018	30/06/2017
Depreciation and amortization	-48 425	-45 802
Depreciation of property, plant and equipment	-10 042	-8 068
Amortisation of intangible assets	-38 383	-37 734

28. Finance income and finance costs

	30/06/2018	30/06/2017
Interest income	1 257	1 510
Interest income from loans	905	1 504
Income from bonds	352	6
Interest expense	-37 394	-34 084
Interest expense	-20 783	-23 054
Bond-related interest and expense	-16 611	-11 030
Other financial gains / loss	-5 088	552
Foreign exchange gains (+)/losses (-)	1 070	2 125
Other finance income	1 536	11
Other finance expenses	-7 694	-1 584
Loss from financial operations	-41 225	-32 022

29. Income tax expense

	30/06/2018	30/06/2017
Income tax expense	-38 957	-29 100
Current income tax	-34 672	-27 412
Deferred income tax	-4 285	-1 688

Deferred tax is calculated using valid tax rates that are also expected to be valid when the asset is realised or the liability settled. The tax rates are country dependent and follow local legislations.

Current income tax for the period is calculated on the basis of the tax laws enacted, or substantively enacted, at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

30. Other comprehensive income/loss for the year

	30/06/2018	30/06/2017
Foreign currency translation differences for foreign operations	-492	-6 176
Foreign currency translation differences for foreign operations total	-492	-6 176
Share of OCI of equity accounted investments	-5 197	--
Share of OCI of equity accounted investments	-5 197	--
Effective portion of changes in fair value of cash flow hedges, before tax	-6 820	11 572
Deferred tax	1 343	-2 181
Effective portion of changes in fair value of cash flow hedges, net of tax	-5 477	9 391
Actuarial gain/loss - before tax	--	--
Actuarial gain/loss - deferred tax	--	--
Actuarial gain/loss, net of tax	--	--
Other comprehensive income/(loss) for the period, net of income tax	-11 166	3 215

31. Contingencies**Legal matters**

The Group estimates legal claims against OPAP S.A., for which a negative outcome is likely and therefore result in a provision, including interest, amounting to TEUR 29 172 (2017: TEUR 29 425).

Off balance sheet items and pledged assets

Off-balance sheet assets	30/06/2018	31/12/2017
Guarantees received (bank and other guarantees)	40 427	40 947
Receivables written-off	3 265	3 320
Other	--	3 500
Total	43 692	47 767
Off-balance sheet liabilities	30/06/2018	31/12/2017
Commitments and guarantees granted (notes, other guar.)	115 914	156 099
Other	--	26
Total	115 914	156 125
Pledged assets for the loans received by the company	30/06/2018	31/12/2017
Tangible and intangible fixed assets	93 201	94 782
Securities, shares	1 129 213	595 909
Bank accounts	39 446	31 538
Total	1 261 860	722 229

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The pledged assets are mainly represented by:

- pledge of OPAP shares;
- pledge of SAZKA a.s.' shares, real estate and trademark;
- pledge of Italian Gaming Holding shares and enterprise pledge;
- pledge of IGH Financing shares and enterprise pledge;
- pledge of SUPER SPORT d.o.o. shares and enterprise pledge;
- pledge of Minus5 d.o.o. shares and enterprise pledge;
- pledge of CAME Holding GmbH shares.

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32. Operating segments

(a) Geographical segments

As at 30 June 2018, the Group's operations were in the Czech Republic, Greece, Cyprus, Austria, Italy, Croatia and Other. Segment other includes Russia, Slovakia, Vietnam, and overheads.

Geographical segments	Czech Republic	Greece	Cyprus	Austria	Italy	Croatia	Other	Total
For the period ended 30 June 2018								
Net gaming revenue	89 821	459 331	36 129	--	--	13 966	--	599 247
Share of profit of equity-accounted investees	--	--	--	16 237	32 546	--	--	48 783
Operating EBITDA	36 503	152 142	4 836	16 092	32 546	8 192	-11 282	239 029
As at 30 June 2018								
Segment Assets	544 375	2 094 364	290 477	326 934	284 336	34 811	451 618	4 026 915
Segment Liabilities	343 236	1 126 808	191 959	204 055	--	10 078	465 804	2 341 940

As at 30 June 2017 and 31 December 2017, the Group's operations were in the Czech Republic, Greece, Cyprus, Austria, Italy and Other. Segment other includes Russia, Slovakia, Vietnam, and overheads.

Geographical segments	Czech Republic	Greece	Cyprus	Austria	Italy	Other	Total
For the period ended 30 June 2017							
Net gaming revenue	71 545	424 825	34 394	--	--	--	530 764
Share of profit of equity-accounted investees	--	300	--	7 051	29 100	--	36 451
Operating EBITDA	27 477	126 538	3 747	5 509	29 100	- 4 729	187 642
As at 31 December 2017							
Segment Assets	548 661	2 211 737	302 008	195 320	325 988	323 458	3 907 172
Segment Liabilities	348 203	1 227 204	205 584	83 148	--	392 194	2 256 333

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(b) Business segments

30 June 2018	FINANCIAL OPERATING SEGMENTS	Numerical Lotteries	Instant lotteries	Sports Betting	Digital	VLTs & gaming machines	Other	Total
	Amounts Staked	1 369 278	187 935	897 596	14 254	90 799	--	2 559 862
	Gross Gaming Revenue	496 478	63 607	217 250	7 094	90 799	--	875 228
	Net gaming revenue	340 348	45 763	143 716	5 803	63 617	--	599 247
	Other revenue and other operating income	16	24	306	--	19	68 014	68 379
	Agents' commission	-107 922	-15 456	-49 566	-50	-21 886	-1 514	-196 394
	Operating expenses	-98 990	-17 460	-56 670	-1 393	-28 805	-77 668	-280 986
	Share on profit of investments accounted for using the equity method	42 060	99	119	4 224	395	1 886	48 783
	Operating EBITDA	175 512	12 970	37 905	8 584	13 340	-9 282	239 029
	Depreciation and amortization	-14 879	-5 592	-7 795	-361	-16 966	-2 832	-48 425
	Profit/loss from operating activities	160 633	7 378	30 110	8 223	-3 626	-12 114	190 604

30 June 2017	FINANCIAL OPERATING SEGMENTS	Numerical Lotteries	Instant lotteries	Sports Betting	Digital	VLTs & gaming machines	Other	Total
	Amounts staked	1 436 300	183 148	716 647	3 912	9 376	--	2 349 383
	Gross gaming revenue	519 144	62 770	190 225	908	9 376	--	782 423
	Net gaming revenue	353 877	44 866	124 759	699	6 563	--	530 764
	Other revenue and other operating income	29	2	--	--	--	58 328	58 359
	Agents' commission	-120 873	-14 098	-54 718	--	-2 312	-1 569	-193 570
	Operating expenses	-117 671	-15 909	-44 380	-962	-2 054	-63 386	-244 362
	Share on profit of investments accounted for using the equity method	32 767	26	1 481	124	--	2 053	36 451
	Operating EBITDA	148 129	14 887	27 142	-139	2 197	-4 574	187 642
	Depreciation and amortization	-14 924	-5 324	-6 811	-146	-16 863	-1 734	-45 802
	Profit/loss from operating activities	133 205	9 563	20 331	-285	-14 666	-6 308	141 840

33. Related parties

Relations between the Group and its related parties include relationships with shareholders and other persons as shown in the table below. The parties are as follows:

- (1) – Shareholders and the companies they control
- (2) – Key management personnel in a given entity or its parent company

All the parties disclosed below are related to the Group due to their relationships within KKCG AG group and Emma Gamma Limited group in the reported periods. Some of them are also related by the key management personnel.

All material transactions with related parties were carried out on an arm's length basis.

(a) Outstanding related party balances as at 30 June 2018 and 31 December 2017:

	30/06/2018	31/12/2017
Receivables	29	9 221
Payables	2 526	2 897

The major items of receivables as at 31 December 2017 were receivables from KKCG Structured Finance AG amounting to TEUR 8 908. In 2018 the loan receivable was repaid.

(b) Related party transactions for the period ended 30 June 2018 and 30 June 2017:

	30/06/2018	30/06/2017
Revenues	164	301
Expenses	3 935	5 863

The major items of expenses as at 30 June 2018 were expenses from KKCG a.s amounting to TEUR 1 075 (30 June 2017: TEUR 1 657).



(c) Transactions with members of the Group's bodies for the period ended 30 June 2018 and 30 June 2017:

	30/06/2018		30/06/2017	
	Board of directors and supervisory board	Executive management	Board of directors and supervisory board	Executive management
Wages and salaries	--	8 001	--	8 339
Social and health insurance	54	1 618	38	1 236
Retirement benefit costs	--	596	--	--
Remuneration of members of statutory bodies	456	--	329	--
Total	510	10 215	367	9 575

34. Subsequent events

1. SAZKA a.s. signed on 25 July 2018 a new bank loan agreement „Facility agreement“ of up to TCZK 7 500 000 which refinanced the previous bank loan agreement.
2. IGH Financing a.s. fully repaid a loan from PPF banka a.s. on 31 July 2018. The outstanding amount which was repaid was TEUR 41 325 including interest and prepayment fees.
3. CAME Holding GmbH on 30 August 2018 partially prepaid a bank loan by TEUR 50 000.
4. LOTTOITALIA S.r.l. on 24 July 2018 resolved the distribution of a premium reserve in the amount of TEUR 25 228 proportionally among the shareholders.
5. CLS Beteiligungs on 16 August 2018 resolved the distribution of the dividend in the amount of TEUR 6 029 proportionally among the shareholders. BAIH Beteiligungsverwaltungs GmbH received TEUR 4 020.
6. LTB Beteiligungs on 20 August 2018 resolved the distribution of the dividend in the amount of TEUR 6 046 proportionally among the shareholders.
7. OPAP S.A. announced on 12 September 2018 a EUR 0.10 per share interim dividend for the fiscal year 2018 which was then paid to shareholders on 19 October 2018.
8. OPAP S.A. announced on 24 September 2018 that its 100% subsidiary OPAP Investments Ltd. has signed a preliminary agreement for the acquisition of a 36.75% stake in TCB Holdings Ltd, the parent company of the Stoiximan Group. The Stoiximan Group offers online gaming services in Greece, Cyprus, Romania and Germany. In 2017, the Stoiximan Group had revenues of EUR 136 million and EBITDA of EUR 16 million. OPAP has also reached a pre-agreement with TCB to make an additional investment to acquire joint control with TCB in the Stoiximan Group’s Greek and Cypriot operations. This investment is subject to the satisfaction of various conditions precedent, including clearance by the competent gaming regulatory and anti-trust authorities and the performance of due diligence.
9. The Group increased its share in Medial Beteiligungs-Gesellschaft m.b.H by 10.77% on 5 October 2018.

Except for the above, no other subsequent events that would have a material impact on the consolidated financial statements as at 30 June 2018 have occurred.

Date: 26 October 2018	Signature of the authorised representative:  
	Pavel Šaroch A Member of the Board of Directors Pavel Horák B Member of the Board of Directors