



**SAZKA Group a.s.**

**Report for the three month period ended 30 September 2020**

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## **1. Management's discussion and analysis of financial condition and results of operations for the three month period ended 30 September 2020**

The financial and operating information contained in this "Management's discussion and analysis of financial condition and results of operations" comprises information of SAZKA Group a.s. ("SAZKA Group" or the "Company" and, together with its subsidiaries, joint ventures and associates, the "Group" or "we").

You should read the following discussion and analysis ("MD&A") of our financial condition and results of operations for the three month period ended 30 September 2020 together with our unaudited condensed consolidated interim financial statements for the nine month period ended 30 September 2020. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". These condensed consolidated interim financial statements should be read together with the audited consolidated financial statements for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards.

This MD&A contains certain forward-looking statements, which are based on assumptions about our future business. Our actual results could differ materially from those contained in forward-looking statements as a result of many factors, including, but not limited to, those described under "Forward-Looking Statements" and "Risk Factors".

## 2. Significant transactions and developments for the nine month period ended 30 September 2020

### 2.1 Financing

In February 2020, the Company completed an offering of €300 million aggregate principal amount of 3 7/8% Senior Notes due 2027 (the “2027 Senior Notes”). The 2027 Senior Notes were priced at 99.240% of par. The proceeds were used to repay and cancel debt at CAME and IGH.

In March 2020, OPAP prepaid a €200 million retail bond.

In March 2020, OPAP drew a €100 million loan under a revolving facility with a maturity date of 27 March 2021.

In April 2020, OPAP drew a €200 million bank loan with an initial maturity date of 01 October 2020 that was subsequently extended to 01 April 2021. In July 2020 OPAP repaid €50 million of the loan.

In May 2020, OPAP signed a new €100 million bank loan. This bank loan has not been drawn.

In June 2020, CAME drew a €105 million bank loan with a maturity date of 30 September 2025. The proceeds were used to pay the consideration for the acquisition of Novomatic’s stake in CASAG.

### 2.2 Acquisitions

In March 2020, we signed a shareholder agreement with ÖBAG, an entity owned by the Austrian government. In June 2020, our subsidiary CAME purchased a 17.19% interest in CASAG from Novomatic. As a result, our shareholding in CASAG increased to 55.48% and CASAG has been consolidated as a subsidiary from 26 June.

The consolidation of CASAG has a material effect on the Group’s Consolidated financial statements and comparability with the prior period, as the Consolidated statement of comprehensive income includes 3 months of CASAG consolidation, while the Consolidated statement of financial position includes all assets and liabilities of CASAG. The Consolidated statement of cash flows presents the acquisition in investing activities as an “Acquisition of subsidiaries, net of cash acquired”.

In June 2020, we entered into a share sale and transfer agreement whereby EDHH sold and transferred to SAZKA Group 7.4 million OPAP shares for €65.9 million. The transaction was settled on a non-cash basis, with the purchase price being offset against the balance of an intragroup loan from SAZKA Group to EDHH.

In the nine-month period ended 30 September 2020 we purchased 6.4m shares in OPAP on the open market for €51.9 million, equivalent to 1.9% of the total issued share capital of OPAP at 30 September 2020.

In July 2020, OPAP acquired a 51% stake in Stoiximan Group’s Greek and Cypriot business (“SMGC”) for aggregate net consideration of €90.2 million plus earn-out payments to be paid based on pre-defined criteria. After the completion of the aforementioned transaction, OPAP holds a 69% economic interest in SMGC, while it retains its 36.75% stake in Stoiximan Group’s operations outside of Greece and Cyprus under the BETANO brand.

### 2.3 Other developments

In January 2020, OPAP declared an extraordinary dividend of €1.00 per share, the total gross dividend amount was €319.8 million. The dividend was paid in February 2020.

In June 2020, OPAP declared an ordinary dividend of €0.30 per share, the total gross dividend amount was € 99.9 million. The dividend was paid in August 2020.

In both cases, shareholders had the option of receiving cash or shares under OPAP’s scrip dividend programme. The Group elected to receive scrip in both cases.

As a result of the scrip dividend programme and the above-mentioned purchases, the Group's shareholding in OPAP increased from 40.01% to 43.33% of the total issued share capital (equivalent to an economic interest of 35.39%).

## **2.4 COVID-19**

Our land-based operations that were impacted by the first wave of COVID-19 restrictions in the first half of 2020 were all operational in the third quarter, albeit with some minor restrictions in certain cases. However economic activity and consumer behaviour continued to be impacted to varying degrees in different markets.

## **2.5 Subsequent events**

For developments since the end of the reporting period, please refer to the Subsequent events note in the Interim condensed consolidated financial statements.

### 3. Comparison of results of operations for the three month periods ended 30 September 2020 and 30 September 2019

<i>Consolidated statement of comprehensive income</i>	Three months ended		Change	
	2020	2019	abs	%
Amount staked	2,613.7	1,319.3	1,294.4	98.1%
<b>Consolidated statement of comprehensive income is as follows:</b>				
Gross gaming revenue (GGR)	768.9	463.0	305.9	66.1%
Gaming taxes	(313.1)	(146.0)	(167.1)	(114.5%)
<b>Net gaming revenue</b>	<b>455.9</b>	<b>317.1</b>	<b>138.8</b>	<b>43.8%</b>
Revenue from non-gaming activities	50.4	32.6	17.8	54.5%
Other operating income	11.4	3.8	7.5	195.2%
Agents' commissions	(122.1)	(101.3)	(20.9)	(20.6%)
Materials, consumables and services	(82.2)	(83.1)	0.9	1.1%
Marketing services	(36.4)	(19.3)	(17.1)	(88.6%)
Personnel expenses	(82.9)	(25.6)	(57.3)	(223.9%)
Other operating expenses	(20.9)	(14.9)	(6.0)	(40.6%)
Share of profit of equity method investees (net of tax)	23.5	33.6	(10.1)	(30.1%)
<b>Operating EBITDA</b>	<b>196.6</b>	<b>143.0</b>	<b>53.6</b>	<b>37.5%</b>
<i>Operating EBITDA margin</i>	<i>43.1%</i>	<i>45.1%</i>	--	--
Depreciation and amortization	(58.1)	(29.9)	(28.2)	(94.1%)
Exceptional restructuring cost	(53.9)	--	(53.9)	(100.0%)
<b>Profit from operating activities</b>	<b>96.0</b>	<b>113.1</b>	<b>(17.0)</b>	<b>(15.0%)</b>
Interest income	0.6	2.0	(1.4)	68.5%
Interest expense	(26.8)	(17.0)	(9.8)	(57.6%)
Other finance income and expense	(4.8)	(2.5)	(2.3)	91.6%
<b>Finance costs, net</b>	<b>(31.0)</b>	<b>(17.5)</b>	<b>(13.5)</b>	<b>(76.7%)</b>
<b>Profit before income tax</b>	<b>65.1</b>	<b>95.5</b>	<b>(30.4)</b>	<b>(31.9%)</b>
Income tax expense	(16.6)	(23.6)	7.0	29.5%
<b>Profit after tax</b>	<b>48.5</b>	<b>71.9</b>	<b>(23.5)</b>	<b>(32.6%)</b>

Consolidated results for Q3 2020 are impacted primarily by the consolidation of CASAG following acquisition of a controlling stake on 26 June 2020. Given the substantial contribution of CASAG to all line items in Q3, numbers are not fully comparable.

A comparison of Group performance excluding CASAG is presented below, followed by a comparison of the performance of the Group's operating segments SAZKA, OPAP and CASAG.

**3.1 Comparison of Group's results excluding CASAG**

<i>Consolidated statement of comprehensive income</i>	Three months ended		Change	
	30 September:		abs	%
	2020	2019		
Amount staked	1,372.8	1,319.3	53,5	4,1%
<b>Consolidated statement of comprehensive income is as follows:</b>				
Gross gaming revenue (GGR)	465.9	463.0	2.9	0.6%
Gaming taxes	(158.1)	(145.9)	(12.2)	(8.3%)
<b>Net gaming revenue</b>	<b>307.8</b>	<b>317.1</b>	<b>(9.3)</b>	<b>(2.9%)</b>
Revenue from non-gaming activities	30.6	32.6	(2.0)	(6.1%)
Other operating income	2.6	3.8	(1.3)	(33.6%)
Agents' commissions	(99.1)	(101.3)	2.2	2.2%
Materials, consumables and services	(70.5)	(83.1)	12.6	15.1%
Marketing services	(21.9)	(19.3)	(2.6)	(13.3%)
Personnel expenses	(27.3)	(25.6)	(1.7)	(6.7%)
Other operating expenses	(11.0)	(14.9)	3.9	26.2%
Share of profit of equity method investees (net of tax)	21.7	16.6	5.1	30.7%
<b>Operating EBITDA</b>	<b>132.9</b>	<b>125.9</b>	<b>7.0</b>	<b>5.6%</b>
<i>Operating EBITDA margin</i>	43.2%	39.7%	--	--
Depreciation and amortization	(28.8)	(29.9)	1.2	3.9%
<b>Profit from operating activities</b>	<b>104.1</b>	<b>96.0</b>	<b>8.1</b>	<b>8.4%</b>
Interest income	0.6	2.0	(1.4)	(68.5%)
Interest expense	(24.2)	(17.0)	(7.1)	(41.9%)
Other finance income and expense	(4.8)	(2.5)	(2.3)	(93.6%)
<b>Finance costs, net</b>	<b>(28.3)</b>	<b>(17.5)</b>	<b>(10.8)</b>	<b>(61.7%)</b>
<b>Profit before income tax</b>	<b>75.7</b>	<b>78.5</b>	<b>(2.8)</b>	<b>(3.6%)</b>
Income tax expense	(19.3)	(23.6)	4.3	18.2%
<b>Profit after tax</b>	<b>56.4</b>	<b>54.9</b>	<b>1.5</b>	<b>2.7%</b>

*The following commentary is based on consolidated results excluding contributions from CASAG (as a fully consolidated subsidiary in Q3 2020 and as an equity method investee in Q3 2019)*

**Gross gaming revenue (GGR)**

Despite the effects of COVID-19, GGR for Q3 2020 increased by €2.9 million, or 0.6%, to €465.9 million, primarily through continuing strong growth in the on-line business line of SAZKA. GGR of OPAP, which suffered heavily in Q2 2020, showed a strong recovery in Q3, with GGR comparable with the prior year period. A decrease in OPAP's GGR from Numerical Lotteries and Instant Lotteries was fully offset by increased revenue in Sports Betting and VLTs.

**Gaming taxes**

Gaming taxes for Q3 2020 increased by €12.2 million, or 8.3%, to €158.1 million, primarily because of an increase in lottery tax in the Czech Republic from the 22% rate valid in 2019 to 35% from January 2020.

**Net gaming revenue (NGR)**

NGR for Q3 2020 decreased by €9.3 million, or 2.9%, to €307.8 million, as the increase in GGR was more than offset by the increase in Gaming taxes described above.

**Revenue from non-gaming activities**

Revenue from non-gaming activities decreased by €2.0 million, or 6.1%, to €30.6 million, mostly attributable to revenues from mobile top-up services and mobile virtual network operator services.

**Other operating income**

Other operating income decreased by €1.3 million to €2.6 million, without any individually significant contributing factor.

**Agent's commissions**

Agents' commissions decreased by €2.2 million, or 2.2%, to €99.1 million, due to changes in Amount staked, GGR and NGR.

**Materials, consumables and services**

Materials, consumable and service expenses decreased by €12.6 million, or 15.1%, to €70.5 million, primarily due to certain one-off expenses relating to the VTO incurred in Q3 2019.

**Marketing services**

Marketing services expenses increased by €2.6 million, or 13.3%, to €21.9 million. This was due to targeted spending on campaigns to drive revenue growth in new product areas and online, and realization of marketing campaigns postponed in the previous quarter due to the COVID-19 pandemic.



**Personnel expenses**

Personnel expenses increased by €1.7 million, or 6.7%, to €27.3 million.

**Other operating expenses**

Other operating expenses dropped by €3.9 million, or 26.2%, to €11.0 million.

**Share of profit of equity accounted investees**

Share of profit of equity accounted investees increased by €5.1 million to €21.7 million. This was primarily due to an increased contribution from Stoiximan's Greek and Cypriot business, while the contribution of LOTTOITALIA remained broadly flat.

The contribution of CASAG is excluded for the purpose of this comparison.

**Operating EBITDA**

Operating EBITDA increased by €7.0 million, or 5.6%, to €132.9 million. This was due to the factors set forth above.

**Depreciation and amortization**

Depreciation and amortization expenses decreased by €1.2 million, or 3.9%, to €28.8 million.

**Profit from operating activities**

Profit from operating activities increased by €8.1 million, or 8.4%, to €104.1 million. This was due to the factors set forth above.

**Finance costs, net**

Finance costs increased by €10.8 million to €28.3 million. This was primarily due to an increase in interest expenses by €7.1 million to €24.2 million due to an increase in borrowings of the Company and OPAP.

**Profit before tax, Income tax and Net profit**

Profit before tax decreased by €2.8 million, or 3.6%, to €75.7 million. Income tax expense decreased by €4.3 million, or 18.2%, to €19.3 million. Net profit for the period increased by €1.5 million to €56.4 million

### 3.2 SAZKA – Segment summary

	Three months ended 30 September:		Change	
	2020	2019	abs	%
Amount staked	180.8	166.5	14.3	8.6%
Gross gaming revenue (GGR)	74.9	71.3	3.6	5.0%
<b>Net gaming revenue</b>	<b>48.2</b>	<b>53.9</b>	<b>(5.7)</b>	<b>(10.6%)</b>
Revenue from non-gaming activities and other operating income	4.4	4.8	(0.5)	(9.5%)
Agents' commissions	(7.4)	(7.7)	0.3	3.3%
Operating expenses	(25.5)	(25.3)	(0.3)	(1.0%)
<b>Operating EBITDA</b>	<b>19.6</b>	<b>25.8</b>	<b>(6.2)</b>	<b>(24.0%)</b>
<i>Operating EBITDA margin</i>	<i>40.7%</i>	<i>47.8%</i>	--	--
<b>Net profit</b>	<b>12.2</b>	<b>17.5</b>	<b>(5.3)</b>	<b>(30.2%)</b>

SAZKA's GGR increased by 5%, an increase of €3.6 million, driven primarily by increasing sales of Numerical Lotteries and Instant Lotteries through online channels and of Digital-only Games. However, the increase in gaming taxes in the Czech Republic from 23% in 2019 to 35% from January 2020 directly increased SAZKA's expenses, resulting in a decrease in NGR by 10.6%, or €5.7 million.

Operating EBITDA decreased by €6.2 million, primarily due to the above-mentioned increase in Gaming taxes, with increased marketing spending and higher personnel costs largely offset by cost savings in other areas.

### 3.3 OPAP – Segment summary

	Three months ended		Change	
	30 September:		abs	%
	2020	2019		
Amount staked	1,192.0	1,154.7	37.3	3.2%
Gross gaming revenue (GGR)	391.0	391.6	(0.7)	(0.2%)
<b>Net gaming revenue</b>	<b>259.6</b>	<b>263.1</b>	<b>(3.5)</b>	<b>(1.3%)</b>
Revenue from non-gaming activities and other operating income	28.7	31.3	(2.6)	(8.4%)
Agents' commissions	(91.7)	(93.6)	1.9	2.0%
Operating expenses	(98.3)	(105.3)	7.9	6.7%
Share of profit of equity method investees (net of tax)	7.1	1.9	5.2	271.2%
<b>Operating EBITDA</b>	<b>105.3</b>	<b>97.4</b>	<b>7.9</b>	<b>8.1%</b>
<i>Operating EBITDA margin</i>	<i>40.6%</i>	<i>37.0%</i>	--	--
<b>Net profit</b>	<b>52.5</b>	<b>42.9</b>	<b>9.6</b>	<b>22.4</b>

#### Gross gaming revenue (GGR) of OPAP

	Three months ended		Change	
	30 September:		abs	%
	2020	2019		
<b>Gross gaming revenue (GGR)</b>	<b>391.0</b>	<b>391.6</b>	<b>(0.7)</b>	<b>(0.2%)</b>
Numerical Lotteries	190.3	206.5	(16.2)	(7.8%)
Instant Lotteries	16.0	20.5	(4.6)	(22.2%)
Sports Betting	106.3	91.9	14.4	15.7%
VLTs and Casinos	78.4	72.7	5.6	7.7%

OPAP's results for Q3 showed a strong recovery from the impacts of the COVID-19 lockdown in Q2, with GGR only 0.2% below the level in Q3 19.

OPAP's costs decreased, thanks to lower agent's commissions driven by lower NGR, and lower material and service costs, while marketing, personal and other costs remained broadly flat.

OPAP's EBITDA for Q3 was also positively impacted by contribution from its increased stake in Stoiximan's Greek and Cypriot business from Q3 2020.

### 3.4 CASAG – Segment summary

<i>Consolidated statement of comprehensive income of CASAG</i>	<b>Three months ended 30 September: 2020</b>
Amount staked	1,240.9
Gross gaming revenue (GGR)	303.0
<b>Net gaming revenue</b>	<b>148.1</b>
Revenue from non-gaming activities and other operating income	28.5
Agents' commissions	(23.1)
Operating expenses	(91.7)
Share of profit of equity method investees (net of tax)	1.8
<b>Operating EBITDA</b>	<b>63.6</b>
<i>Operating EBITDA margin</i>	<i>42.8%</i>
<b>Net profit</b>	<b>(8.2)</b>

CASAG's financial results for Q3 include exceptional restructuring provisions of €54 million. These relate to a restructuring of CASAG's Austrian casinos business which was approved in September.

#### 4. Consolidated statement of cash flows for nine month periods ended 30 September

<i>Consolidated statement of cash flows</i>	Nine months ended 30 September:	
	2020	2019
Cash generated from operating activities	260.3	225.4
Net cash generated from operating activities	161.2	120.9
Net cash generated from investing activities	253.8	492.1
Net cash generated used in financing activities	(145.7)	(370.8)

##### **Net cash generated from operating activities**

Cash generated from operating activities increased to €260.3 million from €225.4 million in the comparative period as the impact of lower operating results due to the effects of the COVID-19 were more than outweighed by more favourable working capital movements.

Net cash generated from operating activities increased to €161.2 million from €120.9 million in comparative period, primarily reflecting the increase in Cash generated from operating activities as an increase in cash interest paid was offset by lower income taxes paid.

##### **Net cash generated from/used in investing activities**

Net cash generated from investing activities decreased to €253.8 million from €492.1 million in the comparative period.

This is primarily driven by the effects of disposal of SAZKA Group Adriatic d.o.o. in 2019 which generated €272.4 million from the sale of shares and €117.2 million from the assignment of loan receivables. Excluding this effect, net cash generated from investing activities for the comparative period would have been €102.6 million.

Other factors impacting Net cash generated from/used in investing activities included net cash gained on acquisition of CASAG as the consolidation of CASAG's cash balances more than outweighed the cash cost of the acquisition of an additional 17.2% stake, and cash gained from the sale of money market investments by CASAG. These factors more than offset the cash outflow from OPAP's acquisition of a further interest in equity method investee Stoiximan and lower dividends received from the Group's equity accounted investees.

##### **Net cash generated from/used in financing activities**

Net cash used in financing activities was €145.7 million compared to €370.8 million in the comparative period.

This primarily reflects repayment of financial assistance to SAZKA Group's parent company in 2019 in connection with the sale of SAZKA Group Adriatic d.o.o.

#### 4.1 Dividends, shareholder distributions and intragroup interest payments made

The table below sets out the aggregate amount of dividends, share premium reductions and interest paid on intragroup loans by the entities below in the periods indicated.

<i>€ millions</i>	Nine months ended 30 September:		Three months ended 30 September:	
	2019	2020	2019	2020
Austrian Lotteries	120.0	176.7	-	100.0
CASAG	15.0	-	-	-
EDHH	-	5.0	-	0.9
LOTTOITALIA	327.3	213.9	23.3	64.2
OPAP <sup>1</sup>	165.1	419.7	164.9	99.9
SAZKA	18.7	37.1	-	37.1
Stoiximan	-	18.5	-	-

<sup>1</sup> In January 2020, OPAP declared a dividend in the total amount of €319.8 million, out of which €169.6 million was paid in cash and the remaining part was settled by issuance of new OPAP shares in February 2020. In June 2020, OPAP declared a dividend in the total amount of €99.9 million, out of which €44.2 million was paid in cash and the remaining part was settled by issuance of new OPAP shares in August 2020.

#### 4.2 Capital expenditures

The table below presents a breakdown of additions to property, plant and equipment and intangible assets and goodwill for the periods indicated.

<i>€ millions</i>	Nine months ended 30 September:	
	2019	2020
Intangible assets and goodwill	15.7	25.5
Property, plant and equipment	13.0	25.7

#### 4.3 Further information

For further information on our liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies, please see our Interim financial statements and notes.

Liquidity is described in Note 18 "Cash and cash equivalents" and capital resources are described in Note 19 "Equity" and Note 21 "Loans and borrowings".

Material commitments and contingencies are described in Note 14 "Contingencies", Note 21 "Loans and borrowings" and Note 22 "Lease liabilities".

Critical accounting policies are described in Note 1 "Basis of preparation".

Pro-rata financial information is available in the Investor Relations section of the Group's website.

From time to time, subject to market conditions, the Company (directly or through a subsidiary) may engage in bond repurchase transactions in the open market or in privately negotiated transactions.

From time to time, subject to market conditions, the Company (directly or through a subsidiary) intends to acquire shares of OPAP in the open market or in privately negotiated transactions.

**Definitions**

In this document:

“Austrian Lotteries“	refers to Österreichische Lotterien Gesellschaft m.b.H.
“CAME“	refers to CAME Holding GmbH,
“CASAG“	refers to Casinos Austria AG
“CLS“	refers to CLS Beteiligungs GmbH
“EDHH“	refers to EMMA DELTA HELLENIC HOLDINGS LIMITED
“EMMA Delta“	refers to Emma Delta Management Ltd
“KKCG“	refers to KKCG AG
“IGH“	refers to Italian Gaming Holding a.
“LOTTOITALIA“	refers to LOTTOITALIA S.r.l.
“LTB“	refers to LTB Beteiligungs GmbH
“LTM“	refers to last twelve months
“Medial“	refers to Medial Beteiligungs-Gesellschaft m.b.H.
“Novomatic“	refers to Novomatic AG
“ÖBAG“	refers to Österreichische Beteiligungs AG
“OPAP“	refers to OPAP S.A.
“POS“	refers to point of sale
“SGF“	refers to SAZKA Group Financing a.s.
“Stoiximan“	refers to TCB Holdings Ltd, parent company of Stoiximan Group
“VLT“	refers to video lottery terminal
“VTO“	refers to the voluntary tender offer by the Company for OPAP shares in 2019, upon conclusion of which the Group’s economic interest in OPAP was increased to 31.99%

**Forward-looking statements**

This Report contains “forward-looking statements” within the meaning of the securities laws of certain jurisdictions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will,” “plans,” “continue,” “ongoing,” “potential,” “predict,” “project,” “target,” “seek” or “should” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.

Any forward-looking statements are only made as of the date of this Report and we do not intend, and does not assume any obligation, to update forward-looking statements set forth in this Report.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we operate to differ materially from those expressed or implied by the forward-looking statements contained in this Report.

**These factors include, among others:**

- the ongoing outbreak of COVID-19 and legislative measures taken in response;
- the impact of regulations, loss of licenses or exclusive rights to operate our business activities;
- the impact of changes in taxation and fees for licenses, tax audits and penalties;
- changing consumer preferences, changes in technologies, brand loyalty and competition;
- the impact of politics and macroeconomy;
- our corporate structure and the impact of having less than majority ownership of certain subsidiaries;
- the impact of new acquisitions;
- inadequate compliance procedures and policies;
- negative perceptions and publicity about the lottery and gaming industry;
- technical failures and security breaches;
- dependence on agents’ networks and a few technology suppliers;
- the impact of regulations and other factors that affect the success of our on-line gaming offerings;
- the impact of legal, administrative and arbitration proceedings;
- the impact of our indebtedness; and





**SAZKA Group a.s.**

**Condensed consolidated interim financial statements  
for the nine months ended 30 September 2020**

prepared in accordance with IAS 34 "Interim Financial Reporting"

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<i>Consolidated statement of comprehensive income</i>	Note	Nine months ended		Three months ended	
		30 September:		30 September:	
		2020	2019	2020	2019
Amount staked *	5	4,455,756	3,907,649	2,613,710	1,319,290
<b>Consolidated statement of comprehensive income is as follows:</b>					
Gross gaming revenue (GGR)	5	1,420,817	1,371,497	768,920	462,985
Gaming taxes	5	(536,182)	(429,158)	(313,054)	(145,915)
<b>Net gaming revenue</b>	<b>5</b>	<b>884,635</b>	<b>942,339</b>	<b>455,866</b>	<b>317,070</b>
Revenue from non-gaming activities	5	106,137	94,604	50,441	32,643
Other operating income	6	32,838	7,489	11,363	3,849
Agents' commissions		(255,811)	(301,606)	(122,129)	(101,270)
Materials, consumables and services	7	(203,669)	(235,119)	(82,211)	(83,102)
Marketing services	8	(71,713)	(64,305)	(36,440)	(19,322)
Personnel expenses	9	(132,873)	(77,590)	(82,889)	(25,588)
Other operating expenses	10	(52,115)	(26,764)	(20,912)	(14,874)
Share of profit of equity method investees (net of tax)		56,212	90,565	23,474	33,594
<b>Operating EBITDA</b>		<b>363,641</b>	<b>429,613</b>	<b>196,563</b>	<b>143,000</b>
Depreciation and amortization	11	(115,606)	(89,386)	(46,654)	(29,944)
Exceptional restructuring cost	12	(53,860)	--	(53,860)	--
<b>Profit from operating activities</b>		<b>194,175</b>	<b>340,227</b>	<b>96,049</b>	<b>113,056</b>
Interest income		2,012	5,686	625	1,982
Interest expense		(74,156)	(48,977)	(26,826)	(17,022)
Other finance income and expense		(1,268)	(8,980)	(4,754)	(2,481)
<b>Finance costs, net</b>	<b>13</b>	<b>(73,412)</b>	<b>(52,271)</b>	<b>(30,953)</b>	<b>(17,521)</b>
<b>Profit before income tax</b>		<b>120,763</b>	<b>287,956</b>	<b>65,096</b>	<b>95,535</b>
Income tax expense		(30,341)	(70,903)	(16,642)	(23,619)
<b>Profit after tax from continuing operations</b>		<b>90,422</b>	<b>217,053</b>	<b>48,454</b>	<b>71,916</b>
Gain on disposal of subsidiaries		--	277,267	--	--
Profit from discontinued operations, excluding gain on disposal		--	15,571	--	--
<b>Profit after tax from discontinued operations</b>		<b>--</b>	<b>292,838</b>	<b>--</b>	<b>--</b>
<b>Profit after tax</b>		<b>90,422</b>	<b>509,891</b>	<b>48,454</b>	<b>71,916</b>

\*"Amount staked" represents the total value of bets before wins are deducted, except for "VLTs and Casinos" and certain "Digital-only Games" products where Amount staked is presented net of wins as the difference between stakes placed and wins paid during the player's session.

<b>Consolidated statement of comprehensive income</b>		<b>Nine months ended</b>		<b>Three months ended</b>	
		<b>30 September:</b>		<b>30 September:</b>	
	Note	2020	2019	2020	2019
<i>Items that are or may subsequently be reclassified to profit or loss:</i>					
Change in translation reserve		33,426	392	8,530	(1,846)
Change in translation reserve of foreign operations disposed of transferred to profit or loss		44	(2,528)	1	--
Remeasurement of hedging derivatives (net of tax)	24	(54,336)	(6,435)	(10,760)	(2,905)
Net change in hedging derivatives reclassified to profit or loss	24	2,658	--	855	--
Remeasurement of FVOCI instruments		(4,330)	--	(4,330)	--
Share of other comprehensive income of equity method investees		3,050	(6,373)	(794)	(2,389)
<i>Items that will not be reclassified to profit or loss:</i>					
Actuarial loss		(8,231)	--	(8,231)	--
<b>Other comprehensive income / (loss) from continuing operations</b>		<b>(27,719)</b>	<b>(14,944)</b>	<b>(14,729)</b>	<b>(7,140)</b>
<i>Items that are or may subsequently be reclassified to profit or loss:</i>					
Change in translation reserve		--	17	--	--
<b>Other comprehensive income from discontinued operations</b>		<b>--</b>	<b>17</b>	<b>--</b>	<b>--</b>
<b>Total other comprehensive income / (loss)</b>		<b>(27,719)</b>	<b>(14,927)</b>	<b>(14,729)</b>	<b>(7,140)</b>
<b>Total comprehensive income</b>		<b>62,703</b>	<b>494,964</b>	<b>33,725</b>	<b>64,776</b>
<b>Profit after tax attributable to:</b>					
<b>Owners of the Company</b>					
– continuing operations		49,831	399,573	16,721	35,229
– discontinued operations		49,831	112,920	16,721	35,229
– discontinued operations		--	286,653	--	--
<b>Non-controlling interests</b>					
– continuing operations		40,591	110,318	31,733	36,687
– continuing operations		40,591	104,134	31,733	36,687
– discontinued operations		--	6,184	--	--
<b>Profit after tax</b>		<b>90,422</b>	<b>509,891</b>	<b>48,454</b>	<b>71,916</b>
<b>Total comprehensive income attributable to:</b>					
<b>Owners of the Company</b>					
– continuing operations		28,697	386,099	8,370	28,377
– continuing operations		28,697	99,419	8,370	28,377
– discontinued operations		--	286,680	--	--
<b>Non-controlling interests</b>					
– continuing operations		34,006	108,865	25,355	36,399
– continuing operations		34,006	102,690	25,355	36,399
– discontinued operations		--	6,175	--	--
<b>Total comprehensive income</b>		<b>62,703</b>	<b>494,964</b>	<b>33,725</b>	<b>64,776</b>

The Notes on pages 8 to 60 are an integral part of these condensed consolidated interim financial statements.

<i>Consolidated statement of financial position</i>	<b>Note</b>	<b>30/09/2020</b>	<b>31/12/2019 (Restated)</b>
<b>ASSETS</b>			
Intangible assets		2,433,763	1,879,140
Goodwill		688,901	600,626
Property, plant and equipment		489,021	194,700
Investment property		1,631	1,703
Equity method investees	15	486,585	649,065
Trade and other receivables	16	33,871	29,667
Derivative financial instruments	24	8,359	9,510
Other financial assets	17	175,525	8,879
Deferred tax asset		58,318	20,013
<b>Total non-current assets</b>		<b>4,375,974</b>	<b>3,393,303</b>
Inventories		14,054	7,432
Trade and other receivables	16	234,839	246,008
Derivative financial instruments	24	--	3,493
Current tax asset		1,903	5,130
Other financial assets	17	49,714	19,177
Cash and cash equivalents	18	1,040,851	763,673
Assets held for sale		788	--
<b>Total current assets</b>		<b>1,342,149</b>	<b>1,044,913</b>
<b>Total assets</b>		<b>5,718,123</b>	<b>4,438,216</b>
<b>LIABILITIES</b>			
Loans and borrowings	21	2,299,813	2,252,527
Lease liabilities	22	132,168	59,949
Trade and other payables	23	47,572	9,975
Derivative financial instruments	24	14,024	3,716
Provisions		51,646	8,517
Employee benefits	25	133,749	2,993
Deferred tax liability		369,155	212,839
<b>Total non-current liabilities</b>		<b>3,048,127</b>	<b>2,550,516</b>
Loans and borrowings	21	327,195	99,414
Lease liabilities	22	24,600	8,261
Trade and other payables	23	666,857	362,850
Derivative financial instruments	24	9,261	--
Current tax liability		20,083	6,866
Provisions		62,132	8,157
Employee benefits	25	36,862	18,040
<b>Total current liabilities</b>		<b>1,146,990</b>	<b>503,588</b>
<b>Total liabilities</b>		<b>4,195,117</b>	<b>3,054,104</b>
<b>EQUITY</b>			
Share capital	19	81	81
Capital contributions and other reserves		12,918	55,423
Translation reserve		18,429	(15,341)
Retained earnings and profit for the year		451,007	488,003
Total equity attributable to owners of the Company		482,435	528,166
Non-controlling interest	20	1,040,571	855,946
<b>Total equity</b>		<b>1,523,006</b>	<b>1,384,112</b>
<b>Total equity and liabilities</b>		<b>5,718,123</b>	<b>4,438,216</b>

The Notes on pages 8 to 60 are an integral part of these condensed consolidated interim financial statements.

<i>Consolidated statement of changes in equity</i>	Note	Share capital	Reserve fund	Capital contributions	Translation reserve	Hedging reserve	Retained earnings and profit for the period	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
<b>Balance at 1 January 2020</b>		<b>81</b>	<b>313</b>	<b>38,398</b>	<b>(15,341)</b>	<b>16,712</b>	<b>488,003</b>	<b>528,166</b>	<b>855,946</b>	<b>1,384,112</b>
Profit for the period ended 30 September 2020		--	--	--	--	--	49,831	<b>49,831</b>	40,591	<b>90,422</b>
Other comprehensive loss for the period ended 30 September 2020		--	--	1,001	33,770	(51,479)	(4,426)	<b>(21,134)</b>	(6,585)	<b>(27,719)</b>
<b>Total comprehensive income for the period</b>		--	--	<b>1,001</b>	<b>33,770</b>	<b>(51,479)</b>	<b>45,405</b>	<b>28,697</b>	<b>34,006</b>	<b>62,703</b>
<b>Transactions with owners, recorded directly in equity:</b>										
Reclassification of accumulated OCI from equity method investees to retained earnings		--	--	7,973	--	--	(7,973)	--	--	--
Business combinations	3	--	--	--	--	--	--	--	340,633	<b>340,633</b>
Business combination under common control	3	--	--	--	--	--	82	<b>82</b>	--	<b>82</b>
Dividends declared		--	--	--	--	--	--	--	(265,041)	<b>(265,041)</b>
Effect of scrip dividend		--	--	--	--	--	--	--	37,706	<b>37,706</b>
Effect of change in ownership due to scrip dividend programme		--	--	--	--	--	(42,471)	<b>(42,471)</b>	42,471	--
Purchase of non-controlling interest in subsidiaries	26	--	--	--	--	--	(31,773)	<b>(31,773)</b>	(5,346)	<b>(37,119)</b>
Other movements in equity		--	--	--	--	--	(266)	<b>(266)</b>	196	<b>(70)</b>
<b>Total transactions with owners</b>		--	--	<b>7,973</b>	--	--	<b>(82,401)</b>	<b>(74,428)</b>	<b>150,619</b>	<b>76,191</b>
<b>Balance at 30 September 2020</b>	19	<b>81</b>	<b>313</b>	<b>47,372</b>	<b>18,429</b>	<b>(34,767)</b>	<b>451,007</b>	<b>482,435</b>	<b>1,040,571</b>	<b>1,523,006</b>

Total dividend declared to non-controlling interest was €265,041 thousand including withholding tax, consisting of dividend paid to non-controlling interest in the amount of €264,345 thousand (of which €226,639 thousand was paid in cash and €37,706 thousand was settled by issuance of new OPAP S.A. shares) and unpaid dividend to non-controlling interest in the amount of €696 thousand.

OPAP S.A. provides shareholders the option of receiving dividends as cash or OPAP S.A. shares via a scrip dividend programme. The Group elected to receive its dividends as OPAP S.A. shares via a scrip dividend programme (see Note 2.3). "Effect of change in ownership due to scrip dividend programme" reflects the issuance of these shares at a price above their book value per share.

The Notes on pages 8 to 60 are an integral part of these condensed consolidated interim financial statements.

<i>Consolidated statement of changes in equity</i>	Note	Share capital	Reserve fund	Capital contributions	Translation reserve	Hedging reserve	Retained earnings and profit for the period	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
<b>Balance at 1 January 2019</b>		<b>81</b>	<b>229</b>	<b>463,119</b>	<b>(9,842)</b>	<b>9,686</b>	<b>347,849</b>	<b>811,122</b>	<b>961,960</b>	<b>1,773,082</b>
Profit for the period ended 30 September 2019		--	--	--	--	--	399,573	399,573	110,318	509,891
Other comprehensive loss for the period ended 30 September 2019		--	--	(6,353)	(2,110)	(5,011)	--	(13,474)	(1,453)	(14,927)
<b>Total comprehensive income for the period</b>		--	--	<b>(6,353)</b>	<b>(2,110)</b>	<b>(5,011)</b>	<b>399,573</b>	<b>386,099</b>	<b>108,865</b>	<b>494,964</b>
<b>Transactions with owners, recorded directly in equity:</b>										
Dividends declared		--	--	--	--	--	--	--	(165,866)	(165,866)
Decrease of other funds		--	--	(419,358)	--	--	--	(419,358)	--	(419,358)
Effect of disposals of Croatian business		--	--	--	--	--	--	--	(22,436)	(22,436)
Effect of scrip dividend		--	--	--	--	--	3,126	3,126	21,954	25,080
Purchase of non-controlling interest in subsidiaries		--	--	--	--	--	(16,237)	(16,237)	(26,555)	(42,792)
Other movements in equity		--	--	--	--	--	453	453	(517)	(64)
<b>Total transactions with owners</b>		--	--	<b>(419,358)</b>	--	--	<b>(12,658)</b>	<b>(432,016)</b>	<b>(193,420)</b>	<b>(625,436)</b>
<b>Balance at 30 September 2019</b>	<b>19</b>	<b>81</b>	<b>229</b>	<b>37,408</b>	<b>(11,952)</b>	<b>4,675</b>	<b>734,764</b>	<b>765,205</b>	<b>877,405</b>	<b>1,642,610</b>

The Notes on pages 8 to 60 are an integral part of these condensed consolidated interim financial statements.

		<b>Nine months ended 30 September:</b>	
<i>Consolidated statement of cash flows</i>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>			
Profit (+) for the year from continuing operations		90,422	217,053
Profit (+) for the year from discontinued operations		--	292,838
<b>Profit (+) for the year</b>		<b>90,422</b>	<b>509,891</b>
<i>Adjustments for:</i>			
Income tax expense		30,341	76,137
Depreciation and amortization	11	103,045	90,433
Impairment losses on intangible assets and goodwill	11	12,561	--
Profit (-) on sale of property, plant and equipment and intangible assets		(27)	--
Profit (-) on disposal of financial investments and other financial gains	13	(8,241)	(277,267)
Net interest expense (+)	13	72,144	45,001
Net FX gains (-) / losses (+)	13	4,826	(2,486)
Other financial gains (dividends)	13	--	(53)
Share of profit (-) of equity method investees		(56,212)	(90,565)
Revaluation of financial assets at fair value through profit or loss		(1,013)	--
<b>Operating result before changes in working capital and provisions</b>		<b>247,846</b>	<b>351,091</b>
Increase (+) / decrease (-) in provisions		48,430	(21,396)
Increase (-) / decrease (+) in inventories		(3,622)	(8,314)
Increase (-) / decrease (+) in trade receivables and other assets		45,879	(80,020)
Increase (+) / decrease (-) in trade and other payables		(78,200)	(15,996)
<b>Cash generated from operating activities</b>		<b>260,333</b>	<b>225,365</b>
Interest paid		(75,747)	(50,998)
Income tax paid		(23,406)	(53,495)
<b>Net cash generated from operating activities</b>		<b>161,180</b>	<b>120,872</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment and intangible assets		(34,811)	(22,543)
Acquisition of subsidiaries, net of cash acquired	3	209,043	--
Acquisition of equity method investee	15	(101,529)	--
Dividends and distribution received from equity method investees	15	84,665	121,332
Proceeds from sale of subsidiary, net of cash disposed of		--	272,407
Proceeds from sale of securities		96,039	--
Proceeds from sale of property, plant and equipment and intangible assets		1,697	145
Dividends received from financial investments	13	--	53
Interest income received		1,961	2,778
Net movement in short-term financial assets		(3,310)	806
Proceeds from assignment of loan receivable		--	117,150
<b>Net cash generated from (+) / used in (-) investing activities</b>		<b>253,755</b>	<b>492,128</b>
<b>FINANCING ACTIVITIES</b>			
Purchase of non-controlling interest in subsidiaries		(37,119)	(42,792)
Dividends paid to non-controlling interest	20	(226,639)	(140,786)
Reimbursement of financial assistance		--	(419,358)
Loans and borrowings received	21	687,183	346,169
Repayment of loans and borrowings	21	(565,748)	(108,637)
Repayment of principal element of lease liabilities	22	(11,079)	(7,127)
Net movement in restricted cash related to financing activities		7,659	1,759
<b>Net cash generated from (+) / used in (-) financing activities</b>		<b>(145,743)</b>	<b>(370,772)</b>
<b>Net decrease (-) / increase (+) in cash and cash equivalents</b>		<b>269,192</b>	<b>242,228</b>
Effect of currency translation on cash and cash equivalents		7,986	285
<b>Cash and cash equivalents at the beginning of the year</b>	18	<b>763,673</b>	<b>312,678</b>
<b>Cash and cash equivalents at the end of the period</b>	18	<b>1,040,851</b>	<b>555,191</b>

The Notes on pages 8 to 60 are an integral part of these condensed consolidated interim financial statements.

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## 1. Basis of preparation

### (a) Statement of compliance

The condensed consolidated interim 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 interpreted along with the consolidated financial statements of SAZKA Group a.s. for the year ended 31 December 2019.

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 14 December 2020.

### (b) Basis of measurement

The condensed consolidated interim 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 2019.

### (c) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (its “functional currency”). The functional currency of the Company is the Czech Crown (CZK). The presentation currency of the Group is Euro (€) as the majority of Group’s transactions representing its assets, liabilities and related profit or loss accounts are in Euro.

All financial information is rounded to the nearest thousand, unless stated otherwise.

Any differences between the amounts included in the financial statements and the respective amounts included in the notes are attributable to rounding.

### (d) Use of estimates and judgements

The preparation of the condensed consolidated interim 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.

When preparing the financial statements, the Group’s management makes estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. These estimates, judgements and assumptions are based on past experience and other various factors deemed appropriate as at the date of preparation of financial statements and are used where the carrying amounts of assets and liabilities are not readily available from other sources or where uncertainty exists in applying the individual accounting policies. Impacts of changes in estimates are described in individual notes.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period,

or in the period of the revision and future periods if the revision affects both current and future periods. As at 30 September 2020 no significant impacts were identified.

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 consolidated interim financial statements were the same as those used during the preparation of consolidated financial statements for the period ended 31 December 2019.

The use of estimates and judgements affects mainly the following areas:

- goodwill, trademarks and brands with indefinite useful lives (see Note 1g);
- judgement with respect of control over CASAG (see Note 2.3); and
- judgement with respect of control over OPAP (see Note 2.3).

#### **(e) Significant accounting policies**

The accounting policies and methods of computation applied in the condensed consolidated interim financial statements are the same as the accounting policies applied by the Group in the annual consolidated financial statements for the period ended 31 December 2019, except for the adoption of new and amended standards as set out in Note 30.

Current income tax 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.

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 legislation.

#### **(f) Changes in presentation**

##### *i. Operating segments*

As a consequence of continuing expansion of the Group through acquisitions, the Group reassessed its view of the Group's operating segments. Following the acquisition of additional 17.19% stake in Casinos Austria AG and subsequent consolidation of Casinos Austria AG and its subsidiaries (see Note 3) management monitors performance and decides on resource allocation by entity rather than by product line. As a result, the Group now identifies the following operating segments:

- SAZKA;
- CASAG;
- OPAP; and
- LOTTOITALIA.

Management believes that the change enhances the usefulness of the financial statements for users.

Comparative information in Note 4 "Operating segments" has been restated accordingly.

Management also continues to track performance of individual product lines on a Revenue basis, and relevant information including comparatives is included in Note 5.

As a result of the change, items of goodwill generated from past acquisitions have been reallocated based on the new operating segment structure, as the segments represent the lowest level of cash generating unit aggregation in which the management monitors goodwill. The change does not impact the carrying value of goodwill or materially change the impairment risk factors or sensitivities.

##### *ii. Employee benefit liabilities*

The Group reassessed the presentation of employee benefits. Previously only post-employment plans were presented as "Employee benefits" and short-term employee benefits were presented as "Payables to

employees” in “Short-term trade and other payables”. The Group reclassified “Payables to employees” to “Employee benefits” to present all employees benefits under IAS 19 together on separate balance sheet lines.

Comparative information has been restated accordingly.

*iii. Finance income and expenses*

The Group reassessed the presentation of its financial results to show “Interest expense” separately on the face of the statement of comprehensive income rather than aggregated with other “Finance costs” which are subject to significant volatility between periods. Full detail of finance income and expenses including for the comparative period is included in the Notes to the financial statements.

Management believe that the current presentation, where “Interest income” and “Interest expense” are presented separately and remaining financial result (which mostly consists of foreign currency gains and losses) is presented together on a net basis, enhances the usefulness of the financial statements for users.

Comparative information has been restated accordingly.

*iv. Transactions with members of the Company’s Board of Directors, Supervisory Board and key management personnel*

The Group clarified the definitions in the related party transactions section such that only members of the statutory bodies of the parent Company are included in the relevant column. The presentation now includes members of statutory bodies of other Group entities as part of *key management personnel, which includes also executive management employees across the Group.*

The comparative information has been restated accordingly.

**(g) COVID-19 as impairment trigger**

As a consequence of the continuing impact of the COVID-19 pandemic on both the Group’s financial results and the general economy, the Group determined that this represents an impairment trigger for goodwill and intangible assets with indefinite useful lives.

Therefore, the Group performed impairment testing for goodwill and intangible assets with indefinite useful lives as of 30 September 2020, which did not result in recognition of any impairment losses. The impairment testing was performed using the similar methodology as regular annual impairment testing described in the consolidated financial statements for the year ended 31 December 2019.

For individual items of property, plant and equipment, the Group considers the COVID-19 pandemic as a potential trigger and performed testing for individual assets which were at reasonable risk of impairment. As a result, impairments of €1,561 have been recognised in Q3 in relation to property, plant and equipment.

See Note 11 for more information.

## 2. General information about the Group

### 2.1 Description

SAZKA Group a.s. (the “Company” and, together with its subsidiaries, joint ventures and associates, the “Group”) was established on 2 April 2012 and registered 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, and its Identification Number is 242 87 814. The Company’s purpose is to hold investments in other entities.

The Group operates lottery, betting and non-lottery business in the Czech Republic, Greece, Cyprus, Italy, Austria and other countries.

The immediate 100% parent of the Company is KKCG AG and its ultimate controlling party pursuant to IFRS standards is VALEA FOUNDATION.

### 2.2 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 engages in certain non-lottery business activities through its points of sale and terminals, e.g. provision of telecommunication and payment services.

### 2.3 Composition of the Group

The consolidation group consists of several major operating entities and subgroups, as well as a number of entities whose contribution to the consolidation is negligible.

The following table presents the Company’s effective ownership interest in major components of the Group as at 30 September 2020 and 31 December 2019. For the full list of the Group’s ownership interests in subsidiaries, joint ventures and associates see Note 29.

	Note	Country	Entity type	Effective ownership	
				30/09/2020	31/12/2019
<b>Parent company:</b>					
SAZKA Group a.s.		Czech Republic	n/a	n/a	n/a
<b>Major operating entities:</b>					
Casinos Austria AG subgroup	(a)	Austria	subsidiary	55.48%	38.16%
including Österreichische Lotterien GmbH subgroup	(b)	Austria	subsidiary	50.41%	37.62%
OPAP S.A. subgroup	(c)	Greece and Cyprus	subsidiary	35.74%	31.99%
Including Stoiximan Group’s Greek and Cypriot business (“SMGC”)	(d)	Malta	joint venture	24.66%	11.75%*
SAZKA a.s.	(e)	Czech Republic	subsidiary	100.00%	100.00%
LOTTOITALIA S.r.l.	(f)	Italy	associate	32.50%	32.50%

\* As of 31 December 2019, the Group’s interest in Stoiximan Group’s Greek and Cypriot business (“SMGC”) consisted only of an interest held by the Group’s associate KAIZEN GAMING LIMITED (formerly TCB Holdings Ltd), thus the Group did not exercise joint control over the investment.

- (a) Casinos Austria AG subgroup (“CASAG”) is the exclusive operator of lotteries, land-based casinos, and onshore online gaming in Austria. CASAG, through its subsidiary Österreichische Lotterien GmbH (“OLG”) holds exclusive licenses to provide draw-based lottery games, instant lotteries, football pools, interactive gaming and video lottery terminals (“VLTs”) in Austria. Its subsidiaries also operate casinos outside Austria.

The Group holds a 55.48% economic interest and controls 55.48% of voting rights in CASAG through:

- 38.29% of shares held by the Group’s 100% subsidiary Medial Beteiligungs GmbH; and
- 17.19% of shares held by the Group’s 100% subsidiary CAME Holding GmbH (from 26 June 2020).

The Group has entered into a shareholders’ agreement with Österreichische Beteiligungs AG (“OBAG”), the second largest shareholder of CASAG. The agreement specifies the governance structure and nomination rights of both parties in the key governance bodies. The agreement gives OBAG certain minority shareholder rights, including certain protective veto rights.

Management assess that OBAG’s rights, including veto rights, are protective rather than substantive rights and determines that according to IFRS rules the Group controls CASAG. Therefore, CASAG is fully consolidated in the Group’s consolidated financial statements.

- (b) OLG holds exclusive licenses to provide draw-based lottery games, instant lotteries, football pools, interactive gaming and VLTs in Austria.

The Group holds a 50.41% economic interest and controls 73.83% of voting rights in OLG through:

- 73.83% of shares held by CASAG, creating an economic interest of 40.96%; and
- 26.17% of shares held by equity method holding company Lotto-Toto Holding GmbH, in which the Group has an economic interest of 36.11%, creating an additional economic interest of 9.45% in OLG.

- (c) OPAP S.A. subgroup (“OPAP”) is the exclusive operator of numerical lotteries, instant lotteries, sports betting, VLTs and horse racing in Greece and also operates in Cyprus.

The Group held a 35.74% economic interest as of 30 September 2020 (31 December 2019: 31.98%) and controlled 43.68% of voting rights (31 December 2019: 40.01%) in OPAP through:

- 32.39% of shares (31 December 2019: 32.73%) held by the Group’s subsidiary Emma Delta Hellenic Holdings Limited, in which the Group held an economic interest of 75.48%, creating an economic interest of 24.45% (31 December 2019: 24.70%); and
- 11.29% of shares held directly by SAZKA Group a.s. (31 December 2019: 7.28%).

Management determines that according to IFRS rules the Group controls OPAP. The key elements and judgements when assessing control according to IFRS are:

- Although the Group’s shareholding in OPAP is below 50%, it is by far the largest individual shareholding. The remaining shares are widely dispersed among numerous public market investors. Since the Group acquired its first shares in OPAP in 2013, shareholder attendance at OPAP S.A.’s general meetings has never reached 80%, therefore the Group controls the majority of votes present at OPAP S.A.’s General Meetings of shareholders; and
- All shareholders’ resolutions proposed at general meetings that the Group has voted in favour of have been approved; and
- The Group’s appointees make up a majority of the OPAP S.A. Board of Directors (including CEO, CFO and Executive Chairman).

(d) Stoiximan Group's Greek and Cypriot business ("SMGC") operates an online gaming businesses.

The Group held a 24.66% economic interest as of 30 September 2020 (31 December 2019: 11.75%) in SMGC through:

- 51.00% of interest held by the Group's subsidiary OPAP INVESTMENTS LTD, in which the Group has an economic interest of 35.74% (from 13 July 2020), creating an effective interest of 18.23%; and
- 49.00% of shares (31 December 2019: 100%) held by the Group's associate KAIZEN GAMING LIMITED (formerly TCB Holdings Ltd), in which the Group has an economic interest of 13.13% (31 December 2019: 11.75%), creating an economic interest of 6.43% (31 December 2019: 11.75%).

The Group does not yet exercise control over SMGC in terms of IFRS 10. Therefore, the Group classifies the investment as an equity method investee and presents its share of profit of the acquired business as a share of profit of equity method investee.

(e) SAZKA a.s. ("SAZKA") is the market leader in Czech Republic for both numerical lotteries and instant lotteries and a wholly owned subsidiary of the Group.

(f) LOTTOITALIA S.r.l. ("LOTTOITALIA") is the exclusive operator of fixed odds numerical lotteries in Italy and an associate of the Group. The Group owns 32.5% of shares.

#### Major changes in the Group in 2020

Company / Group companies	Previous interest	Current interest	Change	Type of transaction	Date of transaction
Casinos Austria AG	38.16 %	55.48%	17.32%	Business combination	26 June 2020
	31.99%	33.33%	1.34%	Scrip dividend	6 February 2020
	33.33%	33.68%	0.35%	Purchase of non-controlling interest	April 2020 – June 2020
OPAP S.A.	33.68%	34.22%	0.54%	Intragroup purchase of non-controlling interest	24 June 2020
	34.22%	34.77%	0.55%	Scrip dividend	11 August 2020
	34.77%	35.74%	0.97%	Purchase of non-controlling interest	July 2020 – September 2020
Stoiximan Group's Greek and Cypriot business ("SMGC")	11.75%	24.66%	12.91%	Purchase of equity method investee	13 July 2020

#### Acquisition of controlling stake in CASAG

On 31 December 2019, the Group owned a 38.29% share in Casinos Austria AG, which was presented as an equity method investee. On 26 June 2020, the Group acquired an additional 17.19% share in Casinos Austria AG and from that date it is fully consolidated (see Note 3).

#### Increase of shareholding in OPAP

On 6 February 2020 OPAP S.A. paid an extraordinary dividend of €1.00 per share. Shareholders had the option of receiving cash or shares under OPAP S.A.'s scrip dividend programme. The Group elected to receive scrip. As a result, Emma Delta Hellenic Holding Limited's shareholding in OPAP S.A. increased from 32.73% to 34.10%, the Company's direct shareholding increased from 7.28% to 7.59%, and the Group's shareholding increased from 40.01% to 41.69% (equivalent to an economic interest of 33.33%) at the end of March 2020.

During the second quarter of 2020, the Company acquired an additional 0.35% share in OPAP S.A. through open market purchases. The Company's direct shareholding increased from 7.59% to 7.94% and the Group's shareholding increased from 41.69% to 42.05% (equivalent to an economic interest of 33.68%). This additional purchase is presented as "Purchase of non-controlling interest in subsidiaries" in the Consolidated statement of cash flows.

On 24 June 2020, Emma Delta Hellenic Holding Limited sold a 2.21% share of OPAP S.A. to the Company. As a result, Emma Delta Hellenic Holding Limited's shareholding in OPAP S.A. decreased from 34.10% to 31.89% and the Company's direct shareholding increased from 7.94% to 10.15%. The Group's voting share in OPAP was unchanged, however the Group's economic interest increased from 33.68% to 34.22% at the end of June 2020. This additional purchase is presented as "Purchase of non-controlling interest in subsidiaries" in the Consolidated statement of changes in equity.

On 11 August 2020 OPAP S.A. paid an extraordinary dividend of €0.30 per share. Shareholders had the option of receiving cash or shares under OPAP S.A.'s scrip dividend programme. The Group elected to receive scrip. As a result, Emma Delta Hellenic Holding Limited's shareholding in OPAP S.A. increased from 31.89% to 32.39%, the Company's direct shareholding increased from 10.15% to 10.32%, and the Group's shareholding increased from 42.04% to 42.71% (equivalent to an economic interest of 34.77%).

During the third quarter of 2020, the Company acquired an additional 0.97% share in OPAP S.A. through open market purchases. The Company's direct shareholding increased from 10.32% to 11.29% and the Group's shareholding increased from 42.71% to 43.68% (equivalent to an economic interest of 35.74%) at 30 September 2020. This additional purchase is presented as "Purchase of non-controlling interest in subsidiaries" in the Consolidated statement of cash flows.

#### **Increase of interest in Stoiximan Group's Greek and Cypriot business**

On 13 July 2020, OPAP acquired from its 36.75% equity method investee KAIZEN GAMING LIMITED (formerly TCB Holdings Ltd) a 51% economic interest in Stoiximan Group's Greek and Cypriot business ("SMGC"), currently operated by KAIZEN INTERNATIONAL GAMING LIMITED (former GML INTERACTIVE LTD).

After the transaction, OPAP holds a 69% (SAZKA Group economic interest: 24.66%) economic interest in SMGC, while it retains its 36.75% economic interest (SAZKA Group economic interest: 13.13%) in Stoiximan Group's operations outside of Greece and Cyprus under the BETANO brand.

**2.4 Statutory body and Supervisory Board**

Board of Directors as at 30 September 2020:

Chairman of the Board of Directors:	Karel Komárek
Member of the Board of Directors:	Pavel Šaroch
Member of the Board of Directors:	Robert Chvátal
Member of the Board of Directors:	Katarína Kohlmayer

Supervisory Board as at 30 September 2020:

Chairman of the Supervisory Board:	Tomáš Porupka
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### 3. Business combinations

#### For the nine month period ended 30 September 2020

The Group acquired interests in the following companies or groups of companies:

Company	Acquired ownership interest	Acquisition date
Casinos Austria AG (a)	17.19%	26 June 2020
<b>Other individually immaterial (b):</b>		
DAEDALUS TECHNOLOGIES FZC	100.00%	31 March 2020
SAZKA Group UK Limited (formerly KKCG UK Limited)	100.00%	20 May 2020

The above stated percentages represent the direct share acquired by the parent company of each company.

#### (a) Acquisition of controlling stake in CASAG

On 31 December 2019, the Group owned a 38.29% share in Casinos Austria AG, which was presented as an equity method investee. On 26 June 2020, the Group acquired an additional 17.19% share and from that date Casinos Austria AG and its subsidiaries are fully consolidated. For a list of companies within CASAG subgroup see Note 29.

##### v. Purchase price

The Group acquired the 17.19% stake for a price of €105,000 thousand plus deferred consideration estimated by management at €7,386 thousand.

As part of accounting for a business combination achieved in stages, the acquirer remeasures any previously held interest at fair value and enters this amount into the purchase price allocation calculation.

CASAG holds a controlling stake in OLG of 73.83%. Non-controlling interest of 26.17% in OLG consists of a stake of Lotto-Toto Holding GmbH, in which the Group has an effective share of 36.11% through its equity method investees CLS Beteiligungs GmbH ("CLS") and LTB Beteiligungs GmbH ("LTB"), creating an additional economic interest of 9.45% in OLG. Following the full consolidation of OLG from 26 June 2020, the fair value of CLS's and LTB's interests in OLG became part of the total consideration on acquisition and is eliminated from the values of equity method investees going forwards.

The Group determined that fair value of previously held interest in all material aspects approximates the carrying value of the investment of €343,290 thousand, therefore there is no impact on profit or loss in connection with the remeasurement of previously held interest.

##### vi. Acquired assets and assumed liabilities – provisional basis

The Group measured assets acquired and liabilities assumed at fair value. As a result of acquisition accounting, several newly identifiable intangible assets were recognized, as well as certain changes to fair value of previously identified assets and liabilities. Major fair value adjustments and relevant factors are summarised below:

- Brands recognised (€296,810 thousand) – based on the royalty relief method applying a 5% royalty rate. The brands are considered to have an indefinite useful life.
- Gaming licences (€255,585 thousand) – based on the multiple period excess earnings method. The majority of licences are considered to have an indefinite useful life.
- Customer base (€44,440 thousand) – based on the multiple period excess earnings method, with an estimated useful life of 4 years.

- Fair value adjustments have been also recognised for values of equity method investees, tangible assets (fair value of leased assets and items of real estate property) and provisions.
- A net deferred tax liability of €155,462 thousand resulting from the recognition of intangible assets and revaluation adjustments was recognized, applying the corporate income tax rate of 25% valid in Austria as the deemed effective tax rate.
- For the remaining items of assets and liabilities management assessed that their carrying value is equal to their fair value in all material aspects.

Acquisition accounting has not been finalised and thus is disclosed on a provisional basis.

*vii. Non-controlling interest acquired*

The Group elects to measure acquired non-controlling interest (“NCI”) as the proportionate amount of acquired net assets. The table below shows reconciliation of acquired NCI.

26/06/2020	OLG	CASAG (incl. OLG)	Additional Group share in OLG	Total
<b>Share in OLG</b>			9.45%	
<b>Direct non-controlling interest percentage</b>	26.17%	44.52%		
Net assets	617,680	680,025		
Subgroup's non-controlling interest	2,726	173,033		
Net assets attributable to the Group	614,954	506,992		
<b>Non-controlling interest calculation</b>	160,933	<b>225,713</b>	<b>(58,113)</b>	
Subgroup's non-controlling interest entering consolidation	2,726	173,033		
<b>Carrying amount of non-controlling interest</b>	163,659	<b>398,746</b>	<b>(58,113)</b>	<b>340,633</b>

*viii. Goodwill*

The Goodwill on acquisition (determined as the difference between purchase price plus fair value of previously held interest plus non-controlling interest acquired, and net identifiable assets) is attributable mainly to the value of intangibles not meeting the criteria for recognition and expected future profitability of the business. Goodwill from the acquisition will not be deductible for tax purposes. The Goodwill is allocated to the “CASAG” CGU and operating segment.

Had the acquisition had occurred on 1 January 2020, management estimates that consolidated “Net gaming revenue” would have been higher by €268,920 thousand and consolidated “Profit for the period after tax” would have been higher by €3,758 thousand. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same as if the acquisition had occurred on 1 January 2020.

The acquisition of CASAG had the following effect on the Group:

<b>Recognized values on acquisition</b>	<b>CASAG</b>
<b>ASSETS</b>	
Intangible assets	603,635
Brand	296,810
Licenses	255,585
Consumer base	44,440
Other intangible assets	6,800
Property, plant and equipment	319,116
Equity method investees	120,629
Trade and other receivables	1,572
Other financial assets	239,265
Deferred tax asset	20,643
<b>Total non-current assets</b>	<b>1,304,860</b>
Inventories	3,000
Trade and other receivables	66,353
Derivative financial instruments	--
Current tax asset	205
Other financial assets	37,329
Cash and cash equivalents	314,406
Assets held for sale	783
<b>Total current assets</b>	<b>422,076</b>
<b>Total assets</b>	<b>1,726,936</b>
<b>LIABILITIES</b>	
Loans and borrowings	(146,708)
Lease liabilities	(77,997)
Trade and other payables	(15,297)
Derivative financial instruments	(588)
Provisions	(26,318)
Employee benefits	(120,112)
Deferred tax liability	(155,520)
<b>Total non-current liabilities</b>	<b>(542,540)</b>
Loans and borrowings	(37,407)
Lease liabilities	(15,764)
Trade and other payables	(427,895)
Derivative financial instruments	(999)
Current tax liability	(21)
Provisions	(22,285)
<b>Total current liabilities</b>	<b>(504,371)</b>
<b>Total liabilities</b>	<b>(1,046,911)</b>
<b>Net identifiable assets and liabilities</b>	<b>680,025</b>
Goodwill*	116,284
Non-controlling interest acquired	(340,633)
Fair value of previously held interest	(343,290)
<b>Consideration</b>	<b>112,386</b>
Consideration paid, satisfied in cash	105,000
Deferred consideration – earnout**	7,386
Cash acquired	(314,406)
<b>Net cash inflow (-) /outflow (+)</b>	<b>(209,406)</b>

\*subject to ongoing acquisition accounting

\*\*variable part that can change in time

**(b) Acquisition of controlling stake in other individually immaterial companies**

Recognized values on acquisition	Other individually immaterial**
<b>ASSETS</b>	
Property, plant and equipment	125
<b>Total non-current assets</b>	<b>125</b>
Trade and other receivables	877
Cash and cash equivalents	217
<b>Total current assets</b>	<b>1,094</b>
<b>Total assets</b>	<b>1,219</b>
<b>LIABILITIES</b>	
Loans and borrowings, current portion	(35)
Short-term lease liabilities	(116)
Short-term trade and other payables	(401)
Current tax liability	(12)
Short-term provisions	(71)
<b>Total current liabilities</b>	<b>(635)</b>
<b>Total liabilities</b>	<b>(635)</b>
<b>Net identifiable assets and liabilities</b>	<b>584</b>
Goodwill *	78
Impact of acquisition under common control	(82)
<b>Consideration</b>	<b>580</b>
Consideration paid, satisfied in cash	580
Cash acquired	(217)
<b>Net cash inflow (-) /outflow (+)</b>	<b>363</b>

\*subject to ongoing acquisition accounting

\*\* impact of acquisition of DAEDALUS TECHNOLOGIES FZC and SAZKA Group UK Limited (formerly KKCG UK Limited)

#### 4. Operating segments

The Group's operating segments have been changed following the acquisition of CASAG as of 26 June 2020 – see Note 1f. Comparative information has been restated to reflect the change.

Nine months ended 30 September 2020 REPORTABLE SEGMENTS	SAZKA	OPAP	CASAG	LOTTOITALIA	Total reportable segments	Other and headquarter costs	Intragroup eliminations	Total
Amount staked	520,120	2,694,754	1,240,882	--	<b>4,455,756</b>	--	--	<b>4,455,756</b>
Gross gaming revenue (GGR)	218,907	898,891	303,019	--	<b>1,420,817</b>	--	--	<b>1,420,817</b>
<b>Net gaming revenue</b>	<b>141,732</b>	<b>594,840</b>	<b>148,063</b>	--	<b>884,635</b>	--	--	<b>884,635</b>
Revenue from non-gaming activities and other operating income	14,711	95,640	28,606	--	<b>138,957</b>	2,148	(2,130)	<b>138,975</b>
Agents' commissions	(21,611)	(211,209)	(23,057)	--	<b>(255,877)</b>	(153)	219	<b>(255,811)</b>
Operating expenses	(68,884)	(285,108)	(91,745)	--	<b>(445,737)</b>	(14,646)	13	<b>(460,370)</b>
Share of profit of equity method investees	--	13,343	10,483*	32,386	<b>56,212</b>	--	--	<b>56,212</b>
<b>Operating EBITDA</b>	<b>65,948</b>	<b>207,506</b>	<b>72,350</b>	<b>32,386</b>	<b>378,190</b>	<b>(12,651)</b>	<b>(1,898)</b>	<b>363,641</b>
Depreciation and amortization	(4,632)	(81,066)	(16,766)	--	<b>(102,464)</b>	(582)	--	<b>(103,046)</b>
Impairment of assets and goodwill	--	(11,460)	(1,100)	--	<b>(12,560)</b>	--	--	<b>(12,560)</b>
Exceptional restructuring cost	--	--	(53,860)	--	<b>(53,860)</b>	--	--	<b>(53,860)</b>
<b>Profit/loss from operating activities</b>	<b>61,316</b>	<b>114,980</b>	<b>624</b>	<b>32,386</b>	<b>209,306</b>	<b>(13,233)</b>	<b>(1,898)</b>	<b>194,175</b>
Cash and cash equivalents	48,355	543,396	354,639	--	<b>946,390</b>	94,461	--	<b>1,040,851</b>
Non-current financial assets	2,744	--	171,423	--	<b>174,167</b>	1,358	--	<b>175,525</b>
Current financial assets	--	9,916	34,910	--	<b>44,826</b>	4,888	--	<b>49,714</b>
External loans and other borrowings - non-current portion	200,301	841,633	146,765	--	<b>1,188,699</b>	1,111,114	--	<b>2,299,813</b>
External loans and other borrowings - current portion	23,080	260,105	37,398	--	<b>320,583</b>	6,612	--	<b>327,195</b>

\*Represents only CASAG's contribution to consolidated profit or loss, therefore income and expense lines with the exception of share of profit of equity method investees only represents financial performance of CASAG after acquisition (third quarter 2020). Share of profit of equity method investees includes €8,714 thousand which is the Group's share of CASAG's profit before the acquisition.

Condensed consolidated interim financial statements for the nine months ended 30 September 2020 (in thousands of Euro)

Nine months ended 30 September 2019 REPORTABLE SEGMENTS (Restated)	SAZKA	OPAP	CASAG	LOTTOITALIA	Total reportable segments	Other and headquarter costs	Intragroup eliminations	Total
Amount staked	483,340	3,424,309	--	--	<b>3,907,649</b>	--	--	<b>3,907,649</b>
Gross gaming revenue (GGR)	200,264	1,171,233	--	--	<b>1,371,497</b>	--	--	<b>1,371,497</b>
<b>Net gaming revenue</b>	<b>153,606</b>	<b>788,733</b>	--	--	<b>942,339</b>	--	--	<b>942,339</b>
Revenue from non-gaming activities and other operating income	13,242	88,554	--	--	<b>101,796</b>	311	(14)	<b>102,093</b>
Agents' commissions	(22,704)	(278,902)	--	--	<b>(301,606)</b>	(221)	221	<b>(301,606)</b>
Operating expenses	(73,452)	(304,182)	--	--	<b>(377,634)</b>	(26,262)	118	<b>(403,778)</b>
Share of profit of equity method investees	--	4,683	35,458	50,424	<b>90,565</b>	--	--	<b>90,565</b>
<b>Operating EBITDA</b>	<b>70,692</b>	<b>298,886</b>	<b>35,458</b>	<b>50,424</b>	<b>455,460</b>	<b>(26,172)</b>	<b>325</b>	<b>429,613</b>
Depreciation and amortization	(3,497)	(85,357)	--	--	<b>(88,854)</b>	(532)	--	<b>(89,386)</b>
<b>Profit/loss from operating activities from continuing operations</b>	<b>67,195</b>	<b>213,529</b>	<b>35,458</b>	<b>50,424</b>	<b>366,606</b>	<b>(26,704)</b>	<b>325</b>	<b>340,227</b>
<b>Profit for the year from discontinued operations</b>	--	--	--	--	--	<b>15,571</b>	--	<b>15,571</b>
Cash and cash equivalents	59,523	633,815	--	--	<b>693,338</b>	70,335	--	<b>763,673</b>
Non-current financial assets	2,938	--	--	--	<b>2,938</b>	5,941	--	<b>8,879</b>
Current financial assets	--	9,915	--	--	<b>9,915</b>	9,262	--	<b>19,177</b>
External loans and other borrowings - non- current portion	232,751	1,045,580	--	--	<b>1,278,331</b>	974,196	--	<b>2,252,527</b>
External loans and other borrowings - current portion	24,689	10,780	--	--	<b>35,469</b>	63,945	--	<b>99,414</b>

## 5. Gross gaming revenue (GGR) and Revenue from non-gaming activities

	Nine months ended 30 September:	
	2020	2019
Amount staked	4,455,756	3,907,649
Pay-outs to winners	(3,034,939)	(2,536,152)
<b>Gross gaming revenue (GGR)</b>	<b>1,420,817</b>	<b>1,371,497</b>
Gaming taxes	(536,182)	(429,158)
<b>Net gaming revenue</b>	<b>884,635</b>	<b>942,339</b>
<b>Revenue from non-gaming activities</b>	<b>106,137</b>	<b>94,604</b>
Mobile phone top-up services	64,679	72,822
Mobile virtual network operator services	7,878	7,787
Other non-gaming revenue	33,580	13,995

Disaggregation of Gross gaming revenue (GGR) according to operating segment and product line:

	Nine months ended 30				Total
	September 2020 Gross gaming revenue (GGR)	SAZKA	OPAP	CASAG	
Numerical Lotteries	136,137	463,441	157,125	157,125	756,703
Instant Lotteries	40,228	33,886	15,303	15,303	89,417
Sports Betting	5,347	228,384	3,779	3,779	242,194
Digital-only Games	37,195	4,684	30,244	30,244	67,439
VLTs and Casinos	--	168,496	96,568	96,568	265,064
<b>Total</b>	<b>218,907</b>	<b>898,891</b>	303,019	303,019	<b>1,420,817</b>

	Nine months ended 30				Total
	September 2019 Gross gaming revenue (GGR)	SAZKA	OPAP	CASAG	
Numerical Lotteries	136,296	612,565	--	--	748,861
Instant Lotteries	41,578	62,245	--	--	103,823
Sports Betting	4,602	283,741	--	--	288,343
Digital-only Games	17,788	--	--	--	17,788
VLTs and Casinos	--	212,682	--	--	212,682
<b>Total</b>	<b>200,264</b>	<b>1,171,233</b>	--	--	<b>1,371,497</b>

All "Revenues from non-gaming activities" for the nine months ended 30 September 2020 and 30 September 2019 were recognised at a single point in time.

## 6. Other operating income

	Nine months ended 30 September:	
	2020	2019
<b>Other operating income</b>	<b>32,838</b>	<b>7,489</b>
<b>COVID-19 related income</b>	<b>17,649</b>	--
<i>Discount on tax liability</i>	12,799	--
<i>COVID-19 income from subsidies</i>	3,778	--
<i>COVID-19 related rent concessions</i>	1,070	--
Income from subsidies	997	676
Income from leases	3,316	3,384
Tax returned	2,593	1,062
Remaining portion of operating income	8,285	2,367

“Discount on tax liability” of €12,799 thousand represent a 25% discount on certain tax liabilities of OPAP. Under measures introduced by the Greek authorities, OPAP was eligible to delay payment of these liabilities or receive this discount if it paid on the normal schedule.

“COVID-19 income from subsidies” mainly consist of income from measures implemented by governments to support furloughed staff during the COVID-19 pandemic in the amount of €3,778 thousand.

“Tax returned” relates to reimbursement of taxes previously paid on dividends received by OPAP.

## 7. Materials, consumables and services

	Nine months ended 30 September:	
	2020	2019
<b>Materials, consumables and services</b>	<b>(203,669)</b>	<b>(235,119)</b>
Non-gaming cost of sales	(59,983)	(71,015)
Fees to gaming system providers	(57,640)	(72,587)
Advisory and other professional services	(40,276)	(50,734)
Cost of IT and software services	(13,155)	(11,498)
Telecommunication services	(9,446)	(7,589)
Materials and consumables	(7,751)	(6,241)
Other services	(15,418)	(15,455)

“Non-gaming cost of sales” relates mainly to “Mobile virtual network operator services” and “Mobile phone top-up services”.

## 8. Marketing services

	Nine months ended 30 September:	
	2020	2019
<b>Marketing services</b>	<b>(71,713)</b>	<b>(64,305)</b>
Advertising	(58,414)	(49,270)
Sponsorship and donations	(13,299)	(15,035)



## 9. Personnel expenses

	Nine months ended 30 September:	
	2020	2019
<b>Personnel expenses</b>	<b>(132,873)</b>	<b>(77,590)</b>
Wages and salaries	(100,503)	(57,890)
Social security and health insurance	(25,981)	(13,609)
Other social expenses	(2,010)	(1,397)
<b>Post-employment benefits</b>	<b>(4,379)</b>	<b>(4,694)</b>
<i>Defined benefit costs</i>	(2,641)	(4,694)
<i>Defined contribution costs</i>	(1,738)	--

“Social security and health insurance” expense includes an amount of €13,569 thousand (30 September 2019: €11,413 thousand) related to contributions to state pension funds. The Group’s legal and constructive obligation for these pension state plans is limited to the contributions.

## 10. Other operating expenses

	Nine months ended 30 September:	
	2020	2019
<b>Other operating expenses</b>	<b>(52,115)</b>	<b>(26,764)</b>
Other taxes	(10,946)	(9,542)
Increase / decrease of loss allowance for receivables	(7,725)	--
Repair and maintenance	(5,311)	(1,454)
Financial support to agents	(5,161)	--
Remaining portion of other operating expenses	(22,972)	(15,768)

“Financial support to agents” represents extraordinary financial support of €5,161 thousand provided by OPAP S.A. in order to mitigate the financial impact of COVID-19 on its agents.

“Remaining portion of operating expenses” primarily consists of fees, travel expenses and insurance premium.

“Increase / decrease of loss allowance for receivables” includes an impairment recognised in GGR contribution asset of Hellenic Lotteries S.A. in the amount of €3,700 thousand.

## 11. Depreciation and amortization

	Nine months ended 30 September:	
	2020	2019
<b>Depreciation and amortization</b>	<b>(115,606)</b>	<b>(89,386)</b>
Amortisation of intangible assets	(59,566)	(65,594)
Depreciation of right of use asset	(18,443)	(6,662)
Depreciation of property, plant and equipment incl. investment property	(25,036)	(17,130)
Impairment of right of use asset	(7,354)	--
Impairment of goodwill	(3,000)	--
Impairment of tangible fixed assets	(1,561)	--
Impairment of intangible fixed assets	(646)	--

Following the operational challenges caused by the COVID-19 pandemic, there were indications that the HORSE RACES S.A. license carrying value exceeded its recoverable amount and consequently management considered that an impairment test should be conducted. The Group recognized an impairment of €8,000 thousand of €646 thousand was allocated to “Impairment of intangible fixed assets” and the remaining amount of €7,354 thousand to “Impairment of right of use asset”.

As a result of the impact of the COVID-19 pandemic, there were indications that the carrying value of “Property, plant and equipment” of CASAG exceeded their recoverable amount and consequently management considered that an impairment test should be conducted. The Group recognised an impairment of €1,561 thousand as “Impairment of tangible fixed assets”.

During the period from 1 January 2020 to 30 June 2020, NEUROSOFT S.A. generated losses before tax of €1,590 thousand. Therefore, an impairment test was carried out since there were indications that the carrying value of the company exceeded the recoverable amount. An impairment loss of €3,000 thousand was recognized as “Impairment of goodwill”.

## 12. Exceptional restructuring cost

CASAG’s management introduced a restructuring plan in relation to its Austrian casinos. The restructuring plan was announced in July 2020 and is expected to be realized in 2021. A restructuring provision in the amount of €53,860 was recognised as of 30 September 2020.

## 13. Finance costs, net

	Nine months ended 30 September:	
	2020	2019 (Restated)
<b>Interest income</b>	<b>2,012</b>	<b>5,686</b>
<b>Interest expense</b>	<b>(74,156)</b>	<b>(48,977)</b>
Interest expense on loans, bonds and other liabilities	(71,741)	(47,055)
Interest expense on leases	(2,415)	(1,922)
<b>Other finance income and expense</b>	<b>(1,268)</b>	<b>(8,980)</b>
Finance income from modification of loans	8,096	--
Net profit from sale of securities	8,241	--
Income from ownership of securities	--	53
Gain on revaluation of financial assets revaluated through profit or loss	1,013	--
Foreign exchange gains/(losses)	(4,826)	2,486
Other finance income	670	201
Other finance expenses	(14,462)	(11,720)
<b>Finance costs, net</b>	<b>(73,412)</b>	<b>(52,271)</b>

The increase in “Interest expense on loans, bonds and other liabilities” primary relates to new bonds issued by the Company (see Note 21).

OPAP S.A. renegotiated two of its existing loan facilities to take advantage of lower interest rates which resulted in the recognition of a modification gain of €8,096 thousand, which is included in “Finance income from modification of loans”.

“Foreign exchanges losses” as at 30 September 2020 primarily reflect changes in the EUR/CZK exchange rate which cause translation gains or losses on consolidation of entities whose functional currency is not the Euro (including the Company and Italian Gaming Holding a.s., whose functional currency is CZK) into the presentation currency.

“Other finance expenses” include losses from revaluation of “Other derivatives”, bank expenses relating to bonds and bank fees.

## 14. Contingencies

### Legal matters

#### OPAP

Third party lawsuits against OPAP have been filed for total claims of €381,816 thousand (31 December 2019: €366,696 thousand), for which the outcome is estimated as positive for the subgroup and consequently management records no provision. The majority of these claims relate to old distribution agent arrangements, in relation to which all recent court decisions have been in favour of OPAP.

#### Emma Delta Hellenic Holdings Ltd. ("EDHH")

In December 2018, Emma Delta Hellenic Holdings Ltd. ("EDHH") and Emma Delta Variable Capital Investment Company Ltd commenced arbitration proceedings against the Hellenic Asset Development Fund ("TAIPED") and the Hellenic Republic in the London Court of International Arbitration, claiming certain indemnity obligations under the share purchase agreement relating to the privatisation of OPAP by the Hellenic Republic in 2013, pursuant to which EDHH acquired its shares in OPAP. In its claim, EDHH sought damages which at the date of EDHH's submission on 16 July 2020 totalled €67 million plus interest. TAIPED filed a counterclaim against EDHH, alleging breaches by EDHH of its obligations under the share purchase agreement, in which the damages sought were not at the time quantified. In its second pleading on 16 July 2020, TAIPED quantified the damages sought in its original counterclaim in the amount of €1.3 million plus interest and raised additional counterclaims against EDHH seeking total damages in the amount of €73 million plus interest. Subsequently during the fourth quarter of 2020, TAIPED retracted their additional counterclaim of €73 million plus interest, leaving an outstanding counterclaim of €0.8 million plus interest. The Group does not consider probable that the claim would result in a cash outflow, therefore no provision is recognised in the statement of financial position. Unless there is major adverse development, the Group will no longer disclose the case in future financial statements based on immateriality.

### Off balance sheet items and pledged assets

Off-balance sheet assets	30/09/2020	31/12/2019
Guarantees received (bank and other guarantees)	25,420	27,956
<b>Total</b>	<b>25,420</b>	<b>27,956</b>
<b>Off-balance sheet liabilities</b>	<b>30/09/2020</b>	<b>31/12/2019</b>
Guarantees granted (notes, other guarantees)	78,500	53,500
<b>Total</b>	<b>78,500</b>	<b>53,500</b>

Guarantees granted include guarantees granted by OPAP to the Hellenic Republic Asset Development Fund, including €75,000 thousand (31 December 2019: €50,000 thousand) related to HELLENIC LOTTERIES S.A. and €3,500 thousand (31 December 2019: €3,500 thousand) to HORSE RACES S.A. and referring to performance obligations arising from the respective concession agreements.

Pledged assets for loans received	30/09/2020	31/12/2019
Tangible and intangible fixed assets	89,906	96,594
Bank accounts	48,038	59,218

The largest portion of pledged tangible and intangible assets relate to SAZKA trademarks with a carrying value of €68,796 thousand (31 December 2019: €73,669 thousand).

**The following shares were pledged:**

SAZKA a.s. shares pledged in relation to a loan to SAZKA in the principal amount of €275,634 thousand (see Note 21). The net assets of SAZKA are €204,725 thousand as at 30 September 2020 (31 December 2019: €223,958 thousand).

OPAP S.A. shares pledged in relation to a loan to Emma Delta Hellenic Holdings Limited which was fully repaid in November 2019. The related pledge agreement was terminated in March 2020.

LOTTOITALIA S.r.l. shares pledged and enterprise pledge in relation to a bank loan to Italian Gaming Holding a.s. which was fully repaid in February 2020 (see Note 21). The related pledge agreement was terminated in March 2020.

Medial Beteiligungs GmbH shares pledged in relation to a bank loan to CAME Holding GmbH which was fully repaid in February 2020 (see Note 21). The related pledge agreement was terminated on 14 February 2020.

On 26 June 2020, CAME Holding GmbH drew a new bank loan in the principal amount of €105,000 thousand (see Note 21), in relation to which CAME Holding GmbH's shares in Medial Beteiligungs GmbH and LTB Beteiligungs GmbH ("LTB") were pledged. The net assets of Medial Beteiligungs GmbH were €136,700 thousand as at 30 September 2020.

## 15. Equity method investees

		30/09/2020		31/12/2019
<b>Equity method investees</b>	<b>Effective ownership</b>	<b>486,585</b>	<b>Effective ownership</b>	<b>649,065</b>
LOTTOITALIA (a)	32.50%	219,982	32.50%	257,114
CASAG (b)	Subsidiary	--	38.16%	249,977
KAIZEN GAMING LIMITED (formerly TCB Holdings Ltd) (c)	13.13%	56,092	11.75%	54,235
Stoiximan Group's Greek and Cypriot business ("SMGC") (d)	24.66%	96,790	11.75%	--
LTB Beteiligungs GmbH (e)	66.67%	4,706	66.67%	43,892
CLS Beteiligungs GmbH (e)	66.67%	4,720	66.67%	43,847
<b>Other equity method investees of CASAG (f)</b>		<b>104,295</b>		<b>--</b>
Casino Lugano S.A.	15.96%	20,470	10.97%	--
Reef Casino Trust	23.30%	25,278	16.03%	--
Other individually insignificant	--	58,547	--	--

For the full list of Group joint ventures and associates please see Note 29.

Change in value of the equity method investees includes increase in the amount of investees held, plus share of profit or loss and other comprehensive income of the equity method investees, less dividends declared and distributions made by the equity method investees.

The following tables present the assets and liabilities, revenues, profit or loss and total comprehensive income of significant equity method investees:

### (a) LOTTOITALIA

The Group holds a share of 32.50%.

LOTTOITALIA	For the period ended 30/09/2020	For the period ended 30/09/2019
Profit for the period	99,649	155,150
Total comprehensive income (100%)	99,649	155,150
<b>Group's share of total comprehensive income</b>	<b>32,386</b>	<b>50,424</b>
Dividends received by subsidiary of the Company (Italian Gaming Holding a.s.)	69,518	66,145
Reserve distribution received by subsidiary of the Company (Italian Gaming Holding a.s.)	--	40,222
<b>LOTTOITALIA</b>	<b>30/09/2020</b>	<b>31/12/2019</b>
Non-current assets	530,219	606,892
Current assets	210,485	218,050
Non-current liabilities	--	(24)
Current liabilities	(63,835)	(33,796)
Net assets (100%)	676,869	791,122
<b>Group's share (32.50%) = carrying amount of interest in associate</b>	<b>219,982</b>	<b>257,114</b>

**(b) CASAG (up to 26 June 2020)**

On 26 June 2020, the Group acquired an additional share of 17.19% in Casinos Austria AG. As a result of this transaction the Group's total effective shareholding in Casinos Austria AG increased to 55.48% (31 December 2019: 38.16%) and the company and its subsidiaries started to be fully consolidated (see Note 2.3).

As part of accounting for a business combination achieved in stages, the acquirer remeasures any previously held interest at fair value and enter this amount into purchase price allocation. As at 26 June 2020, the carrying amount of the Group's interest in equity method investee CASAG was considered as approximate to fair value in the amount of €257,973 thousand (see Note 3).

The following tables show CASAG's contribution to the Group only for the period during which CASAG was an equity method investee.

CASAG	For the period ended 26/06/2020	For the period ended 30/09/2019
Profit for the period	24,080	92,813
of which attributable to shareholders of the equity method investee	11,056	73,294
Total comprehensive income (100%)	34,272	(16,725)
of which attributable shareholders of the equity method investee	20,882	(15,326)
<b>Group's share of total comprehensive income (38.29%)</b>	<b>7,996</b>	<b>22,196</b>
Dividends received by subsidiary of the Company (Medial Beteiligungs GmbH)	--	5,744
CASAG	Equity investee as of 26/06/2020	31/12/2019
Non-current assets	885,921	915,801
Current assets	422,074	351,889
Non-current liabilities	(390,099)	(426,362)
Current liabilities	(495,370)	(431,921)
Net assets	422,526	409,407
Non-controlling interest	(61,586)	(69,349)
Net assets attributable to Casino Austria AG equity holders	360,940	340,058
Group's share (38.29%)	138,204	130,208
Goodwill	119,769	119,769
of which Goodwill from initial economic share	40,008	40,008
of which Goodwill from additional economic share	79,761	79,761
<b>Carrying amount of interest in associate</b>	<b>257,973</b>	<b>249,977</b>

**(c) KAIZEN GAMING LIMITED (formerly TCB Holdings Ltd)**

In second quarter of 2020 TCB Holdings Ltd was renamed KAIZEN GAMING LIMITED.

<b>KAIZEN GAMING LIMITED (formerly TCB Holdings Ltd)</b>		
Effective ownership by the Group	13.13%	11.75%
	<b>For the period ended 30/09/2020</b>	<b>For the period ended 30/09/2019</b>
Revenues	234,462	168,900
Profit for the period	23,763	12,721
Total comprehensive income (100%)	23,763	12,721
<b>Group's share of total comprehensive income (36.75%)</b>	<b>8,733</b>	<b>4,675</b>
Dividends received by subsidiary of the Company (OPAP INVESTMENT LTD)	6,799	2,302
	<b>30/09/2020</b>	<b>31/12/2019</b>
Non-current assets	24,739	20,692
Current assets	82,485	68,970
Non-current liabilities	(3,669)	(1,068)
Current liabilities	(58,406)	(53,184)
Net assets (100%)	45,149	35,410
Non-controlling interest	(4,687)	--
Net assets attributable to KAIZEN GAMING LIMITED equity holders	40,462	35,410
Group's share (36.75%)	14,870	13,013
Post audit adjustment	8	8
Goodwill	41,214	41,214
<b>Carrying amount of interest in associate</b>	<b>56,092</b>	<b>54,235</b>

**(d) Stoiximan Group's Greek and Cypriot business ("SMGC")**

On 13 July 2020 OPAP acquired a 51% economic interest in SMGC, while retaining an additional economic interest in SMGC through its investment in KAIZEN GAMING LIMITED see Note 2.3 (d).

The following table includes SMGC's contribution to the Group through its directly held interest only.

<b>Stoiximan Group's Greek and Cypriot business ("SMGC")</b>	
Effective ownership by the Group	24.66%
	<b>For the period from 13/7/2020 till 30/09/2020</b>
Revenues	57,189
Profit for the period	9,190
Total comprehensive income (100%)	9,190
<b>Group's share of total comprehensive income (51.00%)</b>	<b>4,687</b>
Dividends received by subsidiary of the Company (OPAP INVESTMENT LTD)	--
	<b>30/09/2020</b>
<b>Carrying amount of interest in joint venture</b>	<b>96,790</b>

### (e) CLS Beteiligungs GmbH & LTB Beteiligungs GmbH

Through its 100% subsidiary CAME Holding GmbH, the Group holds 66.67% shares of CLS Beteiligungs GmbH (“CLS”) and LTB Beteiligungs GmbH (“LTB”). Neither entity engages in any economic activity except holding of indirect interests in Österreichische Lotterien GmbH subgroup (“OLG”). CLS and LTB are equity-method investees based on arrangements in the companies’ Articles of Association.

LTB and CLS each hold 27.08% share in Lotto-Toto-Holding GmbH (“LTH”), which holds 26.17% of shares in OLG. The Group’s effective share in OLG through CLS and LTB is 9.45%.

Following the acquisition of CASAG, which includes OLG, as of 26 June 2020 (see Note 2.3, Note 3) the value of the Group’s investment in OLG through the equity method is eliminated in consolidation. The remaining net assets of CLS and LTB on the reporting date consisted of the entities’ cash.

As at 26 June 2020, the carrying amount of interest in equity method investee CLS was considered as approximate to fair value in the amount of €42,644 thousands (see Note 3).

CLS Beteiligungs GmbH	For the period from 26/06/2020 till 30/09/2020	For the period ended 26/06/2020	For the period ended 30/09/2019
Profit for the period	--	3,356	5,814
of which share of profit of equity method investee OLG	--	3,366	5,286
of which net profit of CLS	--	(10)	528
Share of OCI of equity method investee OLG	--	249	(379)
Total comprehensive income (100%)	--	3,605	5,435
<b>Group's share of total comprehensive income (66.67%)</b>	--	<b>2,403</b>	<b>3,623</b>
Dividends received by subsidiary of the Company (CAME Holding GmbH)	3,607	--	6,920

CLS Beteiligungs GmbH	30/09/2020	Before consolidation of ÖLG as of 26/06/2020	31/12/2019
Equity method investee in OLG	--	51,439	65,746
Current assets	7,112	12,531	50
Non-current liabilities	--	--	--
Current liabilities	(32)	(29)	(29)
Net assets (100%)	7,080	63,962	65,767
<b>Group's share (66.67%) = carrying amount of interest in associate</b>	<b>4,720</b>	<b>42,644</b>	<b>43,847</b>



As at 26 June 2020, the carrying amount of interest in equity method investee LTB was considered as approximate to fair value in the amount of €42,673 thousand (see Note 3).

LTB Beteiligungs GmbH	For the period from 26/06/2020 till 30/09/2020	For the period ended 26/06/2020	For the period ended 30/09/2019
Profit for the period	--	3,364	5,280
of which share of profit of equity method investee OLG	--	3,366	5,286
of which net profit of LTB	--	(2)	(6)
Share of OCI of equity method investee OLG	--	249	(379)
Total comprehensive income (100%)	--	3,613	4,901
<b>Group's share of total comprehensive income (66.67%)</b>	--	<b>2,408</b>	<b>3,268</b>
Dividends received by subsidiary of the Company (CAME Holding GmbH)	3,627	--	--
LTB Beteiligungs GmbH	30/09/2020	Before consolidation of ÖLG as of 26/06/2020	31/12/2019
Equity method investee in OLG	--	51,476	65,814
Current assets	7,065	12,537	26
Non-current liabilities	--	--	--
Current liabilities	(6)	(6)	(5)
Net assets (100%)	7,059	64,007	65,835
<b>Group's share (66.67%) = carrying amount of interest in associate</b>	<b>4,706</b>	<b>42,673</b>	<b>43,892</b>

#### (f) Other equity method investees from CASAG

For the full list of CASAG's joint ventures and associates see Note 29.

The following tables show the financial performance of individually material equity method investees only:

- Reef Casino Trust, a company listed on the Australian Securities Exchange, which operates a casino complex in Australia; and
- Casino Lugano S.A., which operates a casino complex in Switzerland.

	Reef Casino Trust joint venture	Casino Lugano S.A. associate
Effective ownership by the Group	23.30%	15.96%
	For the period ended 30/09/2020	For the period ended 30/09/2020
Profit for the period	2,998	313
Total comprehensive income (100%)	2,715	(797)
<b>Group's share of total comprehensive income</b>	<b>1,140</b>	<b>(229)</b>
Dividends received by subsidiary of the Company (Casinos Austria (Swiss) AG)	25	--
	30/09/2020	30/09/2020
Non-current assets	56,973	26,959
Current assets	6,788	25,479
Non-current liabilities	(1,798)	(2,068)
Current liabilities	(2,507)	(11,410)
Net assets (100%)	59,456	38,960
CASAG's ownership	42.00%	28.76%
Group's share	24,972	11,205
Goodwill	306	8,186
Carrying value license right	--	1,079
<b>Carrying amount of interest in associate</b>	<b>25,278</b>	<b>20,470</b>

The following tables represents aggregated financial information related to CASAG's "Other individually insignificant" joint ventures and associates:

Joint ventures	For the year ended 30/09/2020	For the year ended 31/12/2019
Group's share of profit for the period	399	--
Group's share of total comprehensive income	(121)	--
Dividends received by subsidiary of the Company	1,089	--
Associates	For the year ended 30/09/2020	For the year ended 31/12/2019
Group's share of profit for the period	20	--
Group's share of total comprehensive income	(234)	--

## 16. Trade and other receivables

“Long-term trade and other receivables” consist of advances and deposits provided that are due more than 12 months after the reporting date.

	30/09/2020	31/12/2019
<b>Long-term trade and other receivables</b>	<b>33,871</b>	<b>29,667</b>
Receivables from VLT vendors	20,442	22,816
Receivables from agents	5,149	--
Advances and deposits provided	1,356	1,387
Loans provided	1,460	1,971
Advances for pension benefits	221	221
Other receivables	5,243	3,272

	30/09/2020	31/12/2019
<b>Short-term trade and other receivables</b>	<b>234,839</b>	<b>246,008</b>
Receivables from agents	134,331	151,929
Loans provided	12,426	19,177
Prepaid expenses	22,453	13,977
Trade receivables	19,477	21,767
Receivables from VAT and other taxes	10,799	19,603
Receivables from VLT vendors	3,439	3,439
Loans provided	387	--
Other receivables	31,527	16,116

Short-term “Receivables from agents” are collected on weekly basis by SAZKA and OLG or twice a week by OPAP. Agents of SAZKA and OPAP must deposit cash, which can be set off against receivables from the agent, to the Group’s bank accounts. These deposits are recognized in “Guarantee deposits from lottery agents” (see Note 23). The Group also uses direct debit to transfer money from agents’ bank accounts to the Group’s bank accounts.

Short-term “Prepaid expenses” mainly consist of prepayments made to football clubs for advertising and sponsorship services. They also include prepaid consultancy fees and prepaid software maintenance.

Short-term “Trade receivables” mainly consist of trade receivables related to non-gaming activities in the amount of €12,176 thousand (31 December 2019: €14,156 thousand).

## 17. Other financial assets

	30/09/2020	31/12/2019
<b>Other long-term financial assets</b>	<b>175,525</b>	<b>8,879</b>
Financial investments revaluated through profit or loss	156,302	6,715
Financial investments revaluated through other comprehensive income	11,923	--
Restricted cash	7,300	2,164

Long-term “Financial investments revaluated through the profit or loss” mainly represent CASAG’s investments in externally managed funds in the amount of €154,221 thousand. The investments are categorised to Level 2 in the fair value hierarchy.

	30/09/2020	31/12/2019
<b>Long-term financial assets revaluated through profit or loss</b>	<b>156,302</b>	<b>6,715</b>
Managed by Raiffeisen Capital Management	31,678	--
Managed by Erste Asset Management	30,667	--
Managed by Amundi, Fund 1	33,723	--
Managed by Amundi, Fund 2	20,228	--
Managed by Amundi, Fund 3	16,620	--
Managed by Bankhaus Schelhammer & Schattera	20,973	--
Other	2,413	6,715

Based on the change of control clause the CASAG has reclassified the equity method investee Grand Casino Kursaal Bern AG to long-term “Financial investment revaluated through other comprehensive income”. The investment is categorized to Level 3 in the fair value hierarchy.

Long-term “Restricted cash” represents deposits on bank accounts relating to legal obligation for gaming license in Belgium and the Czech Republic.

	30/09/2020	31/12/2019
<b>Other short-term financial assets</b>	<b>49,714</b>	<b>19,177</b>
Financial investments revaluated through the profit or loss	34,910	--
Fixed-term deposits (over 90 days)	9,916	6,630
Restricted cash	4,489	12,148
Receivables under a cash pooling agreement	399	399

Short-term “Financial investments revaluated through the profit or loss” mainly represents deposits in money market funds, of which €25,591 thousand are related to OLG’s participation in the game “EuroMillions”. The investments are categorised to Level 2 in the fair value hierarchy.

Short-term “Restricted cash” represents interest which will be incurred and paid in the next 12 months on certain debt facilities. The decrease in restricted cash was caused by the repayment of a bank loan at CAME Holding GmbH and a bank loan at Italian Gaming Holding a.s. (see Note 21).

## 18. Cash and cash equivalents

	30/09/2020	31/12/2019
<b>Cash and cash equivalents</b>	<b>1,040,851</b>	<b>763,673</b>
Bank accounts	605,023	255,794
Fixed-term deposits	398,532	504,250
Cash in hand	37,296	3,629

As at 30 September 2020, the Group has bank accounts with a total balance of €48,038 thousand (31 December 2019: €59,218 thousand) pledged under various borrowing facilities. The balances on these bank accounts are unrestricted.

The increase in “Cash and cash equivalents” relates mainly to the acquisition of an additional stake of 17.19% in Casinos Austria AG and subsequent consolidation of CASAG (see Note 2.3 and Note 3).

## 19. Equity

### Share capital

The Company’s share capital consists of 20 ordinary shares in certificated form with a nominal value of CZK 100 thousand per share. The share capital is fully paid-up. No changes were made in the share capital in the periods ended 30 September 2020 or 31 December 2019.

No shares of the Company are held by the Company or its subsidiaries or equity method investees.

## 20. Non-controlling interests

The Group’s non-controlling interests amount to €1,040,571 thousand as at 30 September 2020 and relate mainly to OPAP and CASAG.

As at 30 September 2020 the Group holds an interest of 32.39% in OPAP through Emma Delta Management Ltd subgroup (“Emma Delta Management”) with non-controlling interest of 67.61%. Non-controlling interest in OPAP consists of a 16.50% non-controlling interest in OPAP S.A.’s subsidiary HELLENIC LOTTERIES S.A. and a 32.28% non-controlling interest in its subsidiary Neurosoft S.A.

As a result of OPAP’s scrip dividend programme and open market purchases, the Group’s shareholding in OPAP increased in the third quarter 2020 to 43.68%, of which 11.29% was held by the Company (see Note 2.3).

Other non-controlling interests represent 24.52% of the equity of Emma Delta Management (including OPAP).

The Group holds an economic interest of 55.48% in CASAG with non-controlling interest of 44.52%. Non-controlling interest in CASAG consists of 26.17% non-controlling interest in its subsidiaries OLG, 45.00% in Casino Sopron Kft, CAI Hungary Kft and 11.00% non-controlling interest in its subsidiary Congress Center Baden BetriebsgesmbH.

The Group holds a 40.96% share in OLG through CASAG and 9.45% through the equity method investees CLS and LTB (see Note 2.3). Thus, the Group’s total economic interest in OLG is 50.41%.

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

30/09/2020	OLG	CASAG (incl. OLG) <sup>(1)</sup>	Additional Group's share in OLG through CLS & LTB	OPAP	Emma Delta Management subgroup (incl. OPAP) <sup>(2)</sup>	Direct share in OPAP of SAZKA Group a.s.	Total
<b>Direct share in OPAP</b>						11.29%	
<b>Share in OLG subgroup</b>			9.45%				
<b>Direct non-controlling interest percentage</b>	26.17%	44.52%		67.61%	24.52%		
Non-current assets	826,974	1,225,774		2,114,298	2,100,116		
Current assets	136,344	457,262		716,138	727,929		
Non-current liabilities	(70,238)	(571,188)		(1,111,146)	(1,118,557)		
Current liabilities	(356,097)	(479,895)		(546,065)	(675,541)		
Net assets	536,983	631,953		1,173,225	1,033,947		
Subgroup's non-controlling interest	3,089	152,216		15,226	798,149		
Net assets attributable to the Group	533,894	479,737		1,157,999	235,798		
<b>Non-controlling interest calculation</b>	<b>139,720</b>	<b>213,579</b>	<b>(50,453)</b>	<b>782,923</b>	<b>57,818</b>	<b>(130,738)</b>	
Subgroup's non-controlling interest entering consolidation	3,089	152,216		15,226	798,149		
<b>Carrying amount of non-controlling interest</b>	<b>142,809</b> <sup>(3)</sup>	<b>365,795</b>	<b>(50,453)</b> <sup>(3)</sup>	<b>798,149</b> <sup>(4)</sup>	<b>855,967</b>	<b>(130,738)</b> <sup>(4)</sup>	<b>1,040,571</b>

(1) Net assets of CASAG include the net assets of OLG, which are further diluted on the CASAG level.

(2) Net assets of Emma Delta Management consist mainly of the net assets of OPAP, which are further diluted on the Emma Delta Management level.

(3) Non-controlling interest of €142,809 thousand is decreased by €50,453 thousand which represents the share of the Group through the equity method investees CLS and LTB in OLG.

(4) Non-controlling interest of €798,149 thousand is decreased by €130,738 thousand which represents the direct share of Sazka Group a.s. in OPAP (rather than the interest held indirectly through Emma Delta Management).

2020	OLG	CASAG (incl. OLG) <sup>(1)</sup>	Additional Group's share in OLG through CLS & LTB	OPAP	Emma Delta Management subgroup (incl. OPAP) <sup>(2)</sup>	Direct share in OPAP of SAZKA Group a.s.	Total
<b>Direct share in OPAP</b>						11.29%	
<b>Share in OLG subgroup</b>			9.45%				
<b>Direct non-controlling interest percentage</b>	26.17%	44.52%		67.61%	24.52%		
Net gaming revenue	98,111	148,063		594,840	594,840		
Profit	21,463	(14,281)		72,281	17,296		
Other comprehensive income	(2,519)	(12,976)		(299)	(102)		
Total comprehensive income	18,944	(27,257)		71,982	17,194		
<b>Profit allocated to non-controlling interest</b>	5,617	<b>(6,358)</b>	(2,028)	<b>48,523<sup>(4)</sup></b>	<b>4,169<sup>(4)</sup></b>	<b>(6,907)<sup>(4)</sup></b>	
<b>OCI allocated to non-controlling interest</b>	(659)	<b>(5,777)</b>	238	<b>(197)<sup>(4)</sup></b>	<b>(25)</b>	<b>22<sup>(4)</sup></b>	
Share of profit of subgroup's non-controlling interest entering consolidation	--	6,175		(2,983)	45,540		
Share of other comprehensive income of subgroup's non-controlling interest entering consolidation	--	(846)		--	(197)		
<b>Total comprehensive income attributable to non-controlling interest</b>	4,958	(6,806)	(1,790)	45,343	<b>49,487</b>	<b>(6,885)</b>	<b>34,006</b>
<b>Net inflow (+) / outflow (-) of cash and cash equivalents for the year</b>	(33,576)	40,234		(90,420)	<b>(88,969)</b>		<b>(172,731)</b>
<b>Dividends declared to NCI <sup>(3)</sup></b>		(26,145)	9,427	(282,362)	--	<b>34,039</b>	<b>(265,041)</b>

(1) Net assets of CASAG include the net assets of OLG, which are further diluted on the CASAG level.

(2) Net assets of Emma Delta Management consist mainly of the net assets of OPAP, which are further diluted on the Emma Delta Management level.

(4) Total dividend declared to non-controlling interest was €265,041 thousand including withholding tax, consisting of dividend paid to non-controlling interest in the amount of €264,345 thousand (of which €226,639 thousand was paid in cash and €37,706 thousand was settled by issuance of new OPAP S.A. shares) and unpaid dividend to non-controlling interest in the amount of €696 thousand.

(3) Profit and OCI allocated to non-controlling interest are not equal profit and OCI multiplied by non-controlling interest percentage due to the changes of interest percentage during the year.

## 21. Loans and borrowings

	30/09/2020	31/12/2019 (Reclassified)
<b>Long-term loans and borrowings</b>	<b>2,299,813</b>	<b>2,252,527</b>
Bank loans	1,274,509	1,532,174
Bonds	1,025,304	720,353

	30/09/2020	31/12/2019 (Reclassified)
<b>Short-term loans and borrowings</b>	<b>327,195</b>	<b>99,414</b>
Loans and borrowings	175,765	5,055
Current portion of long-term bank loans including accrued interest	142,011	83,288
Accrued interest on bonds	6,601	9,287
Overdrafts	2,719	1,784
Short-term loans from equity method investees	99	--

The Group has reclassified balances in the amount of €1,048,949 thousands from “Bonds” to “Bank loans” and the amount of €5,055 thousands from “Accrued interest on bonds” to “Current portion of long-term bank loans including accrued interest”.

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

<b>Balance at 1 January 2020</b>	<b>2,351,941</b>
Cash flows	
Loans and borrowings received	687,183
Repayment of loans and borrowings	(565,748)
Accrued Interest for previous year paid *	(10,863)
Non-cash changes	
Effect of business combination	184,150
Accrued unpaid interest	9,273
Non-cash settlement	466
Effect of FX differences	(29,394)
<b>Balance at 30 September 2020</b>	<b>2,627,008</b>

\*Included in “Interest paid” in “Net cash generated from operating activities”.



## Debt instruments

Borrower / Issuer	Currency	Principal amount in thousands of Euro 30/09/2020	Maturity	Interest rate	Book value 30/09/2020	Book value 31/12/2019
<b>Loans and borrowings</b>					<b>1,592,285</b>	<b>1,620,517</b>
CAME Holding GmbH (b)	EUR	--	2020	EURIBOR + margin*	--	96,574
CAME Holding GmbH (g)	EUR	104,425	2025	EURIBOR + margin*	104,437	--
Casinos Austria (Swiss) AG	CHF	694	2021	FIXED	694	--
Casinos Austria (Swiss) AG	CHF	1,851	2024	FIXED	1,851	--
Casinos Austria AG	EUR	68,571	2026	EURIBOR + margin*	67,904	--
Casinos Austria AG	EUR	70,000	2026	EURIBOR + margin*	70,000	--
Casinos Austria AG	EUR	25,000	2024	EURIBOR + margin*	25,000	--
HELLENIC LOTTERIES S.A.	EUR	50,000	2023	FIXED	50,121	49,828
HORSE RACES S.A.	EUR	5,000	2020	EURIBOR + margin*	5,083	5,055
Italian Gaming Holding a.s. (c)	EUR	--	2023	EURIBOR + margin*	--	211,926
NEUROSOFT S.A.	EUR	476	2025	EURIBOR + margin*	486	573
OPAP S.A.	EUR	250,000	2023	FIXED	246,803	249,393
OPAP S.A. (d)	EUR	--	2022	FIXED	--	200,133
OPAP S.A. (f)	EUR	150,000	2021	EURIBOR + margin*	150,765	--
OPAP S.A.	EUR	100,000	2023	EURIBOR + margin*	96,242	100,029
OPAP S.A.	EUR	100,000	2024	FIXED	100,569	100,565
OPAP S.A. (e)	EUR	100,000	2021	EURIBOR + margin*	99,752	--
OPAP S.A.	EUR	300,000	2024	EURIBOR + margin*	298,969	298,812
OPAP S.A.	EUR	50,000	2022	EURIBOR + margin*	50,228	50,189
SAZKA a.s.	CZK	86,136	2024	PRIBOR + margin*	85,564	109,860
SAZKA a.s.	CZK	137,817	2025	PRIBOR + margin*	137,817	147,580

Borrower / Issuer	Currency	Principal amount in thousands of Euro 30/09/2020	Maturity	Interest rate	Book value 30/09/2020	Book value 31/12/2019
<b>Bonds</b>					<b>1,031,905</b>	<b>729,640</b>
Casinos Austria International Holding GmbH	EUR	18,697	2021	4.75%	18,615	--
SAZKA Group a.s. - CZK 6bn	CZK	220,507	2024	5.20%	217,211	234,954
SAZKA Group a.s. - EUR 300m**	EUR	300,000	2024	4.13%	301,037	297,196
SAZKA Group a.s. - EUR 300m (a) **	EUR	300,000	2027	3.88%	296,844	--
SAZKA Group Financing a.s. - EUR 200m**	EUR	200,000	2022	4.00%	198,198	197,490
<b>Other</b>					<b>2,818</b>	<b>1,784</b>
<b>Total</b>					<b>2,627,008</b>	<b>2,351,941</b>

\* Margin applicable to the outstanding bank loans as at 31 September 2020 is in the range of 1.3%-4.25% p.a.

\*\* A proportion of issued bonds and loans in the amount of €449 million is used as a hedging instrument in the "Net investment hedge" (see Note 24).

- (a) On 5 February 2020, the Company issued €300,000 thousand of senior notes.
- (b) On 10 February 2020, CAME Holding GmbH fully repaid a bank loan in the amount of €96,982 thousand.
- (c) On 17 February 2020, Italian Gaming Holding a.s. fully repaid a bank loan in the amount of €214,773 thousand.
- (d) On 23 March 2020, OPAP S.A. prepaid a retail bond. The total amount of the prepayment (principal and interest) was €200,539 thousand.
- (e) On 27 March 2020, OPAP S.A. drew a bank loan of €100,000 thousand.
- (f) On 31 March 2020, OPAP S.A. drew a bank loan of €200,000 thousand. On 1 July 2020, €50,000 thousand was repaid and maturity date extended to 1 April 2021.
- (g) On 26 June 2020, CAME Holding GmbH drew a bank loan of €105,000 thousand.

## 22. Lease liabilities

<b>Balance at 1 January 2020</b>	<b>68,210</b>
Effect of business combination	93,877
Payment of lease liabilities	(11,079)
New lease contracts and contract modifications	6,007
Effect of currency translation	(247)
<b>Balance at 30 September 2020</b>	<b>156,768</b>

## 23. Trade and other payables

	30/09/2020	31/12/2019
<b>Long-term trade and other payables</b>	<b>47,572</b>	<b>9,975</b>
Deferred purchase price for intangible assets	15,396	--
Liabilities arising from unpaid winnings	13,839	--
Deferred consideration for the purchase of shares in CASAG (see Note 3)	7,386	--
Deferred consideration for the purchase of shares in OPAP S.A.	7,411	6,709
Obligation to purchase IGT Czech Republic LLC	--	2,069
Other payables	3,540	1,197

Long-term “Liabilities arising from unpaid winnings” represent winnings from certain games which are paid out over an extended period.

“Deferred purchase price for intangible assets” represent intangible assets acquired by SAZKA that will be paid in equal monthly instalments over twelve years beginning in 2020.

	30/09/2020	31/12/2019 (Restated)
<b>Short-term trade and other payables</b>	<b>666,857</b>	<b>362,850</b>
Liabilities arising from unpaid winnings	245,803	126,043
Gaming tax liabilities	150,973	80,908
Payables to state (social and health insurance liabilities, other taxes)	66,135	16,171
Trade payables to suppliers	72,414	73,214
Vouchers	21,401	--
Guarantee deposits from lottery agents	14,690	14,745
Prepaid stakes	15,249	13,946
Deferred consideration for the purchase of shares in OPAP S.A.	3,000	3,000
Contract liabilities	1,031	1,140
Deferred purchase price for intangible assets	1,192	--
Other payables	74,969	33,683

The Group reclassified “Payables to employees” which were previously presented in “Short-term trade and other payables” to “Employee benefits” (see Note 1f).

CASAG sells vouchers for food and beverages. “Vouchers” presents the amount of unredeemed vouchers.

As at 30 September 2020 and 31 December 2019 “Trade and other payables” were not secured.

## 24. Derivatives and hedging

Currency and interest rate derivatives are used only for economic hedging purposes. When hedge accounting requirements are fulfilled, derivatives are designated and recognized as “Hedging derivatives”.

The following table shows the carrying amounts of derivative financial instruments by type of derivative financial instrument:

	Carrying amount at 30/09/2020		Carrying amount at 31/12/2019	
	Hedging derivatives	Other derivatives	Hedging derivatives	Other derivatives
<b>Receivables relating to derivative instruments</b>	--	<b>8,359</b>	<b>4,644</b>	<b>8,359</b>
Long-term receivables	--	8,359	1,151	8,359
Short-term receivables	--	--	3,493	--
<b>Liabilities relating to derivative instruments</b>	<b>21,926</b>	<b>1,359</b>	<b>2,759</b>	<b>957</b>
Long-term liabilities	13,752	272	2,759	957
Short-term liabilities	8,174	1,087	--	--

Fair values in the tables above were obtained from the financial institution with whom the Group entered into the derivative transaction in question. All financial derivatives at fair value as at 30 September 2020 and 31 December 2019 were categorised to Level 2 in the fair value hierarchy.

### Hedging derivatives

The Group held the following hedging derivatives:

Hedging derivatives	Due date	Fixed rate	Nominal value as at 30/09/2020	Average fixed rate 30/09/2020	Fair value as at 30/09/2020
Interest rate swaps	2020	3M PRIBOR	16,538	0.310	(1)
Interest rate swaps	2024	3M PRIBOR	89,036	1.827	(2,563)
Interest rate swaps	2025	3M PRIBOR	119,441	1.922	(8,273)
Interest rate swaps	2023	3M EURIBOR	100,000	0.365	(2,915)
CZK/EUR forwards *	2020	--	230,000	26.214	(8,174)
<b>Total hedging derivatives</b>			<b>555,015</b>	--	<b>(21,926)</b>

\* FX forwards represent hedging instruments under the net investment hedge.

Hedging derivatives	Due date	Fixed rate	Nominal value as at 31/12/2019	Average fixed rate 31/12/2019	Fair value as at 31/12/2019
Interest rate swaps	2020	3M PRIBOR	17,710	0.310	341
Interest rate swaps	2024	3M PRIBOR	91,499	1.729	851
Interest rate swaps	2024	3M PRIBOR	22,912	2.215	(50)
Interest rate swaps	2025	3M PRIBOR	121,999	1.894	300
Interest rate swaps	2025	3M PRIBOR	5,903	2.512	(185)
Interest rate swaps	2023	3M EURIBOR	100,000	0.365	(2,524)
CZK/EUR forwards *	2020	--	230,000	26.214	3,152
<b>Total hedging derivatives</b>			<b>590,023</b>	--	<b>1,885</b>

\* FX forwards represent hedging instruments under the net investment hedge.

### Interest rate risk – cash flow hedge

The Group uses interest rate derivatives (“IRS”) to mitigate the risk of negative impact on future cash flow due to an increase in interest rates. The future cash flows relate to interest payments under loan agreements in which interest payments are based on floating rates (EURIBOR, PRIBOR). Hedge accounting criteria were fulfilled as at 30 September 2020 and 31 December 2019, and such derivatives are recognized as “Hedging derivatives”

and the changes in the fair value for such derivatives are recognized directly in other comprehensive income. The Group hedged interest payments on loans in a principal amount as at 30 September 2020 of €323,953 thousand (31 December 2019: €571,093 thousand). The Group applies a Dollar offset method to measure the effectiveness of the hedge relationship. The Group did not recognize any hedge ineffectiveness arising from these hedges in profit or loss for the nine months ended 30 September 2020 or 2019.

### Net investment hedge of foreign operation

The Group uses both non-derivative financial liabilities and derivative instruments to hedge foreign currency risks resulting from net investments in foreign subsidiaries, provided that these other financial liabilities meet the same requirements as a hedging derivative.

From 5 February 2020 the non-derivative financial liability designated as the hedging instrument under the net investment hedge changed from a bank loan of Italian Gaming Holding a.s. that was repaid on 17 February to a Eurobond issued by the Company with the maturity 2027 (see Note 21). As at 31 December 2019 the non-derivative financial liability designated as hedging instrument under the net investment hedge was a Eurobond issued by the Company with the maturity 2024 (see Note 21). Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that the economic relationship exists between the hedged item and the hedging instrument.

The Group also enters into currency forwards that have similar critical terms as the hedged item, such as currency or notional amount, to hedge foreign currency risks resulting from net investments. As all critical terms matched during the period, the economic relationship was 100% effective.

The Group did not recognize any hedge ineffectiveness from net investment hedges in profit or loss for the nine months ended 30 September 2020 and 2019. The gain or loss on hedging instruments that are determined to be an effective hedge of the net investment is recognized in other comprehensive income and is included in hedging reserve.

The effect of hedge accounting recognized in profit or loss and other comprehensive income during the period were as follows:

Cashflow hedges for nine months ended 30 September 2020	Change recognized in OCI	Change reclassified from OCI to profit or loss	Change in the Hedging reserve
<b>Cash flow hedging reserve, net of tax</b>	<b>(54,336)</b>	<b>2,658</b>	<b>(51,678)</b>
attributable to owners of the Company	(54,137)*	2,658	(51,479)
attributable to non-controlling interest	(199)	--	(199)

\*of which revaluation of hedging instruments under net investment hedges in relation to foreign operations in the amount of €(43,530) thousand. "Translation of foreign operations into the Group's presentation currency" in other comprehensive income includes translation gains in relation to these foreign operations in the amount of €47,952 thousand during the period.

Cashflow hedges for nine months ended 30 September 2019	Change recognized in OCI	Change reclassified from OCI to profit or loss	Change in the Hedging reserve
<b>Cash flow hedging reserve, net of tax</b>	<b>(6,435)</b>	<b>--</b>	<b>(6,435)</b>
attributable to owners of the Company	(5,011)*	--	(5,011)
attributable to non-controlling interest	(1,424)	--	(1,424)

\*of which revaluation of hedging instruments under net investment hedges in relation to foreign operations in the amount of €(3,724) thousand.

Effects of cash flow hedges are recognized in consolidated other comprehensive income under "Remeasurement of hedging derivatives" and "Net change in fair value of cash flow hedges transferred to profit or loss (net of

tax)". "Net change in fair value of cash flow hedges transferred to profit or loss (net of tax)" for 30 September 2020 and 2019 includes reduction of IRS due to loan amortization and payment of interest on loans. The impact in profit or loss is presented as "Interest expense".

### Other derivatives

The Group held the following derivatives that do not qualify for hedge accounting:

Other derivatives	Due date	Nominal value as at 30/09/2020	Fair value as at 30/09/2020	Nominal value as at 31/12/2019	Fair value as at 31/12/2019
FX swaps	2022	--	--	14,136	(74)
FX swaps	2023	--	--	148,286	(883)
Interest rate swaps	2021	123,000	(1,359)	--	--
<b>Total other financial derivatives</b>		<b>123,000</b>	<b>(1,359)</b>	<b>162,422</b>	<b>(957)</b>

The Group used IRS as at 30 September 2020 to mitigate the risk of interest rates. Although the IRS economically offset the interest rate risk, hedge accounting criteria were not fulfilled as at 30 September 2020 for this derivative, apart from derivatives designated as hedging instruments above. Consequently, such derivative was recognized as "Other derivatives" and classified as financial instruments at fair value through profit or loss.

The Group used currency derivatives as at 31 December 2019 (FX forwards, FX swaps) to mitigate currency risk. Although the currency derivatives economically offset the currency risk, hedge accounting criteria were not fulfilled as at 31 December 2019 for these derivatives, apart from derivatives designated as hedging instruments under net investment hedges (see section above). Consequently, such currency derivatives were recognized as "Other derivatives" and classified as financial instruments at fair value through profit or loss.

### Call option

As at 30 September 2020 the Group held a call option with nominal value of €8,359 thousand exercisable until 2023.

## 25. Employee benefits

	30/9/2020	31/12/2019 (Restated)
<b>Long-term employee benefits</b>	<b>133,749</b>	<b>2,993</b>
Post-employment benefit	125,960	2,993
Defined benefit plan	125,960	2,993
Long-term bonuses	7,789	--

	30/9/2020	31/12/2019 (Restated)
<b>Short-term employee benefits</b>	<b>36,862</b>	<b>18,040</b>
Short-term bonuses	15,608	9,588
Other short-term employee benefits	21,254	8,452

The Group reclassified "Payables to employees" which were previously presented in "Short-term trade and other payables" to "Employee benefits" (see Note 1f).

The increase in "Long-term employee benefits" relates mainly to the consolidation of CASAG (see Note 2.3 and Note 3).

**Post-employment benefits**

“Post-employment benefits” relate to CASAG and OPAP. Employees of CASAG hired before 31 December 2002 are eligible to participate in a defined benefit plan, and employees hired after 31 December 2002 are entitled to participate in a defined contribution plan. There is also minor plan in OPAP. In OPAP employees are eligible to participate in a defined benefit plan.

**Defined contribution plan**

Under Austrian labour law, for employees whose employment started after 31 December 2002, the employer contributes 1.53% of the gross wage or salary each month to an employee compensation fund. This fund represents a “Defined contribution plan” in accordance with IAS 19, and the related employer contributions are reported under “Retirement benefit expenses – defined contribution plan”.

**Defined benefit plans**

Under Greek and Austrian labour law, employees are entitled to severance payments in the event of retirement or termination by the employer with the amount of payment varying in relation to the employee's compensation and length of service. The liability arising from the obligation is valued by an independent firm of actuaries. The last actuarial valuations of the OPAP and CASAG defined benefit plans were undertaken in December 2019. Quarterly amounts are calculated based on adjusted forecasts and accounted on an accrual basis.

In CASAG there are two types of “Defined benefit plan” obligations. Pensions are presented on a net basis (present value of obligation is netted with fair value of plan asset out of which the obligation is to be settled directly) and severance payments are presented on a gross basis.

**Long-service bonuses**

Number of employees in the CASAG are entitled to “Long-service bonuses” when they reach a specified number of years of employment with the company. Employee benefit liability is recognized for these obligations in the amount of €6,925 thousand.

## 26. Purchase of non-controlling interest

Company / Group companies	Previous interest	Current interest	Change	Type of transaction	Date of transaction
Medial Beteiligungs GmbH (a)	99.66%	100.00%	0.34%	Purchase of non-controlling interest	26 June 2020
	31.99%	33.33%	1.34%	Scrip dividend	6 February 2020
	33.33%	33.68%	0.35%	Purchase of non-controlling interest	April 2020 – June 2020
OPAP S.A. (see Note 2.3)	33.68%	34.22%	0.54%	Intragroup purchase of non-controlling interest	24 June 2020
	34.22%	34.77%	0.55%	Scrip dividend	11 August 2020
	34.77%	35.74%	0.97%	Purchase of non-controlling interest	July 2020 – September 2020

The above stated percentages in column “Change” represent the effective share acquired by the Group.

- (a) On 26 June 2020, the Group acquired an additional 0.34% share in Medial Beteiligungs GmbH. The increase represents an increase in share in the company without change of control. This additional purchase is presented as “Purchase of non-controlling interest in subsidiaries” in the Consolidated statement of cash flows.

## 27. Disposals of subsidiaries

Company / Group companies	Previous interest	Current interest	Change	Type of transaction	Date of transaction
Emma Delta Finance Plc	100.00%	--	(100.00%)	Liquidation	18 January 2020
IGH Financing a.s.	100.00%	--	(100.00%)	Liquidation	1 June 2020
SAZKA Group Russia LLC	100.00%	--	(100.00%)	Sale	27 March 2020

The above stated percentages represent the direct share sold or liquidated by the parent company of each company.

During the year 2020 the Group sold SAZKA Group Russia LLC. The impact of the sale is immaterial and is presented as “Net profit from sale of securities” (see Note 13). Emma Delta Finance Plc and IGH Financing a.s. were liquidated. The impact of liquidation is immaterial and is presented as a part of “Other finance income”.

## 28. Related parties

Relations between the Group and its related parties include relations with companies related through common shareholders or directors of the company.

The transactions below were related party transaction for the Group due to the counterparty being within the KKCG group.

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



There were no material transactions with equity method investees (see Note 15) in the current year or in prior year periods, except for dividends declared in the amount of €84,665 thousand in 2020 (30 September 2019: €81,111 thousand) and reserve distribution of equity method investee in the amount of €0 thousand (30 September 2019: €40,221 thousand).

## 28.1 Outstanding related party balances:

The following tables present outstanding receivables and payables from related parties of the Group as at 30 September 2020 and 31 December 2019:

<b>Transactions with shareholders</b>	<b>30/09/2020</b>	<b>31/12/2019</b>
<b>ASSETS</b>		
Short-term trade receivables and other non-current assets	--	8,532
<b>EQUITY</b>		
Dividends paid	--	149,073
<b>Transactions with related parties of the Group other than shareholders</b>	<b>30/09/2020</b>	<b>31/12/2019</b>
<b>ASSETS</b>		
Long-term trade receivables and other non-current assets	1,286	1,377
Short-term financial assets	399	399
Short term trade receivables and other current assets	123	272
<b>LIABILITIES</b>		
Short-term trade and other payables	793	3,127

## 28.2 Transactions with related parties of the Group:

The following tables present transactions with related parties of the Group with effect on the Consolidated statement of comprehensive income for the nine month period ended 30 September 2020 and 30 September 2019:

<b>Transactions with shareholders</b>	<b>Nine months ended 30 September:</b>	
	<b>2020</b>	<b>2019</b>
Materials, consumables and services	(41)	(95)
Interest income	--	207
<b>Transactions with related parties of the Group other than shareholders</b>	<b>Nine months ended 30 September:</b>	
	<b>2020</b>	<b>2019</b>
Revenue from non-gaming activities	230	265
Other operating income	32	35
Materials, consumables and services	(4,695)	(4,338)
Personnel expenses	(14)	(13)
Other operating expenses	(273)	(1,535)
Other finance income and expense	--	(93)
Interest income	233	52

### 28.3 Transactions with members of the Company's Board of Directors, Supervisory Board and key management personnel:

Bonuses, remuneration and other personal expenses incurred in respect of members of the Board of Directors and Supervisory Board of the Company and key management personnel of the Group:

	Nine months ended 30 September 2020		Nine months ended 30 September 2019	
	Board of Directors and Supervisory Board	Key management personnel	Board of Directors and Supervisory Board	Key management personnel
Wages and salaries	--	(8,684)	--	(9,195)
Social and health insurance	(5)	(1,757)	--	(1,743)
Other social expenses	--	(101)	--	(104)
Remuneration of members of statutory bodies	(14)	(831)	--	(653)
<b>Total</b>	<b>(19)</b>	<b>(11,373)</b>	<b>--</b>	<b>(11,695)</b>

"Key management personnel" represents executive management of the Group and members of Boards of Directors and Supervisory Boards of the Group's subsidiaries.

The following tables summarise the Group securities owned by members of the Board of Directors as at 30 September 2020:

	Minimum denomination	Number of notes	Total nominal value (in thousands of Euro)
SAZKA Group CZK bond	10,000 CZK	345	127
SAZKA Group EUR bond	100,000 EUR	1	100
SAZKA Group Financing bond	1,000 EUR	25	25

	Number of shares	Total market value (in thousands of Euro)
OPAP shares	8,194	66

## 29. Group companies

Companies included in the consolidated group as at 30 September 2020 and 31 December 2019 and the Company's effective ownership interest are as follows.

The comparative information presents economic interest in entities within CASAG subgroup, while the classification of entities as subsidiaries, joint venture or associates is only valid for the period after CASAG became a subsidiary of the Group.

	Note	Country	Effective portion of ownership interest	
			30/09/2020	31/12/2019
<b>Parent company:</b>				
SAZKA Group a.s.		Czech Republic	n/a	n/a
<b>Group companies:</b>				
Austrian Gaming Holding a.s.		Czech Republic	subsidiary	100.00%
CAME Holding GmbH		Austria	subsidiary	100.00%
CASAG subgroup		Austria	subsidiary	55.48%
AleaX AG		Liechtenstein	subsidiary	55.48%
Cachi Valle Aventuras S.A.		Argentina	subsidiary	55.48%
CAI Hungary Kft.		Hungary	subsidiary	30.51%
CAI Ontario Inc.		Canada	subsidiary	55.48%
CAIO AG		Switzerland	subsidiary	55.48%
CAIO DK ApS		Denmark	subsidiary	55.48%
Casino Copenhagen K/S		Denmark	joint venture	27.74%
Casino Event Immobilien GmbH		Germany	subsidiary	55.48%
Casino Lugano S.A.		Switzerland	associate	15.96%
Casino Marienlyst A/S		Denmark	joint venture	27.74%
Casino Munkebjerg Vejle A/S		Denmark	joint venture	27.74%
Casino Sopron Kft.		Hungary	subsidiary	30.51%
Casino St. Moritz AG		Switzerland	subsidiary	55.48%
Casino Vesterport Copenhagen K/S		Denmark	joint venture	27.74%
Casinoland IT-Systeme GmbH		Germany	subsidiary	55.48%
Casinos Austria (Liechtenstein) AG		Liechtenstein	subsidiary	55.48%
Casinos Austria (Swiss) AG		Switzerland	subsidiary	55.48%
Casinos Austria AG Liegenschaftsverwaltungs- und Leasing GmbH		Austria	subsidiary	55.48%
Casinos Austria International (Cairns) Pty Ltd.		Australia	joint venture	27.74%
Casinos Austria International (Mazedonien) Holding GmbH		Austria	subsidiary	55.48%
Casinos Austria International Belgium S.A.		Belgium	subsidiary	55.48%
Casinos Austria International GmbH		Austria	subsidiary	55.48%
Casinos Austria International Holding GmbH		Austria	subsidiary	55.48%
Casinos Austria International Ltd.		Australia	subsidiary	55.48%
Casinos Austria International Macedonia d.o.o.		Macedonia	joint venture	19.42%
Casinos Austria Management AG		Switzerland	subsidiary	55.48%

	Note	Effective portion of ownership interest			
		Country		30/09/2020	31/12/2019
Casinos Austria Management GmbH		Austria	subsidiary	55.48%	38.16%
Casinos Austria Maritime Corp.		USA	subsidiary	55.48%	38.16%
Casinos Austria VLT AG		Switzerland	subsidiary	55.48%	38.16%
Casinos Austria of Egypt AG		Liechtenstein	joint venture	27.74%	19.08%
Casinos Denmark A/S		Denmark	joint venture	27.74%	19.08%
Casinos Odense K/S		Denmark	subsidiary	55.48%	38.16%
CAST Casinos Austria Sicherheitstechnologie GmbH		Austria	subsidiary	55.48%	38.16%
CCB Congress Center Baden BetriebsgmbH		Austria	subsidiary	49.38%	33.96%
Cocino GmbH		Germany	joint venture	26.08%	17.94%
Complejo Monumento Güemes S.A.		Argentina	subsidiary	55.48%	38.16%
Cuisino Ges.m.b.H.		Austria	subsidiary	55.48%	38.16%
Entretencimientos y Juegos de Azar S.A.		Argentina	subsidiary	55.45%	38.14%
Fortuna 1 Aps		Denmark	subsidiary	55.48%	38.16%
Glücksrad Kft.		Hungary	joint venture	27.19%	18.70%
Grand Casino Kursaal Bern AG	(a)	Switzerland	FVOCI	7.49%	5.15%
Great Blue Heron Gaming Company		Canada	subsidiary	39.95%	27.48%
Inmobiliaria Ovalle S.A.		Chile	subsidiary	55.48%	38.16%
Inversiones Anacaldo S.A. i.L.		Chile	associate	13.87%	9.54%
Leisure & Entertainment S.A.		Argentina	subsidiary	55.48%	38.16%
LIE2 AG		Liechtenstein	subsidiary	55.48%	38.16%
National Videolottery of the Rep. of Macedonia-Casinos Austria LLC-Skopje		Macedonia	joint venture	9.51%	6.54%
ÖLG Holding GmbH		Austria	subsidiary	55.48%	38.16%
Österreichische Lotterien GmbH subgroup		Austria	subsidiary	50.41%	37.62%
Deutsche Sportwetten GmbH		Germany	subsidiary	32.39%	25.23%
Glücks- und Unterhaltungsspiel BetriebsgesmbH		Austria	subsidiary	50.41%	37.62%
Österreichische Sportwetten GmbH		Austria	subsidiary	32.39%	25.23%
Österreichische Klassenlotterie Vertriebsgesellschaft m.b.H.		Austria	subsidiary	50.41%	37.62%
Rabcat Computer Graphics GmbH		Austria	subsidiary	48.36%	36.22%
Win2day International GmbH		Austria	subsidiary	50.41%	37.62%
WinWin International GmbH		Austria	subsidiary	50.41%	37.62%
Reef Casino Investments Pty Ltd.		Australia	joint venture	27.74%	19.08%
Reef Casino Trust		Australia	joint venture	23.30%	16.03%
Reef Corporate Services Ltd.		Australia	joint venture	27.74%	19.08%
Revolutionary Technology Systems AG		Switzerland	joint venture	27.74%	19.08%
Spielbanken Niedersachsen GmbH		Germany	subsidiary	55.48%	38.16%
Viage Productions S.A.		Belgium	subsidiary	55.48%	38.16%
CLS Beteiligungs GmbH *		Austria	associate	66.67%	66.67%
Emma Delta Finance Plc	(b)	Cyprus	subsidiary	--	75.48%
Emma Delta Hellenic Holdings Limited	(b)	Cyprus	subsidiary	75.48%	75.48%
Emma Delta Management Ltd	(c)	Cyprus	subsidiary	66.70%	66.70%

	Note	Country		Effective portion of ownership interest	
				30/09/2020	31/12/2019
EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD	(b)	Cyprus	subsidiary	75.48%	75.48%
IGH Financing a.s.		Czech Republic	subsidiary	--	100.00%
Italian Gaming Holding a.s.		Czech Republic	subsidiary	100.00%	100.00%
Kavárna štěstí s.r.o.		Czech Republic	subsidiary	100.00%	100.00%
LOTTOITALIA S.r.l.		Italy	associate	32.50%	32.50%
LTB Beteiligungs GmbH *		Austria	associate	66.67%	66.67%
Medial Beteiligungs GmbH		Austria	subsidiary	100.00%	99.66%
OPAP subgroup		Greece	subsidiary	35.74%	31.99%
DAEDALUS TECHNOLOGIES FZC		Dubai	subsidiary	24.20%	--
HELLENIC LOTTERIES S.A.		Greece	subsidiary	29.84%	26.71%
HORSE RACES S.A.		Greece	subsidiary	35.74%	31.99%
Neurosoft S.A.		Greece	subsidiary	24.20%	21.66%
OPAP CYPRUS LTD		Cyprus	subsidiary	35.74%	31.99%
OPAP INTERNATIONAL LTD		Cyprus	subsidiary	35.74%	31.99%
OPAP INVESTMENT LTD		Cyprus	subsidiary	35.74%	31.99%
OPAP SERVICES S.A.		Greece	subsidiary	--	31.99%
OPAP SPORTS LTD		Cyprus	subsidiary	35.74%	31.99%
Stoiximan Group's Greek and Cypriot business ("SMGC")	(d)	Malta	joint venture	24.66%	11.75%
KAIZEN GAMING LIMITED (formerly TCB Holdings Ltd)*		Malta	associate	13.13%	11.75%
TORA DIRECT S.A.		Greece	subsidiary	35.74%	31.99%
TORA WALLET S.A.		Greece	subsidiary	35.74%	31.99%
RUBIDIUM HOLDINGS LIMITED		Cyprus	subsidiary	100.00%	100.00%
SAZKA a.s.		Czech Republic	subsidiary	100.00%	100.00%
SAZKA Asia a.s.		Czech Republic	subsidiary	100.00%	100.00%
Sazka Asia Vietnam Company Limited		Vietnam	subsidiary	100.00%	100.00%
SAZKA Czech a.s.		Czech Republic	subsidiary	100.00%	100.00%
Sazka Distribution Vietnam Company Limited		Vietnam	subsidiary	100.00%	100.00%
SAZKA FTS a.s.		Czech Republic	subsidiary	100.00%	100.00%
SAZKA Group Financing a.s.		Slovakia	subsidiary	100.00%	100.00%
SAZKA Group Russia LLC		Russia	subsidiary	--	100.00%
SAZKA Group UK Limited (former KKCG UK Limited)		United Kingdom	subsidiary	100.00%	--
SAZKAmobil 5G a.s. (formerly Italian GNTN Holding a.s.)		Czech Republic	subsidiary	100.00%	100.00%
SPORTLEASE a.s.		Czech Republic	subsidiary	100.00%	100.00%
Vitalpeak Limited		Cyprus	subsidiary	100.00%	100.00%

\*The equity method investees consist of a group of entities.

- (a) Grand Casino Kursaal Bern AG is a financial investment of CASAG revaluated through other comprehensive income. It is considered as part of CASAG subgroup, even though CASAG does not exercise significant influence over the entity following impact of change of control clauses after the acquisition of CASAG by the Group.

- (b) The controlling interest in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD is represented by the 100% of its voting rights held by Emma Delta Management Ltd. However, the economic interest attributable to the Group consists of the 75.48% of its investor shares owned by RUBIDIUM HOLDINGS LIMITED.
- (c) 66.70% represents voting shares, the Group's economic interest in Emma Delta Management is 75.48%.
- (d) Stoiximan Group's Greek and Cypriot business ("SMGC") is considered part of the Group, however the business is not yet represented through a legal entity but is operated by KAIZEN INTERNATIONAL GAMING LIMITED subgroup (formerly GML INTERACTIVE LTD), a 100% subsidiary of KAIZEN GAMING LIMITED (formerly TCB Holdings Ltd). It is envisioned that the SMGC will be legally separated in 2021.

### **30. New and amended standards adopted by the Group**

The Group has applied for the first-time certain standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2020.

These amendments did not have any material impact on the Group's consolidated financial statements.

#### **Amendment to IFRS 3 "Business combinations"**

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term "outputs" is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

These amendments did not have any material impact on the Group's condensed consolidated interim financial statements.

#### **Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark ("IBOR") reform**

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

These amendments did not have any material impact on the Group's condensed consolidated interim financial statements.

#### **Amendments to IAS 1 and IAS 8 - Definition of material**

The IASB has made amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors" which use a consistent definition of materiality throughout International Financial Reporting Standards and the "Conceptual Framework" for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole; and
- the meaning of "primary users of general purpose financial statements" to whom those financial statements are directed, by defining them as "existing and potential investors, lenders and other creditors" that must rely on general purpose financial statements for much of the financial information they need.

These amendments did not have any material impact on the Group's condensed consolidated interim financial statements.

### **Amendments to References to the “Conceptual Framework” in IFRS Standards**

The IASB has issued a revised “Conceptual Framework” which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting; and
- reinstating prudence as a component of neutrality; and
- defining a reporting entity, which may be a legal entity, or a portion of an entity; and
- revising the definitions of an asset and a liability; and
- removing the probability threshold for recognition and adding guidance on derecognition; and
- adding guidance on different measurement basis; and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in Other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the “Conceptual Framework” in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised “Conceptual Framework” from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised “Conceptual Framework”.

These amendments did not have any material impact on the Group's condensed consolidated interim financial statements.

### **Amendments to IFRS 16 “Leases” - COVID-19 related rent concessions**

These amendments were endorsed by the EU on 9 October 2020 and are effective from 1 June 2020.

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 “Leases” which provides lessees with an option to treat qualifying rent concessions in the same way they would if they were not lease modifications.

Due to decisions of the Greek and Cypriot governments, all of OPAP stores and PLAY gaming halls were ordered to close in March 2020. According to Legislative Act 20.03.2020/2020 of the Greek Government, enterprises whose operation has been mandatorily suspended or temporarily interrupted based on special and extraordinary measures taken for precautionary or repressive purposes in relation to the COVID-19 spread, shall be exempted from paying 40% of the total amount of rent due for the months of March, April and May 2020 for the commercial premises that they lease. The effect of the 40% discount provided to lessees by the Greek State as well as discounts offered based on specific lease contracts have been accounted for as negative variable lease payments that are not dependent on an index or a rate and not as a lease modification. The total effect for the Group of €1,070 has been recorded in “Other operating income”.

## **31. New standards and interpretations not yet adopted**

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

**Documents not yet endorsed by the EU:****IFRS 17 “Insurance contracts”**

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 in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows; and
- an explicit risk adjustment; and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the Statement of profit or loss or directly in Other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the “variable fee approach” for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity’s share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

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.

It is expected to be endorsed before its effective date. IASB effective date is 1 January 2023.

The Group does not expect that IFRS 17 to have a significant impact on the Group’s consolidated financial statements.

**Amendments to IAS 1 “Presentation of financial statements” - Classification of liabilities as current or non-current**

The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists, and management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.

The amendments clarify the situations that are considered settlement of a liability.

It is expected to be endorsed before its effective date. IASB effective date is 1 January 2023.

The Group is evaluating the impact of adoption of this amendment.

**Amendments to IFRS 3 “Business combination” - Reference to “Conceptual framework” & Amendments to IAS 37 “Provisions, Contingent liabilities and Contingent Assets” - cost of fulfilling a contract**

Minor amendments were made to IFRS 3 “Business Combinations” to update the references to the “Conceptual Framework” for financial reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and Interpretation 21 “Levies”. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising



a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

It is expected to be endorsed before its effective date. IASB effective date is 1 January 2022.

The Group does not expect these amendments to have a significant impact on the Group's consolidated financial statements.

### **Amendments to IAS 16 "Property, Plant and Equipment" ("PPE")**

The amendment to IAS 16 "Property, Plant and Equipment" prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is "testing whether the asset is functioning properly" when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

It is expected to be endorsed before its effective date. IASB effective date is 1 January 2022.

The Group does not expect these amendments to have a significant impact on the Group's consolidated financial statements.

### **Annual Improvements 2018 - 2020**

The following improvements were finalised in May 2020:

- IFRS 9 "Financial Instruments" - clarifies which fees should be included in 10% test for derecognition of financial liabilities; and
- IFRS 16 "Leases" - amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives; and
- IFRS 1 "First time Adoption of International Financial Reporting Standards" - allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to joint ventures and associates that have taken the same IFRS 1 exemption; and
- IAS 41 "Agriculture" - removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

It is expected to be endorsed before its effective date. IASB effective date is 1 January 2022.

The Group does not expect these amendments to have a significant impact on the Group's consolidated financial statements.

## 32. Subsequent events

Significant subsequent events that occurred after 30 September 2020:

1. On 2 October, an investor redeemed its shares in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY. The investor received OPAP S.A. shares held by Emma Delta Hellenic Holding Limited based on the closing price as of 1 October 2020 and the Group's share in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY increased from 75.5% to 78.6%.

So far in the fourth quarter of 2020 the Company has acquired 1,892,555 shares of OPAP S.A. in the open market.

As a result of these market purchases and the redemption, the Group's shareholding in OPAP reduced from 43.7% to 43.1%, however its economic interest increased from 35.7% to 36.4%.

2. On 26 October, the Company signed a €100,000 thousand bilateral credit facility agreement. The full amount was drawn on 3 November.
3. On 27 October 2020, OPAP issued a of €200 million retail bond bearing a 2.10% interest rate.
4. On 6 November and 9 November, the Company paid a dividend in the amount of €110,000 thousand.
5. On 18 November 2020, OPAP acquired an additional 15.48% indirect stake in Stoiximan Group's Greek and Cypriot business ("SMGC"), currently operated by KAIZEN INTERNATIONAL GAMING LIMITED subgroup (formerly GML INTERACTIVE LTD).

Following the completion of the transaction, OPAP holds an 84.49% combined effective stake in SMGC, while it retains its 36.75% stake in Kaizen Gaming International's operations outside of Greece and Cyprus under the BETANO brand.

6. On 25 November 2020, the Company and ÖBAG (the state-owned agency which is the second largest shareholder in Casinos Austria AG) received the last outstanding regulatory approval required for the effectiveness of the shareholder agreement between the Company and ÖBAG.
7. In late October/early November, a number of regions in Europe implemented tighter COVID-19 related restrictions. While all our digital channels continue to operate without interruption, our physical retail networks have to various degrees been affected by these restrictions. The extent of the financial impact will largely depend on the duration of the outbreak and the extent and nature of resulting restrictions. Below is a brief overview of the current situation in our markets:

### *Austria*

The Austrian government imposed a number of restrictions from 3 November. Some of these restrictions have since been eased but a curfew and mandatory early closing for shops remain in force.

As was the case during the restrictions in force in H1, these measures have had a limited impact on the availability of OLG products through its land-based channels.

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

CASAG has closed all its casinos in Austria in accordance with the restrictions. The same regulation applies to CASAG's 21 gaming halls. Casinos Austria International GmbH has currently closed some of its casinos in Europe.

*Czech Republic*

The Government in the Czech Republic imposed a number of restrictions from late October. However, in recent weeks, some of the restrictions around the opening of shops and movement of citizens have been eased. As was the case in H1, and similar to the impact of similar restrictions on OLG, these measures have had a limited impact on the availability of SAZKA's products through its land-based channels, as key categories of points of sale (including newsstands, tobacco stores and post offices) have remained open throughout the period.

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



*Greece*

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

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

*Italy*

The Italian Government announced a number of new provisions from early November. LOTTOITALIA S.r.l. continues to offer its games (which were suspended by the Agenzia Dogane Monopoli during the first wave) and tobacconists (LOTTOITALIA's largest category of points of sale) remain open everywhere.

<p>14 December 2020</p>	<p>Signature of the authorised representative:</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"><div data-bbox="555 376 762 479"></div><div data-bbox="997 362 1428 515"></div></div> <div style="display: flex; justify-content: space-around; align-items: flex-start;"><div data-bbox="496 517 906 589"><p>Pavel Šaroch Member of the Board of Directors</p></div><div data-bbox="1046 517 1457 589"><p>Robert Chvátal Member of the Board of Directors</p></div></div>
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