# Allwyn International a.s.

## Report for the six months ended 30 June 2022

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# Management's discussion and analysis of financial condition and results of operations for the six months ended 30 June 2022

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

You should read the MD&A together with our unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022. The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The condensed consolidated interim financial statements should be read together with the audited consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the condensed consolidated interim financial statements for three months ended 31 March 2022.

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".

### Rebranding

The legal names of the following companies were changed in connection with the introduction of our new global Group brand "Allwyn". The ownership structure and the activities of the companies remain unchanged.

| Former Name | New Name |
|---|---|
| SAZKA Entertainment AG | Allwyn AG |
| SAZKA Group a.s. | Allwyn International a.s. |
| SAZKA Group CZ a.s. | Allwyn Services Czech Republic a.s. |
| SAZKA Group UK Ltd | Allwyn Services UK Ltd |

Note: On 12 September 2022, Allwyn International a.s. published a revised version of this document to update the disclosure relating to the UK National Lottery legal proceedings.

# 1. Significant transactions and developments during the six months ended 30 June 2022

## 1.1 Financing

*Allwyn International financing arrangements*

In February 2022, the Company issued €200.0 million in aggregate principal amount of additional senior secured notes due 2027 at an issue price of 99.0% bearing fixed interest of 3.88% and the Group issued €400.0 million in aggregate principal amount of senior secured floating rate notes due 2028 (issued by Allwyn Entertainment Financing (UK) plc) at an issue price of 99.5% with a margin of 4.13%.

In March 2022, the Company's subsidiary SAZKA Group Financing a.s. repaid a bond in the nominal amount of €200.0 million due in December 2022.

In March 2022, the Company's subsidiary SAZKA Group Financing (Czech Republic) a.s. prepaid €57.1 million under its syndicated loan facility. In June 2022, SAZKA Group Financing (Czech Republic) a.s. signed an amendment to the syndicated loan facility. As a result of the repayment and the amendment, the principal of the bullet tranche increased to €270.0 million and the revolving credit facility increased to €243.2 million. As of 30 June 2022, the revolving credit facility of €243.2 million was entirely undrawn.

*CASAG financing arrangements*

On 30 June 2022, Casinos Austria AG made a prepayment of €40.7 million of its syndicated loan.

*OPAP financing arrangements*

In January 2022, OPAP repaid a €100.0 million revolving credit facility. The revolving credit facility remains available.

In March 2022, a subsidiary of OPAP repaid a €10.0 million revolving credit facility. The revolving credit facility remains available.

In March 2022, OPAP made an early repayment of a €100.0 million bank loan that had an original maturity in November 2023.

In April 2022, OPAP extended a €100.0 million revolving credit facility maturing in May 2022 to May 2023. The revolving credit facility remains undrawn.

In May 2022, OPAP signed a €250.0 million forward loan agreement with a term of 3 years, starting in March 2023 and maturing in March 2026. The new loan agreement extends an existing €250.0 million loan maturing in March 2023 for 3 additional years.

## 1.2 Acquisitions

In Q1 2022, the Company increased its direct shareholding in OPAP by 0.91% through market purchases. Total consideration paid was €42.0 million.

In February 2022, the Group purchased the remaining minority economic interest in SAZKA Delta AIF Variable Capital Investment Company Ltd, an entity through which the Group holds part of its interest in OPAP, for consideration of €327.4 million.

As a result of these transactions, the Group's effective interest in OPAP increased by 7.76% from 40.37% to 48.13% at the end of Q1 2022 and the Group's effective interest become equal to its ownership interest.

In Q2 2022, the Company increased its direct shareholding in OPAP by 0.62% through market purchases. Total consideration paid was €30.6 million. As a result of this transaction, the Group's effective interest in OPAP increased by 0.62% from 48.13% to 48.75% at the end of Q2 2022.

## 1.3 COVID-19

In Q1 2022, restriction implemented in Q4 2021 impacted sales in some markets, though to a significantly lesser extent than restrictions in previous periods. These restrictions impacted the physical retail channel in the Greece and Cyprus operating segment, casinos in the Austria operating segment and certain categories of point of sales in Italy. In Q2 2022, all our business operated without material restriction, with the exception of some restrictions on the number of customers in certain points of sale in Italy.

The impact of COVID-19 restrictions was significantly higher in comparative periods. In Q1 and Q2 2021, some of our physical retail networks were strongly affected by COVID-19 related restrictions, particularly casinos in the Austria segment, which were completely closed for in Q1 2021 and significant portion of Q2 2021, and the physical retail channel in the Greece and Cyprus segment, which was subject to significant operating restrictions. Our physical network in the Czech Republic segment and Italy segment operated without material restrictions.

Our online businesses have performed very well throughout 2021 and in H1 2022, with online sales growing in absolute terms and as a share of total GGR.

The tables below outline the quarterly development of GGR and Adjusted EBITDA of our operating segments from Q1 2021 till Q2 2022.

**Austria segment**

| **Austria** | **FY21** | **Q1 21** | **Q2 21** | **Q3 21** | **Q4 21** | **Q1 22** | **Q2 22** |
|---|---|---|---|---|---|---|---|
| GGR | **1,139.1** | 256.4 | 243.0 | 309.1 | 330.6 | 309.3 | 348.1 |
| Adjusted EBITDA | **210.9** | 29.9 | 44.8 | 74.8 | 61.4 | 51.4 | 72.3 |

| **of which Austrian Lotteries** | **FY21** | **Q1 21** | **Q2 21** | **Q3 21** | **Q4 21** | **Q1 22** | **Q2 22** |
|---|---|---|---|---|---|---|---|
| GGR | **923.3** | 255.0 | 210.3 | 210.1 | 247.9 | 222.8 | 237.2 |

Austrian Lotteries (which operates our lotteries, iGaming and sports betting businesses in Austria) has consistently delivered good top line performance as a result of strong online sales and resilient sales in the physical retail channel, with key categories of points of sale remaining open throughout 2021 and H1 2022. The very strong GGR performance in Q1 2021 benefited from large jackpots, which was not the case in other periods.

Certain other activities of the Austria operating segment, primarily casinos in Austria and internationally, were impacted by COVID-19 restrictions during Q1 2021. These restrictions had a negative impact on GGR until the later part of Q2 2021. In Q3 2021 the Austrian and international casino businesses operated without material restrictions, while some casinos were closed again for several weeks during Q4 2021. The casinos were all open by the end of Q1 2022, although in some cases subject to reduced opening hours and requirements to wear masks and / or demonstrate vaccination status, and continued to operate without material restrictions in Q2 2022. The reduced GGR in the casinos business during highly impacted periods had a disproportionate impact on profitability, reflecting the higher proportion of fixed costs, primarily personnel costs, in the cost structure of the Austria segment.

**Czech Republic segment**

| **Czech Republic** | **FY21** | **Q1 21** | **Q2 21** | **Q3 21** | **Q4 21** | **Q1 22** | **Q2 22** |
|---|---|---|---|---|---|---|---|
| GGR | **407.9** | 95.7 | 101.3 | 96.7 | 114.2 | 102.8 | 111.4 |
| Adjusted EBITDA | **110.5** | 29.9 | 31.1 | 24.2 | 25.3 | 29.1 | 31.2 |

Our Czech Republic operations posted strong performance throughout 2021 and H1 2022, with significant growth in online sales as well as moderate growth in the physical retail channel.

### Greece and Cyprus segment

| Greece and Cyprus | FY21 | Q1 21 | Q2 21 | Q3 21 | Q4 21 | Q1 22 | Q2 22 |
|---|---|---|---|---|---|---|---|
| GGR | **1,509.5** | 169.9 | 391.6 | 461.6 | 486.4 | 457.2 | 442.2 |
| Adjusted EBITDA | **578.2** | 68.1 | 145.8 | 180.2 | 184.1 | 174.5 | 169.7 |

In Greece and Cyprus, COVID-19 related restrictions impacted the physical retail business throughout Q1 2021. During Q2 2021, most restrictions were lifted in stages. In Q3 2021, all our Greek and Cypriot businesses operated without material restrictions, while further minor restrictions were introduced in Q4 2021 and remained in force during Q1 2022 and the beginning of Q2 2022. During the later part of Q2 2022, Greece and Cyprus segment operated without material COVID-19 related restrictions.

| Stoiximan (100% basis) | FY21 | Q1 21 | Q2 21 | Q3 21 | Q4 21 | Q1 22 | Q2 22 |
|---|---|---|---|---|---|---|---|
| GGR | **345.4** | 99.1 | 86.0 | 74.4 | 85.9 | 90.3 | 80.5 |
| Adjusted EBITDA | **71.6** | 27.8 | 11.2 | 11.1 | 21.5 | 23.7 | 16.2 |

Stoiximan, which operates 100% online, continued to deliver strong top line performance throughout the period, with the weaker year-on-year comparison in Q1 2022 primarily reflecting record performance in the comparative periods and number of active users reaching record levels in both quarters.

### Italy segment

| Italy (100% basis) | FY21 | Q1 21 | Q2 21 | Q3 21 | Q4 21 | Q1 22 | Q2 22 |
|---|---|---|---|---|---|---|---|
| Revenue from contracts with customers | **500.1** | 134.3 | 134.3 | 114.7 | 116.8 | 115.5 | 112.7 |
| Adjusted EBITDA | **408.9** | 108.3 | 112.6 | 94.0 | 94.0 | 94.3 | 92.3 |

In Italy, the business delivered record performance in both Q1 and Q2 2021, returning to stable performance in Q3 and Q4 2021. In Q1 and Q2 2022, performance was somewhat impacted by COVID-19 related restrictions introduced at the end of Q4 2021, in particular, restrictions on the number of customers in certain points of sale.

## 1.4 Subsequent events

For developments after 30 June 2022 please refer to the Subsequent events note to the condensed consolidated interim financial statements.

# 2. Comparison of results of operations for the three months ended 30 June 2022 and 30 June 2021

### Management analysis of consolidated results

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| | **2022** | **2021** | **abs** | **%** |
| Gross gaming revenue ("GGR") | 901.7 | 735.9 | 165.8 | 23% |
| Gaming taxes | (350.8) | (291.0) | (59.8) | 21% |
| **Net gaming revenue ("NGR")** | **550.9** | **444.9** | **106.0** | **24%** |
| | | | | |
| Revenue from non-gaming activities | 51.4 | 35.9 | 15.5 | 43% |
| Other operating income | 72.7 | 105.5 | (32.8) | (31%) |
| | | | | |
| Agents´ commissions | (124.8) | (102.7) | (22.1) | 22% |
| Materials, consumables and services | (127.2) | (115.6) | (11.6) | 10% |
| Marketing services | (55.9) | (57.8) | 1.9 | (3%) |
| Personnel expenses | (89.5) | (74.2) | (15.3) | 21% |
| Other operating expenses | (15.8) | (18.5) | 2.7 | (15%) |
| Share of profit of equity method investees | 17.7 | 21.4 | (3.7) | (17%) |
| **Operating EBITDA** | **279.5** | **238.9** | **40.6** | **17%** |
| *Adjusted for: (see 4.3 for details)* | | | | |
| Inorganic business development costs | 3.5 | 8.9 | (5.4) | (61%) |
| Arbitration gain | -- | (13.5) | 13.5 | (100%) |
| Adjustments in the Greece and Cyprus segment | 3.8 | 2.5 | 1.3 | 52% |
| Adjustments in the Austria segment | (0.6) | (1.5) | 0.9 | (60%) |
| Adjustments in the Czech Republic segment | -- | 4.0 | (4.0) | (100%) |
| **Adjusted EBITDA** | **286.2** | **239.3** | **46.9** | **20%** |
| *Adjusted EBITDA margin* | *52%* | *53%* | *-1 p.p.* | *(2%)* |
| | | | | |
| Depreciation and amortisation | (53.0) | (55.7) | 2.7 | (5%) |
| Impairment of non-financial assets | (24.0) | (0.2) | (23.8) | n/m |
| Other gains and losses | (1.0) | (0.2) | (0.8) | 400% |
| **Profit from operating activities** | **201.5** | **182.8** | **18.7** | **10%** |
| | | | | |
| Interest income | 0.8 | 1.1 | (0.3) | (27%) |
| Interest expense | (36.2) | (30.6) | (5.6) | 18% |
| Other finance income and expense | (4.4) | 10.0 | (14.4) | (144%) |
| **Finance costs, net** | **(39.8)** | **(19.5)** | **(20.3)** | **104%** |
| | | | | |
| **Profit before income tax** | **161.7** | **163.3** | **(1.6)** | **(1%)** |
| Income tax expense | (42.6) | (23.2) | (19.4) | 84% |
| **Profit after tax** | **119.1** | **140.1** | **(21.0)** | **(15%)** |

**Gross gaming revenue ("GGR")**

GGR increased by €165.8 million, or 23%, to €901.7 million, reflecting continuing organic growth of our businesses, primarily driven by the online channel, as well as the greater impact of COVID-19 related restrictions on the comparative period.

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| **GGR by segment - contribution to consolidated GGR** | **2022** | **2021** | **abs** | **%** |
| Austria | 348.1 | 243.0 | 105.1 | 43% |
| Czech Republic | 111.4 | 101.3 | 10.1 | 10% |
| Greece and Cyprus | 442.2 | 391.6 | 50.6 | 13% |
| **Total GGR** | **901.7** | **735.9** | **165.8** | **23%** |

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| **GGR by product** | **2022** | **2021** | **abs** | **%** |
| Numerical lotteries | 382.1 | 344.8 | 37.3 | 11% |
| Instant lotteries | 64.2 | 70.2 | (6.0) | (9%) |
| Sports betting | 141.3 | 141.4 | (0.1) | 0% |
| iGaming | 116.2 | 106.7 | 9.5 | 9% |
| VLTs and casinos | 197.9 | 72.8 | 125.1 | 172% |
| **Total GGR** | **901.7** | **735.9** | **165.8** | **23%** |

**Gaming taxes**

Gaming taxes increased by €59.8 million, or 21%, to €350.8 million, primarily driven by the increase in GGR.

**Net gaming revenue ("NGR")**

NGR increased by €106.0 million, or 24%, to €550.9 million, as a result of the factors set forth above.

**Revenue from non-gaming activities**

Revenue from non-gaming activities increased by €15.5 million, or 43%, to €51.4 million, primarily driven by the recovery of revenues from non-gaming activities in the casinos business of the Austria segment, which were impacted by COVID-19 related restrictions in the comparative period.

**Other operating income**

Other operating income decreased by €32.8 million, or 31%, to €72.7 million, primarily driven by lower income from COVID-19 related government grants and an arbitration gain of €13.5 million in the comparative period.

**Agents' commissions**

Agents' commissions increased by €22.1 million, or 22%, to €124.8 million, primarily driven by the increase in GGR and NGR.

**Materials, consumables and services**

Materials, consumables and services increased by €11.6 million, or 10%, to €127.2 million, primarily driven by the increase in GGR.

**Marketing services**

Marketing services decreased by €1.9 million, or 3%, to €55.9 million.

**Personnel expenses**

Personnel expenses increased by €15.3 million, or 21%, to €89.5 million, primarily reflecting growth in revenue in our land-based operations as well as a lower baseline in the comparative period driven by COVID-19 related government support programmes.

**Other operating expenses**

Other operating expenses decreased by €2.7 million, or 15%, to €15.8 million.

**Share of profit of equity method investees**

Share of profit of equity method investees decreased by €3.7 million, or 17%, to €17.7 million, primarily driven by a lower contribution from LottoItalia, which had a record performance in the comparative period, partially offset by higher profits in other equity method investees.

**Operating EBITDA**

Operating EBITDA increased by €40.6 million, or 17%, to €279.5 million, as a result of the factors set forth above.

**Adjusted EBITDA**

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| **Adjusted EBITDA by segment - contribution to consolidated Adjusted EBITDA** | **2022** | **2021** | **abs** | **%** |
| Austria | 72.3 | 44.8 | 27.5 | 61% |
| Czech Republic | 31.2 | 31.1 | 0.1 | 0% |
| Greece and Cyprus | 169.7 | 145.8 | 23.9 | 16% |
| Italy (share of profit of equity method investee) | 15.6 | 20.5 | (4.9) | (24%) |
| Corporate and other | (2.6) | (2.9) | 0.3 | (10%) |
| **Consolidated Adjusted EBITDA** | **286.2** | **239.3** | **46.9** | **20%** |

Adjusted EBITDA increased by €46.9 million, or 20%, compared to Q2 2021, primarily as a result of the increase in Operating EBITDA and the change in adjustment factors described in section 4.3 below.

**Depreciation and amortisation**

Depreciation and amortisation decreased by €2.7 million, or 5%, to €53.0 million.

**Impairment of non-financial assets.**

Impairment of non-financial assets of €24.0 million comprises an impairment loss of €18.8 million recognised on the Hellenic Lotteries gaming licence, and €5.2 million recognized in connection with the planned sale of LIE2 AG in Liechtenstein in the Austria operating segment.

**Other gains and losses**

Other gains and losses of €1.0 million loss primarily comprises a gain on revaluation of the contingent consideration for the purchase of an interest in Stoiximan of €1.2 million and losses from revaluation of non-derivative financial instruments accounted at fair value of €2.5 million.

**Profit from operating activities**

Profit from operating activities increased by €18.7 million, or 10%, to €201.5 million, as a result of the factors set forth above.

**Interest income**

Interest income decreased by €0.3 million, or 27%, to €0.8 million.

**Interest expense**

Interest expense increased by €5.6 million, or 18%, to €36.2 million, primarily reflecting the issuance of new bonds in Q1 2022 and interest on guarantees provided in relation to the Company's application to operate the UK National Lottery (issued in Q3 2021).

**Other finance income and expense**

Other finance income and expense decreased to an expense of €4.4 million (from an income of €10.0 million in the comparative period, which was positively impacted by FX gains).

**Profit before income tax**

Profit before income tax decreased by €1.6 million, or 1%, to €161.7 million, as a result of the factors set forth above.

**Income tax expense**

Income tax expense increased by €19.4 million, or 84%, to €42.6 million, primarily driven by a one-off deferred tax gain of €14.5 from a decrease of the income tax rate in Greece recorded in the comparative period.

**Profit after tax**

Profit after tax decreased by €21.0 million, or 15%, to €119.1 million, as a result of the factors set forth above.

## 2.1 Austria – Segment summary

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| | **2022** | **2021** | **abs** | **%** |
| Gross gaming revenue ("GGR") | 348.1 | 243.0 | 105.1 | 43% |
| Gaming taxes | (174.2) | (128.5) | (45.7) | 36% |
| **Net gaming revenue ("NGR")** | **173.9** | **114.5** | **59.4** | **52%** |
| Revenue from non-gaming activities | 22.0 | 5.9 | 16.1 | 273% |
| Other operating income | 6.9 | 29.6 | (22.7) | (77%) |
| | | | | |
| Agents´ commissions | (23.7) | (22.7) | (1.0) | 4% |
| Materials, consumables and services | (19.4) | (13.3) | (6.1) | 46% |
| Marketing services | (19.6) | (14.3) | (5.3) | 37% |
| Personnel expenses | (59.4) | (46.0) | (13.4) | 29% |
| Other operating expenses | (10.3) | (7.6) | (2.7) | 36% |
| Share of profit of equity method investees | 2.5 | 0.2 | 2.3 | 1150% |
| **Operating EBITDA** | **72.9** | **46.3** | **26.6** | **57%** |
| Adjustments to EBITDA (see 4.3) | (0.6) | (1.5) | (0.9) | (60%) |
| **Adjusted EBITDA** | **72.3** | **44.8** | **27.5** | **61%** |
| *Adjusted EBITDA margin* | 42% | 39% | +3 p.p. | 8% |

The Austria segment saw strong year-on-year revenue and EBITDA growth, particularly due to the strong performance of its casino operations in Austria and internationally.

GGR increased by 43%, to €348.1 million, reflecting good performance in numerical lotteries, iGaming and casinos in particular as well as the impact of COVID-19 related restrictions in the comparative period on casino operations.

Operating and Adjusted EBITDA also increased significantly increased year-on-year. In addition to the growth in revenues, this reflects the successful realisation of a restructuring plan ("Project ReFIT") announced in June 2020 which targeted annual run-rate cost savings of €45 million. It also reflects the disproportionate impact on profitability of lower revenues in the casinos business in Q2 2021 (reflecting the higher proportion of fixed costs in the cost structure of this business).

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| **GGR by product** | **2022** | **2021** | **abs** | **%** |
| Numerical lotteries | 157.4 | 139.1 | 18.3 | 13% |
| Instant lotteries | 20.5 | 22.4 | (1.9) | (8%) |
| Sports betting | 4.4 | 6.2 | (1.8) | (29%) |
| iGaming | 42.4 | 38.6 | 3.8 | 10% |
| VLTs and casinos | 123.4 | 36.7 | 86.7 | 236% |
| **Total GGR** | **348.1** | **243.0** | **105.1** | **43%** |

## 2.2 Czech Republic – Segment summary

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| | **2022** | **2021** | **abs** | **%** |
| Gross gaming revenue ("GGR") | 111.4 | 101.3 | 10.1 | 10% |
| Gaming taxes | (38.6) | (34.7) | (3.9) | 11% |
| **Net gaming revenue ("NGR")** | **72.8** | **66.6** | **6.2** | **9%** |
| Revenue from non-gaming activities | 4.6 | 4.4 | 0.2 | 5% |
| Other operating income | 0.4 | 0.7 | (0.3) | (43%) |
| | | | | |
| Agents´ commissions | (11.8) | (8.7) | (3.1) | 36% |
| Materials, consumables and services | (18.6) | (15.0) | (3.6) | 24% |
| Marketing services | (13.2) | (10.6) | (2.6) | 25% |
| Personnel expenses | (6.5) | (5.9) | (0.6) | 10% |
| Other operating expenses | 3.5 | (4.4) | 7.9 | (180%) |
| Share of profit of equity method investees | -- | -- | -- | -- |
| **Operating EBITDA** | **31.2** | **27.1** | **4.1** | **15%** |
| *Adjusted for:* | | | | |
| Disaster fund donation | -- | 2.0 | (2.0) | (100%) |
| Tech platform prolongation | -- | 2.0 | (2.0) | (100%) |
| **Adjusted EBITDA** | **31.2** | **31.1** | **0.1** | **0%** |
| *Adjusted EBITDA margin* | *43%* | *47%* | *-4 p.p.* | *(9%)* |

The Czech Republic segment continued to deliver stable growth in GGR and strong profitability, primarily driven by growth in numerical lotteries (including strong sales in Eurojackpot following the launch of a second weekly draw at the end of Q1) and in iGaming which more than compensated for slightly weaker performance in Instant Lotteries.

GGR increased by 10% to €111.4 million and Adjusted EBITDA of €31.2 million was the highest ever recorded in this segment.

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| **GGR by product** | **2022** | **2021** | **abs** | **%** |
| Numerical lotteries | 59.6 | 55.5 | 4.1 | 7% |
| Instant lotteries | 17.2 | 18.6 | (1.4) | (8%) |
| Sports betting | 3.2 | 3.6 | (0.4) | (11%) |
| iGaming | 31.4 | 23.6 | 7.8 | 33% |
| VLTs and casinos | -- | -- | -- | -- |
| **Total GGR** | **111.4** | **101.3** | **10.1** | **10%** |

## 2.3 Greece and Cyprus – Segment summary

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| | **2022** | **2021** | **abs** | **%** |
| Gross gaming revenue ("GGR") | 442.2 | 391.6 | 50.6 | 13% |
| Gaming taxes | (138.0) | (127.8) | (10.2) | 8% |
| **Net gaming revenue ("NGR")** | **304.2** | **263.8** | **40.4** | **15%** |
| Revenue from non-gaming activities | 24.8 | 25.6 | (0.8) | (3%) |
| Other operating income | 62.2 | 62.3 | (0.1) | (0%) |
| | | | | |
| Agents´ commissions | (89.3) | (71.3) | (18.0) | 25% |
| Materials, consumables and services | (85.9) | (78.2) | (7.7) | 10% |
| Marketing services | (22.8) | (32.8) | 10.0 | (30%) |
| Personnel expenses | (20.1) | (20.5) | 0.4 | (2%) |
| Other operating expenses | (6.8) | (6.3) | (0.5) | 8% |
| Share of profit of equity method investees | (0.4) | 0.7 | (1.1) | (157%) |
| **Operating EBITDA** | **165.9** | **143.3** | **22.6** | **16%** |
| Adjustments to EBITDA (see 4.3) | 3.8 | 2.5 | 1.3 | 52% |
| **Adjusted EBITDA** | **169.7** | **145.8** | **23.9** | **16%** |
| *Adjusted EBITDA margin* | *56%* | *54%* | *+2 p.p.* | *4%* |

The Greece and Cyprus segment continued to deliver strong growth in both GGR and Operating EBITDA, driven by significantly increased sales across most product categories.

GGR increased by 13%, to €442.2 million, driven primarily by stronger sales via the physical retail network, as a result of a greater impact of COVID-19 related restrictions on the physical retail channel in the comparative period and the introduction of improved online and app UX, new game features and promotions.

Adjusted EBITDA increased by 16%, to €169.7 million.

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| **GGR by product** | **2022** | **2021** | **abs** | **%** |
| Numerical lotteries | 165.1 | 150.2 | 14.9 | 10% |
| Instant lotteries | 26.5 | 29.2 | (2.7) | (9%) |
| Sports betting | 133.7 | 131.6 | 2.1 | 2% |
| iGaming | 42.4 | 44.5 | (2.1) | (5%) |
| VLTs and casinos | 74.5 | 36.1 | 38.4 | 106% |
| **Total GGR** | **442.2** | **391.6** | **50.6** | **13%** |

## 2.4 Italy – Segment summary

| | Three months ended 30 June | | Change | |
|---|---|---|---|---|
| | **2022** | **2021** | **abs** | **%** |
| Gross gaming revenue ("GGR") [1] | 532.4 | 627.0 | (94.6) | (15%) |
| Revenues from contracts with customers | 112.7 | 134.3 | (21.6) | (16%) |
| **Operating EBITDA** | **92.3** | **112.6** | **(20.3)** | **(18%)** |
| Adjustments to EBITDA | -- | -- | -- | -- |
| **Adjusted EBITDA** | **92.3** | **112.3** | **(20.3)** | **(18%)** |
| *Adjusted EBITDA margin* | *82%* | *84%* | *-2 p.p.* | *(2%)* |
| **Group´s share of total comprehensive income** | **15.6** | **20.5** | **(4.9)** | **(24%)** |

Italy delivered solid results in Q2 2022, in line with Q1. GGR decreased by 15%, to €532.4 million year-on-year, primarily reflecting very strong performance in the comparative period (H1 2021 being the strongest period in LottoItalia's history) as well as some restrictions on the number of customers in certain points of sale under COVID-19 related restrictions introduced at the end of 2021. The segment continued to demonstrate strong profitability.

[1] Amount wagered less payout is used as a proxy for GGR for LottoItalia; LottoItalia's revenue consists of revenue from contract with customers, calculated as 6% of the amount wagered.

# 3. Comparison of results of operations for the six months ended 30 June 2021 and 30 June 2020

### Management analysis of consolidated results

| | Six months ended 30 June | | Change | |
|---|---|---|---|---|
| | **2022** | **2021** | **abs** | **%** |
| Gross gaming revenue (GGR) | 1,771.0 | 1,257.9 | 513.1 | 41% |
| Gaming taxes | (685.7) | (534.3) | (151.4) | 28% |
| **Net gaming revenue (NGR)** | **1,085.3** | **723.6** | **361.7** | **50%** |
| | | | | |
| Revenue from non-gaming activities | 96.1 | 63.1 | 33.0 | 52% |
| Other operating income | 141.1 | 187.5 | (46.4) | (25%) |
| | | | | |
| Agents´ commissions | (246.4) | (154.1) | (92.3) | 60% |
| Materials, consumables and services | (249.9) | (204.8) | (45.1) | 22% |
| Marketing services | (104.9) | (97.8) | (7.1) | 7% |
| Personnel expenses | (174.4) | (152.4) | (22.0) | 14% |
| Other operating expenses | (37.5) | (34.0) | (3.5) | 10% |
| Share of profit of equity method investees | 37.5 | 40.4 | (2.9) | (7%) |
| **Operating EBITDA** | **546.9** | **371.5** | **175.4** | **47%** |
| *Adjusted for:* | | | | |
| Inorganic business development costs | 6.6 | 13.5 | (6.9) | (51%) |
| Arbitration gain | -- | (13.5) | 13.5 | (100%) |
| Adjustments in Greece and Cyprus segment | 4.0 | 9.4 | (5.4) | (57%) |
| Adjustments in Austria segment | (2.5) | (1.2) | (1.3) | 108% |
| Adjustments in Czech Republic segment | -- | 4.0 | (4.0) | (100%) |
| **Adjusted EBITDA** | **555.0** | **383.7** | **171.3** | **45%** |
| *Adjusted EBITDA margin* | *51%* | *52%* | *-1 p.p.* | *(2%)* |
| | | | | |
| Depreciation and amortisation | (106.0) | (110.3) | 4.3 | (4%) |
| Impairment of non-financial assets | (24.0) | (4.0) | (20.0) | 500% |
| Other gains and losses | (9.4) | (0.7) | (8.7) | 1243% |
| **Profit from operating activities** | **407.5** | **256.5** | **151.0** | **59%** |
| | | | | |
| Interest income | 2.5 | 2.5 | -- | 0% |
| Interest expense | (75.5) | (59.3) | (16.2) | 27% |
| Other finance income and expense | (11.3) | 8.8 | (20.1) | (228%) |
| **Finance costs, net** | **(84.3)** | **(48.0)** | **(36.3)** | **76%** |
| | | | | |
| **Profit before income tax** | **323.2** | **208.5** | **114.7** | **55%** |
| Income tax expense | (75.2) | (35.1) | (40.1) | 114% |
| **Profit after tax** | **248.0** | **173.4** | **74.6** | **43%** |

**Gross gaming revenue (GGR)**

GGR increased by €513.1 million, or 41%, to €1,771.0 million, reflecting continuing organic growth of our businesses, primarily driven by the online channel, as well as the higher impact of COVID-19 related restrictions on the comparative period.

| | Six months ended 30 June | | Change | |
|---|---|---|---|---|
| **GGR by segment - contribution to consolidated GGR** | **2022** | **2021** | **abs** | **%** |
| Austria | 657.4 | 499.4 | 158.0 | 32% |
| Czech Republic | 214.2 | 197.0 | 17.2 | 9% |
| Greece and Cyprus | 899.4 | 561.5 | 337.9 | 60% |
| **Total GGR** | **1,771.0** | **1,257.9** | **513.1** | **41%** |

| | Six months ended 30 June | | Change | |
|---|---|---|---|---|
| **GGR by product** | **2022** | **2021** | **abs** | **%** |
| Numerical Lotteries | 746.4 | 621.7 | 124.7 | 20% |
| Instant Lotteries | 128.4 | 119.6 | 8.8 | 7% |
| Sports Betting | 303.6 | 233.7 | 69.9 | 30% |
| iGaming | 228.4 | 208.7 | 19.7 | 9% |
| VLTs and Casinos | 364.2 | 74.2 | 290.0 | 391% |
| **Total GGR** | **1,771.0** | **1,257.9** | **513.1** | **41%** |

**Gaming taxes**

Gaming taxes increased by €151.4 million, or 28%, to €685.7 million, driven by the increase in consolidated GGR.

**Net gaming revenue (NGR)**

NGR increased by €361.7 million, or 50%, to €1,085.3 million, as a result of the factors set forth above.

**Revenue from non-gaming activities**

Revenue from non-gaming activities increased by €33.0 million, or 52%, to €96.1 million, primarily driven by the recovery of revenues from non-gaming activities in the casinos business of the Austria segment, which were impacted by COVID-19 related restrictions in the comparative period.

**Other operating income**

Other operating income decreased by €46.4 million, or 25%, to €141.1 million, primarily driven by lower income from COVID-19 related government grants and an arbitration gain of €13.5 million in the comparative period.

**Agent's commissions**

Agents' commissions increased by €92.3 million, or 60%, to €246.4 million driven by the increase in GGR and NGR.

**Materials, consumables and services**

Materials, consumables and services increased by €45.1 million, or 22%, to €249.9 million, primarily driven by the increase in GGR.

**Marketing services**

Marketing services increased by €7.1 million, or 7%, to €104.9 million.

**Personnel expenses**

Personnel expenses increased by €22.0 million, or 14%, to €174.4 million, primarily reflecting growth in revenue in our land-based operations as well as a lower baseline in the comparative period driven by COVID-19 related government support programmes.

**Other operating expenses**

Other operating expenses increased by €3.5 million, or 10%, to €37.5 million.

**Share of profit of equity method investees**

Share of profit of equity accounted investees decreased by €2.9 million, or 7%, to €37.5 million, primarily driven by a lower contribution from LottoItalia, which had a record performance in the comparative period, partially offset by higher profits in other equity method investees.

**Operating EBITDA**

Operating EBITDA increased by €175.4 million, or 47%, to €546.9 million as a result of the factors set forth above.

**Adjusted EBITDA**

| | Six months ended 30 June | | Change | |
|---|---|---|---|---|
| **Adjusted EBITDA by segment - contribution to consolidated Adjusted EBITDA** | **2022** | **2021** | **abs** | **%** |
| Austria | 123.7 | 74.7 | 49.0 | 66% |
| Czech Republic | 60.3 | 61.0 | (0.7) | (1%) |
| Greece and Cyprus | 344.2 | 213.9 | 130.3 | 61% |
| Italy | 31.6 | 39.9 | (8.3) | (21%) |
| Corporate and other | (4.8) | (5.8) | 1.0 | (17%) |
| **Consolidated Adjusted EBITDA** | **555.0** | **383.7** | **171.3** | **45%** |

Adjusted EBITDA increased by €171.3 million, or 45%, to €555.0 million, primarily as a result of the increase in Operating EBITDA and the change in adjustment factors described in section 4.3 below.

**Depreciation and amortisation**

Depreciation and amortisation decreased by €4.3 million, or 4%, to €106.0 million.

**Impairment of non-current assets**

Impairment of non-financial assets of €24.0 million comprises an impairment loss of €18.8 million recognised on the Hellenic Lotteries gaming licence, and €5.2 million recognized in connection with the planned sale of LIE2 AG in Liechtenstein in the Austria operating segment.

**Other gains and losses**

Other gains and losses of €9.4 million loss primarily comprises a loss on revaluation of the contingent consideration for the purchase of an interest in Stoiximan of €4.6 million and losses from revaluation of non-derivative financial instruments accounted at fair value of €6.2 million.

**Profit from operating activities**

Profit from operating activities increased by €151 million, or 59%, to €407.5 million as a result of the factors set forth above.

**Interest income**

Interest income remained unchanged in the amount of €2.5 million.

**Interest expense**

Interest expense increased by €16.2 million, or 27%, to €75.5 million primarily reflecting the issuance of new bonds in Q1 2022 and interest on guarantees provided in relation to the Company's application to operate the UK National Lottery (issued in Q3 2021), amortization of arrangement fees of an OPAP loan which was repaid early and prepayment premium payable in connection with the repayment of a bond in Q1 2022.

**Other finance income and expense**

Other finance income and expense decreased to an expense of €11.3 million (from an income of €8.8 million in the comparative period, which was positively impacted by FX gains).

**Profit before income tax**

Profit before income tax increased by €114.7 million, or 55%, to €323.2 million as a result of the factors set forth above.

**Income tax expense**

Income tax expense increased by €40.1 million, or 114%, to €75.2 million, primarily driven by the increase in taxable profit and by a one-off deferred tax gain of €14.5 from a decrease of the income tax rate in Greece recorded in the comparative period.

**Profit after tax**

Profit after tax increased by €74.6 million, or 43%, to €248.0 million, as a result of the factors set forth above.

## 4. Consolidated statement of cash flows

| | Six months ended 30 June | | Three months ended 30 June | |
|---|---|---|---|---|
| ***Consolidated statement of cash flows*** | **2022** | **2021** | **2022** | **2021** |
| Cash generated from operating activities | 470.1 | 261.1 | 224.8 | 239.1 |
| Net cash generated from / (used in) operating activities | 373.6 | 195.8 | 179.1 | 207.3 |
| Net cash generated from / (used in) investing activities | (126.7) | 22.6 | (195.2) | (17.0) |
| Net cash generated from / (used in) financing activities | (339.5) | (58.4) | (95.5) | (74.0) |

**Net cash generated from operating activities**

In six months ended June 30, cash generated from operating activities increased by €209.0 million, to €470.1 million. The increase was primarily driven by the increase in Operating EBITDA.

Net cash generated from operating activities increased by €177.8 million, to €373.6 million, driven by the increase in cash generated from operating activities, partially offset by higher income taxes and interest paid.

**Net cash generated from investing activities**

Net cash generated used in investing activities of €126.7 million primarily comprises capital expenditures of €26.0 million, payment of contingent purchase price for the acquisition of Stoiximan of €106.4 million and short-term deposits to a cash-pooling arrangement of €70.7 million, which was partially offset by distributions received from equity method investees of €90.2 million.

**Net cash used in financing activities**

Net cash generated used in financing activities of €339.5 million primarily comprises purchases of non-controlling interest of €400.0 million (including open market purchases of OPAP shares and additional interest in SDHH)). Proceeds from new loans and borrowings of €766.2 million were largely offset by repayments of loans and borrowings of €673.6 million.

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

In March 2022, LottoItalia paid a dividend of €227.9 million. In March and June 2022, Lottoitalia made distributions of share premium of €46.6 million in total.

In March and June 2022, SAZKA made regular repayments of principal and payments of interest on its intragroup loan from the Company of CZK 509 million (€20.7 million) in total. In June 2022, SAZKA paid a dividend of CZK 700 million (€28.4 million).

In May 2022, Austrian Lotteries paid a dividend of €119.5 million.

The table below sets out the aggregate amount of dividends, distributions of share capital, and interest paid on and amortisation payments under intragroup loans by the entities below in the periods indicated.

| | Six months ended 30 June: | | Three months ended 30 June | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **100 % basis** | | | | |
| Austrian Lotteries | 119.5 | 60.7 | 119.5 | 60.7 |
| CASAG | -- | -- | -- | -- |
| LottoItalia | 274.5 | 222.3 | 23.3 | 46.6 |
| OPAP | -- | -- | -- | -- |
| SAZKA | 49.1 | 17.6 | 39.2 | 8.9 |
| **Net to SG economic interest as of 30 June 2022** | 149.6 | 95.6 | 58.1 | 29.8 |
| *of which cash* | *149.6* | *95.6* | *58.1* | *29.8* |
| *of which OPAP scrip dividend* | -- | -- | -- | -- |
| **Net to SG economic interest at end of quarter** | 149.6 | 95.6 | 58.1 | 29.8 |
| *of which cash* | *149.6* | *95.6* | *58.1* | *29.8* |
| *of which OPAP scrip dividend* | -- | -- | -- | -- |

## 4.2 Capital expenditures

The table below presents cash outflows relating to acquisition of property, plant and equipment and intangible assets.

| | Six months ended 30 June | | Three months ended 30 June | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| Acquisition of property, plant and equipment and intangible assets | 26.0 | 27.9 | 7.0 | 14.8 |

## 4.3 Reconciliation of non-IFRS measures

### Reconciliation from Operating EBITDA to Adjusted EBITDA

| | Q2 2022 | Q2 2021 | H1 2022 | H1 2021 |
|---|---|---|---|---|
| **Operating EBITDA** | **279.5** | **238.9** | **546.6** | **371.5** |
| *Austria adjustments* | | | | |
| Casino Linz insurance gain[2] | -- | (0.6) | -- | (0.6) |
| Argentina arbitration gain[3] | (1.0) | -- | (1.8) | -- |
| Other[4] | 0.4 | (0.9) | (0.7) | (0.6) |
| **Austria adjustments total** | **(0.6)** | **(1.5)** | **(2.5)** | **(1.2)** |
| *Czech Republic adjustments* | | | | |
| Disaster fund donation[5] | -- | 2.0 | -- | 2.0 |
| Tech platform prolongation[6] | -- | 2.0 | -- | 2.0 |
| **Czech Republic adjustments total** | **--** | **4.0** | **--** | **4.0** |
| *Greece and Cyprus adjustments* | | | | |
| Hellenic Lotteries minimum GGR tax adjustment[7] | -- | 3.7 | -- | 13.8 |
| Litigation provision[8] | 0.8 | 0.1 | 0.9 | (0.7) |
| COVID-19 related extraordinary costs[9] | 3.9 | (3.1) | 4.0 | (3.7) |
| Other non-recurring costs and write-offs[10] | (0.9) | 1.8 | (0.9) | -- |
| **Greece and Cyprus adjustments total** | **3.8** | **2.5** | **4.0** | **9.4** |
| *Corporate adjustments* | | | | |
| Corporate – Arbitration gain[11] | -- | (13.5) | -- | (13.5) |
| Corporate – business development and financing[12] | 3.5 | 8.9 | 6.6 | 13.5 |
| **Total adjustments** | **6.7** | **0.4** | **8.1** | **12.2** |
| **Adjusted EBITDA** | **286.2** | **239.3** | **555.0** | **383.7** |

[2] Represents insurance income related to a fire.

[3] Represents a gain from the recognition of the fair value of an award from arbitration against Argentina in connection with the revocation of a concession in 2013 (see Note 8 to the consolidated financial statements for the year ended 31 December 2021), and subsequent adjustments for recorded changes in fair value in 2022.

[4] Represents gains from non-cash changes in employee benefit liabilities and provisions and other one-off or non-cash transactions.

[5] Represents charitable donation in connection with damage caused by a tornado in the South Moravia region of the Czech Republic.

[6] Represents one-off costs related to the prolongation of a license for a gaming system.

[7] According to Hellenic Lotteries' concession agreement, it has to pay 30% of its annual GGR to the Greek state, subject to a €50 million annual minimum payment amount. Hellenic Lotteries believes the €50.0 million minimum annual fee is not applicable for 2021 as the force majeure clause in the concession agreement was triggered by the pandemic-related restrictions imposed by the Greek state. Hellenic Lotteries has therefore filed a request for arbitration. As a prudent measure, we recorded gaming taxes expenses for this outstanding liability of €25.1 million for the year ended 31 December 2021.

[8] Represents non-cash changes in litigation provisions.

[9] Represents certain one-off expenses related to COVID-19 restrictions (including write-offs of agents' receivables and special support to agents, which represented a form of direct and indirect financial support to the Company's network of agents during COVID-19 related restrictions).

[10] Represents certain one-off expenses or non-recurring items, as extracted from Company's financial records.

[11] Represents income from an arbitration award (see Note 7 to the consolidated financial statements for the year ended 31 December 2021).

## Risk factors

We have identified the following risks and uncertainties, the occurrence of any of which, individually or in aggregate, could have a material adverse effect on our business, prospects, results of operations and financial condition. The order in which the risks are presented does not reflect their materiality, potential impact, or probability of occurrence. Please note that the risks described below are not the only risks we face.

### 1. The ongoing outbreak of the COVID-19 pandemic, and adopted legislative measures taken in response

The outbreak of communicable diseases on a global scale may significantly affect Allwyn's businesses. We cannot predict the effects that the ongoing COVID-19 pandemic, as well as future epidemics of new strains of COVID-19 or of other diseases, and any resulting unfavourable social, political, and economic conditions and decrease in discretionary spending or travel may have on us.

The measures implemented by relevant government authorities in response to the COVID-19 pandemic have included, among others, suspension of the provision of public services, travel restrictions, closure of or restrictions on the normal operation of shops and other businesses, border controls and other measures intended to discourage or prohibit the movement and gathering of people. The COVID-19 pandemic and responses thereto have led to a material deterioration in both the global economy and the national economies of the countries where we operate. The further extent to which the COVID-19 pandemic impacts economic conditions and our businesses will depend on future developments, which are highly uncertain, including the scope and duration of the COVID-19 pandemic and actions taken by governmental authorities and other third parties in response to the COVID-19 pandemic. To date, several COVID-19 vaccines have been approved by regulatory authorities around the world and European countries have implemented vaccination programmes. However, the COVID-19 pandemic has been further complicated by the emergence of new and more contagious strains of the virus, and there are concerns that vaccines may not work quite as well against these and future new strains. As a result, governments may respond by introducing new restrictions, which may adversely affect the Company businesses.

The COVID-19 pandemic has caused and may continue to cause voluntary changes in behaviour of a large proportion of the population. Businesses may also change their operations and policies in ways which could affect the behaviour of our customers. For example, sales of our products through land-based channels could decrease if customers prefer to minimise the time they spend in the locations where our products are sold or if shops introduce new restrictions on customer behaviour, or if there is structural shift to online consumption and increased sales of our products through online channels do not fully compensate for the impact of these changes.

Similar pandemics or outbreaks could occur in the future, and the effects of the current global pandemic may deteriorate further.

Any of the above factors could result in a material adverse effect on Allwyn's business, results of operations, and financial condition.

### 2. Regulatory risks, risk of potential loss of licences or exclusive rights to operate our business activities

The lottery and gaming industry is highly regulated, primarily at the national level. Our businesses are subject to a range of complex gaming laws and regulations in the jurisdictions in which they are licensed or operate.

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[12] Represents costs associated with inorganic business development, including costs related to the Company's UK National Lottery bid, and financing.

Our businesses are required to obtain, maintain, and comply with the terms of licences and concessions in order to operate gaming businesses in each country where we operate. New games often need to be approved by the relevant regulator. The terms of licenses may also require that our direct and indirect shareholders and other relevant persons, such as directors, prove to the regulator's satisfaction that they are and continue to be suitable to be associated with the licensed company or game. Public authorities have the right to unilaterally amend the regulatory framework and terminate licenses or concession contracts and have the right to impose sanctions in certain cases. Despite our best efforts to comply with the relevant regulations and to cooperate with regulators, our businesses may be unable to obtain, maintain and renew all necessary registrations, licences, permits and approvals or could incur fines or experience delays in the licensing process.

OPAP's licences in Greece and Cyprus, CASAG's licences in Austria and LottoItalia's licence in Italy provide them with exclusive rights to operate certain lottery and gaming activities in each of their respective jurisdictions. In most cases, the licenses and concession agreements in the above-mentioned subsidiaries as well as SAZKA a.s. in the Czech Republic are time-limited and will eventually expire. For example, in Italy, the exclusive license for the operation of a lottery will expire in November 2025. In Greece, our exclusive license for the operation of instant lotteries will expire in 2026, and our iGaming license will expire in 2028. In Austria, our exclusive license for lottery and iGaming expires in 2027. In the Czech Republic, our license for the operation of lotteries and our license for the operation of technical games will both expire in June 2027. Upon the expiration, new licenses or concessions may be awarded to one or more parties through a competitive bidding process. We may be unable to obtain new licences to allow us to continue our current operations or may only be able to do so on less favourable terms. Our businesses also face the risk that regulatory changes may open the market to broader competition.

Furthermore, new games our businesses may wish to introduce often need to be approved by the relevant regulator.

As a result of this regulatory backdrop, maintaining good relations with relevant governments and government bodies is important to our businesses and any change in governments or deterioration of these relationships could have a material adverse effect on our business, results of operations and financial condition.

In February 2021, the Austrian government announced a proposal to change certain gaming regulations (the "New Austrian Gaming Proposals"). As of the date of this report, full details of the potential changes are not yet known, but based on information publicly available, the Austrian government may establish an independent gaming regulator and adopt a system to block illegal operators, as well as adopt restrictions on advertising, which could reduce Allwyn's ability to successfully market its products and lead to lower customer demand. As of the date of this report, there are indications that the New Austrian Gaming Proposals will not become effective in 2022 due to ongoing negotiations within the Austrian government. Allwyn is actively monitoring developments related to the New Austrian Gaming Proposals.

In Italy, a draft law relating to the reorganization of the gambling sector has been presented to the Council of Ministers, for adoption by the Italian Parliament potentially as early as by the end of 2022. Among other draft proposals, this law, if adopted in the proposed form, would reduce the number of gambling POS, although it is unclear at this stage whether this would apply to lottery products.

The regulatory environment in jurisdictions in which we operate may change in the future, and any such change could have a material adverse effect on our business, results of operations, financial condition and prospects. The legal, compliance and regulatory departments of Allwyn strive to ensure compliance with all applicable rules and regulations in the relevant jurisdictions and oversee obtaining, maintaining and compliance with the relevant licences and concessions. However, if we are unable to, or fail to, comply with all applicable regulatory requirements, or if the applicable regulatory environments change in a way that is adverse to us, this could result in a material adverse effect on our business, results of operations, financial condition, and prospects.

### 3. Risk associated with changes in taxation and fees for licences, tax audits and penalties

Our businesses are required to make payments to the countries where they operate through fees to obtain and/or to maintain licenses, taxes on revenues (including VAT imposed on non-gaming products) and general corporate taxes on profits. Our businesses may be subject to increases in these taxes or introduction of new taxes. For example, with effect from 1 January 2020, the Czech government increased GGR tax from 23% to 35%.

The level of taxation on player winnings can also affect our activities, as it can reduce the attractiveness of the game and the amount of winnings that each player can allocate to future betting.

In addition, if a concession is granted to OPAP Cyprus to operate games, we expect that there may be an increase in taxes or levies that OPAP Cyprus would have to pay in Cyprus.

Furthermore, our Czech subsidiary, SAZKA a.s., is part of a VAT group with MND a.s., a related party that is outside of Allwyn. If MND a.s. were to fail to pay any VAT it owes, SAZKA a.s. would be liable to pay such amounts. In 2020, the total amount of VAT paid by MND a.s. was €20.4 million. If the VAT group is ended for any reason, SAZKA a.s. would lose the approximately €5 million annual savings it currently receives from this arrangement. We may also be exposed to Czech corporate income tax liability on unrealized foreign exchange gains, which are noncash revenues.

As a result of the COVID-19 pandemic as well as other recent adverse macroeconomic developments, many countries are under increased fiscal pressure, which may increase the probability of adverse changes in general corporate taxation or taxation of lotteries and gaming in particular. Such changes may be more likely to be introduced in the countries where the general corporate taxes on profits and/or the gaming sector taxes, or cash receipts from such taxes, are at relatively lower levels. For example, under OPAP's Lottery and Gaming Concession and pursuant to Greek law, from 13 October 2020 to 12 October 2030, gaming-specific taxes payable in cash by OPAP to the Greek State under this concession amount to 5% of GGR annually, reflecting OPAP's prepayment in 2011 of tax with a value of €1.8 billion. Similarly, pursuant to the New Austrian Gaming Proposals, in February 2021 the Austrian government announced that it intends to adjust gaming taxes and levies. As of the date of this report, the changes that may be introduced in this regard and their impact on CASAG are unclear.

Our businesses are from time to time subject to tax audits and investigations by tax authorities. Although our tax departments aim to ensure compliance with tax regulations, the tax authorities may interpret applicable laws and rules differently or change their interpretation in ways that we have not anticipated, which may result in penalties, assessments of tax for previous periods, and interest on such amounts.

To minimize the risk of any penalties the finance departments of Allwyn together with our advisors monitor developments in the taxation policy of each jurisdiction and create policies and procedures to ensure full compliance with all applicable tax regimes.

### 4. Risks associated with changing consumer preferences, changes in technologies and brand loyalty

The gaming industry is characterized by rapidly changing technology, including the increasing importance of online and mobile channels, which has accelerated during the COVID-19 pandemic and lockdowns.

We already offer a range of online products to our customers. However, our businesses may not be successful in keeping up with the necessary technological advances in the future, or they may not have the financial resources needed to introduce or license new products or services. In general, the ability of our businesses to compete effectively in the online lottery and gaming industry depends on the acceptance by our customers of the products, technologies, and services we offer, as well as approval by the relevant regulators for the new technology utilised.

Our success also depends on our ability to recognize market trends and opportunities and develop appropriate strategies in response, including the introduction of new games or new ways to play existing games. The introduction of new games or the modification of existing games may require the approval of the relevant

regulatory authorities. We may face regulatory conditions and restrictions that limit our ability to create new games, enter into new market segments or otherwise grow our business.

Our future success also depends on attracting and retaining players. In order to achieve this, we aim to maintain the value of the key brands that our businesses own or use in their operations. Failing to maintain the high profile, positive perception and consumer recognition of our brands may prevent expansion of, or lead to losses in, our existing customer base.

## 5. Competitive risks

Allwyn's businesses compete with other forms of recreational and leisure activities and other gaming vendors, venues and channels.

Allwyn's businesses face competition from a number of domestic and foreign companies, and changes in laws and regulations as well as market liberalisation can increase the number of their competitors and in turn affect Allwyn's future profitability. In particular, Allwyn's businesses face competition from online lottery providers, scratch cards, sports betting, slot machines, online and physical casinos, and other types of games.

While Allwyn's businesses hold exclusive licences and concessions for certain products and games, in certain markets they face intense competition for obtaining and renewing those licences and concessions.

For certain products in certain markets, for example Austria and Greece, the exclusive licenses and concessions only cover land-based channels and we face competition from online operators.

Any inability of Allwyn's businesses to compete successfully in their respective markets could have a material adverse effect on Allwyn's business, results of operations, and financial condition.

Allwyn's businesses may be negatively affected by competition from numerous types of operators present in the gaming sector, including private casinos and illegal gaming operations. Allwyn's businesses are affected by illegal gaming activities. Such activities compete for customers with regulated gaming businesses, such as those of Allwyn. Illegal online lotteries, VLTs, slot machines, casinos and sports betting may deprive Allwyn's businesses of significant volumes of business. Illegal gaming structures may be able to circumvent local taxation, thereby enabling them to offer potentially more attractive products by increasing pay-outs to winners.

## 6. Political and macroeconomic risks

Our businesses operate primarily in Austria, the Czech Republic, Greece and Cyprus, and Italy, and we are exposed to the political, economic and financial market conditions in these countries as well as of the EU and other countries into which we may expand. Any material political events or changes may result in changes in regulation, restrictions on business in a given country, and other policy decisions.

In addition, the government responses to the COVID-19 pandemic have resulted in economic dislocations, including an extreme drop in economic activity and higher rates of unemployment, to varying degrees in the countries where our businesses operate. We are unable to predict future developments, in particular should the pandemic situation worsen. Also, the consequences of the Russian invasion of Ukraine, high levels of inflation and, higher energy prices may have a detrimental impact on the economic environment. These factors may lead to lower consumer spending on our products, as reductions in income may lead to the players becoming less willing to place bets or decreasing the amounts they bet.

Our businesses are also exposed to global factors and changes such as climate change which may adversely affect the political and economic situation of the countries in which our business operate. Political and economic events or changes may result in changes in regulation, taxes, restrictions on capital flows and dividend payments and on business in any given country, as well as other policy decisions.

Macroeconomic factors in the countries where our businesses operate (such as gross domestic product growth, unemployment rates, wage growth, energy costs and inflation) can affect consumer behaviour and spending

patterns. Any material future deterioration in global or local economic conditions in the markets in which our businesses operate and the surrounding countries could lead to a decrease in consumer confidence and spending affecting our products.

We engage with advisors and monitor developments in the political and economic situation, and financial markets on a regular basis to ensure that our policies and strategies are up to date and appropriate.

### 7. Risks associated with new acquisitions and tenders

Any future acquisitions of companies, investments or partnerships could expose us to a number of risks or result in additional liabilities. The process of integrating businesses may be disruptive to the operations of our existing and new businesses due to unforeseen legal, regulatory, contractual, technological or other issues, difficulties in realizing operating synergies, or a failure to maintain the quality of services. The historical account books, records and contracts of acquired or newly consolidated companies may be incomplete or may not have been recorded or performed as required by the relevant legislation. Due to the nature of Allwyn's business, its future acquisitions are exposed to the risk of extensive regulatory approvals and involvement in the acquisition process.

We may not be successful in winning the tenders or closing the transactions we pursue. Furthermore, companies acquired, or businesses operated under licences which we are awarded through tenders may not achieve the levels of returns, profits or productivity expected from them or may require greater than expected investments.

In addition, there are considerable costs associated with participation in public tenders, such as our current participation in the competition for the 4th licence to operate the UK National Lottery and pursuing potential M&A transactions. We have incurred significant costs in connection with our application in the competition, and, while we were selected as the preferred applicant in the competition, the award of the license is currently being contested in legal proceedings.

### 8. Risks associated with our ownership interest in certain subsidiaries and other shareholders

Allwyn indirectly owns less than all of the shares of most of the entities that operate its businesses, including CASAG, Austrian Lotteries, OPAP and LottoItalia. OPAP also holds less than all of the shares in Stoiximan and in Betano. Allwyn might have interests and views on certain issues that differ from those of other shareholders (for example, relating to business strategy and financial policy, including regarding payment of dividends). In some cases, including LottoItalia, Allwyn's interest is less than a majority.

The other shareholders, former shareholders and directors nominated by such shareholders in the entities in which Allwyn does not have a 100% shareholding interest might face reputational or financial issues that are out of Allwyn's control, but which may negatively influence the business, reputation, or brands of Allwyn's businesses and of Allwyn itself. Although Allwyn screens potential partners and seeks to ensure that they act in accordance with high professional and ethical standards, they may not always do so.

In some cases, Allwyn is party to agreements with the other shareholders prescribing governance rights and other matters which may limit Allwyn's ability to control such entities. As a result, Allwyn may in some circumstances need to reach agreement with the other shareholders who are party to these agreements in order to achieve certain outcomes.

### 9. Risks associated with our corporate structure

As a holding company that conducts business through its subsidiaries and affiliates and has no significant assets other than the equity interests and the intercompany receivables it holds in its subsidiaries and affiliates, we are dependent on payments from our subsidiaries and other affiliates – mainly dividends and payments on intragroup loans, which depend on the profitability and cash flows of the respective subsidiaries. Even if our subsidiaries and affiliates generate a sufficient amount of cash from their operations, their ability to provide

funds to us is subject to, among other factors, local tax restrictions and local corporate law restrictions as well as regulatory restrictions related to earnings, the level of legal or statutory reserves, losses from previous years and capitalization requirements, capital controls and the terms of any applicable shareholder agreements, or might be further limited by measures implemented by local government authorities, including in connection with the ongoing COVID-19 pandemic.

## 10. Risks arising from dependence on agents and technology suppliers

Our businesses offer a significant portion of their lottery and gaming products to their customers through authorized POS operators under commercial agency agreements. The responsibilities of POS operators include accepting stakes from customers, paying out small wins, providing information, promoting sales and handling complaints and claims.

Certain key products and services required for the operation of our games (such as hardware, software, and services and support provided by staff with specialist expertise) are provided by a very limited number of suppliers and in many cases our businesses only have one supplier of such services at any particular time. This dependence on single suppliers and the small number of such suppliers can make it difficult or costly to replace them. Moreover, some of our suppliers might also be our direct competitors in different business dealings, including competition for licences and concessions.

Our businesses rely on the products and services of their agents and suppliers to a significant degree and, in the event that they do not or are unable to fulfil their obligations under the applicable contractual arrangements, they may face delays or disruptions in their operations if they need to find a new supplier.

## 11. Technological risks

The ability of Allwyn's businesses to successfully operate and manage their lottery and gaming products depends on the capacity and reliability of their network, Internet infrastructure, and central system operations and the security of their computer hardware, software, and online platform infrastructure, including products and services provided by third parties. There is a risk of interruption caused by human error, problems relating to the network and central systems, software failure, natural disasters, sabotage, computer viruses, hacking, malicious software, phishing attacks, and similar events.

Any interruption in the technology systems of Allwyn's businesses could have a negative effect on the quality of services offered and, as a result, on consumer demand and therefore the volume of sales. A system interruption, including one caused by third parties, may entitle the relevant regulatory agencies to revoke a concession or require Allwyn to pay damages or compensation under the concession as well as degrade customer experience and cause customers to lose confidence in Allwyn's product offerings.

Our businesses currently secure their systems by means of relevant hardware, software, and robust processes, but any systems interruption, delays or resulting in reduced levels of gaming services could lead to a reduction in performance or loss of services. Such an event may have a material adverse effect on Allwyn‘s business, results of operations, and financial condition.

## 12. Risks relating to customer data

Allwyn's businesses are subject to regulation related to the use of customers' personal data and their debit and credit card information. They work with the sensitive personal data of customers and data about their agents, suppliers, or employees. Allwyn's businesses must comply with the applicable data protection rules in the EU and the country in which they operate. One such example is the EU General Data Protection Regulation (the "GDPR"). Allwyn's businesses are exposed to the risk that data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by them or on their behalf. If Allwyn's businesses fail to transmit customer information in a secure manner, or if any such loss of personal customer data were otherwise to occur, Allwyn's businesses could face liability and fines under data protection laws. This could also

result in the loss of the goodwill of Allwyn's existing customers and deter new customers from using them. Allwyn's businesses are also dependent on contractual relationships with third parties and their employees who manage databases of sensitive data. Any customer data protection and payment data failures by Allwyn's businesses could result in sanctions by the relevant regulators, as well as damage to the reputation of Allwyn's businesses in the eyes of customers. This could have a material adverse effect on their business, results of operations, and financial condition.

### 13. Risk of inadequate compliance procedures and policies

The operations of our businesses are subject to anti-money laundering, anti-bribery, fraud detection, and data protection laws and regulations, and economic sanctions programmes, including those administered by national regulators, the United Nations and the EU.

Our businesses are exposed to the risk of money laundering and fraudulent activities by our customers, employees, agents or other third parties (including criminal organizations), including with respect to our financial and payment service offerings. In addition, our businesses are exposed to a risk of violating anticorruption laws and sanctions regulations applicable in those countries where they, their partners or their agents operate. Failure to comply with the above laws and regulations in these jurisdictions could result in significant fines, loss of licences and damage to the reputation and brand of our businesses.

Allwyn's businesses could also be targeted by third parties, including criminal organisations, for fraudulent activities, such as attempts to compromise the systems that process and collect payment information or to use Allwyn's betting services to engage in money laundering, bribery or fraud.

Compliance systems are established in Allwyn in order to minimize risks in the aforementioned areas. Each relevant subsidiary has units / departments tasked with ensuring compliance with legislation and license conditions relating to anti-money laundering, anti-bribery and other similar matters. Because of the number of entities within Allwyn, many of which are recently acquired and operate under different reporting routines and systems, significant efforts are required to maintain proper controls over financial reporting. However, despite our internal systems, the policies and procedures of our businesses may not be followed at all times, and they may not always be effective in detecting and preventing violations of applicable laws by one or more of our employees, consultants, agents or partners. As a result, our businesses could be subject to penalties and suffer a material adverse effect on our business, results of operations, and financial condition.

### 14. Risks associated with negative perceptions and publicity about the lottery and gaming industry

The gaming industry is exposed to negative perceptions and publicity generated by a variety of sources, including citizens' groups, non-governmental organizations, politicians, the media, national and local authorities, and other groups, individuals and institutions. In particular, public attention has been drawn to findings or allegations related to participation or alleged participation in gaming activities by minors, the location and concentration of gaming machines, the features of certain types of gaming machines, online games and online betting, risks related to social ills such as addiction to gaming, risks related to data protection and payment security in connection with online gaming and fraud and alleged associations with money laundering.

Excessive participation in certain games may for some individuals lead to problem gambling, which can have a significant adverse impact on their economic and psychological well-being. The nature of lotteries (which account for the majority of our revenues) limits the frequency players are able to wager, and prize distributions reduce the frequency of wins compared to other forms of gaming, making the player less likely to form addictive behaviour. This is in contrast to certain other forms of gaming where players are more susceptible to addiction and losing large amounts of money due to the frequency with which they are able to play, more frequent wins and near wins, and larger stake sizes. There is however a risk that the public and political representatives do not distinguish between lotteries and other types of gaming and do not recognize that lower risk is associated with lotteries.

Negative perceptions about lotteries and the gaming industry in general, and our business in particular, may result in lower revenues, loss of brand value, loss of customer goodwill, changes in regulation and higher taxes, among other consequences that may be detrimental to our business.

Our businesses monitor our customer's gaming activity and actively communicate with the public and other stakeholders about responsible gaming. Our businesses have faced, and will continue to face, increased scrutiny relating to their performance in meeting environmental, social, and corporate governance standards. Allwyn and our businesses have adopted compliance policies and procedures and are focused on the integrity of their management, employees and third-party suppliers and partners.

Responsible gaming principles are applied throughout our operations. All our subsidiaries and equity method affiliates which offer lotteries have been awarded the Level 4 Responsible Gaming Certification, the highest level of responsible gaming certification issued by the World Lottery Association. For more information about responsible gaming please refer to "Strategic Report" Section "Safer Gaming", on page 33 et seq. of Annual Report for the year ended 31 December 2021.

## 15. Risks associated with online gaming

Although the regulatory regime for land-based gaming operations is well established in many countries, regulation in these countries may not necessarily have been amended to take account of the ability to offer gaming services online. Some jurisdictions have introduced regulations attempting to restrict or prohibit online gaming, while others have taken the position that online gaming should be licensed and regulated.

The success of the online offering of our businesses will be affected by, among other things, developments in social networks, mobile platforms, legal and regulatory developments and other factors that we are unable to predict and which are beyond our control. Additionally, as the iGaming industry develops, including with respect to regulation in new and existing jurisdictions, our businesses may become subject to additional compliance-related costs, including in relation to licensing and taxes. Cybercrime also poses a challenge, with hackers potentially infiltrating programs and internal business processes and manipulating draws.

Our businesses have systems and controls in place seeking to ensure that they offer their gaming products only to players who are legally permitted to access our sites and apps and to purchase our products in the relevant jurisdictions. Despite that, there can be no assurance that our businesses will successfully block customers from accessing our products in countries that restrict or prohibit online gaming or in countries that our respective businesses are not licensed to conduct online gaming.

## 16. Risks from legal, administrative and arbitration proceedings

Our businesses operate in a market with a high level of litigation and regulatory and judicial scrutiny, and may be involved in legal, administrative and arbitration proceedings or investigations by government authorities. Such proceedings or investigations may involve various governmental agencies and result in judgment or settlement agreements.

A provision is recognized in the consolidated statement of financial position if Allwyn has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the expected settlement amount. For more information on significant court proceedings, please refer to the Contingency report in the part of this report concerned to the Interim Accounts (see Note 15 to the Condensed Consolidated Interim Financial Statements).

## 17. Risks associated with our indebtedness

We have substantial indebtedness, and we anticipate that we will continue to have substantial indebtedness for the foreseeable future. This indebtedness requires us to pay interest and principal amounts according to a fixed schedule and contain restrictive covenants and financial maintenance covenants that limit our financial and

operational flexibility, as well as events of default and cross-default provisions. In the worst case, an actual or impending inability to pay debts as they become due and payable could result in insolvency. Events such as a breach of financial covenants or an actual or expected deterioration in financial performance as a result of the COVID-19 pandemic or for other reasons, including loss of licences or legal proceedings, could also negatively impact Allwyn's credit ratings. Credit rating downgrades could potentially increase financing costs, or even prevent Allwyn from refinancing debt as it becomes due. In addition, certain existing indebtedness contains restrictions that substantially limit Allwyn's financial and operational flexibility. In particular, these agreements place limits on Allwyn's ability to incur additional indebtedness, grant security interests to third persons, dispose of material assets, undertake organisational measures such as mergers, changes of corporate form, joint ventures or similar transactions, and enter into transactions with related parties. In addition, certain of Allwyn's other financing arrangements also contain certain restrictive covenants, including financial covenants, which can restrict Allwyn's ability to operate its business.

## 18. Listing of Allwyn Entertainment AG on the New York Stock Exchange

Allwyn Entertainment AG has announced its intention to become listed on the New York Stock Exchange ("NYSE") in partnership with NYSE-listed Cohn Robbins Holdings Corp. The listing is planned to be completed in autumn 2022. Allwyn Entertainment AG will become the direct 100% shareholder of Allwyn AG, the sole shareholder of Allwyn International a.s. Allwyn Entertainment AG has been preparing to become a public company fully compliant with applicable securities laws and other applicable laws. If the listing occurs, any failure to meet all necessary requirements in a timely manner before or after listing could result in a material adverse effect on Allwyn's business and reputation.

## 19. Fourth UK National Lottery Licence Competition: legal challenge to the award decision and risks related to transition

On 15 March 2022, the UK Gambling Commission (the "Gambling Commission") announced Allwyn Entertainment Ltd as the preferred applicant for the fourth licence to operate the UK National Lottery, which starts in February 2024. Certain of the other applicants in the licence competition, including the incumbent operator, Camelot UK Lotteries Ltd, have brought claims in the High Court against the Gambling Commission, challenging aspects of the award decision. Allwyn International a.s. and Allwyn Entertainment Ltd are participating in the legal proceedings as interested parties, which may result in significant costs and divert management time and attention. Allwyn expects the transition of the operation of the UK National Lottery from the incumbent operator to be complex. In addition, we may not be successful in executing our strategy for the UK National Lottery.

## 20. The impact of the Russian invasion of Ukraine

The invasion has led to and is expected to continue to lead to disruption, instability and volatility in global markets and the economies of countries including those in which we operate, which could have an adverse effect on our business. The EU, the UK, the USA and other governments have imposed severe sanctions and export controls against Russia and Russian interests. Russia, as a retaliatory action, may impose counter-sanctions and launch cyberattacks against such countries, their governments, infrastructure and businesses. The credit, financial and commodities markets have experienced extreme volatility and disruptions due to the current conflict. The conflict is expected to have further global economic consequences, including the possibility of severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in inflation rates and uncertainty about economic and political stability. The current conflict and its economic consequences may negatively impact consumer spending patterns and contribute to potentially reduced overall demand for our products in the countries in which we operate. Any of the foregoing consequences, including those we cannot yet predict, may cause our business, financial condition or results of operations to be adversely affected.

## 21. Other financial risks

We are exposed to certain other financial risks, including currency risk, credit risk and interest rate risk. For further information on such risks please refer to the “Notes to the consolidated financial statements”, Section “Risk management” on page 140 et seq. of the Annual Report for the financial year ended 31 December 2021.

## 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 Notes to the condensed consolidated interim financial statements.

Liquidity is defined in Consolidated statement of financial position, line "Cash and cash equivalents" and capital resources are described in Note 12 "Loans and borrowings".

Material commitments and contingencies are described in Note 15 "Contingencies", Note 12 "Loans and borrowings" and in the Consolidated statement of financial position, line "Lease liabilities".

Critical accounting policies are described in Note 2(e) "Significant changes in accounting policies and policy applied only for interim periods" and critical accounting estimates and judgments are described in Note 2 (c) "Use of estimates and judgments".

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.

The Company regularly evaluates its financing and other strategic options on an opportunistic basis taking into account prevailing market conditions, which may include potential private funding and public capital markets transactions at any time.

**Definitions**

In this document:

| | |
|---|---|
| "Allwyn" | refers to Allwyn International a.s., together with its subsidiaries, joint ventures and associates |
| "Austrian Lotteries" | refers to Österreichische Lotterien Gesellschaft m.b.H. |
| "CASAG" | refers to Casinos Austria AG |
| "LottoItalia" | refers to LOTTOITALIA S.r.l. |
| "OPAP" | refers to OPAP S.A. |
| "POS" | refers to point of sale |
| "SAZKA" | refers to SAZKA a.s. |
| "SDHH" | refers to Sazka Delta Hellenics Holding Limited |
| "Stoiximan" | refers to the Greece and Cyprus operations of Kaizen Gaming Limited |
| "VLT" | refers to video lottery terminal |

**Alternative performance measures ("APMs")**

This document contains certain unaudited financial and operating measures that are not defined or recognised under IFRS that we use to assess the performance of our business. Explanations of these measures are set out below. For example, in this document, we present non-IFRS financial measures such as Net gaming revenue ("NGR"), Operating EBITDA, Adjusted EBITDA, Adjusted EBITDA margin and Capital expenditures ("CAPEX"), which we use to, among other things, evaluate the performance of our operations, develop budgets and measure our performance against those budgets. We believe that Operating EBITDA and Adjusted EBITDA assist in understanding our trading performance as they give an indication of our ability to service our indebtedness.

As there are no generally accepted accounting principles governing the calculation of non-IFRS financial and operating measures, other companies may calculate such measures differently or may use such measures for different purposes than we do, and therefore you should exercise caution in comparing these measures as reported by us to such measures or other similar measures as reported by other companies. An investor should not consider these non-IFRS measures (a) as a substitute for operating results (as determined in accordance with IFRS) or as a measure of our operating performance, (b) as a substitute for cash flow from or used in operating, investing and financing activities (as determined in accordance with IFRS) or as a measure of our ability to meet cash needs or (c) as a substitute for any other measure of performance under IFRS. These measures may not be indicative of our historical operating results or financial condition, nor are such measures meant to be predictive of our future results or financial condition. Even though the non-IFRS financial measures are used by management to assess our financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under IFRS.

*Net gaming revenue ("NGR")*

The Group defines NGR as "Revenue from gaming activities (GGR)" less "gaming taxes". NGR is a metric commonly used in the lottery industry. Management believes that the metric is useful for comparison of the Group's performance to its industry peers and competitors.

*Operating EBITDA, Adjusted EBITDA and Adjusted EBITDA* margin

The Group defines Operating EBITDA as "Profit before tax" before "Finance cost, net", "Depreciation and amortisation", "Impairment of tangible and intangible assets including goodwill", "Restructuring costs", "Gain from remeasurement of previously held interest in equity method investee" and "Other gains and losses". Note that "profit before tax" before "finance costs, net" equals "profit from operating activities." Operating EBITDA is a metric used by management to evaluate operating performance of the business. The Company provides this measure because we believe it is useful for investors to understand our performance period to period without any further adjustments for one-off or non-operating items. Management believes that Operating EBITDA is useful to investors because it provides additional information regarding to our ongoing performance to offer a meaningful comparison related to future results of operations.

The Group defines Adjusted EBITDA as Operating EBITDA adjusted, as Group's management deems relevant, for significant one-off items, non-operating items, and business development costs. Management believes that Adjusted EBITDA is a useful metric for investors to understand our underlying performance period to period, after exclusion of non-cash and other items which management believes are not indicative of our results of operations. Adjusted EBITDA provides additional information about our underlying performance and offers a meaningful comparison related to future results of operation.

The Group defines Adjusted EBITDA margin as Adjusted EBITDA divided by NGR. Management believes this metric is useful for investors to understand our relative underlying profitability and provides a meaningful comparison related to future relative profitability.

*Capital expenditures (*"CAPEX")

The Group defines CAPEX as cash outflow for purchase of intangible assets, property, plant and equipment and investment property, derived from the line "Acquisition of property, plant and equipment and intangible assets" in our consolidated statement of cash flows. Management believes that capital expenditures is a useful metric for investors because it provides visibility to the level of capital expenditures required to operate our business.

**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 the COVID-19 pandemic, and adopted legislative measures taken in response;
- regulatory risks, risk of potential loss of licences or exclusive rights to operate our business activities;
- risk associated with changes in taxation and fees for licences, tax audits and penalties;
- risks associated with changing consumer preferences, changes in technologies and brand loyalty;
- competitive risks;
- political and macroeconomic risks;
- risks associated with new acquisitions and tenders;
- risks associated with our ownership interest in certain subsidiaries and other shareholders;
- risks associated with our corporate structure;
- risks arising from dependence on agents and technology suppliers;
- technological risks;
- risks relating to customer data;
- risk of inadequate compliance procedures and policies;
- risks associated with negative perceptions and publicity about the lottery and gaming industry;
- risks associated with online gaming;
- risks from legal, administrative and arbitration proceedings;
- risks associated with our indebtedness;
- listing of parent company on the New York Stock Exchange;
- Fourth National Lottery Licence Competition: legal challenge to the award decision and risks related to transition;
- The impact of Russian invasion of Ukraine; and,
- other financial risks.

## Compliance statement

With the use of all reasonable care and to the best of our knowledge, we confirm that the Consolidated Half Year Report for the six months ended 30 June 2022 gives a true and fair view of the financial situation, business activities and economic results of the Company and its consolidated group for the relevant accounting period, and perspective for future financial situation, business activities and economic results of the Company and its consolidated group.

# Allwyn International a.s.

## Condensed consolidated interim financial statements for the six months ended 30 June 2022

prepared in accordance with IAS 34 “Interim Financial Reporting”

| *Condensed consolidated statement of comprehensive income* | Note | Six months ended 30 June: 2022 | 2021 (Restated)* | Three months ended 30 June: 2022 | 2021 (Restated)* |
|---|---|---|---|---|---|
| Revenue from gaming activities ("GGR") | 4 | 1,771.0 | 1,257.9 | 901.7 | 735.9 |
| Revenue from non-gaming activities | 4 | 96.1 | 63.1 | 51.4 | 35.9 |
| Other operating income | 5 | 141.1 | 187.5 | 72.7 | 105.5 |
| Gaming taxes | | (685.7) | (534.3) | (350.8) | (291.0) |
| Agents´ commissions | | (246.4) | (154.1) | (124.8) | (102.7) |
| Materials, consumables and services | | (249.9) | (204.8) | (127.2) | (115.6) |
| Marketing services | | (104.9) | (97.8) | (55.9) | (57.8) |
| Personnel expenses | | (174.4) | (152.4) | (89.5) | (74.2) |
| Other operating expenses | | (37.5) | (34.0) | (15.8) | (18.5) |
| Share of profit of equity method investees | | 37.5 | 40.4 | 17.7 | 21.4 |
| Depreciation and amortisation | | (106.0) | (110.3) | (53.0) | (55.7) |
| Impairment of tangible and intangible assets including goodwill | 6 | (24.0) | (4.0) | (24.0) | (0.2) |
| Other gains and losses | | (9.4) | (0.7) | (1.0) | (0.2) |
| **Profit from operating activities** | | **407.5** | **256.5** | **201.5** | **182.8** |
| Interest income | | 2.5 | 2.5 | 0.8 | 1.1 |
| Interest expense | | (75.5) | (59.3) | (36.2) | (30.6) |
| Other finance income and expense | | (11.3) | 8.8 | (4.4) | 10.0 |
| **Finance costs, net** | 7 | **(84.3)** | **(48.0)** | **(39.8)** | **(19.5)** |
| **Profit before tax** | | **323.2** | **208.5** | **161.7** | **163.3** |
| Income tax expense | 8 | (75.2) | (35.1) | (42.6) | (23.2) |
| **Profit after tax** | | **248.0** | **173.4** | **119.1** | **140.1** |

| ***Condensed consolidated statement of comprehensive income (continued)*** | **Note** | **Six months ended 30 June:** | | **Three months ended 30 June:** | |
|---|---|---|---|---|---|
| | | **2022** | **2021 (Restated)*** | **2022** | **2021 (Restated)*** |
| *Items that are or may subsequently be reclassified to profit or loss:* | | | | | |
| Change in currency translation reserve | | 2.8 | (18.3) | (2.2) | (14.7) |
| Change in translation reserve of foreign operations disposed of reclassified to profit or loss | | -- | -- | -- | 0.1 |
| Remeasurement of hedging derivatives, net of tax | | (1.2) | 15.5 | (1.8) | 10.4 |
| Net change in hedging derivatives reclassified to profit or loss, net of tax | | -- | -- | (1.2) | -- |
| Share of other comprehensive income of equity method investees | | 1.9 | (0.2) | 0.2 | (0.7) |
| *Items that will not be reclassified to profit or loss:* | | | | | |
| Actuarial remeasurements of defined benefit liabilities, net of tax | | 13.9 | 8.0 | 3.1 | 1.4 |
| Revaluation of equity instruments at fair value through OCI (FVOCI) | | 1.1 | (0.4) | (0.9) | 1.9 |
| **Total other comprehensive income / (loss)** | | **18.5** | **4.6** | **(2.8)** | **(1.6)** |
| **Total comprehensive income** | | **266.5** | **178.0** | **116.3** | **138.5** |
| **Profit after tax attributable to:** | | | | | |
| Owners of the Company | | 125.9 | 97.2 | 64.8 | 74.4 |
| Non-controlling interests | | 122.1 | 76.2 | 54.3 | 65.7 |
| **Profit after tax** | | **248.0** | **173.4** | **119.1** | **140.1** |
| **Total comprehensive income attributable to:** | | | | | |
| Owners of the Company | | 137.3 | 98.3 | 61.5 | 71.3 |
| Non-controlling interests | | 129.2 | 79.7 | 54.8 | 67.2 |
| **Total comprehensive income** | | **266.5** | **178.0** | **116.3** | **138.5** |

* See Note 2.g

The Notes on pages 9 to 48 are an integral part of these condensed consolidated interim financial statements.

| *Condensed consolidated statement of financial position* | Note | 30/6/2022 | 31/12/2021 |
|---|---|---|---|
| **ASSETS** | | | |
| Intangible assets | | 2,463.1 | 2,544.4 |
| Goodwill | | 1,072.6 | 1,056.3 |
| Property, plant and equipment | | 390.6 | 411.4 |
| Investment property | | 17.6 | 17.8 |
| Equity method investees | 9 | 273.6 | 313.1 |
| Trade and other receivables | | 69.6 | 76.1 |
| Other financial assets | 10 | 188.1 | 191.7 |
| Deferred tax asset | | 50.0 | 46.4 |
| **Total non-current assets** | | **4,525.2** | **4,657.2** |
| Inventories | | 16.2 | 8.8 |
| Trade and other receivables | | 269.5 | 279.5 |
| Current tax asset | | 0.3 | 0.2 |
| Other financial assets | 10 | 194.0 | 123.6 |
| Cash and cash equivalents | | 1,188.0 | 1,281.0 |
| **Total current assets** | | **1,668.0** | **1,693.1** |
| **Total assets** | | **6,193.2** | **6,350.3** |
| **LIABILITIES** | | | |
| Loans and borrowings | 12 | 2,376.7 | 2,259.5 |
| Lease liabilities | | 123.2 | 122.1 |
| Trade and other payables | 14 | 40.3 | 42.2 |
| Derivative financial instruments | | -- | 1.5 |
| Provisions | 13 | 12.4 | 10.2 |
| Employee benefits liability | | 136.4 | 132.6 |
| Deferred tax liability | | 433.5 | 446.7 |
| **Total non-current liabilities** | | **3,122.5** | **3,014.8** |
| Loans and borrowings | 12 | 417.7 | 433.4 |
| Lease liabilities | | 25.5 | 26.9 |
| Trade and other payables | 14 | 1,001.9 | 876.9 |
| Current tax liability | | 168.2 | 112.8 |
| Provisions | 13 | 25.4 | 27.4 |
| Employee benefits liability | | 51.6 | 54.8 |
| **Total current liabilities** | | **1,690.3** | **1,532.2** |
| **Total liabilities** | | **4,812.8** | **4,547.0** |
| **EQUITY** | | | |
| Share capital | | 0.1 | 0.1 |
| Capital contributions and other reserves | | 127.9 | 126.8 |
| Revaluation reserve | | (4.1) | (4.8) |
| Currency translation reserve | | 10.3 | 7.0 |
| Hedging reserve | | 3.8 | 5.6 |
| Retained earnings | | 270.0 | 443.6 |
| **Total equity attributable to owners of the Company** | | **408.0** | **578.3** |
| Non-controlling interest | 11 | 972.4 | 1,225.0 |
| **Total equity** | | **1,380.4** | **1,803.3** |
| **Total equity and liabilities** | | **6,193.2** | **6,350.3** |

The Notes on pages 9 to 48 are an integral part of these condensed consolidated interim financial statements.

| *Condensed consolidated statement of changes in equity* | Note | Share capital | Capital contributions and other reserves | Revaluation reserve | Currency translation reserve | Hedging reserve | Retained earnings | Total equity attributable to owners of the Company | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2022** | | **0.1** | **126.8** | **(4.8)** | **7.0** | **5.6** | **443.6** | **578.3** | **1,225.0** | **1,803.3** |
| Profit for the period ended 30 June 2022 | | -- | -- | -- | -- | -- | 125.9 | **125.9** | 122.1 | **248.0** |
| Other comprehensive income for the period ended 30 June 2022 | | -- | 1.1 | 0.7 | 3.3 | (1.8) | 8.1 | **11.4** | 7.1 | **18.5** |
| **Total comprehensive income for the period** | | **--** | **1.1** | **0.7** | **3.3** | **(1.8)** | **134.0** | **137.3** | **129.2** | **266.5** |
| **Transactions with owners recorded directly in equity:** | | | | | | | | | | |
| Purchase of non-controlling interest in subsidiaries | 1.3 | -- | -- | -- | -- | -- | (308.5) | **(308.5)** | (91.5) | **(400.0)** |
| Dividends and distributions declared to non-controlling interest | 11 | -- | -- | -- | -- | -- | -- | **--** | (277.8) | **(277.8)** |
| Other movements in equity | 15 | -- | -- | -- | -- | -- | 0.9 | **0.9** | (12.5) | **(11.6)** |
| **Total transactions with owners** | | **--** | **--** | **--** | **--** | **--** | **(307.6)** | **(307.6)** | **(381.8)** | **(689.4)** |
| **Balance at 30 June 2022** | | **0.1** | **127.9** | **(4.1)** | **10.3** | **3.8** | **270.0** | **408.0** | **972.4** | **1,380.4** |

The Notes on pages 9 to 48 are an integral part of these condensed consolidated interim financial statements.

| ***Condensed consolidated statement of changes in equity (Restated)**** | **Note** | **Share capital** | **Capital contributions and other reserves** | **Revaluation reserve** | **Currency translation reserve** | **Hedging reserve** | **Retained earnings** | **Total equity attributable to owners of the Company** | **Non-controlling interest** | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2021** | | **0.1** | **50.9** | **(2.6)** | **(1.2)** | **(2.2)** | **342.2** | **387.2** | **1,124.8** | **1,512.0** |
| Profit for the period ended 30 June 2021 | | -- | -- | -- | -- | -- | 97.2 | 97.2 | 76.2 | 173.4 |
| Other comprehensive income / (loss) for the period ended 30 June 2021 | | -- | (0.2) | (0.2) | (18.5) | 15.3 | 4.7 | 1.1 | 3.5 | 4.6 |
| **Total comprehensive income for the period** | | **--** | **(0.2)** | **(0.2)** | **(18.5)** | **15.3** | **101.9** | **98.3** | **79.7** | **178.0** |
| **Transactions with owners, recorded directly in equity:** | | | | | | | | | | |
| Purchase of non-controlling interest in subsidiaries | | -- | -- | -- | -- | -- | (63.3) | **(63.3)** | (27.8) | **(91.1)** |
| Dividends declared to non-controlling interest | | -- | -- | -- | -- | -- | -- | -- | (120.8) | **(120.8)** |
| Other movements in equity | | -- | -- | -- | -- | -- | 3.2 | **3.2** | (0.9) | **2.3** |
| **Total transactions with owners** | | **--** | **--** | **--** | **--** | **--** | **(60.1)** | **(60.1)** | **(149.5)** | **(209.6)** |
| **Balance at 30 June 2021** | | **0.1** | **50.7** | **(2.8)** | **(19.7)** | **13.1** | **384.0** | **425.4** | **1,055.0** | **1,480.4** |

* See Note 2.g

The Notes on pages 9 to 48 are an integral part of these condensed consolidated interim financial statements.

| *Condensed consolidated statement of cash flows* | Note | Six months ended 30 June: 2022 | Six months ended 30 June: 2021 (Restated)* | Three months ended 30 June: 2022 | Three months ended 30 June: 2021 (Restated)* |
|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | |
| **Profit (+) for the period** | | **248.0** | **173.4** | **119.1** | **140.1** |
| *Adjustments for:* | | | | | |
| Income tax expense | | 75.2 | 35.1 | 42.6 | 23.2 |
| Depreciation and amortisation | | 106.0 | 110.3 | 53.0 | 55.7 |
| Impairment losses on tangible and intangible assets | 6 | 24.0 | 4.0 | 24.0 | 0.2 |
| Profit (-) / loss (+) on sale of property, plant and equipment and intangible assets | | (1.4) | (0.3) | (0.4) | (0.7) |
| Net interest income (-) / expense (+) | 7 | 73.0 | 56.8 | 35.4 | 29.5 |
| Net foreign exchange profit (-) / loss (+) | 7 | 0.3 | (13.2) | (0.6) | (11.4) |
| Share of profit (-) of equity method investees | 9 | (37.5) | (40.4) | (17.7) | (21.4) |
| Revaluation of financial assets at fair value through profit or loss | | 6.2 | 0.4 | 2.6 | (0.1) |
| Non-cash releases from (-) / additions to (+) provision | 13 | 2.7 | (0.7) | 0.9 | 0.4 |
| **Operating result before changes in working capital and provisions** | | **496.5** | **325.4** | **258.9** | **215.5** |
| Increase (+) / decrease (-) in provisions | | (4.3) | (1.9) | 0.1 | 1.1 |
| Increase (-) / decrease (+) in inventories | | (7.4) | (5.7) | 1.3 | 6.9 |
| Increase (-) / decrease (+) in trade receivables and other assets | | 17.7 | (53.8) | (20.5) | (34.4) |
| Increase (+) / decrease (-) in trade and other payables | | (32.4) | (2.9) | (15.0) | 50.0 |
| **Cash generated from (+) / used in (-) operations** | | **470.1** | **261.1** | **224.8** | **239.1** |
| Interest paid | | (62.0) | (49.6) | (27.3) | (22.0) |
| Income tax paid | | (34.5) | (15.7) | (18.4) | (9.8) |
| **Net cash generated from (+) / used in (-) operating activities** | | **373.6** | **195.8** | **179.1** | **207.3** |
| **INVESTING ACTIVITIES** | | | | | |
| Acquisition of property, plant and equipment and intangible assets | | (26.0) | (27.9) | (7.0) | (14.8) |
| Acquisition of subsidiaries, net of cash acquired | 14 | (106.4) | (19.0) | (106.4) | (19.0) |
| Dividend distributed to equity method investee of the Group | 9 | (11.3) | (5.7) | (11.3) | (5.7) |
| Acquisition of financial investments | | (8.0) | (6.6) | (8.0) | -- |
| Proceeds from disposal of financial investments | 13 | 4.7 | 5.6 | -- | 5.6 |
| Dividends and distributions received from equity method investees | 9 | 90.2 | 72.4 | 7.5 | 14.9 |
| Proceeds from sale of property, plant and equipment and intangible assets | | 0.4 | 1.1 | 0.4 | 1.1 |
| Interest income received | | 0.4 | 1.6 | 0.3 | 0.9 |
| Proceeds from fixed-term deposits | | -- | 1.1 | -- | -- |
| Short-term deposits to cash-pooling | 10 | (70.7) | -- | (70.7) | -- |
| **Net cash generated from (+) / used in (-) investing activities** | | **(126.7)** | **22.6** | **(195.2)** | **(17.0)** |

| *Condensed consolidated statement of cash flows (continued)* | Note | Six months ended 30 June: 2022 | 2021 (Restated)* | Three months ended 30 June: 2022 | 2021 (Restated)* |
|---|---|---|---|---|---|
| **FINANCING ACTIVITIES** | | | | | |
| Purchase of non-controlling interest in subsidiaries | 1.3 | (400.0) | (115.4) | (30.6) | (55.9) |
| Dividends paid to non-controlling interest | 11 | (21.0) | (10.2) | (20.3) | (10.2) |
| Loans and borrowings received | 12 | 766.2 | 82.8 | 102.1 | 2.8 |
| Repayment of loans and borrowings | 12 | (673.6) | (5.9) | (142.1) | (5.7) |
| Repayment of principal element of lease liabilities | | (13.1) | (9.8) | (6.6) | (5.0) |
| Net movement in restricted cash related to financing activities | 10 | 2.0 | 0.1 | 2.0 | -- |
| **Net cash generated from (+) / used in (-) financing activities** | | **(339.5)** | **(58.4)** | **(95.5)** | **(74.0)** |
| **Net decrease (-) / increase (+) in cash and cash equivalents** | | **(92.6)** | **160.0** | **(111.6)** | **116.3** |
| Effect of currency translation on cash and cash equivalents | | (0.4) | (2.7) | 0.9 | (2.4) |
| **Cash and cash equivalents at the beginning of the period** | | **1,281.0** | **872.2** | **--** | **--** |
| **Cash and cash equivalents at the end of the period** | | **1,188.0** | **1,029.5** | **(110.7)** | **113.9** |

* See Note 2.g

The Notes on pages 9 to 48 are an integral part of these condensed consolidated interim financial statements.

**Notes to the condensed consolidated interim financial statements**

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Note: On 12 September 2022, Allwyn International a.s. published a revised version of this document to update the disclosure relating to the UK National Lottery legal proceedings.

# 1. General information about the Group

## 1.1 Description

Allwyn International a.s. (formerly SAZKA Group a.s.) (the "Company" and, together with its subsidiaries, joint ventures and associates, the "Group"), a joint stock company, 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 Evropská 866/71, 160 00 Prague 6, Czech Republic and its Identification Number is 242 87 814. The Company's domicile is the Czech Republic.

The Company carries out management, strategic business development and financing activities for the Group and holds interests in other Group companies. A significant part of the business of the Group and its business strategy is realised through its participation in its joint ventures and associates. They are therefore considered to represent an integral part of the Group's operations. As a result, the share of profit from equity method investees is presented in operating profit. The principal place of business of the Company is the Czech Republic.

From 17 March 2021, Allwyn AG (formerly SAZKA Entertainment AG) (registered in Switzerland) became the immediate 100% parent of the Company. As of 31 December 2021 and 30 June 2022, Allwyn AG (formerly SAZKA Entertainment AG) was an entity 100% controlled by KKCG AG whose ultimate controlling entity pursuant to IFRS standards was Valea Foundation (registered in Liechtenstein). The designated beneficiary of Valea Foundation is Mr Karel Komárek.

*UK National Lottery*

In March 2022, the UK Gambling Commission announced the Company as its Preferred Applicant for the fourth UK National Lottery licence following a rigorous competitive tender process. Allwyn Entertainment Ltd, a 100% owned subsidiary of the Company, is its proposed licensee. The fourth UK National Lottery concession will run for 10 years from February 2024.

The current operator of the UK National Lottery and certain other parties brought claims against the Gambling Commission, the UK gambling regulator, challenging certain aspects of its decision. The Company and Allwyn Entertainment Ltd are interested parties in certain of these proceedings.

As a result of the legal challenge, the Gambling Commission was prevented from entering into agreements with Allwyn Entertainment Ltd that would formally commence a period of transition. On 11-12 May 2022, the Gambling Commission's application to lift the automatic suspension was heard before the Technology and Construction Court, and on 29 June 2022, the court ruled to lift the automatic suspension.

That ruling was appealed by Camelot UK Lotteries Ltd (the incumbent operator of the UK National Lottery) and Camelot Global Lottery Solutions Ltd (together, the "Camelot Entities") and International Game Technology plc and certain of its affiliates (the "IGT Entities"), resulting in the suspension remaining in place.

On 5 September 2022, Allwyn announced that the Camelot Entities decided to withdraw their appeal and that the Company and Allwyn Entertainment Ltd had agreed not to pursue any costs or damages against the Camelot Entities. On 8 September, the IGT Entities informed the Court of Appeal that they had concluded there was no realistic option but to withdraw their own appeal, and thereby notified the Court of Appeal of that withdrawal. The Company understands that the Camelot Entities and the IGT Entities will continue to pursue their claims in damages only against the Gambling Commission. The withdrawal of the appeals paves the way for Allwyn Entertainment Ltd to receive the award of, and begin transition to, the fourth UK National Lottery licence, which will start in February 2024.

*Kaizen*

On 20 April 2022, the Group announced that it has reached an agreement with OPAP Investment Limited (a wholly owned subsidiary of OPAP S.A.) to acquire its 36.75% interest in the business activities of Kaizen Gaming Limited outside Greece and Cyprus ("Kaizen"). The purchase price comprises (i) an upfront cash consideration of €50.0 million, on a debt free and cash free basis, and (ii) performance based earnout payments. The purchase price corresponds to the fair market value of the interest, as evaluated by an independent financial advisor.

Kaizen is a fast-growing online sports betting and iGaming operator using proprietary gaming technology. The company operates in seven markets under the Betano brand with a particularly strong presence in Romania and Portugal and a rapidly growing business in Brazil. The transaction will result in an 18.4% increase in the Group's effective interest in Kaizen, which will continue to be accounted for as an equity method investee of the Group.

Closing of the transaction is subject to customary regulatory approvals and is expected to happen in Q4.

## 1.2 Principal activity

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

In addition to lottery and other gaming activities, the Group also engages in certain non-lottery business activities through its points of sale and terminals (e.g. telecommunication and payment services).

## 1.3 Composition of the Group

The Group comprises 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 operating components of the Group as of 30 June 2022 and 31 December 2021.

| | | | Effective interest | |
|---|---|---|---|---|
| | **Country** | | **30/6/2022** | **31/12/2021** |
| **Major operating entities:** | | | | |
| Casinos Austria AG ("CASAG") subgroup | Austria | subsidiary | 59.70% | 59.70% |
| including Österreichische Lotterien GmbH ("Austrian Lotteries") subgroup | Austria | subsidiary | 53.52% | 53.52% |
| OPAP S.A. ("OPAP") subgroup | Greece and Cyprus | subsidiary | 48.75% | 40.37% |
| including Stoiximan Ltd ("Stoiximan")* | Malta | subsidiary | 41.19% | 34.11% |
| SAZKA a.s. ("SAZKA") | Czech Republic | subsidiary | 100.00% | 100.00% |
| LottoItalia S.r.l. ("LottoItalia") | Italy | associate | 32.50% | 32.50% |

*The change in the effective interest of Stoiximan corresponds to the change in the effective share of OPAP.

## Major changes in the Group in 2022

| Company / Group companies | Effective interest as of 30/6/2022 | Effective interest as of 31/12/2021 | Change | Type of transaction | Date of transaction |
|---|---|---|---|---|---|
| OPAP | 48.75% | 40.37% | 1.53% | Open market purchases | During the period |
| | | | 6.85% | Increase of interest in holding entity | 17 February 2022 |

### i. Increase of shareholding in OPAP

*i. Open market purchases*

During 2022, the Company acquired additional shares in OPAP S.A. through open market purchases. As a result, the Group's effective interest and voting rights increased by 1.53%. These additional purchases are presented in "Purchase of non-controlling interest in subsidiaries" in the consolidated statement of cash flows. Total consideration paid for the acquired shares of OPAP S.A. was €72.6 million.

*ii. Other increase in interest*

On 17 February 2022, Rubidium Holdings Limited, a subsidiary of the Company, purchased a 20.77% interest in the investor shares of SAZKA Delta Aif Variable Capital Investment Company Ltd ("SDVCIC") from a third party investor. SDVCIC is a holding company through which the Group owns part of its interest in OPAP S.A. As a result, the Group's economic interest in SDVCIC increased to 100%, and its effective interest in OPAP S.A. increased by 6.85%. Total consideration paid for the acquired shares of SDVCIC was €327.4 million. This purchase is presented in "Purchase of non-controlling interest in subsidiaries" in the consolidated statement of cash flows.

### ii. Change of legal names of certain companies within the Group and of the parent company

The legal names of the following companies were changed in connection with the introduction of our new global Group brand "Allwyn". The ownership structure and the activities of the companies remain unchanged.

| Former Name | New Name |
|---|---|
| SAZKA Entertainment AG | Allwyn AG |
| SAZKA Group a.s. | Allwyn International a.s. |
| SAZKA Group CZ a.s. | Allwyn Services Czech Republic a.s. |
| SAZKA Group UK Ltd | Allwyn Services UK Ltd |

### iii. Newly incorporated entities

During the six months ended 30 June 2022 the following companies were incorporated:

| Group companies: | Country | | Effective ownership | Date of incorporation |
|---|---|---|---|---|
| Allwyn Entertainment Financing (UK) plc | United Kingdom | subsidiary | 100.00% | 11 January 2022 |
| Allwyn Financing (UK) Ltd | United Kingdom | subsidiary | 100.00% | 14 January 2022 |
| Rubidium Holding 2 Ltd | Cyprus | subsidiary | 100.00% | 5 April 2022 |

Allwyn Entertainment Financing (UK) plc is the issuer for a bond issued in February 2022 (see Note 12); Allwyn Financing (UK) Ltd and Rubidium Holding 2 Ltd did not undertake any material activities and remained immaterial during the period ended 30 June 2022.

## 2. 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 condensed consolidated interim financial statements do not disclose all information that is required to be disclosed in full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and therefore should be read and interpreted along with the consolidated financial statements of the Company for the year ended 31 December 2021.

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

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 12 September 2022.

### (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 described in the annual consolidated financial statements for the year ended 31 December 2021.

### (c) Use of estimates and judgements

Estimates and judgements made by the Group, which were disclosed in the Notes to the latest annual consolidated financial statements and remain valid during the interim period ended 30 June 2022, are not disclosed in these Notes if there was no significant change in relevant factors or conditions.

### (d) Measurement of fair values

During the six months ended 30 June 2022, there were no transfers between levels of the fair value hierarchy and no changes in valuation techniques of fair value as defined in the annual consolidated financial statements for the year ended 31 December 2021. The Group considers that all carrying amounts of financial assets and liabilities at amortised cost are a reasonable approximation of fair values.

### (e) Significant changes in accounting policies and policy applied only for interim periods

The accounting policies used 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 year ended 31 December 2021 as well as in the condensed consolidated interim financial statements for three months ended 31 March 2022, except for the adoption of new and amended standards as set out in Note 17 and the policy applied only for interim financial statements below.

*Interim period tax measurement*

Interim period income tax expense is accrued using the effective tax rate that would be applicable to expected total annual earnings, that is, the estimated weighted average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated rate does not include the impact of remeasuring opening deferred tax balances from the end of the prior year due to the change in income tax rate. The impact of remeasuring these balances is recognised immediately in the interim period in which the change in rate is enacted or substantially enacted.

## (f) Changes in presentation

### i. Change in presentation of operating segment disclosure

The Group revised the presentation of its operating segment disclosure to include the performance of operating segments as if they have been consolidated for the whole reporting periods ("100% basis") and added an elimination column to reflect the period and method of the consolidation. This change reflects how the Chief Operating Decision Maker ("CODM") reviews and analyses results for the operating segments (see Note 3).

## (g) Restatement of the comparative period

### ii. Finalisation of acquisition accounting for Stoiximan (measurement period adjustments)

On 18 November 2020, OPAP S.A. acquired control of and began to consolidate Stoiximan. The acquisition accounting was prepared on a provisional basis. During preparation of its annual consolidated financial statements the Group completed the acquisition accounting, as allowed by IFRS 3, and therefore revised the comparative period of condensed consolidated interim financial statements. The respective changes in the comparative period of these condensed consolidated interim financial statements are the following:

| **Impact on Consolidated statement of comprehensive income** | **Six months ended 30 June 2021:** |
|---|---|
| Other operating expenses | 0.1 |
| Depreciation and amortisation | (5.8) |
| **Profit from operating activities** | **(5.7)** |
| Income tax expense | 2.0 |
| **Profit after tax** | **(3.7)** |
| **Total comprehensive income** | **(3.7)** |
| **Profit after tax attributable to:** | |
| Owners of the Company | (1.1) |
| Non-controlling interests | (2.6) |
| **Profit after tax** | **(3.7)** |
| **Total comprehensive income attributable to:** | |
| Owners of the Company | (1.1) |
| Non-controlling interests | (2.6) |
| **Total comprehensive income** | **(3.7)** |

| **Impact on Consolidated statement of cash flows** | **Six months ended 30 June 2021:** |
|---|---|
| **Profit (+) for the period** | **(3.7)** |
| **OPERATING ACTIVITIES** | |
| Income tax expense | 2.0 |
| Depreciation and amortisation | (5.8) |
| **Operating result before changes in working capital and provisions** | **0.1** |

### iii. Correction of recognition criteria for restructuring provision

The Group has corrected the recognition and accounting classification of a previously recorded restructuring provision related to employee termination benefits in our Austrian business. Previously the Group treated the recognised liability as a restructuring provision under IAS 37. During the preparation of the annual consolidated financial statements it was determined that certain elements of the existing restructuring programme (severance programmes, stand-by-duty programmes) are termination benefits under IAS 19 and need to be presented within employee benefit liabilities, and certain part-time programmes do not qualify for recognition as a liability and should be recorded as personnel costs as incurred. The respective changes in the comparative period of these condensed consolidated interim financial statements are the following:

| Impact on consolidated statement of cash flows | Six months ended 30 June 2021: |
|---|---|
| **OPERATING ACTIVITIES** | |
| **Operating result before changes in working capital and provisions** | -- |
| Increase (+) / decrease (-) in provisions | 13.5 |
| Increase (+) / decrease (-) in trade and other payables | (13.5) |
| **Cash generated from operations** | -- |

### iv. Correction of accounting judgement related to accounting classification of pension plans in Austria

The Group has corrected an error related to the accounting classification of pension plans in Austria. The Group makes regular contributions to a pension fund based on a formula. The pension payments are based on the amounts available in the pension fund, however the Group guarantees a certain minimum pension and has an obligation to make additional contributions if the funds available were not sufficient to allow the payment of such minimum pensions. Therefore, the plan classification has been revised to a defined benefit plan and the Group has corrected the presentation in the comparative period accordingly.

The change in classification of the pension plan had no material impact on the primary financial statements. Expenses of €3.0 million presented previously as “Private retirement benefits expenses – defined contribution plans” have been reclassified to “Private retirement benefits expenses – defined benefit plan”.

### v. Correction of revenue recognition in Greece and Cyprus

The Group has corrected the recognition and accounting classification of promotional activities directly linked to online gaming activities. Previously the Group recognised promotional activities as expenses, while they should have been recognized as a decrease in Revenue from gaming activities. The impact on Group’s consolidated statement of comprehensive income and results of the Greece and Cyprus operating segment in the comparative period is presented in the table below:

| Impact on statement of comprehensive income | Six months ended 30 June 2021: | Three months ended 30 June 2021: |
|---|---|---|
| Revenue from gaming activities (“GGR”) | (8.5) | (4.2) |
| Marketing services | 2.2 | 1.0 |
| Other operating expenses | 6.3 | 3.2 |
| **Profit from operating activities** | -- | -- |

**vi. Summary of impact of finalisation of acquisition accounting for Stoiximan and correction of recognition criteria for restructuring provision on comparative financial statements.**

The adjustments of the comparative period are presented in the following tables:

| ***Consolidated statement of comprehensive income*** | **Previously reported 2021** | **Finalisation of acquisition accounting** | **Correction of revenue recognition** | **Six months ended 30 June 2021** |
|---|---|---|---|---|
| Revenue from gaming activities ("GGR") | 1,266.4 | -- | (8.5) | 1,257.9 |
| Marketing services | (100.0) | -- | 2.2 | (97.8) |
| Other operating expenses | (40.4) | 0.1 | 6.3 | (34.0) |
| Depreciation and amortisation | (104.5) | (5.8) | -- | (110.3) |
| **Profit from operating activities** | **262.2** | **(5.7)** | **--** | **256.5** |
| Income tax expense | (37.1) | 2.0 | -- | (35.1) |
| **Profit after tax** | **177.1** | **(3.7)** | **--** | **173.4** |
| **Total comprehensive income** | **181.7** | **(3.7)** | **--** | **178.0** |
| **Profit after tax attributable to:** | | | | |
| Owners of the Company | 98.3 | (1.1) | -- | 97.2 |
| Non-controlling interests | 78.8 | (2.6) | -- | 76.2 |
| **Profit after tax** | **177.1** | **(3.7)** | **--** | **173.4** |
| **Total comprehensive income attributable to:** | | | | |
| Owners of the Company | 99.4 | (1.1) | -- | 98.3 |
| Non-controlling interests | 82.3 | (2.6) | -- | 79.7 |
| **Total comprehensive income** | **181.7** | **(3.7)** | **--** | **178.0** |

| ***Consolidated statement of cash flows*** | **Previously reported 2021** | **Finalisation of acquisition accounting** | **Correction of recognition criteria** | **Six months ended 30 June 2021** |
|---|---|---|---|---|
| **Profit (+) for the period** | **177.1** | **(3.7)** | **--** | **173.4** |
| **OPERATING ACTIVITIES** | | | | |
| Income tax expense | 37.1 | (2.0) | -- | 35.1 |
| Depreciation and amortisation | 104.5 | 5.8 | -- | 110.3 |
| **Operating result before changes in working capital and provisions** | **325.3** | **0.1** | **--** | **325.4** |
| Increase (+) / decrease (-) in provisions | (15.4) | -- | 13.5 | (1.9) |
| Increase (+) / decrease (-) in trade and other payables | 10.6 | -- | (13.5) | (2.9) |
| **Cash generated from operations** | **261.0** | **(3.6)** | **--** | **257.4** |

## 3. Operating segments and alternative performance measures

The Group identifies the following operating segments, which are also reportable segments:

- Austria;
- Czech Republic;
- Greece and Cyprus; and
- Italy.

The geographical segmentation corresponds with the major operating entities of the Group, which are CASAG, SAZKA, OPAP and the equity method investee, LottoItalia.

*Presentation of additional information*

In addition to the operating segments, the Group also presents selected financial information of Austrian Lotteries, which is owned by CASAG and is part of the Austria segment, and Stoiximan, which is owned by OPAP and is part of the Greece and Cyprus segment. Management believes that the presentation of this additional information within the operating segment note enhances the relevance and usability of these financial statements.

*Alternative performance measures*

Certain alternative performance measures, which are not defined by IFRS, are regularly reported to and monitored by Group management. Definitions of these alternative non-IFRS performance measures are as follows:

"Net gaming revenue ("NGR")" is calculated as "Gross gaming revenue ("GGR")" less "Gaming taxes". See reconciliation of NGR to the IFRS reported balances in the table below.

"Operating EBITDA" is calculated as "Profit before tax" before "Finance costs, net", "Depreciation and amortisation", "Impairment of tangible and intangible assets including goodwill", "Restructuring cost", "Gain from remeasurement of previously held interest in equity method investee" and "Other gains and losses". Note that "Profit before tax" before "Finance costs, net" equals "Profit from operating activities". See reconciliation of Operating EBITDA to the IFRS reported balances in the table below.

"Capital expenditures" equals the line "Acquisition of property, plant and equipment and intangible assets" from the statement of cash flows.

"Net debt" is calculated as "External loans and borrowings" less "Cash and cash equivalents" and "Other financial assets".

"Net debt + leases" is calculated as "Net debt" plus "Lease liabilities".

The tables below present the operating performance of our reportable segments as if they have been consolidated (as opposite to accounted for as equity method investee) for all periods presented. The reconciliation to the consolidated results of the Group is shown as the adjustment in the column "Elimination" and driven by the Italy segment, which is accounted for as an equity method investee in 2022 and 2021.

| **Six months ended 30 June 2022** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Italy** | **Total reportable segments** | **Elimination **** | **Reportable segments, net** | **Corp. and other***** | **Total consolidated** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue from gaming activities ("GGR") | 657.4 | *460.0* | 214.2 | 899.4 | *170.8* | 1,120.3* | 2,891.3 | (1,120.3) | 1,771.0 | -- | 1,771.0 |
| Gaming taxes | (330.1) | *(246.8)* | (73.0) | (282.6) | *(56.4)* | (892.1) | (1,577.8) | 892.1 | (685.7) | -- | (685.7) |
| Net gaming revenue ("NGR") | 327.3 | *213.2* | 141.2 | 616.8 | *114.4* | 228.2 | 1,313.5 | (228.2) | 1,085.3 | -- | 1,085.3 |
| Revenue from non-gaming activities | 38.2 | *2.5* | 8.8 | 49.1 | -- | -- | 96.1 | -- | 96.1 | -- | 96.1 |
| Other operating income | 12.2 | *7.9* | 0.6 | 120.5 | -- | -- | 133.3 | -- | 133.3 | 7.8 | 141.1 |
| Agents´ commissions | (46.7) | *(46.7)* | (20.5) | (179.2) | -- | -- | (246.4) | -- | (246.4) | -- | (246.4) |
| Materials, consumables and services | (37.0) | *(18.8)* | (33.3) | (170.9) | *(54.6)* | (35.0) | (276.2) | 35.0 | (241.2) | (8.7) | (249.9) |
| Marketing services | (35.8) | *(31.4)* | (22.8) | (46.0) | *(17.1)* | (1.3) | (105.9) | 1.3 | (104.6) | (0.3) | (104.9) |
| Personnel expenses | (116.5) | *(38.1)* | (11.6) | (40.6) | *(2.5)* | -- | (168.7) | -- | (168.7) | (5.7) | (174.4) |
| Other operating expenses | (19.1) | *(10.4)* | (2.1) | (11.8) | *(0.3)* | (5.3) | (38.3) | 5.3 | (33.0) | (4.5) | (37.5) |
| Share of profit of equity method investees | 3.6 | -- | -- | 2.3 | -- | -- | 5.9 | 31.6 | 37.5 | -- | 37.5 |
| Operating EBITDA | 126.2 | *78.2* | 60.3 | 340.2 | *39.9* | 186.6 | 713.3 | (155.0) | 558.3 | (11.4) | 546.9 |
| Depreciation and amortisation | (32.4) | *(11.3)* | (5.8) | (67.3) | *(6.2)* | (51.2) | (156.7) | 51.2 | (105.5) | (0.5) | (106.0) |
| Impairment of tangible and intangible assets including goodwill | (5.2) | -- | -- | (18.8) | -- | -- | (24.0) | -- | (24.0) | -- | (24.0) |
| Other gains and losses | (4.8) | *(4.2)* | (0.1) | (4.5) | -- | -- | (9.4) | -- | (9.4) | -- | (9.4) |
| **Profit/loss from operating activities** | **83.8** | ***62.7*** | **54.4** | **249.6** | ***33.7*** | **135.4** | **523.2** | **(103.8)** | **419.4** | **(11.9)** | **407.5** |
| Interest income | 2.1 | *0.9* | 0.4 | -- | -- | -- | 2.5 | -- | 2.5 | -- | 2.5 |
| Interest expense | (4.2) | *(0.6)* | (9.4) | (17.8) | -- | -- | (31.4) | -- | (31.4) | (44.1) | (75.5) |
| of which external interest expense | (4.2) | *(0.6)* | (1.0) | (17.8) | -- | -- | (23.0) | -- | (23.0) | (52.5) | (75.5) |
| Other finance income and expense | (0.5) | -- | (1.1) | (9.7) | -- | -- | (11.3) | -- | (11.3) | -- | (11.3) |
| **Finance costs, net** | **(2.6)** | ***0.3*** | **(10.1)** | **(27.5)** | **--** | **--** | **(40.2)** | **--** | **(40.2)** | **(44.1)** | **(84.3)** |
| **Profit before tax** | **81.2** | ***63.0*** | **44.3** | **222.1** | ***33.7*** | **135.4** | **483.0** | **(103.8)** | **379.2** | **(56.0)** | **323.2** |
| Income tax expense | (12.0) | *(4.9)* | (9.0) | (54.8) | *(11.9)* | (38.2) | (114.0) | 38.2 | (75.8) | 0.6 | (75.2) |
| **Profit after tax** | **69.2** | ***58.1*** | **35.3** | **167.3** | ***21.8*** | **97.2** | **369.0** | **(65.6)** | **303.4** | **(55.4)** | **248.0** |
| Capital expenditures | 7.3 | *2.4* | 5.0 | 13.7 | -- | -- | 26.0 | -- | 26.0 | -- | 26.0 |

| 30/6/2022 | Austria | *of which Austrian Lotteries* | Czech Republic | Greece and Cyprus | *of which Stoiximan* | Italy | Total reportable segments | Elimination ** | Reportable segments, net | Corp. and other *** | Total consolidated |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 307.9 | *79.8* | 27.7 | 810.1 | *120.1* | 0.2 | 1,145.9 | (0.2) | 1,145.7 | 42.3 | 1,188.0 |
| Other current financial assets | 119.7 | *80.8* | 12.4 | 3.6 | -- | 179.2 | 314.9 | (179.2) | 135.7 | 58.3 | 194.0 |
| Other non-current financial assets | 184.4 | *153.7* | 1.0 | -- | -- | -- | 185.4 | -- | 185.4 | 2.7 | 188.1 |
| External loans and borrowings | 82.6 | -- | -- | 840.0 | -- | -- | 922.6 | -- | 922.6 | 1,871.8 | 2,794.4 |
| Net debt | (529.4) | *(314.3)* | (41.1) | 26.3 | *(120.1)* | (179.4) | (723.6) | 179.4 | (544.2) | 1,768.5 | 1,224.3 |
| Lease liabilities | 74.3 | *9.0* | 22.1 | 47.0 | *0.2* | 0.2 | 143.6 | (0.2) | 143.4 | 5.3 | 148.7 |
| Net debt + leases | (455.1) | *(305.3)* | (19.0) | 73.3 | *(119.9)* | (179.2) | (580.0) | 179.2 | (400.8) | 1,773.8 | 1,373.0 |
| Net assets | 764.9 | *546.8* | 262.6 | 1,180.5 | *191.3* | 441.4 | 2,649.4 | (297.9) | 2,351.5 | (971.1) | 1,380.4 |

* Amount wagered less payout is used as a proxy for GGR for LottoItalia; LottoItalia's revenue consists of revenue from contract with customers, calculated as 6% of the amount wagered.

**Elimination includes adjustments in relation to segments accounted for as equity method investees. Specifically, results and balances of the Italy segment for the period are replaced by the share of profit of the Italy segment for the period.

***Corporate and other ("Corp. and other") includes headquarters, certain other immaterial non-operating entities and intragroup eliminations.

| Three months ended 30 June 2022 | Austria | *of which Austrian Lotteries* | Czech Republic | Greece and Cyprus | *of which Stoiximan* | Italy | Total reportable segments | Elimination ** | Reportable segments, net | Corp. and other*** | Total consolidated |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue from gaming activities ("GGR") | 348.1 | *237.2* | 111.4 | 442.2 | *80.5* | 532.4* | 1,434.1 | (532.4) | 901.7 | -- | 901.7 |
| Gaming taxes | (174.2) | *(127.7)* | (38.6) | (138.0) | *(26.4)* | (419.7) | (770.5) | 419.7 | (350.8) | -- | (350.8) |
| Net gaming revenue ("NGR") | 173.9 | *109.5* | 72.8 | 304.2 | *54.1* | 112.7 | 663.6 | (112.7) | 550.9 | -- | 550.9 |
| Revenue from non-gaming activities | 22.0 | *1.2* | 4.6 | 24.8 | -- | -- | 51.4 | -- | 51.4 | -- | 51.4 |
| Other operating income | 6.9 | *3.8* | 0.4 | 62.2 | -- | -- | 69.5 | -- | 69.5 | 3.2 | 72.7 |
| Agents´ commissions | (23.7) | *(23.7)* | (11.8) | (89.3) | -- | -- | (124.8) | -- | (124.8) | -- | (124.8) |
| Materials, consumables and services | (19.4) | *(9.4)* | (18.6) | (85.9) | *(26.5)* | (17.5) | (141.4) | 17.5 | (123.9) | (3.3) | (127.2) |
| Marketing services | (19.6) | *(17.1)* | (13.2) | (22.8) | *(9.8)* | (0.6) | (56.2) | 0.6 | (55.6) | (0.3) | (55.9) |
| Personnel expenses | (59.4) | *(20.0)* | (6.5) | (20.1) | *(1.3)* | -- | (86.0) | -- | (86.0) | (3.5) | (89.5) |
| Other operating expenses | (10.3) | *(5.3)* | 3.5 | (6.8) | *(0.3)* | (2.3) | (15.9) | 2.3 | (13.6) | (2.2) | (15.8) |
| Share of profit of equity method investees | *2.5* | -- | -- | (0.4) | -- | -- | 2.1 | 15.6 | 17.7 | -- | 17.7 |
| Operating EBITDA | 72.9 | *39.0* | 31.2 | 165.9 | *16.2* | 92.3 | 362.3 | (76.7) | 285.6 | (6.1) | 279.5 |
| Depreciation and amortisation | (16.2) | *(5.6)* | (2.9) | (33.7) | *(3.1)* | (25.6) | (78.4) | 25.6 | (52.8) | (0.2) | (53.0) |
| Impairment of tangible and intangible assets including goodwill | (5.2) | -- | -- | (18.8) | -- | -- | (24.0) | -- | (24.0) | -- | (24.0) |
| Other gains and losses | (2.2) | *(1.3)* | -- | 1.2 | -- | -- | (1.0) | -- | (1.0) | -- | (1.0) |
| **Profit/loss from operating activities** | **49.3** | ***32.1*** | **28.3** | **114.6** | ***13.1*** | **66.7** | **258.9** | **(51.1)** | **207.8** | **(6.3)** | **201.5** |
| Interest income | 0.6 | *0.4* | 0.2 | -- | -- | -- | 0.8 | -- | 0.8 | -- | 0.8 |
| Interest expense | (2.1) | *(0.3)* | (5.0) | (7.3) | -- | -- | (14.4) | -- | (14.4) | (21.8) | (36.2) |
| of which external interest expense | (2.1) | *(0.3)* | (0.5) | (7.3) | -- | -- | (9.9) | -- | (9.9) | (26.3) | (36.2) |
| Other finance income and expense | (0.5) | *(0.1)* | (0.6) | (4.7) | -- | -- | (5.8) | -- | (5.8) | 1.4 | (4.4) |
| **Finance costs, net** | **(2.0)** | **--** | **(5.4)** | **(12.0)** | **--** | **--** | **(19.4)** | **--** | **(19.4)** | **(20.4)** | **(39.8)** |
| **Profit before tax** | **47.3** | ***32.1*** | **22.9** | **102.6** | ***13.1*** | **66.7** | **239.5** | **(51.1)** | **188.4** | **(26.7)** | **161.7** |
| Income tax expense | (13.5) | *(8.3)* | (4.8) | (25.2) | *(4.7)* | (18.8) | (62.3) | 18.8 | (43.5) | 0.9 | (42.6) |
| **Profit after tax** | **33.8** | ***23.8*** | **18.1** | **77.4** | ***8.4*** | **47.9** | **177.2** | **(32.3)** | **144.9** | **(25.8)** | **119.1** |
| Capital expenditures | 4.1 | *0.6* | 1.1 | 1.8 | -- | -- | 7.0 | -- | 7.0 | -- | 7.0 |

*Amount wagered less payout is used as a proxy for GGR for LottoItalia; LottoItalia's revenue consists of revenue from contract with customers, calculated as 6% of the amount wagered.

**Elimination includes adjustments in relation to segments accounted for as equity method investees. Specifically, results and balances of the Italy segment for the period are replaced by the share of profit of the Italy segment for the period.

***Corporate and other ("Corp. and other") includes headquarters, certain other immaterial non-operating entities and intragroup eliminations.

| **Six months ended 30 June 2021** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Italy** | **Total reportable segments** | **Elimination **** | **Reportable segments, net** | **Corp. and other***** | **Total consolidated** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue from gaming activities ("GGR") | 499.4 | *465.3* | 197.0 | 561.5 | *185.1* | 1,263.0* | 2,520.9 | (1,263.0) | 1,257.9 | -- | 1,257.9 |
| Gaming taxes | (270.8) | *(254.3)* | (67.1) | (196.4) | *(72.9)* | (994.4) | (1,528.7) | 994.4 | (534.3) | -- | (534.3) |
| Net gaming revenue ("NGR") | 228.6 | *211* | 129.9 | 365.1 | *112.2* | 268.6 | 992.2 | (268.6) | 723.6 | -- | 723.6 |
| Revenue from non-gaming activities | 6.9 | *1.3* | 8.6 | 47.5 | -- | -- | 63.0 | -- | 63.0 | 0.1 | 63.1 |
| Other operating income | 54.0 | *14.8* | 1.1 | 119.5 | -- | -- | 174.6 | -- | 174.6 | 12.9 | 187.5 |
| Agents´ commissions | (51.0) | *(51.0)* | (17.6) | (85.5) | -- | -- | (154.1) | -- | (154.1) | -- | (154.1) |
| Materials, consumables and services | (22.1) | *(13.5)* | (27.2) | (142.9) | *(55.3)* | (40.2) | (232.4) | 40.2 | (192.2) | (12.6) | (204.8) |
| Marketing services | (27.1) | *(25.6)* | (18.2) | (51.4) | *(15.2)* | (0.9) | (97.6) | 0.9 | (96.7) | (1.1) | (97.8) |
| Personnel expenses | (98.8) | *(34.3)* | (10.5) | (39.3) | *(2.7)* | -- | (148.6) | -- | (148.6) | (3.8) | (152.4) |
| Other operating expenses | (14.3) | *(9.0)* | (9.1) | (9.3) | -- | (6.6) | (39.3) | 6.6 | (32.7) | (1.3) | (34.0) |
| Share of profit of equity method investees | (0.3) | -- | -- | 0.8 | -- | -- | 0.5 | 39.9 | 40.4 | -- | 40.4 |
| Operating EBITDA | 75.9 | *93.7* | 57.0 | 204.5 | *39.0* | 220.9 | 558.3 | (181.0) | 377.3 | (5.8) | 371.5 |
| Depreciation and amortisation | (34.2) | *(11.9)* | (3.9) | (71.9) | *(5.8)* | (51.0) | (161.0) | 51.0 | (110.0) | (0.3) | (110.3) |
| Impairment of tangible and intangible assets including goodwill | (3.8) | -- | -- | (0.2) | -- | -- | (4.0) | -- | (4.0) | -- | (4.0) |
| Other gains and losses | (0.6) | *(0.5)* | -- | -- | -- | -- | (0.6) | -- | (0.6) | (0.1) | (0.7) |
| **Profit/loss from operating activities** | **37.3** | ***81.3*** | **53.1** | **132.4** | ***33.2*** | **169.9** | **392.7** | **(130.0)** | **262.7** | **(6.2)** | **256.5** |
| Interest income | 0.8 | *0.6* | -- | 0.8 | -- | -- | 1.6 | -- | 1.6 | 0.9 | 2.5 |
| Interest expense | (4.0) | *(0.5)* | (5.8) | (18.5) | -- | -- | (28.3) | -- | (28.3) | (31.0) | (59.3) |
| of which external interest expense | (4.0) | *(0.5)* | (0.5) | (18.5) | -- | -- | (23.0) | -- | (23.0) | (36.3) | (59.3) |
| Other finance income and expense | 0.9 | *0.1* | (0.9) | (3.7) | -- | -- | (3.7) | -- | (3.7) | 12.5 | 8.8 |
| **Finance costs, net** | **(2.3)** | ***0.2*** | **(6.7)** | **(21.4)** | **--** | **--** | **(30.4)** | **--** | **(30.4)** | **(17.6)** | **(48.0)** |
| **Profit before tax** | **35.0** | ***81.5*** | **46.4** | **111.0** | ***33.2*** | **169.9** | **362.3** | **(130.0)** | **232.3** | **(23.8)** | **208.5** |
| Income tax expense | (9.7) | *(20.2)* | (8.7) | (16.8) | *(11.7)* | (47.2) | (82.4) | 47.2 | (35.2) | 0.1 | (35.1) |
| **Profit after tax** | **25.3** | ***61.3*** | **37.7** | **94.2** | ***21.5*** | **122.7** | **279.9** | **(82.8)** | **197.1** | **(23.7)** | **173.4** |
| Capital expenditures | 7.8 | *3.2* | 5.7 | 14.4 | -- | (0.9) | 27.0 | 0.9 | 27.9 | -- | 27.9 |

| 31/12/2021 | Austria | *of which Austrian Lotteries* | Czech Republic | Greece and Cyprus | *of which Stoiximan* | Italy | Total reportable segments | Elimination ** | Reportable segments, net | Corp. and other*** | Total consolidated |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 268.6 | *137.5* | 62.9 | 860.4 | *97.8* | -- | 1,191.9 | -- | 1,191.9 | 89.1 | 1,281.0 |
| Other current financial assets | 120.0 | *80.1* | -- | 3.6 | -- | 257.6 | 381.2 | (257.6) | 123.6 | -- | 123.6 |
| Other non-current financial assets | 185.9 | *156.7* | 3.0 | -- | -- | -- | 188.9 | -- | 188.9 | 2.8 | 191.7 |
| External loans and borrowings | 123.1 | -- | -- | 1,046.7 | -- | -- | 1,169.8 | -- | 1,169.8 | 1,523.1 | 2,692.9 |
| Net debt | (451.4) | *(374.3)* | (65.9) | 182.7 | *(97.8)* | (257.6) | (592.2) | 257.6 | (334.6) | 1,431.2 | 1,096.6 |
| Lease liabilities | 71.3 | *10.2* | 20.9 | 50.7 | *0.2* | 0.2 | 143.1 | (0.2) | 142.9 | 6.1 | 149.0 |
| Net debt + leases | (380.1) | *(364.1)* | (45.0) | 233.4 | *(97.6)* | (257.4) | (449.1) | 257.4 | (191.7) | 1,437.3 | 1,245.6 |
| Net assets | 736.0 | *606.2* | 266.6 | 1,512.7 | *205.9* | 618.7 | 3,134.0 | (417.6) | 2,716.4 | (913.1) | 1,803.3 |

*Amount wagered less payout is used as a proxy for GGR for LottoItalia; LottoItalia's revenue consists of revenue from contract with customers, calculated as 6% of the amount wagered.

**Elimination includes adjustments in relation to segments accounted for as equity method investees. Specifically, results and balances of the Italy segment for the period are replaced by the share of profit of the Italy segment for the period.

***Corporate and other ("Corp. and other") includes headquarters, certain other immaterial non-operating entities and intragroup eliminations.

| Three months ended 30 June 2021 | Austria | *of which Austrian Lotteries* | Czech Republic | Greece and Cyprus | *of which Stoiximan* | Italy | Total reportable segments | Elimination ** | Reportable segments, net | Corp. and other*** | Total consolidated |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue from gaming activities ("GGR") | 243.0 | *210.3* | 101.3 | 391.6 | *86.0* | 627.0* | 1,362.9 | (627.0) | 735.9 | -- | 735.9 |
| Gaming taxes | (128.5) | *(113.6)* | (34.7) | (127.8) | *(34.8)* | (492.7) | (783.7) | 492.7 | (291.0) | -- | (291.0) |
| Net gaming revenue ("NGR") | 114.5 | *96.7* | 66.6 | 263.8 | *51.2* | 134.3 | 579.2 | (134.3) | 444.9 | -- | 444.9 |
| Revenue from non-gaming activities | 5.9 | *0.8* | 4.4 | 25.6 | -- | -- | 35.9 | -- | 35.9 | -- | 35.9 |
| Other operating income | 29.6 | *6.0* | 0.7 | 62.3 | -- | -- | 92.6 | -- | 92.6 | 12.9 | 105.5 |
| Agents´ commissions | (22.7) | *(22.7)* | (8.7) | (71.3) | -- | -- | (102.7) | -- | (102.7) | -- | (102.7) |
| Materials, consumables and services | (13.3) | *(8.3)* | (15.0) | (78.2) | *(27.6)* | (18.4) | (124.9) | 18.4 | (106.5) | (9.1) | (115.6) |
| Marketing services | (14.3) | *(13.4)* | (10.6) | (32.8) | *(9.9)* | -- | (57.7) | -- | (57.7) | (0.1) | (57.8) |
| Personnel expenses | (46.0) | *(17.4)* | (5.9) | (20.5) | *(2.5)* | -- | (72.4) | -- | (72.4) | (1.8) | (74.2) |
| Other operating expenses | (7.6) | *(5.3)* | (4.4) | (6.3) | *0.0* | (3.3) | (21.6) | 3.3 | (18.3) | (0.2) | (18.5) |
| Share of profit of equity method investees | *0.2* | -- | -- | 0.7 | -- | -- | 0.9 | 20.5 | 21.4 | -- | 21.4 |
| Operating EBITDA | 46.3 | *36.4* | 27.1 | 143.3 | *11.2* | 112.6 | 329.3 | (92.1) | 237.2 | 1.7 | 238.9 |
| Depreciation and amortisation | (17.6) | *(6.1)* | (2.2) | (35.9) | *(2.9)* | (25.5) | (81.2) | 25.5 | (55.7) | -- | (55.7) |
| Impairment of tangible and intangible assets including goodwill | -- | -- | -- | (0.2) | -- | -- | (0.2) | -- | (0.2) | -- | (0.2) |
| Other gains and losses | (0.1) | -- | -- | -- | -- | -- | (0.1) | -- | (0.1) | (0.1) | (0.2) |
| **Profit/loss from operating activities** | **28.6** | ***30.3*** | **24.9** | **107.2** | ***8.3*** | **87.1** | **247.8** | **(66.6)** | **181.2** | **1.6** | **182.8** |
| Interest income | 0.1 | *0.2* | -- | 0.7 | -- | -- | 0.8 | -- | 0.8 | 0.3 | 1.1 |
| Interest expense | (2.0) | *(0.2)* | (3.0) | (10.3) | -- | -- | (15.3) | -- | (15.3) | (15.3) | (30.6) |
| of which external interest expense | (2.0) | *(0.2)* | (0.3) | (10.3) | -- | -- | (12.6) | -- | (12.6) | (18.0) | (30.6) |
| Other finance income and expense | 0.5 | -- | (0.4) | (0.8) | -- | -- | (0.7) | -- | (0.7) | 10.7 | 10.0 |
| **Finance costs, net** | **(1.4)** | **--** | **(3.4)** | **(10.4)** | **--** | **--** | **(15.2)** | **--** | **(15.2)** | **(4.3)** | **(19.5)** |
| **Profit before tax** | **27.2** | ***30.3*** | **21.5** | **96.8** | ***8.3*** | **87.1** | **232.6** | **(66.6)** | **166.0** | **(2.7)** | **163.3** |
| Income tax expense | (7.7) | *(9.7)* | (3.8) | (11.8) | *(2.8)* | (24.2) | (47.5) | 24.2 | (23.3) | 0.1 | (23.2) |
| **Profit after tax** | **19.5** | ***20.6*** | **17.7** | **85.0** | ***5.5*** | **62.9** | **185.1** | **(42.4)** | **142.7** | **(2.6)** | **140.1** |
| Capital expenditures | 4.4 | *2.2* | 3.1 | 7.3 | -- | (1.7) | 13.1 | 1.7 | 14.8 | -- | 14.8 |

*Amount wagered less payout is used as a proxy for GGR for LottoItalia; LottoItalia's revenue consists of revenue from contract with customers, calculated as 6% of the amount wagered.

**Elimination includes adjustments in relation to segments accounted for as equity method investees. Specifically, results and balances of the Italy segment for the period are replaced by the share of profit of the Italy segment for the period.

***Corporate and other ("Corp. and other") includes headquarters, certain other immaterial non-operating entities and intragroup eliminations.

The tables below show disaggregation of "Net gaming revenue ("NGR")" by product line and operating segments' contribution to consolidated NGR:

| **Six months ended 30 June 2022 Net gaming revenue ("NGR")** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Total consolidated** |
|---|---|---|---|---|---|---|
| Numerical lotteries | 116.6 | *116.6* | 74.8 | 239.2 | -- | **430.6** |
| Instant lotteries | 21.3 | *21.3* | 23.0 | 25.0 | -- | **69.3** |
| Sports betting | 8.8 | *8.8* | 5.6 | 197.2 | *68.1* | **211.6** |
| iGaming | 52.0 | *52.0* | 37.8 | 54.8 | *46.3* | **144.6** |
| VLTs and casinos | 128.6 | *14.5* | -- | 100.6 | -- | **229.2** |
| **Total** | **327.3** | ***213.2*** | **141.2** | **616.8** | ***114.4*** | **1,085.3** |

| **Three months ended 30 June 2022 Net gaming revenue ("NGR")** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Total consolidated** |
|---|---|---|---|---|---|---|
| Numerical lotteries | 62.1 | *62.1* | 39.3 | 118.0 | -- | **219.4** |
| Instant lotteries | 9.6 | *9.6* | 11.2 | 14.0 | -- | **34.8** |
| Sports betting | 4.0 | *4.0* | 2.5 | 92.1 | *30.8* | **98.6** |
| iGaming | 25.9 | *25.9* | 19.8 | 27.9 | *23.3* | **73.6** |
| VLTs and casinos | 72.3 | *7.9* | -- | 52.2 | -- | **124.5** |
| **Total** | **173.9** | ***109.5*** | **72.8** | **304.2** | ***54.1*** | **550.9** |

| **Six months ended 30 June 2021 Net gaming revenue ("NGR")** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Total consolidated** |
|---|---|---|---|---|---|---|
| Numerical lotteries | 127.2 | *127.2* | 72.8 | 134.9 | -- | **334.9** |
| Instant lotteries | 22.2 | *22.2* | 23.9 | 12.1 | -- | **58.2** |
| Sports betting | 11.6 | *11.6* | 5.4 | 140.9 | *69.8* | **157.9** |
| iGaming | 47.4 | *47.4* | 27.8 | 51.9 | *42.4* | **127.1** |
| VLTs and casinos | 20.2 | *2.6* | -- | 25.3 | -- | **45.5** |
| **Total** | **228.6** | ***211.0*** | **129.9** | **365.1** | ***112.2*** | **723.6** |

| **Three months ended 30 June 2021 Net gaming revenue ("NGR")** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Total consolidated** |
|---|---|---|---|---|---|---|
| Numerical lotteries | 51.4 | *51.4* | 36.5 | 108.3 | -- | **196.2** |
| Instant lotteries | 13.4 | *13.4* | 12.1 | 16.1 | -- | **41.6** |
| Sports betting | 5.7 | *5.7* | 2.8 | 88.0 | *30.0* | **96.5** |
| iGaming | 23.6 | *23.6* | 15.2 | 26.1 | *21.2* | **64.9** |
| VLTs and casinos | 20.4 | *2.6* | -- | 25.3 | -- | **45.7** |
| **Total** | **114.5** | ***96.7*** | **66.6** | **263.8** | ***51.2*** | **444.9** |

## 4. Revenue from gaming activities ("GGR") and Revenue from non-gaming activities

The tables below show the disaggregation of "Revenue from gaming activities ("GGR")" by product line and operating segments' contribution to consolidated GGR:

| **Six months ended 30 June 2022 Gross gaming revenue ("GGR")** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Total consolidated** |
|---|---|---|---|---|---|---|
| Numerical lotteries | 297.3 | *297.3* | 114.0 | 335.1 | -- | **746.4** |
| Instant lotteries | 45.2 | *45.2* | 33.2 | 50.0 | -- | **128.4** |
| Sports betting | 9.6 | *9.6* | 7.3 | 286.7 | *101.6* | **303.6** |
| iGaming | 85.0 | *85.0* | 59.7 | 83.7 | *69.2* | **228.4** |
| VLTs and casinos | 220.3 | *22.9* | -- | 143.9 | -- | **364.2** |
| **Total** | **657.4** | ***460.0*** | **214.2** | **899.4** | ***170.8*** | **1,771.0** |

| **Three months ended 30 June 2022 Gross gaming revenue ("GGR")** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Total consolidated** |
|---|---|---|---|---|---|---|
| Numerical lotteries | 157.4 | *157.4* | 59.6 | 165.1 | -- | **382.1** |
| Instant lotteries | 20.5 | *20.5* | 17.2 | 26.5 | -- | **64.2** |
| Sports betting | 4.4 | *4.4* | 3.2 | 133.7 | *45.8* | **141.3** |
| iGaming | 42.4 | *42.4* | 31.4 | 42.4 | *34.7* | **116.2** |
| VLTs and casinos | 123.4 | *12.5* | -- | 74.5 | -- | **197.9** |
| **Total** | **348.1** | ***237.2*** | **111.4** | **442.2** | ***80.5*** | **901.7** |

| **Six months ended 30 June 2021 Gross gaming revenue ("GGR")** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Total consolidated** |
|---|---|---|---|---|---|---|
| Numerical lotteries | 323.8 | *323.8* | 111.1 | 186.8 | -- | **621.7** |
| Instant lotteries | 47.2 | *47.2* | 35.3 | 37.1 | -- | **119.6** |
| Sports betting | 12.6 | *12.6* | 7.1 | 214.0 | *112.2* | **233.7** |
| iGaming | 77.7 | *77.7* | 43.5 | 87.5 | *72.9* | **208.7** |
| VLTs and casinos | 38.1 | *4.0* | -- | 36.1 | -- | **74.2** |
| **Total** | **499.4** | ***465.3*** | **197.0** | **561.5** | ***185.1*** | **1,257.9** |

| **Three months ended 30 June 2021 Gross gaming revenue ("GGR")** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Total consolidated** |
|---|---|---|---|---|---|---|
| Numerical lotteries | 139.1 | *139.1* | 55.5 | 150.2 | -- | **344.8** |
| Instant lotteries | 22.4 | *22.4* | 18.6 | 29.2 | -- | **70.2** |
| Sports betting | 6.2 | *6.2* | 3.6 | 131.6 | 48.9 | **141.4** |
| iGaming | 38.6 | *38.6* | 23.6 | 44.5 | 37.1 | **106.7** |
| VLTs and casinos | 36.7 | *4.0* | -- | 36.1 | -- | **72.8** |
| **Total** | **243.0** | ***210.3*** | **101.3** | **391.6** | **86.0** | **735.9** |

The tables below show disaggregation of "Revenue from non-gaming activities" by operating segment:

| **Six months ended 30 June 2022 Revenue from non-gaming activities** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Corp. and other** | **Total consolidated** |
|---|---|---|---|---|---|---|---|
| Mobile phone top-up services | -- | -- | 1.4 | 34.5 | -- | -- | **35.9** |
| Mobile virtual network operator services | -- | -- | 5.7 | -- | -- | -- | **5.7** |
| Non-gaming revenue from casinos | 28.1 | -- | -- | -- | -- | -- | **28.1** |
| Other non-gaming revenue | 10.1 | 2.5 | 1.7 | 14.6 | -- | -- | **26.4** |
| **Total** | **38.2** | **2.5** | **8.8** | **49.1** | **--** | **--** | **96.1** |

| **Three months ended 30 June 2022 Revenue from non-gaming activities** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Corp. and other** | **Total consolidated** |
|---|---|---|---|---|---|---|---|
| Mobile phone top-up services | -- | -- | 0.7 | 17.4 | -- | -- | **18.1** |
| Mobile virtual network operator services | -- | -- | 2.9 | -- | -- | -- | **2.9** |
| Non-gaming revenue from casinos | 16.0 | -- | -- | -- | -- | -- | **16.0** |
| Other non-gaming revenue | 6.0 | 1.2 | 1.0 | 7.4 | -- | -- | **14.4** |
| **Total** | **22.0** | **1.2** | **4.6** | **24.8** | **--** | **--** | **51.4** |

| **Six months ended 30 June 2021 Revenue from non-gaming activities** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Corp. and other** | **Total consolidated** |
|---|---|---|---|---|---|---|---|
| Mobile phone top-up services | -- | -- | 1.5 | 36.2 | -- | -- | **37.7** |
| Mobile virtual network operator services | -- | -- | 5.5 | -- | -- | -- | **5.5** |
| Non-gaming revenue from casinos | 4.2 | -- | -- | -- | -- | -- | **4.2** |
| Other non-gaming revenue | 2.7 | 1.3 | 1.6 | 11.3 | -- | 0.1 | **15.7** |
| **Total** | **6.9** | **1.3** | **8.6** | **47.5** | **--** | **0.1** | **63.1** |

| **Three months ended 30 June 2021 Revenue from non-gaming activities** | **Austria** | *of which Austrian Lotteries* | **Czech Republic** | **Greece and Cyprus** | *of which Stoiximan* | **Corp. and other** | **Total consolidated** |
|---|---|---|---|---|---|---|---|
| Mobile phone top-up services | -- | -- | 0.8 | 17.1 | -- | -- | 17.9 |
| Mobile virtual network operator services | -- | -- | 2.8 | -- | -- | -- | 2.8 |
| Non-gaming revenue from casinos | 4.1 | -- | -- | -- | -- | -- | 4.1 |
| Other non-gaming revenue | 1.8 | *0.8* | 0.8 | 8.5 | -- | -- | 11.1 |
| **Total** | **5.9** | ***0.8*** | **4.4** | **25.6** | **--** | **--** | **35.9** |

During 2022 and 2021, all "Revenue from non-gaming activities" was recognised when the goods or services were transferred to the customer. There was no deferred revenue for the periods presented.

The increase in other non-gaming revenue in the Austria segment is driven by revenues from services provided in casinos which were significantly affected by COVID-19 related restrictions in the six months ended 30 June 2021.

The breakdown of revenue from gaming and non-gaming activities by country where the revenue was generated is presented in the table below:

| | Six months ended 30 June: | | Three months ended 30 June: | |
|---|---|---|---|---|
| **Reportable segments, net Revenue from gaming activities ("GGR") and from non-gaming activities** | **2022** | **2021 (Restated)*** | **2022** | **2021 (Restated)*** |
| Greece | 884.4 | 559.1 | 435.9 | 385.9 |
| Austria | 590.3 | 488.8 | 310.3 | 232.4 |
| Czech Republic | 223.0 | 205.6 | 116.0 | 105.7 |
| Cyprus | 63.4 | 49.6 | 30.5 | 31.3 |
| Germany | 56.8 | 10.0 | 31.3 | 10.0 |
| Belgium | 25.9 | 2.8 | 16.7 | 2.6 |
| Liechtenstein | 11.5 | 3.1 | 6.2 | 3.1 |
| Hungary | 7.9 | 1.0 | 4.2 | 0.4 |
| Other EU countries | 2.0 | 0.4 | 1.0 | 0.4 |
| Other non-EU countries | 1.9 | 0.5 | 1.0 | 0.0 |
| **Total** | **1,867.1** | **1,320.9** | **953.1** | **771.8** |

*see Note 2.g

## 5. Other operating income

| | Six months ended 30 June: | | Three months ended 30 June: | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **Other operating income** | **141.1** | **187.5** | **72.7** | **105.5** |
| Benefit from extension of concession | 113.0 | 100.8 | 56.4 | 55.3 |
| Income from COVID-19 related government grants | 4.0 | 58.1 | 2.4 | 26.3 |
| *COVID-19 income from subsidies* | *4.0* | *45.1* | *2.4* | *24.7* |
| *Discount on tax liability* | -- | *9.6* | -- | -- |
| *COVID-19 related rent concessions* | -- | *3.4* | -- | *1.6* |
| Arbitration gain | -- | 13.6 | -- | 13.6 |
| Income from leases | 2.4 | 0.6 | 1.2 | 0.4 |
| Other | 21.7 | 14.4 | 12.7 | 9.9 |

For the period of 10 years from 13 October 2020, OPAP benefits from a relief from gaming tax obligations in the aggregate amount of €1.831 million, plus related adjustments to compensate for income tax effects. The benefit reflects the terms of an extension of OPAP's exclusive lottery and physical retail betting concession for the 10 year period. Under the terms of the extension, OPAP pays gaming tax on GGR from lottery and physical retail sports betting at a rate of 5% in cash, while recognising a "Benefit from extension of concession" as the proportionate amount (on accrual basis) of the benefit applicable during the 10-year extension period.

"COVID-19 income from subsidies" mainly comprises income from measures implemented by governments to support companies impacted by COVID-19 related restrictions. Primarily in the comparative period, the Group has received support from various programmes, especially support for the cost of furloughed staff and fixed costs subsidy and loss compensation subsidy programmes in Austria.

In comparative period, "Discount on tax liability" represents a 25% discount of certain tax liabilities (primarily gaming 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 in line with the normal schedule.

In comparative period, "COVID-19 related rent concessions" represents a 40% discount on payments under leases for certain commercial premises in Greece. The Group applied the exemption from assessing whether a rent concession related to COVID-19 is a lease modification.

In comparative period, "Arbitration gain" represent compensation awarded to SAZKA Delta Hellenic Holdings Limited by an arbitration court in a case against the Hellenic Asset Development Fund. The amount comprises an award of €12.8 million and €0.8 million in reimbursement of legal expenses.

## 6. Impairment of tangible and intangible assets including goodwill

| | Six months ended 30 June: | | Three months ended 30 June: | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Impairment of tangible and intangible assets including goodwill** | **(24.0)** | **(4.0)** | **(24.0)** | **(0.2)** |
| Impairment of "Buildings – Right of use" | (1.9) | (1.2) | (1.9) | -- |
| Impairment of "Buildings and halls" | (2.4) | (2.3) | (2.4) | (2.3) |
| Impairment of "Machinery and equipment – owned" | (0.9) | (0.3) | (0.9) | 2.3 |
| Impairment of "Licences" | (18.8) | -- | (18.8) | -- |
| Impairment of "Software" | -- | (0.2) | -- | (0.2) |

**Assessment of impairment indicators**

Other than as described below, the Group has not identified any factors or conditions that could be considered indicators of impairment as of 30 June 2022.

**Impairment testing**

*Hellenic Lotteries*

In light of operational performance in Hellenic Lotteries S.A. (part of the Greece and Cyprus operating segment), the Group performed an impairment test as of 30 June 2022 and recognised an impairment loss of €18.8 million allocated to Hellenic Lotteries's 12 year gaming licence recognised within the line "Licences".

The recoverable amount of the Hellenic Lotteries CGU was estimated using the value in use method, based on an explicit cashflow forecast covering the remaining licence period (until April 2026) prepared by management. Key assumptions used were:

- Compounded annual revenue growth rate (CAGR) on NGR: 2.8%
- EBITDA margin (on NGR): 11.6% - 19.1%
- Discount rate: 7.6%

Based on the above, the recoverable amount of the CGU was €38.1 million while the carrying value of the CGU was €56.9 million. Management performed a sensitivity analysis and determined that an increase/decrease of the discount rate by 0.25% would result in an increase/decrease of the impairment by €0.2 million.

*Horse Races*

In light of operational performance of Horse Races Single Member S.A. (part of the Greece and Cyprus operating segment) driven by operating costs of Markopoulo race-track premises, the Group performed an impairment test as of 30 June 2022. The recoverable amount of the Horse Races CGU was estimated using value in use method.

A key assumption in the valuation was that the company will terminate the lease of Markopoulo race-track by 31 December 2023. The recoverable amount of the CGU of €20.6 million exceeded the carrying value of the CGU of €20.4 million and consequently no impairment was recognised. Management assess that change in the key assumption (i.e. not terminating the lease or terminating at later period) would result in an impairment.

*Casino Lichtenstein*

Following management's decision to discontinue operation of LIE2 AG in Lichtenstein (part of the Austria operating segment), the Group performed an impairment test as of 30 June 2022 and recognised an impairment loss of €5.2 million allocated to both owned and leased tangible assets. The remaining carrying value of the assets after the impairment is €3.2 million, supported by fair market value estimates derived from concrete purchase offer prices.

## 7. Finance costs, net

| | Six months ended 30 June: | | Three months ended 30 June: | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **Interest income** | **2.5** | **2.5** | **0.8** | **1.1** |
| **Interest expense** | **(75.5)** | **(59.3)** | **(36.2)** | **(30.6)** |
| Interest expense on loans, bonds and other liabilities | (73.0) | (57.0) | (35.0) | (29.4) |
| Interest expense on leases | (2.5) | (2.3) | (1.2) | (1.2) |
| **Other finance income and expense** | **(11.3)** | **8.8** | **(4.4)** | **10.0** |
| Foreign exchange gains / (losses) | (0.3) | 13.2 | 0.6 | 11.4 |
| Other finance income | 0.2 | 1.2 | -- | 0.3 |
| Other finance expenses | (11.2) | (5.6) | (5.0) | (1.7) |
| **Finance costs, net** | **(84.3)** | **(48.0)** | **(39.8)** | **(19.5)** |

## 8. Taxes

Income tax expense is recognised based on management's estimate of the effective annual income tax rate for each segment separately. The effective tax rate for each segment considers the effect of non-taxable or non-deductible items, which are expected to be fairly consistent in the near term.

Additionally in the Austria segment, the Group recognised a one-off tax benefit of €13.7 million from reduction of deferred tax liabilities due to enacted decrease in tax rates from 25% to 24% and 23% from the years 2023 and 2024, respectively. The full tax benefit has been recognised as a discreet tax item in the three months ended 31 March 2022, and therefore included in the six months ended 30 June 2022.

## 9. Equity method investees

The following table shows the movement of equity method investees of the Group.

| **Equity method investees**<br>*Effective interest* | **Total equity method investees** | *of which LottoItalia S.r.l. 32.50%* |
|---|---|---|
| **Carrying value of equity method investee as of 31 December 2021** | **313.1** | **201.1** |
| Group´s share of profit for the period | 37.5 | 31.6 |
| Group´s share of other comprehensive income | 1.9 | -- |
| Dividends and distributions from equity method investees | (90.2) | (89.2) |
| Dividends and distribution received by equity method investees | 11.3 | -- |
| **Carrying value of equity method investee as of 30 June 2022** | **273.6** | **143.5** |

Through its 100% subsidiary CAME Holding GmbH, the Group holds 66.67% of the shares of CLS Beteiligungs GmbH ("CLS") and LTB Beteiligungs GmbH ("LTB"). CLS and LTB are equity method investees based on arrangements in the companies' Articles of Association. Neither entity engages in any effective activity except holding of indirect interests in Österreichische Lotterien GmbH subgroup ("Austrian Lotteries"). The Group's effective interest in Austrian Lotteries through CLS and LTB is 9.45%.

"Dividends and distribution received by equity method investees" comprises share of dividends distributed by Austrian Lotteries (see Note 11) attributable to the Group through equity method investees CLS and LTB.

## 10. Other financial assets

| | **30/6/2022** | **31/12/2021** |
|---|---|---|
| **Other non-current financial assets** | **188.1** | **191.7** |
| Financial assets at fair value through profit or loss (FVTPL) | 168.5 | 172.0 |
| Financial assets at fair value through other comprehensive income (FVOCI) | 14.1 | 12.2 |
| Restricted cash | 5.5 | 7.5 |

Non-current "Financial assets at fair value through profit or loss (FVTPL)" primarily comprise CASAG's investments in money market funds of €165.0 million. The investments are categorised to Level 2 in the fair value hierarchy and valued based on the net asset value of the funds.

Non-current "Financial assets at fair value through other comprehensive income (FVOCI)" comprises investments in equity securities categorised to Level 3 in the fair value hierarchy.

Non-current "Restricted cash" represents deposits on bank accounts relating to obligations under gaming licences in Belgium and the Czech Republic.

| | | **30/6/2022** | **31/12/2021** |
|---|---|---|---|
| **Other current financial assets** | **Note** | **194.0** | **123.6** |
| Financial assets at fair value through profit or loss (FVTPL) | | 119.7 | 120.0 |
| Fixed-term deposits (over 90 days) | | 3.6 | 3.6 |
| Receivables under a cash pooling agreement | | 70.7 | -- |

Current "Financial assets at fair value through profit or loss (FVTPL)" mainly represents deposits in money market funds, of which €31.4 million are related to Austrian Lotteries' participation in the game "EuroMillions". The investments are categorised to Level 1 in the fair value hierarchy.

Reconciliation of movements in financial assets at fair value through profit or loss (FVTPL):

| **Financial assets at fair value through profit or loss (FVTPL)** | |
|---|---|
| **Balance at 01/01/2022** | **292.0** |
| Revaluation through profit or loss (FVTPL) | (6.2) |
| Additions | 7.1 |
| Disposals | (4.7) |
| **Balance at 30/6/2022** | **288.2** |

Reconciliation of movements in financial assets at fair value through other comprehensive income (FVOCI):

| **Financial assets at fair value through other comprehensive income (FVOCI)** | |
|---|---|
| **Balance at 01/01/2022** | **12.2** |
| Revaluation through other comprehensive income (FVOCI) | 1.1 |
| Additions | 0.9 |
| **Balance at 30/6/2022** | **14.1** |

The Group has classified its other financial assets into the three levels prescribed under the accounting standards:

| **Balance at 30/6/2022** | **Carrying amount** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss (FVTPL) | 288.2 | 119.7 | 165.0 | 3.5 |
| Financial assets at fair value through other comprehensive income (FVOCI) | 14.1 | -- | -- | 14.1 |
| **Total** | **302.3** | **119.7** | **165.0** | **17.6** |

| **Balance at 31/12/2021** | **Carrying amount** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss (FVTPL) | 292.0 | 120.0 | 168.5 | 3.5 |
| Financial assets at fair value through other comprehensive income (FVOCI) | 12.2 | -- | -- | 12.2 |
| **Total** | **304.2** | **120.0** | **168.5** | **15.7** |

## 11. Non-controlling interests ("NCI")

**For the six months ended 30 June 2022**

During the first half of 2022, the Group increased its interest in OPAP S.A. through open market purchases. Additionally, the Group increased its interest in OPAP S.A. through purchase of a 20.77% interest in SDVCIC, the holding structure through which the Group holds an indirect interest in OPAP (see Note 1.3). As a result, the Group's effective interest in OPAP increased from 40.37% to 48.75%.

As of 30 June 2022, the Group held a 48.75% effective interest in OPAP, creating a 51.25% non-controlling interest in the net assets of OPAP. Additionally, the Group recognised individually immaterial non-controlling interests from OPAP's shareholdings in Hellenic Lotteries S.A. (NCI of 16.50%), Neurosoft S.A. (NCI of 32.28%) and Stoiximan (NCI of 15.51%).

As of 30 June 2022, the Group held a 59.70% economic interest in CASAG and a 53.52% economic interest in CASAG's subsidiary Austrian Lotteries, creating a 40.30% non-controlling interest in the net assets of CASAG and 46.48% non-controlling interest in the net assets of Austrian Lotteries. The table below presents NCI in the net assets of Austrian Lotteries and separately the NCI in the remaining net assets of CASAG.

Additionally, the Group recognised individually immaterial non-controlling interests from CASAG's shareholding in Casino Sopron Kft (NCI of 45%), CAI Hungary Kft (NCI of 45%) and CCB Congress Center Baden BetriebsgmbH (NCI of 11%). A reconciliation of non-controlling interest is presented in the tables below:

| 30/6/2022 | Austrian Lotteries | CASAG subgroup (excl. Austrian Lotteries) | Stoiximan | OPAP subgroup (excl. Stoiximan) | SAZKA Delta (excl. OPAP and Stoiximan) | Other (individually immaterial) | Total |
|---|---|---|---|---|---|---|---|
| **Non-controlling interest percentage** | *46.48%* | *40.30%* | *58.81%* | *51.25%* | *0.00%* | | |
| Non-current assets | 773.3 | 359.7 | 244.6 | 2,092.8 | -- | | |
| Current assets | 222.1 | 298.5 | 134.0 | 828.2 | 1.6 | | |
| Non-current liabilities | (44.3) | (371.2) | (84.8) | (765.0) | (166.6) | | |
| Current liabilities | (404.3) | (68.9) | (102.5) | (1,166.8) | (6.2) | | |
| Net assets | 546.8 | 218.1 | 191.3 | 989.2 | (171.2) | | |
| Subgroup's non-controlling interest | 9.0 | 7.1 | -- | 3.2 | -- | | |
| Net assets attributable to the Group | 537.8 | 211.0 | 191.3 | 986.0 | (171.2) | | |
| **Non-controlling interest calculation** | **250.0** | **85.0** | **112.5** | **505.3** | **--** | **0.3** | |
| Subgroup's non-controlling interest entering consolidation | 9.0 | 7.1 | -- | 3.2 | -- | -- | |
| **Carrying amount of non-controlling interest** | **259.0** | **92.1** | **112.5** | **508.5** | **--** | **0.3** | **972.4** |

| Six months ended 30 June 2022 | Austrian Lotteries | CASAG subgroup (excl. Austrian Lotteries) | Stoiximan | OPAP subgroup (excl. Stoiximan) | SAZKA Delta (excl. OPAP) | Other (individually immaterial) | Total |
|---|---|---|---|---|---|---|---|
| **Non-controlling interest percentage** | *46.48%* | *40.30%* | *58.81%* | *51.25%* | *0.00%* | | |
| Revenue from gaming activities ("GGR") | 460.0 | 197.4 | 170.8 | 728.6 | -- | | |
| Profit / (loss) for the period | 57.6 | 10.2 | 21.8 | 148.9 | (1.8) | | |
| Other comprehensive income | 2.3 | 14.6 | -- | 1.1 | (0.7) | | |
| Total comprehensive income | 59.9 | 24.8 | 21.8 | 150.0 | (2.5) | | |
| **Profit allocated to non-controlling interest** | **26.8** | **4.1** | **13.4*** | **80.1*** | **(0.2)*** | **(0.1)** | |
| **OCI allocated to non-controlling interest** | **1.1** | **5.9** | **--*** | **0.6*** | **--*** | | |
| Share of profit of subgroup's non-controlling interest entering consolidation | 0.5 | 0.9 | -- | (3.4) | -- | | |
| Share of other comprehensive income of subgroup's non-controlling interest entering consolidation | -- | (0.5) | -- | -- | -- | | |
| **Total comprehensive income attributable to non-controlling interest** | **28.4** | **10.4** | **13.4** | **77.3** | **(0.2)** | **(0.1)** | **129.2** |
| Net cash generated from (+) / used in (-) operating activities | 65.9 | 56.0 | 22.4 | 147.4 | 112.6 | | |
| Net cash generated from (+) / used in (-) investing activities | (4.0) | (5.1) | (0.1) | (3.5) | (116.8) | | |
| Net cash generated from (+) / used in (-) financing activities | (119.6) | 46.1 | -- | (216.4) | (8.6) | | |
| **Net inflow (+) / outflow (-) of cash and cash equivalents for the period** | **(57.7)** | **97.0** | **22.3** | **(72.5)** | **(12.8)** | | **(23.7)** |
| **Dividends declared to NCI** | 20.0 | 1.3 | 5.6 | 89.1 | -- | 0.1 | **116.1** |
| **Other distributions declared to NCI** | -- | -- | -- | 161.7 | -- | -- | **161.7** |

* Profit and OCI allocated to non-controlling interest do not mathematically agree to profit and OCI multiplied by non-controlling interest percentage due to the changes of interest percentage during the year.

In June 2022, Austrian Lotteries declared a dividend of €119.5 million, of which €11.3 million is attributable to the Group through its shareholding in CLS and LTB (see Note 9) and of which €20.0 million is attributable to non-controlling interest. As of the reporting date, the dividend had been paid in cash.

In the period of six months ended 30 June 2022, Casino Sopron Kft. declared dividends of €2.8 million, of which €1.3 million is attributable to non-controlling interest. As of the reporting date, €1.0 million was paid in cash and €0.3 million remained outstanding.

In June 2022, Stoiximan declared a dividend of €36.3 million, of which €5.6 million is attributable to non-controlling interest. As of the reporting date, the dividend remained outstanding.

In June 2022, OPAP S.A. declared a dividend of €175.5 million, of which €89.1 million is attributable to non-controlling interest. The dividend was payable in August 2022. Shareholders had the option of receiving cash or shares under OPAP's scrip dividend programme. As of 30 June 2021, shareholders of OPAP S.A. had not yet selected the form of receiving the dividend under the scrip dividend programme.

In June 2022, OPAP S.A. declared a decrease of the nominal value of each share, of €317.6 million, with an equal amount to be returned in cash to the shareholders, of which €161.7 million is attributable to non-controlling interest. The distribution was payable in August 2022.

| 31/12/2021 | Austrian Lotteries | CASAG subgroup (excl. Austrian Lotteries) | Stoiximan | OPAP subgroup (excl. Stoiximan) | SAZKA Delta (excl. OPAP and Stoiximan) | Other (individually immaterial) | Total |
|---|---|---|---|---|---|---|---|
| **Non-controlling interest percentage** | *46.48%* | *40.30%* | *65.89%* | *59.63%* | *20.77%* | | |
| Non-current assets | 784.2 | 363.4 | 250.7 | 2,166.8 | -- | | |
| Current assets | 292.7 | 215.8 | 101.6 | 905.9 | 14.3 | | |
| Non-current liabilities | (59.5) | (403.0) | (88.1) | (1,252.9) | (2.3) | | |
| Current liabilities | (411.2) | (46.4) | (58.3) | (513.0) | (186.9) | | |
| Net assets | 606.2 | 129.8 | 205.9 | 1,306.8 | (174.9) | | |
| Subgroup's non-controlling interest | 8.6 | 7.8 | -- | 6.6 | -- | | |
| Net assets attributable to the Group | 597.6 | 122.0 | 205.9 | 1,300.2 | (174.9) | | |
| **Non-controlling interest calculation** | **277.8** | **49.2** | **135.7** | **775.3** | **(36.3)** | **0.3** | |
| Subgroup's non-controlling interest entering consolidation | 8.6 | 7.8 | -- | 6.6 | -- | | |
| **Carrying amount of non-controlling interest** | **286.4** | **57.0** | **135.7** | **781.9** | **(36.3)** | **0.3** | **1,225.0** |

| Six months ended 30 June 2021 | Austrian Lotteries | CASAG subgroup (excl. Austrian Lotteries) | Stoiximan | OPAP subgroup (excl. Stoiximan) | SAZKA Delta (excl. OPAP) | Total |
|---|---|---|---|---|---|---|
| **Non-controlling interest percentage** | *46.48%* | *40.30%* | *67.61%* | *61.67%* | *21.36%* | |
| Revenue from gaming activities ("GGR") | 465.3 | 34.1 | 185.1 | 376.4 | -- | |
| Profit / (loss) for the period | 59.9 | (35.6) | 21.5 | 75.2 | 9.5 | |
| Other comprehensive income | 2.7 | 5.3 | -- | 0.5 | (0.2) | |
| Total comprehensive income | 62.6 | (30.3) | 21.5 | 75.7 | 9.3 | |
| **Profit allocated to non-controlling interest** | **27.8** | **(14.4)** | **14.9*** | **47.3*** | **2.0** | |
| **OCI allocated to non-controlling interest** | **1.3** | **2.1** | **--** | **0.3*** | **--** | |
| Share of profit of subgroup's non-controlling interest entering consolidation | 1.4 | (0.5) | -- | (2.3) | -- | |
| Share of other comprehensive income of subgroup's non-controlling interest entering consolidation | -- | (0.2) | -- | -- | -- | |
| **Total comprehensive income attributable to non-controlling interest** | **30.5** | **(13.0)** | **14.9** | **45.3** | **2.0** | **79.7** |
| Net cash generated from (+) / used in (-) operating activities | 81.4 | (30.9) | 34.5 | 105.9 | 107.5 | |
| Net cash generated from (+) / used in (-) investing activities | (4.0) | (0.8) | (5.0) | (24.7) | 16.2 | |
| Net cash generated from (+) / used in (-) financing activities | (60.7) | 39.1 | -- | (0.2) | (127.0) | |
| **Net inflow (+) / outflow (-) of cash and cash equivalents for the period** | **16.7** | **7.4** | **29.5** | **81.0** | **(3.3)** | **131.3** |
| **Dividends declared to NCI** | 15.3 | -- | 4.1 | 101.4 | -- | 120.8 |

* Profit and OCI allocated to non-controlling interest do not mathematically agree to profit and OCI multiplied by non-controlling interest percentage due to the changes of interest percentage during the year.

## 12. Loans and borrowings

| | 30/6/2022 | 31/12/2021 |
|---|---|---|
| **Non-current loans and borrowings** | **2,376.7** | **2,259.5** |
| Long-term bank loans | 754.5 | 1,230.7 |
| Bonds | 1,622.2 | 1,028.8 |

| | 30/6/2022 | 31/12/2021 |
|---|---|---|
| **Current loans and borrowings** | **417.7** | **433.4** |
| Current portion of long-term bank loans including accrued interest* | 349.2 | 171.0 |
| Short-term bank loans and borrowings | 50.8 | 50.8 |
| Accrued interest on bonds | 15.1 | 10.0 |
| Overdrafts | 2.6 | 2.2 |
| Short-term bonds | -- | 199.4 |

*€249.2 million of this amount relates to a loan to OPAP S.A. OPAP S.A. has entered into a forward starting loan agreement to refinance this amount.

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

| | 2022 | 2021 |
|---|---|---|
| **Balance at 1 January** | **2,692.9** | **2,662.3** |
| Cash flows | | |
| Loans and borrowings received | 766.2 | 82.8 |
| Repayment of loans and borrowings | (673.6) | (5.9) |
| Interest paid | (59.8) | (45.6) |
| Non-cash changes | | |
| Accrued interest expense | 63.0 | 50.7 |
| Non-cash settlement | 4.3 | 4.5 |
| Effect of FX differences | 1.4 | 5.7 |
| **Balance at 30 June** | **2,794.4** | **2,754.5** |

**Debt instruments**

| Borrower / Issuer | Note | Currency | Principal amount in millions of Euro 30/6/2022 | Maturity | Interest rate / Coupon | Book value 30/6/2022 | Book value 31/12/2021 |
|---|---|---|---|---|---|---|---|
| **Loans and borrowings** | | | | | | **1,154.5** | **1,452.5** |
| Casinos Austria (Swiss) AG | | CHF | 1.8 | 2024 | Fixed | 1.8 | 1.7 |
| Casinos Austria (Swiss) AG | | CHF | 0.5 | 2023 | Fixed | 0.5 | 0.5 |
| Casinos Austria AG | (a) | EUR | 80.7 | 2026 | EURIBOR + margin* | 80.3 | 121.0 |
| Hellenic Lotteries S.A. | (b) | EUR | 40.0 | 2024 | EURIBOR + margin* | 40.0 | 50.0 |
| Neurosoft S.A. | | EUR | 0.3 | 2025 | EURIBOR + margin* | 0.3 | 0.4 |
| OPAP S.A. | | EUR | 250.0 | 2023 | Fixed | 249.2 | 248.6 |
| OPAP S.A. | (c) | EUR | -- | 2023 | EURIBOR + margin* | -- | 97.8 |
| OPAP S.A. | | EUR | 50.0 | 2022 | EURIBOR + margin* | 50.3 | 50.3 |
| OPAP S.A. | | EUR | 100.0 | 2024 | EURIBOR + margin* | 99.7 | 99.4 |
| OPAP S.A. | (d) | EUR | 200.0 | 2027 | Fixed | 200.2 | 300.3 |
| SAZKA Group Financing (Czech Republic) a.s. | (e) | EUR | 435.0 | 2024 | EURIBOR + margin* | 432.2 | 482.5 |
| **Bonds** | | | | | | **1,637.3** | **1,238.2** |
| Allwyn Entertainment Financing (UK) plc - EUR 400m | (f) | EUR | 400.0 | 2028 | 4.13% | 396.5 | -- |
| Allwyn International a.s. (formerly SAZKA Group a.s.) - EUR 500m | (g) | EUR | 500.0 | 2027 | 3.88% | 500.0 | 300.4 |
| Allwyn International a.s. (formerly SAZKA Group a.s.) - EUR 300m | | EUR | 300.0 | 2024 | 4.13% | 299.2 | 298.7 |
| Allwyn International a.s. (formerly SAZKA Group a.s.) - CZK 6bn | | CZK | 242.5 | 2024 | 5.20% | 243.8 | 242.1 |
| OPAP S.A. - EUR 200m | | EUR | 200.0 | 2027 | 2.10% | 197.8 | 197.6 |
| SAZKA Group Financing a.s. - EUR 200m | (h) | EUR | -- | 2022 | 4.00 % | -- | 199.4 |
| **Other** | | | | | | **2.6** | **2.2** |
| **Total** | | | | | | **2,794.4** | **2,692.9** |

* Margin applicable to the outstanding loans and borrowings as of 30 June 2022 was in the range of 1.3% - 6.0% p.a.

(a) On 30 June 2022, Casinos Austria AG made a partial repayment of €40.7 million of this loan.

(b) On 23 March 2022, Hellenic Lotteries S.A. made a partial repayment of €10.0 million of this loan.

(c) On 23 March 2022, OPAP S.A. fully repaid this loan.

(d) On 5 January 2022, OPAP S.A. made a partial repayment of €100.0 million of this loan.

(e) As of 31 December 2021, this loan comprised the following tranches: a €220.0 million bullet tranche due in July 2024; a €165.0 million tranche with annual amortisation of €55.0 million; and a revolving credit facility of €200.0 million with available undrawn capacity of €100.0 million. In March 2022, the Group prepaid €57.1 million under this loan. In June 2022 the Group signed an amendment to the loan, increasing the principal of the bullet tranche to €270.0 million and increasing the revolving credit facility capacity to €243.2 million. As of 30 June 2022, the revolving credit facility of €243.2 million was entirely undrawn.

(f) On 9 February 2022, Allwyn Entertainment Financing (UK) plc, a newly established 100% subsidiary of the Company issued €400.0 million in aggregate principal amount of senior secured floating rate notes due 2028 at an issue price of 99.5% with a margin of 4.13%.

(g) On 9 February 2022, the Company issued €200.0 million in aggregate principal amount of additional 3.88% senior secured notes due 2027 at an issue price of 99.0%.

(h) On 8 March 2022, SAZKA Group Financing a.s. fully repaid this bond.

The Group's bonds have certain financial covenants, including covenants based on the financial results of the consolidation group of the Company. Violation of these covenants can lead to immediate maturity of the debt. During the reporting period no breaches of covenants have occurred.

**Collateral and Pledges**

The following bonds and borrowings are collateralised pari passu:

- Bonds issued on 23 September 2019 by Allwyn International a.s. (formerly SAZKA Group a.s.) of CZK 6,000 million (equivalent to €246.1 million) with maturity on 23 September 2024.
- Bonds issued on 15 November 2019 by Allwyn International a.s. (formerly SAZKA Group a.s.) of €300 million with maturity on 15 November 2024.
- Bonds issued on 5 February 2020 by Allwyn International a.s. (formerly SAZKA Group a.s.) of €500 million with maturity on 15 February 2027.
- Bonds issued on 9 February 2022 by Allwyn Entertainment Financing (UK) plc of €400.0 million with maturity on 15 February 2028.
- Bank loans drawn on 16 December 2020 by SAZKA Group Financing (Czech Republic) a.s. in an initial amount of €450 million with maturity on 31 July 2024.

On 8 March 2022, SAZKA Group Financing a.s. fully repaid its €200.0 million bond with maturity on 8 December 2022 and related collateral arrangements were terminated. The bonds issued by Allwyn Entertainment Financing (UK) plc and Allwyn International a.s. (formerly SAZKA Group a.s.) during the period ended 30 June 2022 are collateralised under the same intercreditor agreement. On 9 February 2022, Allwyn Entertainment Financing (UK) plc acceded as an additional guarantor under the intercreditor agreement.

The collateral effectively (through ownership interests in consolidated entities) represents substantially all of the Group's assets presented on the consolidated statement of financial position.

## 13. Provisions

| Provisions | Litigation provision | Provision for jackpots and scratch cards | Other provisions | Total |
|---|---|---|---|---|
| **Balance at 01/01/2022** | **13.6** | **15.8** | **8.2** | **37.6** |
| Additions | 2.0 | 13.5 | 4.1 | 19.6 |
| Transfers | 1.0 | -- | (1.0) | -- |
| Utilisation | (0.2) | (15.8) | (1.9) | (17.9) |
| Release | (1.6) | -- | -- | (1.6) |
| Effect of currency translation | -- | 0.1 | -- | 0.1 |
| **Balance at 30/6/2022** | **14.8** | **13.6** | **9.4** | **37.8** |

| Provisions | Litigation provision | Provision for jackpots and scratch cards | Other provisions | Total |
|---|---|---|---|---|
| *thereof:* | | | | |
| Non-current provisions | 9.9 | -- | 2.5 | 12.4 |
| Current provisions | 4.9 | 13.6 | 6.9 | 25.4 |
| **Balance at 30/6/2022** | **14.8** | **13.6** | **9.4** | **37.8** |

## 14. Trade and other payables

| | 30/6/2022 | 31/12/2021 |
|---|---|---|
| **Non-current trade and other payables** | **40.3** | **42.2** |
| ***Non-current payables - financial*** | ***37.9*** | **39.7** |
| ***Gaming payables*** | ***18.4*** | ***18.6*** |
| Liabilities arising from unpaid winnings | 18.4 | 18.6 |
| ***Acquisition related payables*** | ***2.6*** | ***2.3*** |
| Deferred consideration for the purchase of interest in OPAP | 2.6 | 2.3 |
| ***Other*** | ***16.9*** | ***18.8*** |
| Deferred purchase price for intangible assets | 14.5 | 15.1 |
| Other payables | 2.4 | 3.7 |
| ***Non-current payables - other*** | ***2.4*** | ***2.5*** |
| ***Other*** | ***2.4*** | ***2.5*** |
| Deferred revenue | 2.4 | 2.5 |

| | 30/6/2022 | 31/12/2021 |
|---|---|---|
| **Current trade and other payables** | **1,001.9** | **876.9** |
| ***Current payables - financial*** | ***721.7*** | ***620.2*** |
| ***Gaming payables*** | ***271.6*** | ***312.2*** |
| Liabilities arising from unpaid winnings | 219.6 | 246.0 |
| Players' deposits | 30.1 | 37.2 |
| Guarantee deposits from lottery agents | 21.9 | 29.0 |
| ***Trade payables*** | ***121.7*** | ***132.8*** |
| Trade payables to suppliers | 121.7 | 132.8 |
| ***Acquisition related payables*** | ***20.3*** | ***120.7*** |
| Contingent consideration for the purchase of interest in Stoiximan | 13.9 | 114.3 |
| Contingent consideration for the purchase of interest in CASAG | 3.4 | 3.4 |
| Deferred consideration for the purchase of interest in OPAP | 3.0 | 3.0 |
| ***Other*** | ***308.1*** | ***54.5*** |
| Dividends and distributions declared to NCI | 256.8 | 0.2 |
| Vouchers | 19.8 | 20.7 |
| Deferred purchase price for intangible assets | 1.4 | 1.4 |
| Other payables | 30.1 | 32.2 |
| ***Current payables – other*** | ***280.2*** | ***256.7*** |
| ***Gaming payables*** | ***15.8*** | ***17.7*** |
| Prepaid stakes | 15.8 | 17.7 |
| ***Trade payables*** | ***3.9*** | ***3.0*** |
| Contract liabilities | 2.5 | 2.2 |
| Deferred revenues | 1.4 | 0.8 |
| ***Other*** | ***260.5*** | ***236.0*** |
| Gaming tax liabilities | 135.8 | 133.7 |
| Gaming tax liabilities - minimum contribution of Hellenic Lotteries S.A. | 62.8 | 62.8 |
| Payables to state (social and health insurance liabilities, other taxes) | 61.9 | 39.5 |

Reconciliation of movements in contingent consideration for the purchase of interest in Stoiximan is as follows:

| | |
|---|---|
| **Contingent consideration for the purchase of interest in Stoiximan as of 31/12/2021** | **114.3** |
| Payment in current period | (106.4) |
| Unwinding of discount recognised in interest expense | 1.5 |
| Change in fair value recognised in other operating expense | 4.5 |
| **Contingent consideration for the purchase of interest in Stoiximan as of 30/6/ 2022** | **13.9** |

"Dividends and distributions declared to NCI" comprises dividends and distributions attributable to non-controlling interest (see Note 11).

"Gaming tax liabilities" are due when cash for stakes is accepted. Gaming tax is calculated as the tax base multiplied by a rate, which varies based on the type of game and country by country. The tax base is the amount staked less prizes paid.

"Gaming tax liabilities - minimum contribution of Hellenic Lotteries S.A." represents the contractual liability from the difference between gaming taxes paid on applicable GGR during certain COVID-19 impacted periods and the minimum annual amount of €50 million, required according to Hellenic Lotteries S.A.'s concession agreement. The Group has not paid this amount on the basis that restrictions imposed due to COVID-19 which impacted actual GGR generation constitute force majeure (see Note 15).

This Group holds the following financial liabilities at fair value through profit or loss ("FVTPL"):

| Financial liabilities at fair value through profit or loss ("FVTPL") | 30/6/2022 | 31/12/2021 |
|---|---|---|
| Current trade and other payables | (17.3) | (117.7) |
| **Total** | **(17.3)** | **(117.7)** |

Financial liabilities at fair value through profit or loss ("FVTPL") comprises contingent consideration for the purchase of interest in Stoiximan and contingent consideration for the purchase of interest in CASAG categorised to Level 3 in the fair value hierarchy.

The remaining contingent consideration for the purchase of interest in Stoiximan is payable in cash on 31 December 2022 and is determined based on the multiple of difference between EBITDA targets and actual EBITDA for the year 2021. The settlement of the liability is classified as investing activity.

The table below analyses trade and other payables according to their relationship to cashflows:

| | 30/6/2022 | 31/12/2021 |
|---|---|---|
| Relates to operating cash flow (working capital) | 768.1 | 801.2 |
| Relates to investing cash flow | 13.9 | 114.3 |
| Relates to financing cash flow | 260.2 | 3.6 |

As of 30 June 2022 and 31 December 2021 "Trade and other payables" were not secured.

## 15. Contingencies

**Legal matters**

*OPAP*

*Compensation lawsuits against OPAP*

As of 30 June 2022, lawsuits by former agents seeking compensation for alleged unlawful termination of their contracts have been filed for total claims of €308.0 million (31 December 2021: €284.0 million). These claims relate to old distribution agent arrangements, in relation to which overwhelming majority of recent court decisions have been in favour of OPAP (rejected claims of €278.0 million, partially recognised claims of €0.7 million). Management considers any negative outcome as unlikely consequently no provision is recognised in connection with these claims.

In early March 2021, the Athens Court of Appeal awarded compensation for loss of profit in favour of a former agent of approximately €3.0 million plus interest from June 2006 to December 2011, for a total of approximately €6.0 million. This is the second decision of the appellate court in the matter after the Supreme Court annulled in 2020 the first decision from 2017, which awarded compensation of €9.0 million plus interest. Following OPAP's petition for cassation, the Judicial Council of the Supreme Court has annulled the appellate court's award of €6.0 million in damages pending its final ruling on the OPAP's petition. The next hearing is scheduled for 31 October 2022.

The same former agent also sought compensation for (i) the loss of profit incurred from 2012 to 2016 of €11.1 million and an alternative claim of approximately €3.3 million and (ii) compound interest of €4.2 million, against OPAP S.A. These proceedings have been placed on hold until the final resolution of the proceeding described above. As of 30 June 2022, a provision of €6.2 million (31 December 2021: €6.0 million) in connection with cases relating to this agent is recognised.

*Other cases against OPAP*

OPAP is a target of an antitrust case in connection with the inclusion of non-compete clauses in agency agreements in relation to two secondary markets of OPAP. Suggested maximum fine would be 30% of OPAP's

gross turnover from these secondary activities over the alleged violation period, which started in the year 2017 and is deemed ongoing.

OPAP submitted a memorandum for the rebuttal of the case. Management believes that negative outcome is unlikely and consequently has not created any provision.

*Arbitration initiated by Hellenic Lotteries*

According to Hellenic Lotteries S.A.'s concession agreement, it has to pay 30% of annual GGR to the Greek State, subject to a €50.0 million minimum annual amount. Hellenic Lotteries S.A. believes the €50.0 million minimum annual fee is not applicable for 2020 and 2021 as the force majeure clause in the concession agreement was triggered by the pandemic related restrictions imposed by the Greek State, and for 2021 only €24.9 million (2020: €12.3 million), determined as 30% of actual GGR, was paid. The Group recorded gaming taxes expenses for the outstanding liability of €25.1 million as of 31 December 2021 (2020: €37.7 million) and initiated an arbitration for the disputed amount, which as of 31 December 2021 totals €62.8 million (see Note 14). Management does not expect to receive any resolution before 2023.

*CASAG*

As of 30 June 2022, CASAG was target of 26 pending lawsuits initiated by 35 claimants in connection with reductions made to target pensions in the employee pension plans in 2020. Pension plans of CASAG include pension plans with a guaranteed minimum pension feature and defined benefit plans.

For the claims in connection with pension plans with a guaranteed minimum pension feature, management assess that negative outcome is highly unlikely and has recorded only a provision of €0.5 million to cover legal costs.

For the claims in connection with defined benefit plans, at the year end the management considered the outcome uncertain and reflected this uncertainty in the valuation of the defined benefit liability with the liability assessed assuming a negative outcome (as a result of which a positive outcome in these cases would result in a net gain for the Group).

On 6 May 2022, in a separate branch of the case, which did not deal with the merits of the claims regarding reduction of target pensions described above, CASAG received a final verdict of the Supreme Court, which ruled that a transfer of defined benefit pension obligation (for employees born between 1945-51) from CASAG to a third party (the support institution, which is a separate legal entity supervised by CASAG's workers' council) made in 2002 was void (a matter which had not been considered previously). As a result, the verdict impacted financial position of CASAG prior to the acquisition by the Company, as of 30 June 2022, CASAG additionally recognised a defined benefit liability of €22.2 million, a provision of €1.7 million, a deferred tax asset of €1.2 million, a tax liability of €1.4 million with a corresponding increase in goodwill of €14.4 million and a corresponding decrease of non-controlling interest of €9.7 million. In addition, for the six months ended 30 June 2022, the Group recognised €1.1 million of actuarial gain, net of tax and interest.

**Other commitments and contingencies**

*Success bonuses*

In connection with its bid to operate the UK National Lottery (see Note 1.1), the Group received employment and professional services from employees, former employees and external service providers. Compensation for these services include variable elements – success bonuses – which will only be payable if the Group is awarded the license to operate UK National Lottery.

The potential success bonus liability, currently estimated at €11.7 million, would be recognised only when the uncertainty in connection with the award is resolved.

## 16. Related parties

Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party. Relations between the Group and its related parties include relations with companies related through common shareholders or Directors and key management of the Company.

The parent company of the Group was KKCG AG before 17 March 2021, when Allwyn AG (formerly SAZKA Entertainment AG), a 100% subsidiary of KKCG AG, became the new parent company of the Group.

Transactions between the Group and Allwyn AG (formerly SAZKA Entertainment AG) and Allwyn International a.s. (formerly Sazka Group a.s.) during the six months ended 30 June 2022 are disclosed in the tables below.

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

### (a) Outstanding related party balances and transactions with parent:

| **Outstanding balance with parent** | **30/6/2022** | **31/12/2021** |
|---|---|---|
| **ASSETS** | | |
| Current trade and other receivables | 21.7 | 11.3 |
| | **Six months ended 30 June:** | |
| **Transactions with parent** | **2022** | **2021** |
| Other operating income | 7.5 | -- |
| Interest income | 0.1 | -- |

### (b) Outstanding related party balances and transactions with companies controlled by KKCG AG other than parent and the Group:

| **Outstanding balance with companies controlled by KKCG AG other than parent and the Group:** | **30/6/2022** | **31/12/2021** |
|---|---|---|
| **ASSETS** | | |
| Non-current trade and other receivables | 1.0 | 3.6 |
| Current financial assets* | 70.7 | -- |
| Current trade and other receivables | 0.9 | 1.4 |
| **LIABILITIES** | | |
| Current trade and other payables | 1.0 | -- |

| **Transactions with companies controlled by KKCG AG other than parent and the Group:** | **Six months ended 30 June:** **2022** | **2021** |
|---|---|---|
| Other operating income | 0.2 | -- |
| Materials, consumables and services | (3.3) | (2.6) |
| Marketing services | (7.1) | (3.4) |
| Interest income* | 0.4 | -- |

*The Group can make short term deposits (up to 3 months) under a cash pooling agreement with KKCG Structured Finance AG. Interest rates is 0.02% for EUR deposits and 5.59% for CZK deposits. Interest income recognised from cash pooling agreement amounts to €0.4 million.

**(c) Outstanding related party balances and transactions with associates and joint ventures:**

There were no material transactions between the Group and its associates and joint ventures, except for dividends received and distributions received.

| | Six months ended 30 June: | |
|---|---|---|
| **Associates** | **2022** | **2021** |
| Dividends received | 74.1 | 49.8 |
| Reserve distributions received | 15.1 | 22.7 |

| | Six months ended 30 June: | |
|---|---|---|
| **Joint ventures** | **2022** | **2021** |
| Dividends received | 1.0 | 0.5 |
| Capital injection | -- | (0.6) |

**(d) Transactions with members of the Company's Board of Directors, Supervisory Board and executive management for the six months ended 30 June 2022 and 30 June 2021:**

Remuneration, bonuses and other benefits provided to the members of the Board of Directors and Supervisory Board and key management personnel of the Company:

| | Six months ended 30 June 2022: | | Six months ended 30 June 2021: | |
|---|---|---|---|---|
| | **Board of Directors and Supervisory Board** | **Key management personnel** | **Board of Directors and Supervisory Board** | **Key management personnel** |
| **Total remuneration** | **2.2** | **1.7** | **2.7** | **1.9** |
| Short-term benefits | 0.6 | 0.7 | 1.6 | 0.1 |
| Post-employment benefits | -- | -- | -- | -- |
| Other long-term benefits | 1.6 | 1.0 | 1.1 | 1.8 |
| Termination benefits | -- | -- | -- | -- |
| Share-based payments benefits | -- | -- | -- | -- |

"Key management personnel" comprises the C-level (executive) management of the Company (excluding the CEO, who is a member of the Board of Directors). C-level management in 2022 and 2021 consisted of the CFO, CIO, CTO, COO, Chief Marketing Officer and Chief Global Brand and CSR officer.

Members of the Board of Directors and Supervisory Board and key management personnel of the Company receive their remuneration from related parties of the Company (either from subsidiaries of the Company or from the shareholder). Remuneration received from the shareholder is considered related to the management function on the Company level and thus presented in the summary remuneration table above.

The following tables summarise the Group securities owned by members of the Board of Directors:

| **At 30/6/2022** | **Minimum denomination** | **Number of notes** | **Total nominal value (in Euro)** |
|---|---|---|---|
| Allwyn International a.s. (formerly SAZKA Group a.s.) - CZK 6bn | 10,000 CZK | 450 | 181,892 |
| Allwyn International a.s. (formerly SAZKA Group a.s.) - EUR 300m | 1,000 EUR | 750 | 750,000 |

| At 30/6/2022 | Number of shares | Total market value (in Euro) |
|---|---|---|
| OPAP shares | 1,063,077 | 14,936,232 |

| At 31/12/2021 | Minimum denomination | Number of notes | Total nominal value (in Euro) |
|---|---|---|---|
| Allwyn International a.s. (formerly SAZKA Group a.s.) - CZK 6bn | 10,000 CZK | 345 | 138,777 |
| Allwyn International a.s. (formerly SAZKA Group a.s.) - EUR 300m | 1,000 EUR | 650 | 650,000 |
| SAZKA Group Financing a.s. - EUR 200m | 1,000 EUR | 120 | 120,000 |

| At 31/12/2021 | Number of shares | Total market value (in Euro) |
|---|---|---|
| OPAP shares | 1,063,077 | 13,256,570 |

## 17. New standards and amendments applicable within the reporting period

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 2022.

| Standard / Amendment | Title | IASB effective date | EU effective date | Endorsed by EU |
|---|---|---|---|---|
| Amendments to IFRS 3, IAS 37 | Reference to Conceptional framework and cost of fulfilling a contract | 01.01.2022 | 01.01.2022 | YES |
| Amendments to IAS 16 | Proceeds before intended use | 01.01.2022 | 01.01.2022 | YES |
| Annual Improvements to IFRS 2018–2020 | | 01.01.2022 | 01.01.2022 | YES |

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

## 18. Standards, interpretations and amendments issued but not yet effective

The following standards and interpretations were issued by the International Accounting Standards Board and were not effective as of 30 June 2022. The Group has not early adopted these standards and interpretations and will apply them as of their IASB effective date which is expected to be the same as the endorsement by the EU. The Group does not expect that the following standards, amendments and interpretations will have a significant impact on the Group's consolidated financial statements.

The Group is evaluating the impact of adoption of these amendments or new standards, but it is expected that these amendments or new standards will not have material impact on the Group's consolidated financial statements.

| Standard / Amendment | Title | IASB effective date | EU effective date | Endorsed by EU |
|---|---|---|---|---|
| IFRS 17 | Insurance contracts | 01.01.2023 | 01.01.2023 | Yes |
| Amendments to IAS 1 | Classification of liabilities as current or non-current | 01.01.2023 | *To match IASB* | No* |
| Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of accounting policies | 01.01.2023 | *To match IASB* | No* |
| Amendments to IAS 8 | Definition of accounting estimate | 01.01.2023 | *To match IASB* | No* |
| Amendments to IAS 12 | Deferred tax related to assets and liabilities arising from a single transaction | 01.01.2023 | *To match IASB* | No* |
| Amendments to IFRS 17 | Initial Application of IFRS 17 and IFRS 9 – Comparative Information | 01.01.2023 | *To match IASB* | No* |

* EFRAG expects endorsement process to be finished before the effective date of IASB with EU effective date same as IASB.

## 19. Subsequent events

**Strategic**

*OPAP*

The Group has continued to increase its shareholding in OPAP through open market purchases. In Q3 2022 to date the Group increased its shareholding in OPAP by 0.41% for consideration of €20.4 million.

In August 2022, OPAP S.A. paid a dividend of €0.50 per share. Shareholders had the option of receiving cash or shares under OPAP S.A.'s dividend reinvestment programme. The Group elected to receive new shares.

As a result of these transactions, the Group's interest and voting rights in OPAP increased from 48.75% to 49.80% of OPAP's total shares outstanding (including treasury shares). Excluding OPAP's treasury shares from the share count, this represents an economic interest of 50.05%.

In August 2022, OPAP S.A. paid distributed proceeds from a capital decrease of €0.90 per share. The distribution was not eligible for the OPAP S.A. dividend reinvestment programme. The Group received cash payment of €155.8 million.

In September 2022, OPAP S.A. declared an interim dividend of €0.30 per share payable on 9 November 2022. Shareholders will have an option of receiving cash or shares under OPAP S.A.'s dividend reinvestment programme.

*UK National Lottery*

On 5 September 2022, Allwyn International a.s. announced that the Camelot Entities have decided to withdraw the Camelot Appeal (see Note 1.1), and Allwyn Entertainment Ltd and the Company have agreed to waive all claims for costs or damages against the Camelot Entities. On 8 September, the IGT Entities informed the Court of Appeal that they had concluded there was no realistic option but to withdraw their own appeal, and thereby notified the Court of Appeal of that withdrawal. The withdrawal of the appeals paves the way for Allwyn Entertainment Ltd to receive the award of, and begin transition to, the fourth UK National Lottery licence, which will start in February 2024.

**Financing**

*SAZKA Group financing arrangements*

On 29 July 2022, SAZKA Group Financing (Czech Republic) a.s. made a scheduled amortisation of principal of its bank loan facility of €55.0 million.

The revolving credit facility of €243.2 million is currently entirely undrawn.

| | |
|---|---|
| Date of authorisation of the financial statements for issue:<br><br>12 September 2022 | Signature of the authorised representative:<br><br>Katarina Kohlmayer<br>Member of the Board of Directors<br><br>Pavel Šaroch<br>Member of the Board of Directors |