SAZKA Group a.s.

Report for the six month period ended 30 June 2021

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Management's discussion and analysis of financial condition and results of operations for the six month period ended 30 June 2021

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 SAZKA Group a.s. ("SAZKA Group" or the "Company" and, together with its subsidiaries, joint ventures and associates, the "Group" or "we").

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

1. Significant transactions and developments during the six month period ended 30 June 2021

1.1 Financing

During Q1 2021 the Company drew €80 million from its revolving credit facility. The remaining capacity under the revolving credit facility is €110 million.

In February 2021 OPAP extended the maturity of a €100 million undrawn credit facility from March 2021 to March 2022.

In April 2021 Hellenic Lotteries S.A. extended the maturity of €50m loan from September 2021 to September of 2023.

1.2 Acquisitions

On 27 January 2021, the Group acquired a 4.31% shareholding in Casinos Austria AG following the execution of a call option.

During Q1 2021 the Group increased its direct shareholding in OPAP by 0.99% through open market purchases, as a result of which the Group's shareholding in OPAP increased to 44.11% and its economic interest to 37.08%.

During Q2 2021 the Group increased its direct shareholding in OPAP by 1.24% through open market purchases, as a result of which the Group's shareholding in OPAP increased to 45.36% and its economic interest to 38.33%.

1.3 COVID-19

While all our digital channels continued to operate without interruption, some of our physical retail networks were affected by the first wave of COVID-19 restrictions in the first half of 2020. Subsequently, all operations resumed full activity in Q3 2020, albeit with some minor restrictions in certain cases. In Q4 2020 and Q1 2021, some of our physical retail networks were again affected by restrictions as a result of new waves of COVID-19, while others operated with no material interruption from the new measures which were introduced. During Q2 2021, remaining material restrictions were lifted, all our business having resumed full activity by the end of the quarter.

In all periods, the measures had a limited impact on the availability of our lottery products in Austria and the Czech Republic through physical retail channels, as key categories of points of sale remained open.

The physical retail channels that were affected were those in Greece and Cyprus and our casinos in Austria and internationally (in Q1-Q2 and Q4 2020 and Q1 and part of Q2 2021), and our business in Italy (in Q1-Q2 2020 only).

In Q1 and Q2 2021 restrictions had no material impact on the availability of our products in Austria (with the exception of casino operations), the Czech Republic and Italy. Sales through the physical retail channel in Greece and Cyprus and the operation of casinos in Austria and internationally were affected by restrictions in Q1 and the first part of Q2 but resumed by the end of the period.

Our online businesses performed very well throughout 2020 and Q1-Q2 2021, with strong growth in Austria, the Czech Republic, and at Stoiximan in our Greece and Cyprus segment.

The tables below outline the quarterly development of our operating segments, illustrating the impact of COVID-19 restrictions.

Austria (100% basis)	**FY20**	**1Q20**	**2Q20**	**3Q20**	**4Q20**	**1Q21**	**2Q21**
GGR	**1,077.5**	285.1	219.3	303.0	270.1	256.4	243.0
% change from comparative period	**-14%**	-7%	-23%	-8%	-17%	-10%	11%
Operating EBITDA	**147.1**	46.1	14.0	63.9	23.1	29.6	46.3
% change from comparative period	**-30%**	-11%	-66%	-11%	-49%	-36%	231%

of which Austrian Lotteries	**FY20**	**1Q20**	**2Q20**	**3Q20**	**4Q20**	**1Q21**	**2Q21**
GGR	**849.9**	206.3	191.8	216.6	235.2	255.0	210.3
% change from comparative period	**2%**	0%	2%	-3%	8.0%	24%	10%
Operating EBITDA	**150.7**	37.1	35.9	40.2	37.5	57.3	36.4
% change from comparative period	**20%**	29%	23%	-3%	41%	54%	1%

Austrian Lotteries performed well and delivered strong GGR growth and margins in Q4 2020, Q1 2021 and Q2 2021 as a result of strong online sales and resilience in the physical retail channel, with key categories of points of sale remaining open throughout the period. GGR in Q1 2021 benefited from large jackpots, while Q2 2021 was negatively impacted by low jackpots.

However, certain other activities of the Austria operating segment, primarily casinos in Austria and internationally, were impacted by both periods of COVID-19 restrictions, having a negative impact on profitability of the operating segment in both Q2 and from Q4 2020 until the later part of Q2 2021. Austrian casinos and VLT gaming halls reopened from 19 May, albeit with restrictions, which were further reduced from 10 June. The impact of closure on Operating EBITDA was amplified due to the relatively high proportion of fixed costs at the casinos compared to our other businesses.

Czech Republic	**FY20**	**1Q20**	**2Q20**	**3Q20**	**4Q20**	**1Q21**	**2Q21**
GGR	**315.2**	77.0	67.0	74.9	96.3	95.7	101.3
% change from comparative period	***10%***	25%	0%	5%	12%	24%	51%
Operating EBITDA	**83.8**	22.3	24.0	19.6	17.9	29.9	27.1
% change from comparative period	**-11%**	-3%	9%	-24%	-25%	34%	13%

Our Czech Republic operations were impacted to a moderate extent by restrictions during the first wave of COVID-19, especially in April 2020, when there was a limited period of lower sales via our physical points of sale, but recovered quickly and posted a very good performance in Q3-Q4 2020 and Q1-Q2 2021. Similar to our Austrian operations, online sales were very strong, achieving a 32% share of GGR in 2020 compared to 19% in 2019 and 39% in Q2 2021, and the physical retail channel was resilient, with key categories of points of sale remaining open throughout the year 2020 and Q1-Q2 2021.

Greece and Cyprus	**FY20**	**1Q20**	**2Q20**	**3Q20**	**4Q20**	**1Q21**	**2Q21**
GGR	**1,129.7**	328.3	179.6	391.0	230.8	174.2	395.8
% change from comparative period	**-30%**	-17%	-53%	-1%	-48%	-47%	120%
Operating EBITDA	**259.8**	86.3	15.9	105.3	52.3	61.2	143.3
% change from comparative period	**-37%**	-24%	-82%	-2%	-50%	-29%	801%

Our Greece and Cyprus operations were impacted by the first COVID-19 restrictions from the end of March to May 2020. In June and Q3 2020 the business recovered and performed strongly, although still operating under certain limited restrictions, while the second lockdown impacted the physical retail business from the middle of November and throughout Q1 2021. During Q2 2021, most remaining restrictions were lifted in stages. OPAP stores in Greece reopened on 12 April, operations in Cyprus resumed on 10 May and PLAY and VLT gaming halls

in Greece reopened on 24 May. Q2 2021 GGR and EBITDA therefore only partially reflect the relaxation of restrictions.

Stoiximan (100% basis)	**FY20**	**1Q20**	**2Q20**	**3Q20**	**4Q20**	**1Q21**	**2Q21**
GGR	**267.8**	64.2	45.3	66.0	92.3	103.4	90.2
% change from comparative period	**33%**	45%	0%	28%	55%	61%	99%
Operating EBITDA*	n/a	n/a	n/a	n/a	n/a	27.8	11.2

*Operating EBITDA of Stoiximan in 2020 (pre acquisition) is not available on the basis comparable with 2021.

Stoiximan delivered very strong growth in 2020, Q1 2021 and Q2 2021. Consolidated GGR of the Group and of the Greece and Cyprus segment only includes Stoiximan's contribution from December 2020 onward.

Italy (100% basis)	**FY20**	**1Q20**	**2Q20**	**3Q20**	**4Q20**	**1Q21**	**2Q21**
Revenue from contracts with customers	**384.4**	102.8	54.8	106.9	119.9	134.3	134.2
% change from comparative period	**-21%**	-20%	-56%	-5%	-3%	31%	145%
Operating EBITDA	**310.6**	82.9	42.6	87.4	97.7	108.3	112.6
% change from comparative period	**-22%**	-21%	-57%	-4%	-3%	31%	164%

In Italy, the regulator suspended lottery draws for some weeks during the first wave of COVID in Q2 2020. This was not repeated when COVID-19 restrictions were reintroduced later in the year and remained in force into 2021, and the vast majority of the distribution network remained open. Overall, trading recovered well after operations relaunched, with the business delivering a record performance in both Q1 2021 and Q2 2021.

1.4 Subsequent events

For developments after 30 June 2021 please refer to the Subsequent events note to the Condensed Interim Consolidated Financial Statements.

2. Comparison of results of operations for the three month period ended 30 June 2021 and 30 June 2020

Management analysis of consolidated results

	Three months ended 30 June		Change	
	2021	**2020***	**abs**	**%**
Gross gaming revenue (GGR)	740.1	246.6	493.5	200%
Gaming taxes	(291.0)	(84.6)	(206.4)	244%
Net gaming revenue (NGR)	**449.1**	**162.0**	**287.1**	**177%**
Revenue from non-gaming activities	35.9	27.7	8.2	30%
Other operating income	105.5	9.4	96.1	1022%
Agents´ commissions	(102.7)	(46.8)	(55.9)	119%
Materials, consumables and services	(115.6)	(55.1)	(60.5)	110%
Marketing services	(58.8)	(16.1)	(42.7)	265%
Personnel expenses	(74.2)	(25.0)	(49.2)	197%
Other operating expenses	(21.8)	(21.2)	(0.6)	3%
Share of profit of equity method investees (net of tax)	21.4	21.9	(0.5)	-2%
Operating EBITDA	**238.8**	**56.8**	**182.0**	**320%**
Adjusted for:				
Inorganic business development costs	8.9	1.4	7.5	
Adjustments in Greece and Cyprus segment (COVID-19 driven)	2.5	15.1	(12.6)	
Effect of impairment in equity accounted investee CASAG	--	(14.2)	14.2	
Other	2.5	(2.0)	4.5	
Adjusted EBITDA	**252.7**	**57.1**	**195.6**	**343%**
Adjusted EBITDA margin	*56%*	*35%*	*21%*	
Depreciation and amortization	(52.8)	(28.7)	(24.1)	84%
Impairment of non-financial assets	(0.2)	(7.5)	7.3	(97%)
Other gains and losses	(0.2)	7.8	(8.0)	(103%)
Profit from operating activities	**185.6**	**28.4**	**157.2**	**554%**
Interest income	1.1	0.5	0.6	120%
Interest expense	(30.6)	(22.9)	(7.7)	34%
Other finance income and expense	10.0	6.3	3.7	59%
Finance costs, net	**(19.5)**	**(16.1)**	**(3.4)**	**21%**
Profit before income tax	**166.1**	**12.3**	**153.8**	**1,250%**
Income tax expense	(24.2)	5.3	(29.5)	(557%)
Profit after tax	**141.9**	**17.6**	**124.3**	**706%**

*Q2 2020 was restated. See Note 2 (h) in the Condensed Interim Consolidated Financial Statements.

Management analysis of results excluding CASAG and Stoiximan

	Three months ended 30 June		Change	
	2021	**2020***	**abs.**	**rel.**
Gross gaming revenue (GGR)	406.9	246.6	160.3	65%
Gaming taxes	(127.7)	(84.6)	(43.1)	51%
Net gaming revenue (NGR)	**279.2**	**162.0**	**117.2**	**72%**
Revenue from non-gaming activities	30.0	27.7	2.3	8%
Other operating income	75.9	9.4	66.5	707%
Agents´ commissions	(80.0)	(46.8)	(33.2)	71%
Materials, consumables and services	(74.7)	(55.1)	(19.6)	36%
Marketing services	(33.6)	(16.1)	(17.5)	109%
Personnel expenses	(25.7)	(25.0)	(0.7)	3%
Other operating expenses	(11.0)	(21.2)	10.2	(48%)
Share of profit of equity method investees (net of tax)	20.5	4.2	16.3	388%
Operating EBITDA	**180.6**	**39.1**	**141.5**	**362%**
Adjusted for:				
Inorganic business development costs	8.9	1.4	7.5	
Adjustments in Greece and Cyprus segment (COVID-19 driven)	2.5	15.1	(12.6)	
Adjustments in Czech Republic	4.0	(2.0)	6.0	
Adjusted EBITDA	**196.0**	**53.6**	**142.4**	**266%**
Adjusted EBITDA margin	*70%*	*33%*	*37%*	
Depreciation and amortization	(35.2)	(28.7)	(6.5)	23%
Impairment of non-current assets	(0.2)	(7.5)	7.3	(97%)
Other gains and loss	(0.1)	9.3	(9.4)	(101%)
Profit from operating activities	**145.1**	**12.2**	**132.9**	**1089%**
Interest income	1.0	0.5	0.5	100%
Interest expense	(26.8)	(22.9)	(3.9)	17%
Other finance income and expense	7.7	6.3	1.4	22%
Finance costs. net	**(18.1)**	**(16.1)**	**(2.0)**	**12%**
Profit before income tax	**127.0**	**(3.9)**	**130.9**	**n/m**
Income tax expense	(12.7)	5.3	(18.0)	n/m
Profit after tax	**114.3**	**1.4**	**112.9**	**n/m**

*Q2 2020 was restated. See Note 2 (h) in the Condensed Interim Consolidated Financial Statements.

In addition to the impact of COVID-19 described in section 1.3 above, consolidated results for the first and second quarter of 2021 are also impacted by the consolidation of CASAG following the acquisition of a controlling stake on 26 June 2020 (for practicality from 1 July 2020), and also by the consolidation of Stoiximan from 18 November 2020 (for practicality from 1 December 2020).

Given the substantial contribution of CASAG and Stoiximan after the consolidation, consolidated numbers are not fully comparable. The following commentary therefore also includes comparison of the consolidated results excluding contributions from CASAG (as a fully consolidated subsidiary from 26 June 2020 and as an equity method investee before) and Stoiximan (as a fully consolidated subsidiary from 18 November 2020 and as an equity method investee before) ("excluding CASAG and Stoiximan").

Results excluding CASAG and Stoiximan were calculated by deducting, per line item, the contribution of the Austria operating segment and Stoiximan, as disclosed in the Note 4 Operating Segments to the Condensed Interim Consolidated Financial Statements, from the consolidated results of the Group. This includes deduction of share of profit of equity accounted investee for the comparative period.

Furthermore, the Group has re-presented Adjusted EBITDA for Q1 and Q2 2020 to include an adjustment for the minimum gaming tax accrued by Hellenic Lotteries. The presentation is in line with the adjustment made to the Group's Adjusted EBITDA for FY 2020, which management believes helps users to understand the underlying performance of the Group during the period. See Note 25 to the condensed consolidated interim financial statements and the commentary on the Greece and Cyprus segment below for more details.

Gross gaming revenue (GGR)

GGR increased by €493.5 million, or 200%, to €740.1 million, driven by consolidation of CASAG and Stoximan, as well as organic growth and recovery from COVID-19 restrictions.

Excluding CASAG and Stoiximan, GGR increased by €160.3 million, or 65%, to €406.9 million, which is underpinned both by organic growth especially in iGaming and sales of other products through the online channel, and the effect of COVID 19 restrictions, which had a larger negative impact on the Greece and Cyprus business in Q2 2020 than in Q2 2021.

	Three months ended 30 June		Change	
Gross gaming revenue (GGR) per segment*	**2021**	**2020**	**abs**	**%**
Austria	243.0	n/a	n/a	n/a
Czech Republic	101.3	67.0	34.3	51%
Greece and Cyprus	395.8	179.6	216.2	120%
Total Gross gaming revenue (GGR)	**740.1**	**246.6**	**493.5**	**200%**

*on the basis of segments' contribution to the consolidation

	Three months ended 30 June		Change	
Gross gaming revenue (GGR) by product	**2021**	**2020**	**abs**	**%**
Numerical Lotteries	344.8	144.2	200.6	139%
Instant Lotteries	70.2	26.4	43.8	166%
Sports Betting	141.4	39.9	101.5	254%
iGaming	110.9	14.3	96.6	676%
VLTs and Casinos	72.8	21.8	51.0	234%
Total Gross gaming revenue (GGR)	**740.1**	**246.6**	**493.5**	**200%**

Gaming taxes

Gaming taxes increased by €206.4 million, or 244%, to €291.0 million, driven by the increase in consolidated GGR. The increase is higher than the GGR increase due to consolidation of CASAG, which pays gaming taxes at a higher rate than rest of the businesses.

Excluding CASAG and Stoiximan, gaming taxes increased by €43.1 million, or 51%, to €127.7 million.

Net gaming revenue (NGR)

NGR increased by €287.1 million, or 177%, to €449.1 million, reflecting the increase in GGR and corresponding increase in gaming taxes.

Excluding CASAG and Stoiximan, NGR increased by €117.2 million, or 72%, to €279.2 million.

Revenue from non-gaming activities

Revenue from non-gaming activities increased by €8.2 million, or 30%, to €35.9 million, primarily driven by consolidation of CASAG, although the contribution of CASAG was limited by restrictions that continued to affect the casinos business during Q2 2021.

Excluding CASAG and Stoiximan, revenue from non-gaming activities increased by €2.3 million, or 8%, to €30.0 million.

Other operating income

Other operating income includes €55.3 million reflecting the effect of a gaming tax prepayment in Greece. This represents an allocation of the aggregate gaming tax prepayment of €1.83 billion over the period of 10 years beginning in October 2020 on an accrual basis, together with additional amounts to compensate for additional income taxes payable as a result of the benefit. See Note 6 to the condensed consolidated interim financial statements.

Other operating income increased by €96.1 million to €105.5 million, driven by the effects of the consolidation of CASAG together with effect of the gaming tax prepayment in Greece described above and income of €13.6 from COVID-19 government support programmes in Austria recorded in Q2 2021.

Excluding CASAG and Stoiximan, other operating income increased by €66.5 million, or 707%, to €75.9 million.

Agents' commissions

Agents' commissions increased by €55.9 million, or 119%, to €102.7 million driven by the factors influencing GGR and NGR set forth above and reflecting Stoiximan's online-only business model, as a result of which it does not incur agents' commissions.

Excluding CASAG and Stoiximan, agents' commissions increased by €33.2 million, or 71%, to €80.0 million.

Materials, consumables and services

Materials, consumables and services increased by €60.5 million, or 110%, to €115.6 million, driven primarily by the impact of consolidation of CASAG and Stoiximan, as well as a lower baseline in the comparative period as a result of lower activity and costs saving initiatives in Q2 2020.

Excluding CASAG and Stoiximan, materials, consumables and services increased by €19.6 million, or 36%, to €74.7 million.

Marketing services

Marketing services increased by €42.7 million, or €265%, to €58.8 million, driven primarily by the impact of consolidation of CASAG and Stoiximan, as well as a lower baseline in the comparative period as a result of costs saving initiatives and delays in marketing spending in Q2 2020.

Excluding CASAG and Stoiximan, marketing services increased by €17.5 million, or 109%, to €33.6 million, with ongoing targeted spending on campaigns to drive revenue growth in new product lines and the online distribution channel, with a focus on ROI.

Personnel expenses

Personnel expenses increased by €49.2 million, or 197%, to €74.2 million, driven primarily by the impact of consolidation of CASAG.

Excluding CASAG and Stoiximan, personnel expenses increased by €0.7 million, or 3%, to €25.7 million.

Other operating expenses

Other operating expenses increased by €0.6 million, or 3%, to €21.8 million, with the effect of the consolidation of CASAG almost offsetting the effect of certain COVID-19 related expenses in the comparative period. Other operating expenses in the comparative period included special support paid to our agents in Greece, who bore essentially all the costs of maintaining our dedicated agents' stores during the period they were not able to open, and certain write-offs related to COVID-19 restrictions in Greece.

Excluding CASAG and Stoiximan, other operating expenses decreased by €10.2 million, or 48%, to €11.0 million.

Share of profit of equity accounted investees

Share of profit of equity accounted investees decreased by 0.5 million, or 2%, to €21.4 million. The decrease due to consolidation of CASAG (equity accounted investee in the comparative period) was offset by the increased share of profit of LottoItalia, which was impacted by the suspension of its operations for part of Q2 2020 as a resulte of restrictions introduced by the Italian government.

Excluding CASAG and Stoiximan, share of profit of equity accounted investees increased by €16.3 million, or 388%, to €20.5 million.

Operating EBITDA

Operating EBITDA increased by €182.0 million, or 320%, to €238.8 million as a result of the factors set forth above.

Excluding CASAG and Stoiximan, operating EBITDA increased by €141.5 million, or 362%, to €180.6 million.

Adjusted EBITDA

The table below shows the contribution of operating segments to the consolidated Adjusted EBITDA:

	Three months ended 30 June		Change	
Adjusted EBITDA by segment	**2021**	**2020**	**abs**	**%**
Austria	44.8	1.7	n/m	n/m
Czech Republic	31.1	22.0	9.1	41%
Greece and Cyprus	145.8	31.0	114.8	370%
Italy	20.5	4.2	16.3	388%
Corporate and other	10.6	(1.8)	12.4	n/m
Consolidated Adjusted EBITDA	**252.7**	**57.1**	**195.6**	**343%**

Adjusted EBITDA increased by €195.6, or 343%, to €252.7 million, as a result of the change in Operating EBITDA and the adjustment factors described below:

- Costs incurred by the Greece and Cyprus business in connection with minimum GGR contribution of Hellenic Lotteries, in connection with COVID-19 restrictions, change in litigation provision and other non-recurring costs and write-offs in the aggregate amount of €2.5 million (Q2 2020: €15.1 million). See commentary on the Greece and Cyprus segment below for more details.
- Costs associated with inorganic business development in the aggregate amount of €8.9 million (Q2 2020: €1.4 million).
- Costs associated with a charitable donation to support disaster relief efforts following a tornado and other costs in Czech Republic and other one-off items in the Austrian business in the aggregate amount of €2.5 million (Q2 2020: gain of €2.0 million)
- A €14.2 million reversal of impairment of the Group's interest in CASAG, then accounted for as equity method investee, in Q2 2020.

Excluding CASAG and Stoiximan, Adjusted EBITDA increased by €142.4 million, or 266%, to €196.0 million.

Depreciation and amortization

Depreciation and amortization increased by €24.1 million, or 84%, to €52.8 million, driven primarily by the effect of the consolidation of CASAG and increases in connection with investments into gaming systems and equipment.

Excluding CASAG and Stoiximan, depreciation and amortization expenses increased by €6.5 million, or 23%, to €35.2 million.

Impairment of non-current assets

Impairment of non-current assets of €0.2 million relates to the Horse Races part of the Greek business.

Other gains and losses

Other gains and losses of €0.2 million comprises loss from revaluation of non-derivative financial instruments accounted at fair value in the Austrian business.

Profit from operating activities

Profit from operating activities increased by 157.2 million, or 554%, to €185.6 million as a result of the factors set forth above.

Excluding CASAG and Stoiximan, profit from operating activities increased by €132.9 million to €145.1 million.

Interest income

Interest income increased by €0.6 million to €1.1 million.

Interest expense

Interest expense increased by €7.7 million, or 34%, to €30.6 million primarily as a result of an increase in external debt during second half of 2020.

Excluding CASAG and Stoiximan, interest expense increased by €3.9 million, or 17%, to €26.8 million.

Other finance income and expense

Other finance income and expense increased by €3.7 million to €10.0 million, driven primarily by a favourable FX result in the period.

Profit before income tax

Profit before income tax increased by €153.8 million to €166.1 million as a result of the factors set forth above.

Excluding CASAG and Stoiximan, profit before income tax increased by €130.9 million to €127.0 million.

Income tax expense

Income tax expense increased by €29.5 million to €24.2 million, primarily matching the increase in taxable profit.

Excluding CASAG and Stoiximan, income tax expense increased by €18.0 million, to €12.7 million.

Profit after tax

Profit after tax increased by €124.3 million to €141.9 million, as a result of the factors set forth above.

Excluding CASAG and Stoiximan**,** profit after tax increased by €112.9 million to €114.3 million.

2.1 Austria – Segment summary

The tables below present the results of the businesses comprising our Austria segment for Q2 2021 and Q2 2020 on a 100% basis.

During Q2 2020, CASAG was an equity accounted investee, therefore its contribution was presented only in the single line share of profit of equity method investees.

Austria segment

	Three months ended 30 June		Change	
	2021	**2020**	**abs.**	**rel.**
Gross gaming revenue (GGR)	243.0	219.3	23.7	11%
Gaming taxes	(128.5)	(118.9)	(9.6)	8%
Net gaming revenue (NGR)	**114.5**	**101.2**	**14.1**	**14%**
Revenue from non-gaming activities	5.9	6.3	(0.4)	(6%)
Other operating income	29.6	19.0	10.6	56%
Agents´ commissions	(22.7)	(20.9)	(1.8)	9%
Materials, consumables and services	(13.3)	(12.8)	(0.5)	71%
Marketing services	(14.3)	(12.6)	(1.7)	13%
Personnel expenses	(46.0)	(47.4)	1.4	(3%)
Other operating expenses	(7.6)	(15.7)	8.1	(52%)
Share of profit of equity method investees (net of tax)	0.2	(2.3)	2.5	(109%)
Operating EBITDA	**46.3**	**14.0**	**32.3**	**231%**
Adjusted for:				
Casino Linz insurance gain	(0.6)	(5.8)	5.2	
Other	(0.9)	--	(0.9)	
Adjusted EBITDA	**44.8**	**8.2**	**36.6**	**446%**
Adjusted EBITDA margin	*39%*	*8%*	*31%*	--
Profit/loss from operating activities	**33.3**	**33.4**	**(0.1)**	**--**
Profit after tax	**23.0**	**21.1**	**1.9**	**9%**

of which: Austrian Lotteries

	Three months ended 30 June		Change	
	2021	**2020**	**abs.**	**rel.**
Gross gaming revenue (GGR)	210.3	191.8	18.5	10%
Gaming taxes	(113.6)	(105.9)	(7.7)	7%
Net gaming revenue (NGR)	**96.7**	**85.9**	**10.8**	**13%**
Revenue from non-gaming activities	0.8	0.6	0.2	33%
Other operating income	6.0	8.3	(2.3)	(28%)
Agents´ commissions	(22.7)	(20.9)	(1.8)	9%
Materials. consumables and services	(8.3)	(4.9)	(3.4)	69%
Marketing services	(13.4)	(11.8)	(1.6)	14%
Personnel expenses	(17.4)	(15.9)	(1.5)	9%
Other operating expenses	(5.3)	(5.4)	0.1	(2%)
Share of profit of equity method investees (net of tax)	--	--	--	--
Operating EBITDA	**36.4**	**35.9**	**0.5**	**1%**
Adjustments to EBITDA	**--**	**--**	**--**	**--**
Adjusted EBITDA	**36.4**	**35.9**	**0.5**	**1%**
Adjusted EBITDA margin	*37.6%*	*41.8%*	*(4.2%)*	
Profit/loss from operating activities	**33.0**	**34.5**	**(1.5)**	**(4%)**

Summary of operating performance and year on year comparison

Different businesses within the Austria operating segment were impacted by the COVID-19 restriction to various degrees.

Austrian Lotteries continued to deliver good performance in Q2 2021 (although lagging a bit behind previous record first quarter, primarily because of less favourable jackpots). Thanks to strong online sales and resilience in the physical retail channel, with key categories of points of sale remaining open throughout the period, Austrian Lotteries GGR grew by 10% year on year. Operating EBITDA remained at €36.4 million despite the GGR growth, which was driven primarily by lower operating expenses in Q2 2020 as a result of measures introduced in the light of COVID-19, especially in services and marketing costs.

Both domestic and international casino businesses were impacted by COVID-19 restrictions in both Q2 2020 and Q2 2021. Thanks to the restructuring programme initiated in the second half of year 2020, the savings in personal expenses as well as income from one-off government support programmes recorded in Q2 2021 resulted in a profitable quarter for the casino business, with consolidated Adjusted EBITDA of €44.8 million and Austrian Lotteries Adjusted EBITDA of €36.4 million, compared to consolidated Adjusted EBITDA of €8.2 million and Austrian Lotteries Adjusted EBITDA of €35.9 million in the comparative period.

	Three months ended 30 June		Change	
Gross gaming revenue (GGR) by product	**2021**	**2020**	**abs**	**%**
Numerical Lotteries	139.1	128.0	11.1	9%
Instant Lotteries	22.4	24.0	(1.6)	(7%)
Sports Betting	6.2	2.7	3.5	130%
iGaming	38.6	32.7	5.9	18%
VLTs and Casinos	36.7	31.9	4.8	15%
Total Gross gaming revenue (GGR)	**243.0**	**219.3**	**23.7**	**11%**

2.2 Czech Republic – Segment summary

	Three months ended 30 June		Change	
	2021	2020	abs.	rel.
Gross gaming revenue (GGR)	101.3	67.0	34.3	51%
Gaming taxes	(34.7)	(22.8)	(11.9)	52%
Net gaming revenue (NGR)	**66.6**	**44.2**	**22.4**	**51%**
Revenue from non-gaming activities	4.4	3.7	0.7	19%
Other operating income	0.7	2.4	(1.7)	(71%)
Agents´ commissions	(8.7)	(6.3)	(2.4)	38%
Materials, consumables and services	(15.0)	(9.6)	(5.4)	56%
Marketing services	(10.6)	(3.7)	(6.9)	186%
Personnel expenses	(5.9)	(3.8)	(2.1)	55%
Other operating expenses	(4.4)	(2.9)	(1.5)	52%
Share of profit of equity method investees (net of tax)				
Operating EBITDA	**27.1**	**24.0**	**3.1**	**13%**
Adjustments to EBITDA				
Gain from cancellation of obligation to acquire entity	--	(2.0)	2.0	
Tornado relief and other	4.0	--	4.0	
Adjusted EBITDA	**31.1**	**22.0**	**9.1**	**41%**
Adjusted EBITDA margin	*47%*	*50%*	*(3%)*	
Profit/loss from operating activities	**24.9**	**22.6**	**2.3**	**10%**
Profit after tax	**17.7**	**17.0**	**0.7**	**4%**

Summary of operating performance and year on year comparison

GGR increased by €34.3 million, or 51%, year on year. The growth reflected good performance in all product lines, particularly iGaming and Numerical Lotteries, with a continuing trend of growth of sales via the online channel. While results of the comparative period were partially impacted by restrictions during the first wave of COVID-19, the operating performance reflects the strong momentum from the first quarter of 2021.

Operating costs increased broadly in line with revenue growth, marketing expenses grew primarily due to a lower base in the comparative period, which was caused by temporary cuts made in the light of COVID-19 related uncertainty.

Operating EBITDA increased by €3.1 million, or 13%, to €27.1 million as a result of the factors set forth above.

	Three months ended 30 June		Change	
Gross gaming revenue (GGR) by product	2021	2020	abs	%
Numerical Lotteries	55.5	41.3	14.2	34%
Instant Lotteries	18.6	11.9	6.7	56%
Sports Betting	3.6	1.2	2.4	200%
iGaming	23.6	12.6	11.0	87%
VLTs and Casinos	--	--	--	--
Total Gross gaming revenue (GGR)	**101.3**	**67.0**	**34.3**	**51%**

2.3 Greece and Cyprus – Segment summary

The tables below present the results of the businesses comprising our Greece and Cyprus segment for Q2 2021 and Q2 2020.

During Q2 2020, Stoiximan was an equity accounted investee, therefore its contribution was presented only in the single line share of profit of equity accounted investees.

	Three months ended 30 June		Change	
	2021	**2020**	**abs.**	**rel.**
Gross gaming revenue (GGR)	395.8	179.6	216.2	120%
Gaming taxes	(127.8)	(61.8)	(66.0)	107%
Net gaming revenue (NGR)	**268.0**	**117.8**	**150.2**	**128%**
Revenue from non-gaming activities	25.6	24.0	1.6	7%
Other operating income	62.3	7.0	55.3	790%
Agents´ commissions	(71.3)	(40.5)	(30.8)	76%
Materials, consumables and services	(78.2)	(42.9)	(35.3)	82%
Marketing services	(33.8)	(12.4)	(21.4)	173%
Personnel expenses	(20.5)	(20.4)	(0.1)	0%
Other operating expenses	(9.5)	(18.5)	9.0	(49%)
Share of profit of equity method investees (net of tax)	0.7	1.8	(1.1)	(61%)
Operating EBITDA	**143.3**	**15.9**	**127.4**	**801%**
Adjusted for:				
Hellenic Lotteries minimum GGR contribution adjustment	3.7	3.7	--	
COVID-19 related extraordinary costs	(3.1)	7.6	(10.7)	
Other non-recurring costs and write-offs	1.9	3.7	(1.8)	
Adjusted EBITDA	**145.8**	**30.9**	**114.9**	**372%**
Adjusted EBITDA margin	*54%*	*26%*	*28%*	
Profit/loss from operating activities	**110.1**	**(18.6)**	**128.7**	**n/m**
Profit after tax	**86.9**	**(12.1)**	**99.0**	**n/m**

	Three months ended 30 June		Change	
Gross gaming revenue (GGR) by product	**2021**	**2020**	**abs**	**%**
Numerical Lotteries	150.2	102.9	47.3	46%
Instant Lotteries	29.2	14.5	14.7	103%
Sports Betting	131.6	38.7	92.9	240%
iGaming	48.7	1.7	47.0	2765%
VLTs and Casinos	36.1	21.8	14.3	66%
Total Gross gaming revenue (GGR)	**395.8**	**179.6**	**216.2**	**120%**

Major factors impacting the performance of the segment

Impact of COVID-19 restrictions

During Q2 2021, the restrictions which were in place from November 2020 were lifted in stages. OPAP stores in Greece reopened on 12 April, operations in Cyprus resumed on 10 May and PLAY and VLT gaming halls in Greece reopened on 24 May.

Q2 2021 results therefore only partially reflect the relaxation of restrictions. Nevertheless, in comparison with Q2 2020, the restrictions were in place for a shorter period of time, and also thanks to continuing growth in online offerings, OPAP's Q2 results demonstrate a strong recovery.

Consolidation of Stoiximan

The Q2 2021 figures contain the fully consolidated results of Stoiximan, while in the comparative period, Stoiximan was a part of equity accounted investee Kaizen.

Stoiximan continued to demonstrate strong year-on-year growth in both GGR and profitability and is expected to contribute materially to the profitability of our Greece and Cyprus operations going forward.

	Three months ended 30 June		Change	
Stoiximan (100% basis)	**2021**	**2020**	**abs**	**%**
GGR	90.2	45.3	44.9	99%
NGR	55.4	25.8	29.6	115%
Operating EBITDA	11.2	n/a		
Profit after tax	7.4	n/a		

Effect of gaming taxes prepayment

From 13 October 2020 for a period of 10 years, the Greek business will benefit from a gaming tax prepayment of €1,831 million made in 2011 in connection with the renewal of one of OPAP's concessions. Under the terms of the license extension the Greek business will pay a 5% gaming tax on GGR from lottery and sports betting in cash, while recognizing a benefit from the prepayment on an accrual basis. In Q2 2021 this represented income of €55.3. million. See Note 6 to the condensed consolidated interim financial statements.

Summary of operating performance and year-to-year comparison

GGR increased by €216.2 million, or 120%, to €395.8 million. This was driven by the contribution from the consolidation of Stoiximan, a reduced impact from COVID-19 restrictions (with operations in Q2 2020 restricted for longer period than in Q2 2021), and continuing growth in the online channel.

Other operating income increased by €55.3 million to €62.3 million, primarily reflecting the effect of gaming tax prepayment.

Variable costs increased directionally in line with growth of revenue, while personal costs remained stable despite consolidation of Stoiximan.

Operating EBITDA increased by €127.4 million to €143.3 million, driven primarily by strong recovery in GGR after the removal of COVID-19-related restrictions, the effect of the gaming tax prepayment and consolidation of Stoiximan.

2.4 Italy – Segment summary

The table below presents the results of LottoItalia, which comprises our Italy segment, on a 100% basis.

	Three months ended 30 June		Change	
	2021	**2020**	**abs.**	**rel.**
Revenues from contract with customers	**134.2**	**54.8**	**79.4**	**145%**
Operating EBITDA	112.6	42.6	70.0	164%
Adjustments to EBITDA	--	--	--	--
Adjusted EBITDA	**112.6**	**42.6**	**70.0**	**164%**
Adjusted EBITDA margin	*84%*	*78%*	*2%*	--
Profit for the period	62.9	13.0	49.9	384%
Total comprehensive income (100%)	62.9	13.0	49.9	384%
Group´s share of total comprehensive income	**20.5**	**4.2**	**16.3**	**384%**

Italy continued to deliver a strong and stable performance, driven by strong topline performance.

The year-on-year comparison also reflects restrictions on operations due to COVID-19 in part of Q2 2020.

3. Comparison of results of operations for the six month period ended 30 June 2021 and 30 June 2020

Management analysis of consolidated results

	Six months ended 30 June		Change	
	2021	**2020**	**abs**	**%**
Gross gaming revenue (GGR)	1,266.4	651.9	614.5	94%
Gaming taxes	(534.3)	(223.1)	(311.2)	139%
Net gaming revenue (NGR)	**732.1**	**428.8**	**303.3**	**71%**
Revenue from non-gaming activities	63.1	55.7	7.4	13%
Other operating income	187.5	21.5	166.0	772%
Agents´ commissions	(154.1)	(133.7)	(20.4)	15%
Materials, consumables and services	(204.8)	(121.5)	(83.3)	69%
Marketing services	(100.0)	(35.3)	(64.7)	183%
Personnel expenses	(152.4)	(50.0)	(102.4)	205%
Other operating expenses	(40.4)	(31.2)	(9.2)	29%
Share of profit of equity method investees (net of tax)	40.4	32.7	7.7	24%
Operating EBITDA	**371.4**	**167.0**	**204.4**	**122%**
Adjusted for:				
Inorganic business development costs	13.5	3.6	9.9	
Adjustments in Greece and Cyprus segment (COVID-19 driven)	9.4	26.9	(17.5)	
Adjustments in Austria	(1.2)	--	(1.2)	
Adjustments in Czech Republic	4.0	(2.0)	6.0	
Adjusted EBITDA	**397.1**	**195.5**	**188.8**	**97%**
Adjusted EBITDA margin	*54%*	*46%*	*6%*	
Depreciation and amortization	(104.5)	(57.5)	(47.0)	82%
Impairment of non-financial assets	(4.0)	(11.5)	7.5	(65%)
Other gains and losses	(0.7)	7.8	(8.5)	(109%)
Profit from operating activities	**262.2**	**105.8**	**156.4**	**148%**
Interest income	2.5	1.4	1.1	79%
Interest expense	(59.3)	(47.3)	(12.0)	25%
Other finance income and expense	8.8	(4.2)	12.4	(310%)
Finance costs, net	**(48.0)**	**(50.1)**	**2.1**	**(4%)**
Profit before income tax	**214.2**	**55.7**	**158.5**	**285%**
Income tax expense	(37.1)	(13.7)	(23.4)	171%
Profit after tax	**177.1**	**42.0**	**135.1**	**322%**

Management analysis of results excluding CASAG and Stoiximan

	Six months ended 30 June		Change	
	2021	**2020**	**abs.**	**rel.**
Gross gaming revenue (GGR)	573.4	651.9	(78.5)	(12%)
Gaming taxes	(190.6)	(223.1)	32.5	(15%)
Net gaming revenue	**382.8**	**428.8**	**(46.0)**	**(11%)**
Revenue from non-gaming activities	56.2	55.7	0.5	1%
Other operating income	133.5	21.5	112.0	521%
Agents´ commissions	(103.1)	(133.7)	30.6	(23%)
Materials, consumables and services	(127.4)	(121.5)	(5.9)	5%
Marketing services	(55.5)	(35.3)	(20.2)	57%
Personnel expenses	(50.9)	(50.0)	(0.9)	2%
Other operating expenses	(19.8)	(31.2)	11.4	(37%)
Share of profit of equity method investees (net of tax)	39.9	17.7	22.2	125%
Operating EBITDA	**255.7**	**152.0**	**103.7**	**68%**
Adjusted for:				
Inorganic business development costs	13.5	3.6	9.9	
Adjustments in Greece and Cyprus segment (COVID-19 driven)	9.4	26.9	(17.5)	
Adjustments in Czech Republic	4.0	(2.0)	6.0	
Adjusted EBITDA	**282.6**	**180.5**	**102.1**	**57%**
Adjusted EBITDA margin	*74%*	*42%*	*32%*	
Depreciation and amortization	(70.3)	(57.5)	(12.8)	22%
Impairment of non-current assets	(0.2)	(11.5)	11.3	(98%)
Other gains and loss	(0.1)	9.3	(9.4)	(101%)
Profit from operating activities	**185.1**	**92.3**	**92.8**	**101%**
Interest income	1.7	1.4	0.3	21%
Interest expense	(53.5)	(47.3)	(6.2)	13%
Other finance income and expense	6.1	(4.2)	10.3	(245%)
Finance costs. net	**(45.7)**	**(50.1)**	**4.4**	**(9%)**
Profit before income tax	**139.4**	**42.2**	**97.2**	**230%**
Income tax expense	(13.7)	(13.7)	--	0%
Profit after tax	**125.7**	**28.5**	**97.2**	**341%**

In addition to the impact of COVID-19 as described in section 1.3 above, consolidated results for the half year of 2021 are also impacted by the consolidation of CASAG following the acquisition of a controlling stake on 26 June 2020 (for practicality from 1 July 2020), and also by the consolidation of Stoiximan from 18 November 2020 (for practicality from 1 December 2020).

Given the substantial contribution of CASAG to all line items after the consolidation, consolidated numbers are not fully comparable. The following commentary therefore also includes comparison of the consolidated results excluding contributions from CASAG (as a fully consolidated subsidiary from 26 June 2020 and as an equity method investee before) and Stoiximan (as a fully consolidated subsidiary from 18 November 2020 and as an equity method investee before) ("excluding CASAG and Stoiximan").

Results excluding CASAG and Stoiximan were calculated by deducting, per line item, the contribution of Austrian Lotteries and Stoiximan, as disclosed in the Note 4 Operating Segments in the Condensed Interim Consolidated Financial Statements, from the consolidated results of the Group. This includes deduction of share of profit of equity accounted investee for the comparative period.

Furthermore, the Group has re-presented Adjusted EBITDA for H1 2020 to include an adjustment for the minimum gaming tax accrued by Hellenic Lotteries. The presentation is in line with the adjustment made to the Group's Adjusted EBITDA for FY 2020, which management believes helps users to understand the underlying performance of the Group during the period. See Note 25 in the condensed consolidated interim financial statements and the commentary on the Greece and Cyprus segment below for more details.

Gross gaming revenue (GGR)

GGR increased by €614.5 million, or 94%, to €1,266.4 million, primarily driven by the effect of consolidation of CASAG and Stoiximan.

Excluding CASAG and Stoiximan, GGR decreased by €78.5 million, or 12%, to €573.4 million, driven by the impact of COVID-19. The Czech business delivered both strong organic growth and was not impacted by COVID-19 restrictions in H1 2021 (as opposed to a small negative impact in Q2 2020), particularly thanks to increasing online penetration. However the Greek business was impacted more heavily by COVID-19 restrictions in H1 2021 than in the comparative period.

	Six months ended 30 June		Change	
Gross gaming revenue (GGR) per segment*	**2021**	**2020**	**abs**	**%**
Austria	499.4	n/a	n/a	n/a
Czech Republic	197.0	144.0	53.0	37%
Greece and Cyprus	570.0	507.9	62.1	12%
Total Gross gaming revenue (GGR)	**1,266.4**	**651.9**	**614.5**	**94%**

*on the basis of segments' contribution to the consolidation

	Six months ended 30 June		Change	
Gross gaming revenue (GGR) by product	**2021**	**2020**	**abs**	**%**
Numerical Lotteries	621.6	348.9	272.8	78%
Instant Lotteries	119.6	59.4	60.2	101%
Sports Betting	233.7	130.0	103.7	80%
iGaming	217.2	25.2	192.0	762%
VLTs and Casinos	74.3	88.4	(14.1)	(16%)
Total Gross gaming revenue (GGR)	**1,266.4**	**651.9**	**614.5**	**94%**

Gaming taxes

Gaming taxes increased by €311.2 million, or 139%, to €534.3 million, driven by the increase in consolidated GGR. The increase is higher than the GGR increase due to consolidation of CASAG, which pays gaming taxes at a higher level than rest of the businesses.

Excluding CASAG and Stoiximan, gaming taxes decreased by €32.5 million, or 15%, to €190.6 million, following the decrease in GGR.

Net gaming revenue (NGR)

NGR increased by €303.3 million, or 71%, to €732.1 million, reflecting the increase in GGR and corresponding increase in gaming taxes set forth above.

Excluding CASAG and Stoiximan, NGR decreased by €46 million, or 11%, to €382.2 million, following the decrease in GGR.

Revenue from non-gaming activities

Revenue from non-gaming activities increased by €7.4 million, or 13%, to €63.1 million, primarily driven by consolidation of CASAG, although the contribution of CASAG was limited by COVID-19 restrictions that continued to affect the casinos business during H1 2021.

Excluding CASAG and Stoiximan, revenue from non-gaming activities increased by 0.5 million, or 1%, to €56.2 million.

Other operating income

Other operating income includes €100.8 million reflecting the effect of a gaming tax prepayment in Greece. This represents an allocation of the aggregate gaming tax prepayment of €1.83 billion over the period of 10 years beginning in October 2020 on an accrual basis, together with additional amounts to compensate for additional income taxes payable as a result of the benefit. See Note 6 in to in the condensed consolidated interim financial statements.

Other operating income increased by €166.0 million to €187.5 million, driven by the effects of the consolidation of CASAG together with effect of the gaming tax prepayment in Greece described above and income of €13.6 from COVID-19 government support programmes in Austria recorded in Q2 2021.

Excluding CASAG and Stoiximan, other operating income increased by €112.0 million to €133.5 million.

Agent's commissions

Agents' commissions increased by €20.4 million, or 15%, to €154.1 million driven by the factors influencing GGR and NGR set forth above and reflecting Stoiximan's online-only business model, as a result of which it does not incur agents' commissions.

Excluding CASAG and Stoiximan, agents' commissions decreased by €30.6 million, or 23%, to €103.1 million.

Materials, consumables and services

Materials, consumables and services increased by €83.3 million, or 69%, to €204.8 million, driven primarily by the impact of consolidation of CASAG and Stoiximan.

Excluding CASAG and Stoiximan, materials, consumables and services increased by €5.9 million, or 5%, to €127.4 million.

Marketing services

Marketing services increased by €64.7 million, or €183%, to €100.0 million, driven primarily by the impact of consolidation of CASAG and Stoiximan, as well as a lower baseline in the comparative period as a result of costs saving initiatives and delays in marketing spending in Q2 2020.

Excluding CASAG and Stoiximan, marketing services increased by €20.2 million, or 57%, to €55.5 million, with ongoing targeted spending on campaigns to drive revenue growth in new product lines and the online distribution channel, with a focus on ROI.

Personnel expenses

Personnel expenses increased by €102.4 million, or 205%, to €152.4 million, driven by the effect of the consolidation of CASAG.

Excluding CASAG and Stoiximan, personnel expenses increased by €0.9 million, or 2%, to €50.9 million.

Other operating expenses

Other operating expenses increased by €9.2 million, or 29%, to €40.4 million, with the effect of the consolidation of CASAG more than offset the effect of a higher baseline in the comparative period. Other operating expenses in the comparative period included special support paid to our agents in Greece, who bore essentially all the costs of maintaining our dedicated agents' stores during the period they were not able to open, and certain write-offs related to COVID-19 restrictions in Greece.

Excluding CASAG and Stoiximan, other operating expenses decreased by €11.4 million, or 37%, to €19.8 million.

Share of profit of equity accounted investees

Share of profit of equity accounted investees increased by €7.7 million, or 24%, to €40.4 million, were positive effect of strong performance of LottoItalia in H1 2021 together with lower comparative baseline due to effect of COVID-19 restrictions on LottoItalia in Q2 2020 is partially offset by impact of consolidation of CASAG, which contributed to share of profit of equity accounted investees in H1 2020.

Excluding CASAG and Stoiximan, share of profit of equity accounted investees increased by €22.2 million, or 125%, to €39.9 million.

Operating EBITDA

Operating EBITDA increased by €204.4 million, or 122%, to €371.4 million as a result of the factors set forth above.

Excluding CASAG and Stoiximan, operating EBITDA increased by €103.7 million, or 68%, to €255.7 million.

Adjusted EBITDA

The table below shows the contribution of operating segments to the consolidated Adjusted EBITDA.

	Six months ended 30 June		Change	
Adjusted EBITDA by segment	**2021**	**2020**	**abs**	**%**
Austria	74.7	8.7	n/m	n/m
Czech Republic	61.0	44.3	16.7	38%
Greece and Cyprus	213.9	129.0	84.9	66%
Italy	39.9	17.7	22.2	125%
Corporate and other	7.6	(4.3)	11.9	n/m
Consolidated Adjusted EBITDA	**397.1**	**195.5**	**188.8**	**97%**

Adjusted EBITDA increased by €188.8, or 97%, to €397.1 million, as a result of the change in Operating EBITDA and the adjustment factors described below:

- Costs incurred by the Greece and Cyprus business in connection with minimum GGR contribution of Hellenic Lotteries, in connection with COVID-19 restrictions, change in litigation provision and other non-recurring costs and write-offs in the aggregate amount of €9.4 million (H1 2020: €26.9 million).
- Costs associated with inorganic business development in the aggregate amount of €13.5 million (H1 2020: €3.6 million).
- Costs associated with a charitable donation to support disaster relief efforts following a tornado and other costs in Czech Republic and other one-off items in the Austrian business in the aggregate amount of €2.8 million (H1 2020: gain of €2.0 million)

Excluding CASAG and Stoiximan, Adjusted EBITDA increased by €102.1 million, or 57%, to €282.6 million.

Depreciation and amortization

Depreciation and amortization increased by €47.0 million, or 82%, to €104.5 million, driven primarily by the effect of the consolidation of CASAG and increases in connection with investments into gaming systems and equipment.

Excluding CASAG and Stoiximan, depreciation and amortization expenses increased by €12.8 million, or 22%, to €70.3 million.

Impairment of non-current assets

Impairment of non-current assets of €4.0 million is primarily driven by the impact of the COVID-19 restrictions on parts of the casino business in Austria, while in the comparative period the impairment of €11.5 million was related to the Horse Races part of the Greek business.

Other gains and losses

Other gains and losses of €0.7 million comprises losses from revaluation of non-derivative financial instruments accounted at fair value (H1 2020: gain of €7.8 million).

Profit from operating activities

Profit from operating activities increased by €156.4 million, or 148%, to €262.2 million as a result of the factors set forth above.

Excluding CASAG and Stoiximan, profit from operating activities increased by €92.8 million, or 101%, to €185.1 million.

Interest income

Interest income increased by €1.1 million to €2.5 million.

Interest expense

Interest expense increased by €12.0 million, or 25%, to €59.3 million primarily as a result of an increase in external debt during H2 2020.

Excluding CASAG and Stoiximan, interest expense increased by €6.2 million, or 13%, to €53.5 million.

Other finance income and expense

Other finance income and expense of €8.8 million gain comprise primarily of a favourable FX result in the period, compared to a negative €4.2 million in H1 2020.

Profit before income tax

Profit before income tax increased by €158.5 million, or €285%, to €214.2 million as a result of the factors set forth above.

Excluding CASAG and Stoiximan, profit before income tax increased by €97.2 million, or 230%, to €139.4 million.

Income tax expense

Income tax expense increased by €23.4 million, or 171%, to €37.1 million, primarily matching the increase in taxable profit.

Excluding CASAG and Stoiximan, income tax expense remained stable at €13.7 million.

Profit after tax

Profit after tax increased by €135.1 million, or 322%, to €177.1 million, as a result of the factors set forth above.

Excluding CASAG and Stoiximan**,** profit after tax increased by €97.2 million, or 341%, to €125.7 million.

4. Consolidated statement of cash flows

	Six months ended 30 June:		Three months ended 30 June:	
Consolidated statement of cash flows	**2021**	**2020**	**2021**	**2020**
Cash generated from operating activities	261.0	144.2	239.0	68.2
Net cash generated from / (used in) operating activities	195.7	91.3	207.2	46.7
Net cash generated from / (used in) investing activities	22.7	249.4	(16.9)	254.7
Net cash generated from / (used in) financing activities	(58.4)	(1.0)	(74.0)	263.0

Net cash generated from operating activities

For H1 2021, cash generated from operating activities increased by €116.8 million to €261.0 million, driven primarily by an increase in Operating EBITDA. The change was impacted by the effect of the gaming tax prepayment in the Greece and Cyprus segment, for which the accounting benefit in H1 2021 (€100.8 million) was higher than the benefit to cashflows (€63.1 million) due to an increase of the gaming tax receivable by €37.7 million (from €22.7 million as of 31 December 2020 to €60.4 million as of 30 June 2021).

For H1 2021, net cash generated from operating activities increased by €104.4 million to €195.7 million, driven by the increase in cash generated from operating activities.

Net cash generated from investing activities

For H1 2021, net cash generated from investing activities of €22.7 million primarily comprises receipt of a dividend and distributions of share capital from equity accounted investee LottoItalia and cash outflows from CAPEX and the payment of part of the deferred purchase price for the acquisition of Stoiximan.

Net cash used in financing activities

For H1 2021, net cash used in financing activities was €58.4 million, where cash used to acquire additional interests in OPAP (€91.1 million) was not fully offset by additional drawings on the Company's revolving credit facility (€80 million).

Net cash generated from operating activities

For Q2 2021, cash generated from operating activities increased by €170.8 million to €239.0 million, driven primarily by an increase in Operating EBITDA and favorable working capital movement. The change was also impacted by the effect of the gaming tax prepayment, for which the accounting benefit in Q2 2021 (€55.3 million) was higher than the benefit to cashflows (€51.7 million) due to an increase of the gaming tax receivable by €3.6 million (from €56.8 million as of 31 March 2021 to €60.4 million as of 30 June 2021).

For Q2 2021, net cash generated from operating activities increased by €160.5 million to €207.2 million, driven by the increase in cash generated from operating activities.

Net cash generated from investing activities

For Q2 2021, net cash used in investing activities of €16.9 million comprises primarily of cash outflows from CAPEX and the payment of part of the deferred purchase price for the acquisition of Stoiximan.

Net cash used in financing activities

For Q2 2021, net cash used in financing activities of €74.0 million comprises primarily of cash used to acquire additional interests in OPAP (€55.9 million).

4.1 Dividends. shareholder distributions and intragroup interest payments made

In March 2021, Austrian Lotteries declared a dividend to be distributed in two instalments. The first part, of €60.7 million, was paid in April 2021 and the second part, of €30.3 million, is to be paid in October 2021.

In March 2021, the Board of Directors of OPAP S.A. resolved to propose a dividend of €0.45 per share to the AGM. This was subsequently increased to €0.55 per share. The Group elected to take a scrip dividend, which was received in August 2021.

In March 2021, LottoItalia paid a dividend of €152.4 million and made a distribution of share premium of €23.3 million. In May 2021, LottoItalia made a further distribution of share premium of €46.6 million.

The table below sets out the aggregate amount of dividends, distributions of share premium, 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:**	
€ millions	**2021**	**2020**	**2021**	**2020**
Austrian Lotteries	60.7	76.7	60.7	76.7
CASAG	--	--	--	--
SDHH	3.2	4.6	1.6	4.6
LottoItalia	222.3	149.7	46.6	149.7
OPAP	--	319.8	--	--
SAZKA	5.2	--	2.7	--
Net to SG economic interest at end of June 2021	85.7	182.1	24.8	59.5
of which OPAP scrip dividend	--	*122.6*	--	--
Net to SG economic interest at end of reported period	85.7	165.9	24.8	59.3
of which OPAP scrip dividend	--	*106.6*	--	--
Net to SG economic interest at end of June 2021 - Cash	85.7	59.5	24.8	59.5
Net to SG economic interest at end of reported period - Cash	85.7	59.3	24.8	59.3

4.2 Capital expenditures

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

	Six months ended 30 June:	
€ millions	**2021**	**2020**
Acquisition of property, plant and equipment and intangible assets	27.9	18.9

Risk factors

Introductory note

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 the Group'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. While in summer and early autumn 2020, many measures taken by European government authorities were relaxed, most European governments introduced new measures beginning in the fourth quarter of 2020. As a result of such measures for some periods in 2020 and 2021 the majority or all of the Group’s land-based points of sale in Greece and Cyprus and CASAG’s casinos in Austria and internationally were closed. In Italy, draws of LottoItalia’s games were suspended for a period during the second quarter of 2020.

   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.

   In addition, 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.

   Any of the above factors could result in a material adverse effect on the Company'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. Our businesses are subject to a range of complex gaming laws and regulations in the jurisdictions in which they are licensed or operate.

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.

Our businesses are also exposed to the risk of alteration or termination of their licences prior to their expiration, and our licences may also be challenged by potential competitors. 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. Upon their 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.

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 the Company's ability to successfully market its products and lead to lower customer demand. The Company is actively monitoring developments related to the New Austrian Gaming Proposals. At the beginning of August 2021, a new online licensing system was introduced in Greece. The new online licensing regime establishes specific rules and restrictions applicable to all licensees. Our Greek businesses, OPAP and Stoiximan, were awarded the new licences and we do not think that the newly introduced rules represent material risks to our businesses. However, we cannot predict or quantify the impact of these changes to our business or our competitors in the in long term. Similarly, the regulatory environment in other 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 SAZKA Group and its subsidiaries strive to ensure compliance with all applicable rules and regulations in the relevant jurisdictions and oversee obtaining and maintaining of 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%. By a way of further example, if a concession is granted to OPAP Cyprus to operate games, the Group expects that there may be an increase in taxes or levies that OPAP Cyprus would have to pay in the Republic of Cyprus. Furthermore, SAZKA a.s. is part of a VAT group with MND a.s., a related party of the Group. 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 EUR 20.8 million. If the VAT group is ended for any reason, SAZKA a.s. would lose the benefit 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 many countries are under increased fiscal pressure, which may increase the probability of unfavourable 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 gaming-specific taxes payable by OPAP to the Greek State under this concession on a cash basis amount to 5% of GGR, reflecting OPAP's prepayment of tax with a value of EUR 1.8 billon. By way of further example, pursuant to the New Austrian Gaming Proposals, the Austrian government has announced that it intends to adjust gambling taxes and levies to bring these in line with "European levels". As of the date of this report, the changes that may be introduced in this regard and its impact on CASAG are not known.

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 SAZKA Group and relevant subsidiaries 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

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

The Group'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 the Group's future profitability. In particular, the Group's businesses face competition from online lottery providers, scratch cards, sports betting, slot machines, online and physical casinos, and other types of games.

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

The Group'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. The Group's businesses are affected by illegal gaming activities. Such activities compete for customers with regulated gaming businesses, such as those of the Group. Illegal online lotteries, VLTs, slot machines, casinos and sports betting may deprive the Group'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, inflation as a result of a post-pandemic economic recovery 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 and wage growth) 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 (short, mid and long term) 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 the Company's business, its future acquisitions are exposed to the risk of extensive regulatory approvals and involvement in the acquisition process.

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 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.

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

The Company indirectly owns less than all of the shares of most of the entities that operate the Group's businesses, including CASAG, Austrian Lotteries, OPAP and LottoItalia. OPAP also holds less than all of the shares in Stoiximan and in Betano. The Group 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 OPAP and LottoItalia, the Company's interest is less than a majority.

The other shareholders, former shareholders and directors nominated by such shareholders in the entities in which the Company does not have a 100% shareholding interest might face reputational or financial issues that are out of the Group's control, but which may negatively influence the business, reputation, or brands of the Group's businesses and of the Group itself. Although the Group 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, the Group is party to agreements with the other shareholders prescribing governance rights and other matters which may limit the Group's ability to control such entities. As a result, the Group 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, 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 the Group'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 the Group'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 the Group to pay damages or compensation under the concession as well as degrade customer experience and cause customers to lose confidence in the Group's product offerings. Also, due to the COVID-19 pandemic most of SAZKA Group employees have been working from home for a significant period of time. This brings elevated risks associated with remote work and use of new applications to facilitate remote work.

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 the Group's business, results of operations, and financial condition.

12. Risks relating to customer data

The Group'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. The Group'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"). The Group'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 the Group's businesses fail to transmit customer information in a secure manner, or if any such loss of personal customer data were otherwise to occur, the Group's businesses could face liability and fines under data protection laws. This could also result in the loss of the goodwill of the Group's existing customers and deter new customers from using them. The Group'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 the Group's businesses could result in sanctions by the relevant regulators, as well as damage to the reputation of the Group'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 programs, 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.

The Group'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 the Group's betting services to engage in money laundering, bribery or fraud.

Compliance systems are established in the Group and the relevant key subsidiaries 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 the Group, 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 profits) 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. The company 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 “Responsible Gaming”, on page 30 et seq. of Annual Report for the year ended 31 December 2020.

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 programmes 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 the Group 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 25 to the Condensed Consolidated Interim Financial Statements).

17. Risks associated with our indebtedness

We have substantial indebtedness, and we and we anticipate that the Group 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 by the Group 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 the Group's credit ratings. Credit rating downgrades could potentially increase financing costs, or even prevent the Group from refinancing debt as it becomes due. In addition, certain existing indebtedness contains restrictions that substantially limit the Group's financial and operational flexibility. In particular, these agreements place limits on the Group'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 the Group's other financing arrangements also contain certain restrictive covenants, including financial covenants, which can restrict the Group's ability to operate its business.

18. 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 123 et seq. of the Annual Report for the financial year ended 31 December 2020.

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 our Condensed Consolidated Interim Financial Statements.

Liquidity is described in Note 18 “Cash and cash equivalents” and capital resources are described in Note 20 “Loans and borrowings”.

Material commitments and contingencies are described in Note 25 “Contingencies”. Note 20 “Loans and borrowings” and Note 21 “Leases”.

Critical accounting policies are described in Note 2 (e) “Significant change in accounting policies and policy applied for only interim periods” and critical accounting estimates and judgments are described in Note 3 “Significant accounting estimates and judgements”.

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 to grow the business on an opportunistic basis taking into account prevailing market conditions, which may include potential private funding and public capital markets transactions, including a listing.

Definitions

In this document:

“Austrian Lotteries“	refers to Österreichische Lotterien Gesellschaft m.b.H.
“CASAG“	refers to Casinos Austria AG
“SDHH”	refers to Sazka Delta Hellenics Holding Limited (formerly Emma Delta Hellenic Holdings limited)
“LottoItalia“	refers to LOTTOITALIA S.r.l.
“OPAP”	refers to OPAP S.A.
“POS”	refers to point of sale
“Stoiximan”	refers to the Greece and Cyprus operations of Kaizen Gaming Limited (formerly TCB Holdings Ltd)
“VLT”	refers to video lottery terminal

Forward-looking statements

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

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

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

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

These factors include, among others:

- the ongoing outbreak of COVID-19 and legislative measures taken in response;
- 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; and,
- other financial risks.

Independent Auditor’s report

Please note that it is not required to verify the Company's half-year report by an independent auditor. For this reason, the auditor’s report is not included in this Half Year Report.

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 month period ended 30 June 2021 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.

Date:	Signature of the authorised representative:
8 September 2021	Robert Chvátal Member of the Board of Directors Pavel Šaroch Member of the Board of Directors

SAZKA Group a.s.

Condensed consolidated interim financial statements for the six months ended 30 June 2021

prepared in accordance with IAS 34 “Interim Financial Reporting”

Consolidated statement of comprehensive income	Note	Six months ended 30 June: 2021	Six months ended 30 June: 2020	Three months ended 30 June: 2021	Three months ended 30 June: 2020*
Gross gaming revenue (GGR)	5	1,266.4	651.9	740.1	246.6
Gaming taxes	5	(534.3)	(223.1)	(291.0)	(84.6)
Net gaming revenue (NGR)	5	732.1	428.8	449.1	162.0
Revenue from non-gaming activities	5	63.1	55.7	35.9	27.7
Other operating income	6	187.5	21.5	105.5	9.4
Agents´ commissions		(154.1)	(133.7)	(102.7)	(46.8)
Materials, consumables and services	7	(204.8)	(121.5)	(115.6)	(55.1)
Marketing services	8	(100.0)	(35.3)	(58.8)	(16.1)
Personnel expenses	9	(152.4)	(50.0)	(74.2)	(25.0)
Other operating expenses	10	(40.4)	(31.2)	(21.8)	(21.2)
Share of profit of equity method investees		40.4	32.7	21.4	21.9
Depreciation and amortisation		(104.5)	(57.5)	(52.8)	(28.7)
Impairment of tangible and intangible assets including goodwill	11	(4.0)	(11.5)	(0.2)	(7.5)
Other gains and losses		(0.7)	7.8	(0.2)	7.8
Profit from operating activities		**262.2**	**105.8**	**185.6**	**28.4**
Interest income		2.5	1.4	1.1	0.5
Interest expense		(59.3)	(47.3)	(30.6)	(22.9)
Other finance income and expense		8.8	(4.2)	10.0	6.3
Finance costs, net	12	**(48.0)**	**(50.1)**	**(19.5)**	**(16.1)**
Profit before tax		**214.2**	**55.7**	**166.1**	**12.3**
Income tax expense		(37.1)	(13.7)	(24.2)	5.3
Profit after tax		**177.1**	**42.0**	**141.9**	**17.6**
Profit after tax attributable to:					
Owners of the Company		98.3	33.1	74.9	26.7
Non-controlling interests		78.8	8.9	67.0	(9.1)
Profit after tax		**177.1**	**42.0**	**141.9**	**17.6**

* see Note 2.h

Consolidated statement of comprehensive income (continued)	**Note**	**Six months ended 30 June:**		**Three months ended 30 June:**	
		2021	**2020**	**2021**	**2020**
Items that are or may subsequently be reclassified to profit or loss:					
Change in translation reserve		(18.3)	24.9	(14.6)	(11.3)
Remeasurement of hedging derivatives, net of tax		15.5	(43.6)	10.4	11.1
Change in fair value of cash flow hedges transferred to profit or loss, net of tax		--	1.8	--	1.8
Share of other comprehensive income of equity method investees		(0.2)	3.8	(0.7)	2.2
Items that will not be reclassified to profit or loss:					
Actuarial remeasurements of defined benefit liabilities, net of tax		8.0	--	1.4	--
Revaluation of equity instruments at fair value through OCI (FVOCI)		(0.4)	--	1.9	--
Total other comprehensive income / (loss)		**4.6**	**(13.1)**	**(1.6)**	**3.8**
Total comprehensive income		**181.7**	**28.9**	**140.3**	**21.4**
Total comprehensive income attributable to:					
Owners of the Company		99.4	20.2	71.8	30.6
Non-controlling interests		82.3	8.7	68.5	-9.2
Total comprehensive income		**181.7**	**28.9**	**140.3**	**21.4**

The Notes on pages 9 to 51 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of financial position	Note	30/06/2021	31/12/2020
ASSETS			
Intangible assets	13	2,354.1	2,403.2
Goodwill	13	1,191.6	1,180.6
Property, plant and equipment	14	451.2	463.3
Investment property		1.5	1.6
Equity method investees	15	319.6	343.2
Trade and other receivables	16	90.0	58.1
Other financial assets	17	199.2	199.6
Deferred tax asset		64.8	65.7
Total non-current assets		**4,672.0**	**4,715.3**
Inventories		15.6	9.9
Trade and other receivables	16	259.4	224.1
Derivative financial instruments	24	--	7.9
Current tax asset		3.8	3.5
Other financial assets	17	43.1	43.3
Cash and cash equivalents	18	1,029.5	872.2
Assets held for sale		0.8	0.8
Total current assets		**1,352.2**	**1,161.7**
Total assets		**6,024.2**	**5,877.0**
LIABILITIES			
Loans and borrowings	20	2,618.2	2,533.3
Lease liabilities	21	127.1	118.8
Trade and other payables	22	41.8	134.4
Derivative financial instruments	24	2.1	2.7
Provisions	23	50.4	59.6
Employee benefit liability		111.4	127.4
Deferred tax liability		364.8	366.5
Total non-current liabilities		**3,315.8**	**3,342.7**
Loans and borrowings	20	136.3	129.0
Lease liabilities	21	25.1	24.9
Trade and other payables	22	919.1	745.2
Derivative financial instruments	24	0.5	1.1
Current tax liability		93.4	68.6
Provisions	23	38.6	45.1
Employee benefit liability		39.2	36.9
Total current liabilities		**1,252.2**	**1,050.8**
Total liabilities		**4,568.0**	**4,393.5**
EQUITY			
Share capital		0.1	0.1
Capital contributions and other reserves		50.7	50.9
Revaluation reserve		(2.8)	(2.6)
Translation reserve		(19.7)	(1.2)
Hedging reserve		13.1	(2.2)
Retained earnings		385.3	342.2
Total equity attributable to owners of the Company		426.7	387.2
Non-controlling interest	19	1,029.5	1,096.3
Total equity		**1,456.2**	**1,483.5**
Total equity and liabilities		**6,024.2**	**5,877.0**

The Notes on pages 9 to 51 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of changes in equity	Note	Share capital	Capital contributions and other reserves	Revaluation reserve	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**	**1,096.3**	**1,483.5**
Profit for the period ended 30 June 2021		--	--	--	--	--	98.3	**98.3**	78.8	**177.1**
Other comprehensive income 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**	**103.0**	**99.4**	**82.3**	**181.7**
Transactions with owners recorded directly in equity:										
Purchase of NCI in subsidiaries	19	--	--	--	--	--	(63.3)	**(63.3)**	(27.8)	**(91.1)**
Dividends declared	19	--	--	--	--	--	--	--	(120.8)	**(120.8)**
Other movements in equity		--	--	--	--	--	3.4	**3.4**	(0.5)	**2.9**
Total transactions with owners		**--**	**--**	**--**	**--**	**--**	**(59.9)**	**(59.9)**	**(149.1)**	**(209.0)**
Balance at 30 June 2021		**0.1**	**50.7**	**(2.8)**	**(19.7)**	**13.1**	**385.3**	**426.7**	**1,029.5**	**1,456.2**

The Notes on pages 9 to 51 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of changes in equity* (Restated)	**Note**	**Share capital**	**Capital contributions and other reserves**	**Revaluation reserve**	**Translation reserve**	**Hedging reserve**	**Retained earnings**	**Total equity attributable to owners of the Company**	**Non-controlling interest**	**Total equity**
Balance at 1 January 2020		**0.1**	**38.7**	**--**	**(15.3)**	**16.7**	**488.0**	**528.2**	**855.9**	**1,384.1**
Profit for the period ended 30 June 2020		--	--	--			33.1	**33.1**	8.9	**42.0**
Other comprehensive loss for the period ended 30 June 2020		--	3.8	--	24.9	(41.6)	--	**(12.9)**	(0.2)	**(13.1)**
Total comprehensive income for the period		**--**	**3.8**	**--**	**24.9**	**(41.6)**	**33.1**	**20.2**	**8.7**	**28.9**
Transactions with owners recorded directly in equity:										
Business combination		--	--	--	--	--	--	**--**	318.8	**318.8**
Purchase of NCI in subsidiaries		--	--	--	--	--	(16.0)	**(16.0)**	5.9	**(10.1)**
Dividends declared	19	--	--	--	--	--	--	**--**	(250.5)	**(250.5)**
Effect of scrip dividend	19	--	--	--	--	--	--	**--**	25.1	**25.1**
Effect of change in ownership due to scrip dividend programme	19	--	--	--	--	--	(34.9)	**(34.9)**	34.9	**--**
Other movements in equity		--	8.0	--	--	--	(8.5)	**(0.5)**	0.6	**0.1**
Total transactions with owners		**--**	**8.0**	**--**	**--**	**--**	**(59.4)**	**(51.4)**	**134.8**	**83.4**
Balance at 30 June 2020		**0.1**	**50.5**	**--**	**9.6**	**(24.9)**	**461.7**	**497.0**	**999.4**	**1,496.4**

* see Note 2.g

The Notes on pages 9 to 51 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of cash flows	Note	Six months ended 30 June: 2021	2020	Three months ended 30 June: 2021	2020
OPERATING ACTIVITIES					
Profit (+) for the period		**177.1**	**42.0**	**141.9**	**17.6**
Adjustments for:					
Income tax expense		37.1	13.7	24.2	(5.3)
Depreciation and amortisation		104.5	57.5	52.8	28.7
Impairment losses on tangible and intangible assets and goodwill	11	4.0	11.5	0.2	7.5
Gain (-) / loss (+) on sale of property, plant and equipment and intangible assets		(0.3)	--	(0.7)	--
Net interest expense (+)	12	56.8	45.9	29.5	22.4
Net FX gains (-) / losses (+)	12	(13.2)	3.4	(11.4)	(2.1)
Share of profit (-) of equity method investees	15	(40.4)	(32.7)	(21.4)	(21.9)
Revaluation of financial assets at fair value through profit or loss		0.4	--	(0.1)	--
Non-cash movement in legal and restructuring provisions		(0.7)	--	0.4	--
Operating result before changes in working capital and provisions		**325.3**	**141.3**	**215.4**	**46.9**
Increase (+) / decrease (-) in provisions		(15.4)	(2.2)	(2.4)	(2.4)
Increase (-) / decrease (+) in inventories		(5.7)	(6.0)	6.9	5.0
Increase (-) / decrease (+) in trade receivables and other assets		(53.8)	78.6	(34.4)	(7.1)
Increase (+) / decrease (-) in trade and other payables		10.6	(67.5)	53.5	25.8
Cash generated from operating activities		**261.0**	**144.2**	**239.0**	**68.2**
Interest paid		(49.6)	(45.6)	(22.0)	(19.3)
Income tax paid		(15.7)	(7.3)	(9.8)	(2.2)
Net cash generated from operating activities		**195.7**	**91.3**	**207.2**	**46.7**
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment and intangible assets		(27.9)	(18.9)	(14.8)	(5.8)
Acquisition of subsidiaries, net of cash acquired	22	(19.0)	209.0	(19.0)	209.0
Dividend distributed to equity method investee of the Group	15, 22	(5.7)	--	(5.7)	--
Dividends and distributions received from equity method investees	15	72.4	57.7	14.9	50.9
Interest income received		1.7	1.1	1.0	0.2
Proceeds from sale of property, plant and equipment and intangible assets		1.1	0.5	1.1	0.4
Increase (-) / decrease (+) in investments in financial assets		0.1	--	5.6	--
Net cash generated from (+) / used in (-) investing activities		**22.7**	**249.4**	**(16.9)**	**254.7**

Consolidated statement of cash flows (continued)	**Note**	**2021**	**2020**	**2021**	**2020**
FINANCING ACTIVITIES					
Purchase of NCI in subsidiaries	22, 27	(115.4)	(10.1)	(55.9)	(10.1)
Dividends paid to NCI in subsidiaries	19	(10.2)	(163.4)	(10.2)	2.6
Loans and borrowings received	20	82.8	685.8	2.8	274.2
Repayment of loans and borrowings	20	(5.9)	(510.4)	(5.7)	(2.7)
Repayment of principal element of lease liabilities	21	(9.8)	(3.1)	(5.0)	(1.0)
Net movement in restricted cash related to financing activities		0.1	0.2	--	--
Net cash generated from (+) / used in (-) financing activities		**(58.4)**	**(1.0)**	**(74.0)**	**263.0**
Net decrease (-) / increase (+) in cash and cash equivalents		**160.0**	**339.7**	**116.3**	**564.4**
Effect of currency translation on cash and cash equivalents		(2.7)	6.0	(2.4)	(2.4)
Cash and cash equivalents at the beginning of the period	18	**872.2**	**763.7**	**--**	**--**
Cash and cash equivalents at the end of the period	18	**1,029.5**	**1,109.4**	**113.9**	**561.9**

The Notes on pages 9 to 51 are an integral part of these condensed consolidated interim financial statements.

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1. General information about the Group

1.1 Description

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 Praha 6, Czech Republic and its Identification Number is 242 87 814.

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, share of profit from equity accounted investments is presented in operating profit.

As of 31 December 2020, the immediate 100% parent of the Company was KKCG AG and its ultimate controlling party pursuant to IFRS standards is VALEA FOUNDATION. On 17 March 2021, SAZKA Entertainment AG, an entity 100% owned by KKCG AG, became the immediate parent of the Company.

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, while it also includes 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 2021 and 31 December 2020. For a full list of the Group's ownership interests in subsidiaries, joint ventures and associates see Note 27.

				Effective interest	
	Note	Country		30/06/2021	31/12/2020
Major operating entities:					
CASAG subgroup (Casinos Austria AG) *		Austria	subsidiary	59.70%	59.80%
including Austrian Lotteries subgroup (Österreichische Lotterien GmbH)		Austria	subsidiary	53.52%	53.60%
OPAP subgroup (OPAP S.A.)		Greece and Cyprus	subsidiary	38.33%	36.10%
including Stoiximan**		Malta	business unit	32.39%	30.50%
SAZKA a.s.		Czech Republic	subsidiary	100.00%	100.00%
LottoItalia S.r.l.		Italy	associate	32.50%	32.50%

* From 26 June 2020 subsidiary, before as equity method investee.

** From 18 November 2020 fully consolidated, before as equity method investee.

For a list of changes in the Group see Note 27.

1.4 Shareholder as of 30 June 2021

SAZKA Entertainment AG 100.00% (sole shareholder)

Registered office:

Kapellgasse 21,

6004 Luzern

Switzerland

On 17 March 2021, SAZKA Entertainment AG, an entity 100% owned by KKCG AG, became the immediate parent of the Company.

1.5 Impact of COVID-19

The operating performance of the Group's operating segments in H1 2020 and H1 2021 was impacted to various degrees by restrictions imposed in connection with the COVID-19 pandemic. The table below shows "Gross gaming revenue (GGR)" per individual operating segment for H1 2021 and its year-on-year change against H1 2020. Note that the changes are also impacted by the organic development of the segments and do not represent an estimate of the impact of COVID-19 on the segments.

	Czech Republic	**Greece and Cyprus***	**Austria**	*of which Austrian Lotteries*
Gross gaming revenue (GGR) for Q2 2021	197.0	570.0	499.4	465.3
% change from comparative period	36.8%	12.2%	(1.0%)	16.9%

* in H1 2021 Greece and Cyprus includes GGR of Stoiximan. In H1 2020 Stoiximan was accounted as equity method investee and therefore was not part of Greece and Cyprus GGR.

Austria

During H1 2021, restrictions had no material impact on the availability of Austrian Lotteries products through physical retail channels.

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

CASAG's casinos and gaming halls in Austria, which remained closed from the beginning of the year 2021, were reopened on 19 May 2021, albeit with some restrictions, which were further reduced from 10 June 2021. Most of CASAG's international casinos, which were also closed from the beginning of the year, reopened during Q2 2021.

Czech Republic

During H1 2021, restrictions had no material impact on the availability of our products through physical retail channels.

Our online gaming offerings remained available to the public as normal.

Greece and Cyprus

During H1 2021, restrictions resulted in total or partial shutdown of OPAP stores and gaming halls for almost the whole first quarter of 2021, but were lifted in during the second quarter. OPAP stores in Greece reopened on 12 April, operations in Cyprus resumed on 10 May and PLAY gaming halls and VLT operations in Greece reopened on 24 May.

Throughout the period, OPAP's online offerings continued to be available, offering an extended range of products (sports betting, Tzoker, virtual games and iGaming) after the expansion of OPAP's online offering in 2020.

The full range of Stoiximan's products, which are offered exclusively online, was also available.

Italy

During H1 2021, LottoItalia continued to offer its games (which were suspended by the regulator during the first wave of COVID-19 in Q1 and Q2 2020) and convenience stores (LottoItalia's largest category of points of sale) remained open in all regions.

Restrictions in connections with COVID-19 have also been considered in the assessment of impairment indicators for goodwill and intangible assets with indefinite useful lives. See Note 11 for more information.

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 financial statements do not disclose all information that is required to be disclosed in the financial statements in full format prepared in compliance with IFRS and therefore should be read and interpreted along with the consolidated financial statements of SAZKA Group a.s. for the year ended 31 December 2020.

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 8 September 2021.

(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.

(c) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (its "functional currency"). The functional currency of the Company is the Czech Crown (CZK). The functional currencies of the major operating entities of the Group are as follows:

Casinos Austria AG ("CASAG")	Euro (€)
OPAP S.A. ("OPAP")	Euro (€)
SAZKA a.s. ("SAZKA")	Czech Crown (CZK)
LottoItalia S.r.l. ("LottoItalia")	Euro (€)

These condensed consolidated interim financial statements are presented in Euro (€) as this is the functional currency of the majority of Group companies. All financial information is presented in millions of Euro with one decimal place and rounded to the nearest hundred thousand, unless stated otherwise.

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

(d) Use of estimates and judgements

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(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 period ended 31 December 2020, except for the adoption of new and amended standards as set out in Note 28 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.

(f) Changes in presentation

i. Operating segments

As a consequence of continuing expansion of the Group through acquisitions, the Group reassessed its operating segments. Following the acquisition of an additional 17.19% stake in Casinos Austria AG as of 26 June 2020 and subsequent consolidation of Casinos Austria AG and its subsidiaries management monitors performance and decides on resource allocation by geography rather than by product line. As a result, the Group now identifies four operating segments:

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

Comparative information for the six months ended 30 June 2020 in Note 4 "Operating segments" has been restated accordingly.

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

ii. Finance income and expenses

The Group reassessed the presentation of its financial results to show "Interest expense" separately on the face of the statement of comprehensive income rather than aggregated with other "Finance costs" which are subject to significant volatility between periods. Full detail of finance income and expenses including for the comparative period is included in the Notes to the financial statements (see Note 12).

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

iii. Transactions with members of the Company's Board of Directors, Supervisory Board and key management personnel

The Group clarified the definitions of members of the statutory bodies and key management personnel in the related party transactions section to reflect best market practices and guidance issued by the Czech National Bank. The presentation now includes members of the statutory bodies of the Company and C-level management of the Company. while in the past the presentation included members of statutory bodies of other Group entities and other management personnel (see Note 26.c).

Comparative information has been restated accordingly.

iv. Revaluation reserve presented separately from Capital contributions and other reserves

The Group decided to present "Revaluation reserve" (which includes revaluation of financial instruments through other comprehensive income) separately, while this was previously part of "Capital contributions and other reserves". The reason for change in presentation is the different nature of the balances and their movements. Management believe that the change enhances usability and transparency of the financial statements.

(g) Restatement of consolidated statement of changes in equity of comparative period

In 2020 the Group acquired a controlling interest in CASAG. Since the acquisition accounting was not finalised as of 30 June 2020, the Group restated the consolidated statement of changes in equity as of 30 June 2020 to present non-controlling interest acquired in the business combination consistently with the finalised purchase price allocation.

	Previously published six months ended 30 June 2020	Restatement	Six months ended 30 June 2020 (Restated)
Business combination – acquired non-controlling interest	307.5	11.3	318.8

(h) Restatement of consolidated total comprehensive income for the three months ended 30 June 2020

The Group restated Q2 2020 as the consequence of previous restatement of Q1 2020 due to timing differences in the recognition of an impairment, see Note 1.g to condensed consolidated interim financial statement for the three months ended 31 March 2021. H1 2020 was not impacted.

3. Significant accounting estimates and judgements

The Group has made several significant accounting estimates and judgments. 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 2021, are not disclosed in these Notes if there was no significant change in relevant factors or conditions.

In the interim period ended 30 June 2021, the Group has made the following significant accounting estimates:

- Estimates related to the impairment of intangible assets and goodwill (see Note 11).

4. Operating segments

The Group's operating segments have been changed following the acquisition of CASAG as of 26 June 2020 (see Note 2.f i.). Comparative information has been restated to reflect the change.

The Group identifies the following operating 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 LottoItalia.

In addition to the operating segments, management also separately monitors selected financial information of Austrian Lotteries, which is owned by CASAG and part of the Austria segment, and Stoiximan, which is owned by OPAP and is part of the Greece and Cyprus segment. The Group also presents this information for Austrian Lotteries and Stoiximan in the segment note.

The Stoiximan part of the Greece and Cyprus segment were not fully consolidated in Q2 2020, but treated as equity method investee with its financial result presented in "Share of profit of equity method investees". The Austria segment began to be consolidated as of 26 June 2020, before which it was treated as an equity method investee with its financial result presented in "Share of profit of equity method investees".

The breakdown of GGR by country is materially the same as the breakdown of GGR by operating segment.

Alternative performance measures

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

"Net gaming revenue (NGR)" is calculated as "Gross gaming revenue (GGR)" less "Gaming taxes".

"Operating EBITDA" is calculated as "Profit before tax" before "Finance costs, 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". See reconciliation of Operating EBITDA to the IFRS reported balances in the table below.

"CAPEX" is calculated as additions to tangible and intangible assets reduced by the changes in liabilities arising from the acquisition, i.e. on a cash basis.

The tables below present the contribution of individual operating segments to the consolidated results of the Group.

Six months ended 30 June 2021	Austria	*of which Austrian Lotteries*	Czech Republic	Greece and Cyprus	*of which Stoiximan*	Italy	Total reportable segments	Other and headquarters *	Total
Gross gaming revenue (GGR)	499.4	465.3	197.0	570.0	193.6	--	1,266.4	--	1,266.4
Gaming taxes	(270.8)	(254.3)	(67.1)	(196.4)	(72.9)	--	(534.3)	--	(534.3)
Net gaming revenue (NGR)	**228.6**	**211.0**	**129.9**	**373.6**	**120.7**	**--**	**732.1**	**--**	**732.1**
Revenue from non-gaming activities	6.9	1.3	8.6	47.5	--	--	63.0	0.1	63.1
Other operating income	54.0	14.8	1.1	119.5	--	--	174.6	12.9	187.5
Agents´ commissions	(51.0)	(51.0)	(17.6)	(85.5)	--	--	(154.1)	--	(154.1)
Materials, consumables and services	(22.1)	(13.5)	(27.2)	(142.9)	(55.3)	--	(192.2)	(12.6)	(204.8)
Marketing services	(27.1)	(25.6)	(18.2)	(53.6)	(17.4)	--	(98.9)	(1.1)	(100.0)
Personnel expenses	(98.8)	(34.3)	(10.5)	(39.3)	(2.7)	--	(148.6)	(3.8)	(152.4)
Other operating expenses	(14.3)	(9.0)	(9.1)	(15.6)	(6.3)	--	(39.0)	(1.4)	(40.4)
Share of profit of equity method investees	(0.3)	--	--	0.8	--	39.9	40.4	--	40.4
Operating EBITDA	**75.9**	**93.7**	**57.0**	**204.5**	**39.0**	**39.9**	**377.3**	**(5.9)**	**371.4**
Depreciation and amortisation	(34.2)	(11.9)	(3.9)	(66.1)	--	--	(104.2)	(0.3)	(104.5)
Impairment of tangible and intangible assets including goodwill	(3.8)	--	--	(0.2)	--	--	(4.0)	--	(4.0)
Other gains and losses	(0.6)	(0.5)	--	--	--	--	(0.6)	(0.1)	(0.7)
Profit/loss from operating activities	**37.3**	**81.3**	**53.1**	**138.2**	**39.0**	**39.9**	**268.5**	**(6.3)**	**262.2**
Interest income	0.8	0.6	--	0.8	--	**--**	1.6	0.9	2.5
Interest expense	(4.0)	(0.5)	(5.8)	(18.5)	--	--	(28.3)	(31.0)	(59.3)
of which external interest expense	(4.0)	(0.2)	(0.4)	(18.5)	--	**--**	(22.9)	(36.4)	(59.3)
Other finance income and expense	0.9	0.1	(0.9)	(3.7)	--	**--**	(3.7)	12.5	8.8
Finance costs, net	**(2.3)**	**0.2**	**(6.7)**	**(21.4)**	**--**	**--**	**(30.4)**	**(17.6)**	**(48.0)**
Profit before tax	**35.0**	**81.5**	**46.4**	**116.8**	**39.0**	**39.9**	**238.1**	**(23.9)**	**214.2**
Income tax expense	(9.7)	(20.2)	(8.7)	(18.8)	(13.7)	**--**	(37.2)	0.1	(37.1)
Profit after tax	**25.3**	**61.3**	**37.7**	**98.0**	**25.3**	**39.9**	**200.9**	**(23.8)**	**177.1**

Six months ended 30 June 2021	Austria	*of which Austrian Lotteries*	Czech Republic	Greece and Cyprus	*of which Stoiximan*	Italy	Total reportable segments	Other and headquarters *	Total
CAPEX	**7.8**	**3.2**	**5.7**	**14.4**	**--**	**--**	**27.9**	**--**	**27.9**
Cash and cash equivalents	286.4	137.1	73.0	617.3	112.1	--	976.7	52.8	1,029.5
Other financial assets	225.0	196.6	2.9	3.6	--	--	231.5	10.8	242.3
External loans and borrowings	147.9	--	--	1,044.3	--	--	1,192.2	1,562.3	2,754.5
Lease liabilities	74.8	11.5	20.0	53.4	--	--	148.2	4.0	152.2
Net assets	642.5	560.9	269.6	1,211.4	25.2	--	2,123.5	(667.3)	1,456.2

* includes intersegment eliminations

Six months ended 30 June 2020	Austria	Czech Republic	Greece and Cyprus	*of which Stoiximan*	Italy	Total reportable segments	Other and headquarters *	Total
Gross gaming revenue (GGR)	--	144.0	507.9	--	--	651.9	--	651.9
Gaming taxes	--	(50.4)	(172.7)	--	--	(223.1)	--	(223.1)
Net gaming revenue (NGR)	**--**	**93.6**	**335.2**	**--**	**--**	**428.8**	**--**	**428.8**
Revenue from non-gaming activities	--	7.7	48.0	--	--	55.7	--	55.7
Other operating income	--	2.5	19.0	--	--	21.5	--	21.5
Agents´ commissions	--	(14.2)	(119.5)	--	--	(133.7)	--	(133.7)
Materials, consumables and services	--	(20.0)	(95.4)	--	--	(115.4)	(6.1)	(121.5)
Marketing services	--	(8.9)	(26.4)	--	--	(35.3)	--	(35.3)
Personnel expenses	--	(8.0)	(40.4)	--	--	(48.4)	(1.6)	(50.0)
Other operating expenses	--	(6.4)	(24.6)	--	--	(31.0)	(0.2)	(31.2)
Share of profit of equity method investees	8.7	--	6.3	6.3	17.7	32.7	--	32.7
Operating EBITDA	**8.7**	**46.3**	**102.2**	**6.3**	**17.7**	**174.9**	**(7.9)**	**167.0**
Depreciation and amortisation	--	(3.0)	(54.1)	--	--	(57.1)	(0.4)	(57.5)
Impairment of tangible and intangible assets including goodwill	--	--	(11.5)	--	--	(11.5)	--	(11.5)
Other gains and losses	--	--	--	--	--	--	7.8	7.8
Profit/loss from operating activities	**8.7**	**43.3**	**36.6**	**6.3**	**17.7**	**106.3**	**(0.5)**	**105.8**
Interest income	--	--	1.3	**--**	**--**	1.3	0.1	1.4
Interest expense	--	(4.9)	(19.7)	**--**	**--**	(24.6)	(22.7)	(47.3)
of which external interest expense	--	(4.9)	(19.7)	--	--	(24.6)	(22.7)	(47.3)
Other finance income and expense	--	(0.6)	5.6	**--**	**--**	5.0	(9.2)	(4.2)
Finance costs, net	**--**	**(5.5)**	**(12.8)**	**--**	**--**	**(18.3)**	**(31.8)**	**(50.1)**
Profit before tax	**8.7**	**37.8**	**23.8**	**6.3**	**17.7**	**88.0**	**(32.3)**	**55.7**
Income tax	--	(6.6)	(7.1)	--	--	(13.7)	--	(13.7)
Profit after tax	**8.7**	**31.2**	**16.7**	**6.3**	**17.7**	**74.3**	**(32.3)**	**42.0**
CAPEX	--	3.9	15.0	--	--	18.9	--	18.9

Twelve months ended 31 December 2020	Austria	*of which Austrian Lotteries*	Czech Republic	Greece and Cyprus	*of which Stoiximan*	Italy	Total reportable segments	Other and headquarters *	Total
Cash and cash equivalents	262.3	*120.4*	56.7	506.9	--	--	825.9	46.3	872.2
Other financial assets	224.9	*196.2*	2.9	4.6	--	--	232.4	10.5	242.9
External loans and borrowings	152.9	--	216.4	1,040.9	--	--	1,410.2	1,252.1	2,662.3
Lease liabilities	82.7	*12.0*	2.2	57.1	--	--	142.0	1.7	143.7
Net assets	633.6	*563.2*	225.1	1,303.8	--	--	2,162.5	n/m	1,483.5

* includes intersegment eliminations

5. Gross gaming revenue (GGR), Net gaming revenue (NGR) and Revenue from non-gaming activities

	Six months ended 30 June:	
	2021	**2020**
Gross gaming revenue (GGR)	**1,266.4**	**651.9**
Gaming taxes	(534.3)	(223.1)
Net gaming revenue (NGR)	732.1	428.8

Revenue from non-gaming activities	**63.1**	**55.7**
Mobile phone top-up services	37.7	41.8
Mobile virtual network operator services	5.5	4.9
Other non-gaming revenue	19.9	9.0

The tables below show the disaggregation of "Gross gaming revenue (GGR)" by product line and contribution of operating segments to consolidated revenue:

H1 2021 Gross gaming revenue (GGR)	**Austria**	*of which Austrian Lotteries*	**Czech Republic**	**Greece and Cyprus**	*of which Stoiximan*	**Total**
Numerical Lotteries	323.7	*323.7*	111.1	186.8	--	**621.6**
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	96.0	*81.4*	**217.2**
VLTs and Casinos	38.2	*4.1*	--	36.1	--	**74.3**
Total	**499.4**	***465.3***	**197.0**	**570.0**	***193.6***	**1,266.4**

H1 2020 Gross gaming revenue (GGR)	**Austria**	*of which Austrian Lotteries*	**Czech Republic**	**Greece and Cyprus***	*of which Stoiximan*	**Total**
Numerical Lotteries	n/a	*n/a*	91.4	257.5	*n/a*	**348.9**
Instant Lotteries	n/a	*n/a*	25.8	33.6	*n/a*	**59.4**
Sports Betting	n/a	*n/a*	3.3	126.7	*n/a*	**130.0**
iGaming	n/a	*n/a*	23.5	1.7	*n/a*	**25.2**
VLTs and Casinos	n/a	*n/a*	--	88.4	*n/a*	**88.4**
Total	**n/a**	***n/a***	**144.0**	**507.9**	***n/a***	**651.9**

* The Group restated the presentation of GGR from passive lotteries previously presented as "Numerical Lotteries" in Greece and Cyprus segment to "Instant Lotteries".

The breakdown of GGR by country is materially the same as the breakdown of GGR by operating segment.

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

H1 2021 Net gaming revenue (NGR)	**Austria**	*of which Austrian Lotteries*	**Czech Republic**	**Greece and Cyprus**	*of which Stoiximan*	**Total**
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	60.4	*50.9*	**135.6**
VLTs and Casinos	20.2	*2.6*	--	25.3	--	**45.5**
Total	**228.6**	***211.0***	**129.9**	**373.6**	***120.7***	**732.1**

H1 2020 Net gaming revenue (NGR)	**Austria**	*of which Austrian Lotteries*	**Czech Republic**	**Greece and Cyprus***	*of which Stoiximan*	**Total**
Numerical Lotteries	n/a	*n/a*	58.6	172.4	*n/a*	**231.0**
Instant Lotteries	n/a	*n/a*	17.6	16.6	*n/a*	**34.2**
Sports Betting	n/a	*n/a*	2.5	83.2	*n/a*	**85.7**
iGaming	n/a	*n/a*	14.9	1.1	*n/a*	**16.0**
VLTs and Casinos	n/a	*n/a*	--	61.9	*n/a*	**61.9**
Total	**n/a**	***n/a***	**93.6**	**335.2**	***n/a***	**428.8**

* The Group restated the presentation of GGR from passive lotteries previously presented as "Numerical Lotteries" in Greece and Cyprus segment to "Instant Lotteries".

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

H1 2021 Revenue from non-gaming activities	**Austria**	*of which Austrian Lotteries*	**Czech Republic**	**Greece and Cyprus**	*of which Stoiximan*	**Total**
Mobile phone top-up services	**--**	**--**	1.5	36.2	--	**37.7**
Mobile virtual network operator services	**--**	**--**	5.5	--	--	**5.5**
Other non-gaming revenue	6.9	*1.3*	1.6	11.3	--	**19.8**
Total	**6.9**	*1.3*	**8.6**	**47.5**	--	**63.0**

H1 2020 Revenue from non-gaming activities	**Austria**	*of which Austrian Lotteries*	**Czech Republic**	**Greece and Cyprus**	*of which Stoiximan*	**Total**
Mobile phone top-up services	n/a	*n/a*	1.3	40.5	*n/a*	**41.8**
Mobile virtual network operator services	n/a	*n/a*	4.9	--	*n/a*	**4.9**
Other non-gaming revenue	n/a	*n/a*	1.5	7.5	*n/a*	**9.0**
Total	**n/a**	***n/a***	**7.7**	**48.0**	***n/a***	**55.7**

During 2021 and 2020 all "Revenue from non-gaming activities" was recognised at a single point in time.

6. Other operating income

	Six months ended 30 June:	
	2021	**2020**
Other operating income	**187.5**	**21.5**
Effect of gaming tax prepayment	100.8	--
COVID-19 related income	**58.1**	**12.3**
COVID-19 income from subsidies	*45.1*	--
Discount on tax liability	*9.6*	*12.3*
COVID-19 related rent concessions	*3.4*	**--**
Arbitration gain	13.6	**--**
Income from leases	0.6	1.9
Remaining portion of operating income	14.4	7.3

"Effect of gaming tax prepayment" represents a portion of the total GGR contribution prepayment of €1,831.0 million for the 10-year period starting 13 October 2020 by OPAP S.A. on an accrual basis plus related adjustments to compensate for the impact on income tax (for detailed information see accounting policy 3.f iii. of the annual consolidated financial statements for the period ended 31 December 2020).

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

"Discount on tax liability" represents a 25% discount on certain tax liabilities (primarily gaming tax liabilities) of OPAP S.A. Under measures introduced by the Greek authorities, OPAP S.A. was eligible to delay payment of these liabilities or receive this discount if it paid in line with the normal schedule.

"COVID-19 related rent concessions" represent benefit from a 40% discount on payments under leases for certain commercial premises in Greece.

"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.

7. Materials, consumables and services

	Six months ended 30 June:	
	2021	**2020**
Materials. consumables and services	**(204.8)**	**(121.5)**
Fees to gaming system providers	(44.0)	(32.7)
Services relating to gaming operations	(41.3)	(0.6)
Non-gaming cost of sales	(38.0)	(39.0)
Advisory and other professional services	(32.6)	(23.7)
IT, software and other operational services	(19.3)	(8.4)
Telecommunication services	(8.0)	(5.1)
Materials and consumables	(7.6)	(2.9)
Expense relating to leases (see Note 21)	(1.9)	(0.8)
Other services	(12.1)	(8.3)

"Services relating to gaming operations" relates mainly to fees to electronic payment providers and commissions incurred by Stoiximan.

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

8. Marketing services

	Six months ended 30 June:	
	2021	**2020**
Marketing services	**(100.0)**	**(35.3)**
Advertising	(82.7)	(25.8)
Sponsorship and donations	(17.3)	(9.5)

9. Personnel expenses

	Six months ended 30 June:	
	2021	**2020**
Personnel expenses	**(152.4)**	**(50.0)**
Wages and salaries	(114.9)	(39.2)
Social security and health insurance other than pensions	(13.7)	(3.4)
Social security state pension – defined contribution plan	(13.5)	(6.0)
Other social expenses	(2.3)	(0.9)
Retirement benefit expenses – defined benefit plan	(3.2)	(0.3)
Retirement benefit expenses – defined contribution plan	(3.0)	(0.1)
Other non-current employee benefits expense	(1.8)	(0.1)

"Social security state pension – defined contribution plan" comprises mandatory contributions to state pension funds required in certain of the jurisdictions in which the Group operates. The Group's legal and constructive obligation for these pension state plans is limited to the contributions.

10. Other operating expenses

	Six months ended 30 June:	
	2021	**2020**
Other operating expenses	**(40.4)**	**(31.2)**
Other taxes	(16.3)	(6.5)
Repair and maintenance	(3.9)	(1.0)
Financial support to agents	(1.9)	(5.2)
Write-offs and change in credit loss provisions for receivables	1.3	(3.6)
Remaining portion of operating expenses	(19.6)	(14.9)

"Financial support to agents" represents extraordinary financial support of €1.9 million provided to agents in Greece in order to reduce the financial impact of COVID-19 on the Group's agents in Greece.

"Remaining portion of operating expenses" primarily comprises fees, travel expenses and insurance premiums.

11. Impairment of tangible and intangible assets including goodwill

	Six months ended 30 June:	
	2021	**2020**
Impairment of tangible and intangible assets including goodwill	**(4.0)**	**(11.5)**
Impairment of "Buildings – Right of use"	(1.2)	(7.4)
Impairment of "Buildings and halls"	(2.3)	--
Impairment of "Machinery and equipment – owned"	(0.3)	(0.5)
Impairment of "Goodwill"	--	(3.0)
Impairment of "Appreciable rights, licenses"	--	(0.6)
Impairment of "Software"	(0.2)	--

In March 2021 the Group recognised an impairment of tangible assets in the casinos part of the Austrian segment, as a consequence of an extension of the closure of the casinos in Austria due to COVID-19 restrictions.

In March 2020 and subsequently in June 2020 the Group recognised an impairment of right of use assets in the Horse Races part of the Greece and Cyprus segment, which was driven by the development of COVID-19 restrictions.

Impairment indicators assessment

As of 31 March 2021

The Group considered COVID-19 related restrictions a significant factor in an assessment of whether there were indicators of impairment on the Group's goodwill and intangible assets with indefinite useful life. The Group evaluated the impact of COVID-19 restrictions on individual businesses and assessed whether they represented indicators of impairment and impairment testing would be needed based on the circumstances.

Other than the impact of COVID-19 related restrictions, there were no other significant factors (no changes in taxes, regulations or other factors) that would impact the analysis.

As disclosed in the subsequent events section of the annual consolidated financial statements and in Note 1.5, COVID-19 restrictions continued to impact the businesses in Greece and Cyprus (closure of physical retail) and in Austria (closure of casinos) during Q1 2021, with businesses in the Czech Republic and Italy, together with Austrian Lotteries and Stoiximan operating without material restrictions.

Consequently, the Group determined that there are no indicators of impairment for goodwill and intangible assets other than for goodwill for the Greece and Cyprus segment and the OPAP brand and trademark and therefore performed impairment testing for goodwill for the Greece and Cyprus segment and the OPAP brand and trademark.

As of 30 June 2021

As is disclosed in Note 1.5, COVID-19 related restrictions, which continued to impact Austria and Greece and Cyprus businesses during the first quarter, were gradually lifted during the second quarter and all business resumed full operation by the end of the second quarter, showing a strong recovery.

There were no other significant factors that would constitute impairment indicators; therefore, the Group determined that there are no indicators of impairment for goodwill and intangible assets and consequently performed no impairment testing as of 30 June 2021.

Impairment testing as of 31 March 2021

Goodwill

The recoverable amount of the Greece and Cyprus operating segment and cash generating unit ("CGU") was estimated using fair value less costs of disposal ("FVLCD") on a basis consistent with testing performed as of

31 December 2020. The estimate of FVLCD is based on the market price of the asset/cash-generating unit derived from its trading in an active market, as OPAP shares are publicly traded in the Athens Stock Exchange. Costs of disposal are considered immaterial.

As of 31 March 2021, the resulting recoverable amounts calculated based on the FVLCD method significantly exceeded the carrying amount of the Greece and Cyprus CGU. The Group's management also carried out a sensitivity analysis and determined that no reasonable change (change up to 10%) in the input parameters would result in an impairment.

Brands and Trademarks

Impairment testing of the OPAP brand and trademark was carried out by estimating the recoverable amount based on the relief from royalty method, with input parameters consistent with the testing performed as of 31 December 2020. The test is based on the approved 5-year plan, adjusted in the current year for the actual impact of COVID-19 restrictions. To reflect continuity of the trademarks beyond the explicit forecasting period a terminal value model (calculated using the Gordon growth formula) was applied. A terminal growth rate of 2% was applied. Net royalties calculated using a royalty rate of 5% after tax, consistent with past experience, were discounted using a weighted average cost of capital of 8.7%, with an uplift of 1%. The tax amortisation benefit was also reflected in the calculation.

The resulting recoverable amount significantly exceeded the carrying amount of the brand and trademark, therefore no impairment was recognised as of 31 March 2021. The Group's management also carried out a sensitivity analysis and determined than no reasonable change (change up to 10%) in the key assumptions would result in an impairment.

12. Finance costs, net

	Six months ended 30 June:	
	2021	**2020**
Interest income	**2.5**	**1.4**
Interest expense	**(59.3)**	**(47.3)**
Interest expense on loans, bonds and other liabilities	(57.0)	(46.1)
Interest expense on leases	(2.3)	(1.2)
Other finance income and expense	**8.8**	**(4.2)**
Foreign exchange gains/ (losses)	13.2	(3.4)
Other finance income	1.2	8.8
Other finance expenses	(5.6)	(9.6)
Finance costs, net	**(48.0)**	**(50.1)**

13.Intangible assets and goodwill

2021	Note	Licences and property rights	Brands and trademarks	Customer relationships, customer contracts	Software	Intangible assets not yet available for use	Other intangible assets	Goodwill	Total
Acquisition cost		**1,490.2**	**1,093.1**	**52.4**	**127.5**	**1.9**	**2.3**	**1,202.2**	**3,969.6**
Accumulated amortisation and impairment losses		**(286.3)**	**--**	**(7.5)**	**(69.4)**	**--**	**(1.0)**	**(21.6)**	**(385.8)**
Net book value at 01/01/2021		**1,203.9**	**1,093.1**	**44.9**	**58.1**	**1.9**	**1.3**	**1,180.6**	**3,583.8**
Additions		10.1	--	--	2.3	1.1	--	--	13.5
Transfers		--	--	--	0.2	(0.2)	--	--	--
Amortisation expense		(48.5)	--	(5.8)	(11.5)	--	(0.1)	--	(65.9)
Impairment		--	--	--	(0.2)	--	--	--	(0.2)
Effect of currency translation		0.8	2.1	--	0.3	0.1	0.2	11.0	14.5
Net book value at 30/06/2021		**1,166.3**	**1,095.2**	**39.1**	**49.2**	**2.9**	**1.4**	**1,191.6**	**3,545.7**
Acquisition cost		**1,501.2**	**1,095.2**	**52.4**	**130.1**	**2.9**	**2.4**	**1,213.0**	**3,997.2**
Accumulated amortisation and impairment losses		**(334.9)**	**--**	**(13.3)**	**(80.9)**	**--**	**(1.0)**	**(21.4)**	**(451.5)**

The majority of additions to “Licences and property rights” are licences granting rights to operate online betting and other online games acquired by OPAP and Stoiximan.

14. Property, plant and equipment ("PPE")

2021	Note	Land – owned	Buildings – owned	Buildings – Right of use	Machinery and equipment – owned	Machinery and equipment – Right of use	Tangible assets under construction	Other tangible assets	Total
Acquisition cost		**24.9**	**200.3**	**146.6**	**135.4**	**12.0**	**4.5**	**57.1**	**580.8**
Accumulated depreciation and impairment losses		**--**	**(20.2)**	**(37.2)**	**(28.2)**	**(4.3)**	**--**	**(27.6)**	**(117.5)**
Net book value at 01/01/2021		**24.9**	**180.1**	**109.4**	**107.2**	**7.7**	**4.5**	**29.5**	**463.3**
Additions		--	2.5	25.6	3.9	0.6	5.3	0.9	**38.8**
Transfer		--	1.8	--	1.0	--	(2.8)	--	**--**
Disposals		(3.6)	(0.6)	(4.2)	(0.1)	(0.5)	(0.2)	(0.1)	**(9.3)**
Depreciation expense		--	(7.3)	(9.9)	(14.5)	(1.6)	--	(5.3)	**(38.6)**
Impairment	11	--	(2.3)	(1.2)	(0.3)	--	--	--	**(3.8)**
Effect of currency translation		0.1	0.6	0.2	(0.1)	0.2	0.1	--	**1.1**
Modification of leasing		--	--	(0.3)	--	--	--	--	**(0.3)**
Net book value at 30/06/2021		**21.4**	**174.8**	**119.6**	**97.1**	**6.4**	**6.9**	**25.0**	**451.2**
Acquisition cost		**21.4**	**204.6**	**166.3**	**133.6**	**12.0**	**6.9**	**57.7**	**602.5**
Accumulated depreciation and impairment losses		**--**	**(29.8)**	**(46.7)**	**(36.5)**	**(5.6)**	**--**	**(32.7)**	**(151.3)**

As of 30 June 2021, no PPE was pledged as collateral.

The additions to "Buildings – Right of use" mainly reflect the leasing of an office space in the Czech Republic by SAZKA a.s. and SAZKA Group CZ a.s. The duration of the lease is ten years, expiring in 2031.

15. Equity method investees

The following table shows the carrying values of individual equity method investees of the Group.

Equity method investees	Note	Effective ownership (%)	30/06/2021 319.6	Effective ownership (%)	31/12/2020 343.2
LottoItalia S.r.l.	(a)	32.50%	197.2	32.50%	229.5
Kaizen Gaming Limited	(b)	14.09%	8.9	13.27%	8.1
LTB Beteiligungs Gm	(c)	66.67%	4.3	66.67%	--
CLS Beteiligungs GmbH	(d)	66.67%	4.3	66.67%	--
Equity method investees of CASAG (total):	(e)		104.9		105.6
Reef Casino Trust		*25.07%*	*26.7*	*25.12%*	*26.3*
Casino Lugano S.A.		*17.17%*	*17.5*	*17.20%*	*19.5*
Casinos Austria International (Cairns) Pty Ltd.		*29.85%*	*19.2*	*29.90%*	*18.9*
Casino Copenhagen K/S		*29.85%*	*9.2*	*29.90%*	*9.9*
Casino Vesterport Copenhagen K/S		*29.85%*	*9.1*	*29.90%*	*9.3*
Casinos Austria International Mazedonia d.o.o.		*20.90%*	*16.3*	*20.93%*	*15.2*
Other individually insignificant		--	*6.9*	--	*6.5*

For a full list of Group joint ventures and associates see Note 27.

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

(a) LottoItalia S.r.l

The Group holds a share of 32.50%.

LottoItalia S.r.l.	For the period ended 30/06/2021	For the period ended 30/06/2020
Revenues from contract with customers	268.6	157.6
License fee amortisation	(42.8)	(42.8)
Net revenues from contract with customers	225.8	114.9
Operating EBITDA	220.9	125.5
Profit for the period	122.7	54.6
Total comprehensive income (100%)	122.7	54.6
Group´s share of total comprehensive income	**39.9**	**17.7**
Dividends received by subsidiary of the Company	49.5	48.7
Reserve distributions received by subsidiary of the Company	22.7	--

Group´s share as of 31 December 2020	**229.5**
Group´s share of total comprehensive income	39.9
Dividends received by subsidiary of the Company	(49.5)
Reserve distributions received by subsidiary of the Company	(22.7)
Group´s share as of 30 June 2021	**197.2**

	For the period ended 30/06/2021	For the period ended 31/12/2020
Cash and cash equivalents	--	--
Current other financial assets	236.6	248.4
Loans and borrowings	--	--
Net debt	**(236.6)**	**(248.4)**

(b) Kaizen Gaming Limited ("Kaizen")

The Group's subsidiary OPAP S.A. holds a 36.75% investment in Kaizen, which from the Group perspective results in a 14.09% interest (31 December 2020: 13.27%). During 2020, Kaizen included two business units; Stoiximan (Kaizen's Greek and Cypriot business) and Betano (its business in other countries). Stoiximan was consolidated using the full consolidation method from 18 November 2020. Betano continues to be accounted for as an equity method investee, with the equity method investee consisting of this business only. Therefore, the results of Kaizen are not comparable from period to period, as the comparative period includes contribution of both Stoiximan and Betano, while the current period only includes Betano.

Kaizen Gaming Limited	For the period ended 30/06/2021	For the period ended 30/06/2020
Gross gaming revenue (GGR)	75.5	145.5
Profit for the period	2.9	16.9
Total comprehensive income (100%)	2.9	16.9
Group's share of total comprehensive income	**0.8**	**6.4**
Dividends received by subsidiary of the Company	**--**	6.8

Group´s share as of 31 December 2020	**8.1**
Group´s share of total comprehensive income	0.8
Group´s share as of 30 June 2021	**8.9**

(c) CLS Beteiligungs GmbH ("CLS") & LTB Beteiligungs GmbH ("LTB")

CLS and LTB are entities through which the Group holds an 9.45% economic interest in Austrian Lotteries in addition to the interest held via CASAG. CLS and LTB do not have any economic activity other than holding of their interests in Austrian Lotteries. Following the consolidation of CASAG, which includes Austrian Lotteries, from 26 June 2020, the value of the Group's investment in Austrian Lotteries through the equity method is eliminated on consolidation and the value of these equity method investees is therefore nil as of 31 December 2020.

As of 30 June 2021, the carrying amount of CLS and LTB totalling €8.6 million consists of the receivable from the share of dividends declared by Austrian Lotteries that is attributable to the Group through this holding structure.

(d) Equity method investees of CASAG

For a full list of CASAG's joint ventures and associates see Note 27.

The following table show the movement of equity method investees of CASAG:

	Reef Casino Trust	Casino Lugano S.A.	Casinos Austria International (Cairns) Pty Ltd.	Casino Copenhagen K/S	Casino Vesterport Copenhagen K/S	Casinos Austria International Mazedonia d.o.o.	Other individually insignificant	Total
CASAG's ownership	**42.00%**	**28.76%**	**50.00%**	**50.00%**	**50.00%**	**35.00%**	**n/m**	**n/m**
Group´s share as of 31 December 2020	**26.3**	**19.5**	**18.9**	**9.9**	**9.3**	**15.2**	**6.5**	**105.6**
Group´s share of profit for the period	1.6	(1.4)	0.3	(0.7)	(0.2)	1.1	(1.0)	**(0.3)**
Group´s share of other comprehensive income	0.1	(0.3)	--	--	--	--	--	**(0.2)**
Dividends received by subsidiary of the Company	(0.5)	(0.3)	--	--	--	--	--	**(0.8)**
Dividend received by the joint ventures	(0.8)	--	--	--	--	--	0.8	**--**
Capital injection	--	--	--	--	--	--	0.6	**0.6**
Group´s share as of 30 June 2021	**26.7**	**17.5**	**19.2**	**9.2**	**9.1**	**16.3**	**6.9**	**104.9**

16. Trade and other receivables

	30/06/2021	31/12/2020
Non-current trade and other receivables	**90.0**	**58.1**
Non-current receivables - financial	**10.2**	***12.9***
Receivables from agents	4.0	7.2
Loans provided	2.7	3.1
Other receivables - financial	3.5	2.6
Non-current receivables - other	**79.8**	***45.2***
Effect of gaming tax prepayment	60.4	22.7
Prepaid services from VLT vendors	17.9	19.6
Advances for pension benefits	0.2	0.2
Other receivables	1.3	2.7

"Effect of gaming tax prepayment" represents the present value of amounts receivable from the Greek government in relation to OPAP's Lottery and Betting Concession (for detailed information see accounting policy 3.f iii, of the annual consolidated financial statements for the period ended 31 December 2020).

	30/06/2021	31/12/2020
Current trade and other receivables	**259.4**	**224.1**
Current receivables - financial	**213.4**	***177.7***
Receivables from agents	126.9	129.8
Trade receivables	20.1	9.8
Receivable from arbitration	13.6	--
Loans provided	4.1	4.7
Other receivables - financial	48.7	33.4
Current receivables - other	**46.0**	***46.4***
Prepaid expenses	25.5	25.4
Receivables from VAT and other taxes	10.2	14.3
Prepaid services from VLT vendors	3.4	3.4
Other receivables	6.9	3.3

17. Other financial assets

	30/06/2021	31/12/2020
Other non-current financial assets	**199.2**	**199.6**
Financial assets at fair value through profit or loss (FVTPL)	180.3	180.3
Financial assets at fair value through other comprehensive income (FVOCI)	11.5	11.9
Restricted cash	7.4	7.4

Non-current "Financial assets at fair value through profit or loss (FVTPL)" primarily comprise CASAG's investments in externally managed funds of €168.7 million (31 December 2020: €169.1 million). The investments are categorised to Level 2 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.

	30/06/2021	31/12/2020
Other current financial assets	**43.1**	**43.3**
Financial assets at fair value through profit or loss (FVTPL)	39.5	38.6
Fixed-term deposits (over 90 days)	3.6	4.6
Restricted cash	--	0.1

Current "Financial assets at fair value through profit or loss (FVTPL)" mainly represents deposits in money market funds, of which €33.7 million (31 December 2020: €29.2 million) are related to Austrian Lotteries' participation in the game "EuroMillions". The investments are categorised to Level 2 in the fair value hierarchy.

18. Cash and cash equivalents

	30/06/2021	31/12/2020
Cash and cash equivalents	**1,029.5**	**872.2**
Bank accounts	562.5	549.6
Fixed-term deposits	434.0	300.6
Cash in hand	33.0	22.0

As of 30 June 2021 and 31 December 2020 there were no bank accounts with cash balances pledged.

19. Non-controlling interests

For the six months ended 30 June 2021

During first half of 2021, the Company acquired additional shares in OPAP S.A. through open market purchases. As a result, the Group's economic interest increased from 36.10% to 38.33%. These additional purchases are presented in "Purchase of NCI in subsidiaries" in the consolidated statement of cash flows. Total consideration paid was €91.1 million.

As of 30 June 2021, the Group held a 38.33% economic interest in OPAP, creating a 61.67% 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%).

Additionally, the Group recognised a 21.36% non-controlling interest in the remaining net assets (excluding OPAP) of SAZKA Delta, the holding structure through which the Group holds an indirect interest in OPAP.

On 1 June 2021, The Group sold a 0.10% interest in CASAG and therefore its interest in CASAG decreased from 59.80% to 59.70%.

As of 30 June 2021, 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:

30/06/2021	Austrian Lotteries	CASAG subgroup (excl. Austrian Lotteries)	OPAP subgroup	SAZKA Delta (excl. OPAP)	Other (individually immaterial)	Total
Non-controlling interest percentage	46.48%	40.30%	61.67%	21.36%		
Non-current assets	796.8	386.2	2,393.3	--		
Current assets	258.0	163.3	780.4	15.9		
Non-current liabilities	(63.3)	(425.0)	(1,276.7)	(179.9)		
Current liabilities	(430.7)	(42.8)	(685,6)	50.2		
Net assets	560.8	81.7	1,211.4	(113.8)		
Subgroup's non-controlling interest	5.2	8.9	12.6	--		
Net assets attributable to the Group	555.6	72.8	1,198.8	(113.8)		
Non-controlling interest calculation	**258.2**	**29.3**	**739.3**	**(24.3)**	**0.3**	
Subgroup's non-controlling interest entering consolidation	5.2	8.9	12.6	--		
Carrying amount of non-controlling interest	**263.4**	**38.2**	**751.9**	**(24.3)**	**0.3**	**1,029.5**

2021	Austrian Lotteries	CASAG subgroup (excl. Austrian Lotteries)	OPAP subgroup	SAZKA Delta (excl. OPAP)	Total
Non-controlling interest percentage	46.48%	40.30%	61.67%	21.36%	
Net gaming revenue (NGR)	211.0	17.6	373.6	--	
Profit/ (loss) for the period attributable to Group	59.9	(35.6)	96.6	10.8	
Other comprehensive income attributable to Group	2.7	5.3	0.5	(0.2)	
Total comprehensive income attributable to Group	62.6	(30.3)	97.1	10.6	
Profit allocated to non-controlling interest	**27.8**[(1)]	**(14.3)**[(1)]	**60.8**[(1)]	**2.3**	
OCI allocated to non-controlling interest	**1.3**[(1)]	**2.1**[(1)]	**0.3**[(1)]	**--**	
Share of profit of subgroup's non-controlling interest entering consolidation	1.4	(0.6)	1.4		
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**[(1)]	**(13.0)**	**62.5**[(1)]	**2.3**	**82.3**
Net cash from operating activities	81.4	(30.9)	140.4	107.5	
Cash flows used in investing activities	(4.0)	(0.8)	(29.7)	16.2	
Net cash from 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**	**110.5**	**(3.3)**	**131.3**
Dividends declared to NCI	15.2	--	105.6	**--**	**120.8**

(1) 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 March 2021, Austrian Lotteries declared a dividend, of which €15.2 million is attributable to non-controlling interest. As of the reporting date, €10.2 million was paid in cash and €5.0 million remained outstanding.

In June 2021, OPAP S.A. declared a dividend, of which €105.5 million is attributable to non-controlling interest. The dividend is payable in August 2021. Shareholders had the option of receiving cash or shares under OPAP's scrip dividend programme. As of the30 June 2021, shareholders of OPAP S.A. had not yet selected the form of receiving the dividend under the scrip dividend programme.

For the six months ended 30 June 2020

On 6 February 2020 OPAP S.A. paid an extraordinary dividend of €1.00 per share. Shareholders had the option of receiving cash or shares under OPAP S.A.'s scrip dividend programme. The Group elected to receive scrip. The issuance of these shares at a price above their book value per share is reflected in "Effect of change in ownership due to scrip dividend programme" in the consolidated statement of changes in equity.

Total dividend declared to non-controlling interest ("NCI") was €250.5 million including withholding tax, comprising dividend paid in cash to minority shareholders of OPAP S.A. of €163.4 million and dividend settled by issuance of new OPAP S.A. shares to non-controlling interest under its scrip dividend programme of €25.1 million.

20. Loans and borrowings

	30/06/2021	31/12/2020
Non-current loans and borrowings	**2,618.2**	**2,533.3**
Long-term bank loans	1,398.2	1,321.7
Bonds	1,220.0	1,211.6

	30/06/2021	31/12/2020
Current loans and borrowings	**136.3**	**129.0**
Current portion of long-term bank loans including accrued interest	104.2	99.3
Accrued interest on bonds	10.3	10.3
Short-term bonds	19.2	18.6
Short term loans and borrowings	0.5	0.5
Overdrafts	2.1	0.3

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

Balance at 1 January 2021	**2,662.3**
Cash flows	
Loans and borrowings received	82.8
Repayment of loans and borrowings	(5.9)
Interest for previous year paid *	(12.4)
Non-cash changes	
Accrued unpaid interest	17.5
Non-cash settlement	4.5
Effect of FX differences	5.7
Balance at 30 June 2021	**2,754.5**

*Included in "Interest paid" in "Net cash generated from operating activities".

For the reconciliation of movements of "Lease liabilities" to cash flows see Note 21.

Debt instruments

Borrower / Issuer	Currency	Principal amount in millions of Euro 30/06/2021	Maturity	Interest rate / Coupon	Book value 30/06/2021	Book value 31/12/2020
Loans and borrowings					**1,502.9**	**1,421.5**
Casinos Austria (Swiss) AG	CHF	1.8	2024	Fixed	1.6	1.6
Casinos Austria (Swiss) AG	CHF	0.5	2021	Fixed	0.5	0.5
Casinos Austria AG	EUR	70.0	2026	EURIBOR + margin*	70.0	70.0
Casinos Austria AG	EUR	57.1	2026	EURIBOR + margin*	56.6	62.2
Hellenic Lotteries S.A.	EUR	50.0	2023	Fixed	50.2	50.2
Neurosoft S.A.	EUR	0.4	2025	EURIBOR + margin*	0.4	0.5
OPAP S.A.	EUR	300.0	2024	EURIBOR + margin*	298.6	298.3
OPAP S.A.	EUR	250.0	2023	Fixed	247.8	247.2
OPAP S.A.	EUR	100.0	2024	Fixed	100.6	100.6
OPAP S.A.	EUR	100.0	2023	EURIBOR + margin*	97.2	96.6
OPAP S.A.	EUR	50.0	2022	EURIBOR + margin*	50.2	50.2
SAZKA Group Financing (Czech Republic) a.s. (a)	EUR	530.0	2024	EURIBOR + margin*	529.2	443.6
Bonds					**1,249.5**	**1,240.5**
Casinos Austria International Holding GmbH	EUR	18.7	2021	4.75 %	19.2	18.6
OPAP S.A.	EUR	200.0	2027	2.10 %	197.3	197.1
SAZKA Group a.s. - CZK 6bn	CZK	235.4	2024	5.20 %	235.7	228.4
SAZKA Group a.s. - EUR 300m**	EUR	300.0	2027	3.88 %	300.1	299.8
SAZKA Group a.s. - EUR 300m**	EUR	300.0	2024	4.13 %	298.3	298.1
SAZKA Group Financing a.s. - EUR 200m**	EUR	200.0	2022	4.00 %	198.9	198.5
Other					**2.1**	**0.3**
Total					**2,754.5**	**2,662.3**

* Margin applicable to the outstanding loans and borrowings as of 30 June 2021 is in the range of 1.3 % - 6.0 % p.a.

** A proportion of issued bonds and loans in the amount of €449 million is used as a hedging instrument in the “Net investment hedge”.

(a) During the six months ended 30 June, SAZKA Group Financing (Czech Republic) a.s. drew €80.0 million on its revolving credit facility.

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 any covenants have occurred.

Collaterals and Pledges

There were no changes in the security of the loans and borrowings. Refer to Notes to the latest consolidated annual financial statements for details about collateral for Group's borrowings.

21. Leases

This Note provides information for leases where the Group is lessee.

	30/06/2021	30/06/2020
Lease liability balance as of 1 January	**143.7**	**68.2**
Business combination	--	93.9
Payment of lease liabilities	(9.8)	(3.1)
New lease contracts and contract modifications	17.9	(0.8)
Effect of currency translation	0.4	(0.2)
Lease liability balance as of 30 June	**152.2**	**158.0**
Interest expense from leases (see Note 12)	**(2.3)**	**(1.2)**
Expense relating to short-term leases	(0.8)	(0.1)
Expense relating to leases of low value assets	(0.5)	(0.3)
Expense relating to variable lease payments	(0.6)	(0.4)
Total expenses relating to leases not recognised as Right of use assets according to practical expedients	**(1.9)**	**(0.8)**
Total cash outflow related to leases	**14.0**	**5.1**

"Total expenses relating to leases not recognised as Right of use assets according to practical expedients" are presented as part of "Materials, consumables and services" as "Expense relating to leases" (see Note 7).

For the reconciliation of movements of "Loans and borrowings" to cash flows see Note 20.

22. Trade and other payables

	30/06/2021	31/12/2020
Non-current trade and other payables	**41.8**	**134.4**
Non-current payables - financial	***39.7***	***132.3***
Gaming payables	***16.0***	***15.3***
Liabilities arising from unpaid winnings	16.0	15.3
Acquisition related payables	***5.0***	***100.5***
Contingent consideration for the purchase of interest in Stoiximan	--	95.9
Deferred consideration for the purchase of interest in OPAP	5.0	4.6
Other	***18.7***	***16.5***
Deferred purchase price for intangible assets	15.8	15.6
Other payables	2.9	0.9
Non-current payables - other	***2.1***	***2.1***
Other	***2.1***	***2.1***
Deferred revenue	2.1	2.1

	30/06/2021	31/12/2020
Current trade and other payables	**919.1**	**745.2**
Current payables - financial	***689.4***	***539.7***
Gaming payables	***286.8***	***296.7***
Liabilities arising from unpaid winnings	230.0	241.3
Players' deposits	34.4	29.0
Guarantee deposits from lottery agents	22.4	26.4
Trade payables	***79.7***	***102.8***
Trade payables to suppliers	79.7	102.8
Acquisition related payables	***117.5***	***63.1***
Contingent consideration for the purchase of interest in Stoiximan	111.1	32.4
Purchase price for additional interest in CASAG	--	24.3
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	***205.4***	***77.1***
Dividends declared to NCI	113.4	--
Vouchers	20.8	21.4
Deferred purchase price for intangible assets	1.3	1.2
Other payables	69.9	54.5
Current payables – other	***229.7***	***205.5***
Gaming payables	***15.0***	***18.4***
Prepaid stakes	15.0	18.4
Trade payables	***2.4***	***2.7***
Contract liabilities	2.2	2.2
Deferred revenues	0.2	0.5
Other	***212.3***	***184.4***
Gaming tax liabilities	114.0	118.8
Gaming tax liabilities - minimum contribution of Hellenic Lotteries S.A.	51.8	37.7
Payables to state (social and health insurance liabilities, other taxes)	46.5	27.9

Reconciliation of contingent consideration for the purchase of interest in Stoiximan:

Contingent consideration for the purchase of interest in Stoiximan as of 31 December 2020	**128.3**
Payment in current period	(19.0)
Unwinding of interest expense	1.8
Contingent consideration for the purchase of interest in Stoiximan as of 30 June 2021	**111.1**

"Gaming tax liabilities - minimum contribution of Hellenic Lotteries S.A." represents the contractual liability from the difference between the gaming taxes paid on applicable GGR and the minimum annual amount of €50 million (€25 million equivalent on accrual basis for the half-year), 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 25.

The consideration for a 4.31% interest in CASAG was settled in January 2021.

"Dividends declared to NCI and equity method investees" comprises dividends attributable to non-controlling interest - see Note 19 - and dividends that will be distributed from Austrian Lotteries to the Group through equity method investees CLS and LTB.

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

	30/06/2021	31/12/2020
Relates to operating cash flow (working capital)	733.0	723.6
Relates to investing cash flow	111.1	128.3
Relates to financing cash flow	116.8	27.7

As of 30 June 2021 and 31 December 2020 "Trade and other payables" were not secured.

23. Provisions

The most significant changes relate to the utilization of restructuring provision by €13.5 million. There were no other significant changes in the six months ended 30 June 2021.

24. Derivatives and hedging

In Q1 2021 the Group cash settled its outstanding CZK/EUR forwards and swaps. As a result a gain from revaluation of €3.7 million in Q1 2021 was recorded through Other comprehensive income (in addition to a gain of €7.9 million already recorded as of 31 December 2020). There were no other significant changes in the three months ended 30 June 2021.

	Carrying amount at 30/06/2021		Carrying amount at 31/12/2020	
	Hedging derivatives	Other derivatives	Hedging derivatives	Other derivatives
Receivables relating to derivative instruments	**--**	**--**	**7.9**	**--**
Non-current receivables	--	--	--	--
Current receivables	--	--	7.9	--
CZK/EUR forwards and swaps	--	--	*7.9*	--
Liabilities relating to derivative instruments	**2.1**	**0.5**	**2.7**	**1.1**
Non-current liabilities	2.1	--	2.7	--
Interest rate swaps	*2.1*	--	*2.7*	
Current liabilities	--	0.5	--	1.1
Interest rate swaps	--	*0.5*	--	*1.1*

25. Contingences

Legal matters

OPAP

1. Termination of Contract Claims; Third party lawsuits against OPAP have been filed for total claims of approximately €284.1 million (31 December 2020: €363.1 million). The majority of these claims relate to old distribution agent arrangements, in relation to which all recent court decisions have been in favour of OPAP. Management considers any negative outcome as highly unlikely and consequently no provision is recognised in connection with these claims.

2. Claims for loss compensation; In March 2021, an 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. The decision is not final and OPAP proceeded to the Supreme Court for the annulment of the decision. As of 31 December 2020 and 30 June 2021, the management recorded a provision for the respective amount based on the current court's decision. Subsequently, OPAP filed a petition for the annulment of the payment of the amount awarded by said decision. OPAP's temporary order request has been fully accepted by the Judicial Council of the Supreme Court by virtue of a decision issued on 31 May 2021. According to the Judicial Council's ruling the payment of €6 million has been fully annulled until the issuance of the respective decision of the Supreme Court regarding OPAP's petition for cassation, the hearing of which was set 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 in the amount of €4.2 million. These proceedings have been placed on hold until the final resolution of the proceeding described above. Management believes that a negative outcome is unlikely and has not recorded any provision for the claim.

3. LCIA Arbitration No. 215213; According to Hellenic Lotteries S.A.' concession agreement, Hellenic Lotteries S.A. (subsidiary of OPAP) has to pay 30% of annual GGR to the Greek state, subject to a €50 million minimum annual amount. Hellenic Lotteries S.A. believes the €50.0 million minimum annual fee is not applicable for 2020 as the force majeure clause in the concession agreement was triggered by the pandemic-related restrictions imposed by the Greek state, and only €12.3 million (30% of actual 2020 GGR) is payable. Hellenic Lotteries S.A. has therefore filed a request for arbitration on 26 March 2021. As a prudent measure, the Group recorded gaming taxes expenses for this outstanding liability of €37.7 million as of 31 December 2020. As the similar conditions were valid during H1 2021, the Group has accounted for the increase in this liability on a proportionate basis in H1 2021, increasing the amount by €14.1 million to €51.8 million as of 30 June 2021.

CASAG

CASAG is the defendant of 16 pending lawsuits initiated by 28 claimants in connection with reductions made to employee pension plans. Pension plans of CASAG include defined contribution plans and defined benefit plans. For the claims in connection with the defined contribution plans the management assess that a negative outcome is highly unlikely and does not record any provision in this respect. For the claims in connection with defined benefit plans the management considers the outcome uncertain and reflects 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).

In May 2021, the first instance court issued a decision adverse to CASAG in one of the lawsuits relating to the defined contribution plans. CASAG appealed the decision to a higher level court and maintains that a negative outcome is unlikely, that position supported by assessments of pension and legal experts. Therefore, no

provision related to this proceeding has been created (save for legal cost of around €0.5m). However, in the very unlikely case of negative outcome, the costs of the proceedings could exceed €100 million.

26. Related parties

The parent company of the Group was KKCG AG before 17 March 2021, when SAZKA Entertainment AG, a subsidiary of KKCG AG, became the new parent company of the Group.

There were no transactions between the Group and SAZKA Entertainment AG during the six months ended 30 June 2021.

Below are disclosed transactions with the parent, other companies owned by KKCG AG and associates and joint ventures. Additionally, below is separate section relating to transactions with key personnel management. All transactions with related parties were carried out on an arm's length basis.

There were no material transactions with equity method investees (see Note 15) in the current period nor in the prior year period, except for dividends declared of €50.3 million in 2021 (30 June 2020: €55.5 million), reserve distributions of €22.7 million (30 June 2020: €0 million) and a capital injection of €0.6 million (30 June 2020: €0 million).

(a) Outstanding related party balances as of 30 June 2021 and 31 December 2020:

The following tables present outstanding receivables from and payables to related parties of the Group as of 30 June 2021 and 31 December 2020:

Outstanding balance with related parties of the Group other than parent	30/06/2021	31/12/2020
ASSETS		
Non-current trade and other receivables	3.1	2.2
Current trade and other receivables	1.0	0.4
LIABILITIES		
Current trade and other payables	4.0	1.0

(b) Transactions with related parties of the Group for the period ended 30 June 2021 and 30 June 2020:

The following table present transactions with related parties of the Group with effect on the consolidated statement of comprehensive income for the six months ended 30 June 2021 and 30 June 2020:

	Six months ended 30 June:	
Transactions with related parties of the Group other than parent	**2021**	**2020**
Revenue from non-gaming activities	--	0.1
Materials, consumables and services	(2.6)	(3.0)
Other operating expenses	--	(0.2)
Other gains and losses	0.5	--
Marketing expenses	(3.4)	--
Interest income	--	0.2

There were no transactions with the parent during the six months ended 30 June 2021 and 2020.

(c) Transactions with members of the Company's Board of Directors, Supervisory Board and executive management for the period ended 30 June 2021 and 30 June 2020:

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

	Six months ended 30 June 2021		Six months ended 30 June 2020	
	Board of Directors and Supervisory Board	Key management personnel	Board of Directors and Supervisory Board	Key management personnel
Total remuneration	1.6	0.1	0.7	0.9

"Key management personnel" comprise the C-level management of the Company.

The following tables summarise the Group securities owned by members of the Board of Directors as of 30 June 2021:

	Total nominal value (in Euro)
SAZKA Group a.s. - CZK 6bn	135,374
SAZKA Group a.s. - EUR 300m	650,000
SAZKA Group Financing a.s. - EUR 200m	120,000

	Number of shares	Total market value (in Euro)
OPAP shares	1,008,194	12,814,146

27. Group companies

Companies included in the consolidated group as of 30 June 2021 and 31 December 2020 and the Company's effective ownership interest are as follows.

	Note	Country		Effective interest 30/06/2021	31/12/2020
Parent company:					
SAZKA Group a.s.		Czech Republic	n/a	n/a	n/a
Group companies:					
Allwyn Entertainment Ltd (formerly SAZKA Group UK 2 LTD)	(a)	United Kingdom	subsidiary	100.00%	--
Austrian Gaming Holding a.s.		Czech Republic	subsidiary	100.00%	100.00%
CAME Holding GmbH		Austria	subsidiary	100.00%	100.00%
CASAG subgroup (Casinos Austria AG)	(b)	Austria	subsidiary	59.70%	59.80%
AleaX AG		Liechtenstein	subsidiary	59.70%	59.80%
Cachi Valle Aventuras S.A.**		Argentina	subsidiary	59.70%	59.80%
CAI Hungary Kft.		Hungary	subsidiary	32.84%	32.89%
CAI Ontario Inc.**		Canada	subsidiary	59.70%	59.80%
CAIO AG		Switzerland	subsidiary	59.70%	59.80%
CAIO DK ApS		Denmark	subsidiary	59.70%	59.80%
Casino Copenhagen K/S		Denmark	joint venture	29.85%	29.90%
Casino Event Immobilien GmbH		Germany	subsidiary	59.70%	59.80%
Casino Lugano S.A.		Switzerland	associate	17.17%	17.20%
Casino Marienlyst A/S		Denmark	joint venture	29.85%	29.90%
Casino Munkebjerg Vejle A/S		Denmark	joint venture	29.85%	29.90%
Casino Sopron Kft.		Hungary	subsidiary	32.84%	32.89%
Casino St. Moritz AG		Switzerland	subsidiary	59.70%	59.80%
Casino Vesterport Copenhagen K/S		Denmark	joint venture	29.85%	29.90%
Casinoland IT-Systeme GmbH		Germany	subsidiary	59.70%	59.80%
Casinos Austria (Swiss) AG		Switzerland	subsidiary	59.70%	59.80%
Casinos Austria AG Liegenschaftsverwaltungs- und Leasing GmbH		Austria	subsidiary	59.70%	59.80%
Casinos Austria International (Cairns) Pty Ltd.		Australia	joint venture	29.85%	29.90%
Casinos Austria International (Mazedonien) Holding GmbH		Austria	subsidiary	59.70%	59.80%
Casinos Austria International Belgium S.A.		Belgium	subsidiary	59.70%	59.80%
Casinos Austria International GmbH		Austria	subsidiary	59.70%	59.80%
Casinos Austria International Holding GmbH		Austria	subsidiary	59.70%	59.80%
Casinos Austria International Ltd.		Australia	subsidiary	59.70%	59.80%
Casinos Austria International Mazedonia d.o.o.		Macedonia	joint venture	20.90%	20.93%
Casinos Austria Liechtenstein AG		Liechtenstein	subsidiary	59.70%	59.80%
Casinos Austria Management GmbH		Austria	subsidiary	59.70%	59.80%

	Note	Country		Effective interest 30/06/2021	31/12/2020
Casinos Austria Maritime Corp.	(c)	USA	subsidiary	--	59.80%
Casinos Austria of Egypt AG		Liechtenstein	joint venture	29.85%	29.90%
Casinos Denmark A/S		Denmark	joint venture	29.85%	29.90%
Casinos International AG (formerly Casinos Austria VLT AG)		Switzerland	subsidiary	59.70%	59.80%
Casinos Odense K/S		Denmark	subsidiary	59.70%	59.80%
CAST Casinos Austria Sicherheitstechnologie GmbH		Austria	subsidiary	59.70%	59.80%
CCB Congress Center Baden BetriebsgmbH		Austria	subsidiary	53.13%	53.22%
Cocino GmbH		Germany	joint venture	28.06%	28.11%
Complejo Monumento Güemes S.A.**		Argentina	subsidiary	59.70%	59.80%
Cuisino Ges.m.b.H.		Austria	subsidiary	59.70%	59.80%
Entretenimientos y Juegos de Azar S.A.**		Argentina	subsidiary	59.66%	59.76%
Fortuna 1 Aps		Denmark	subsidiary	59.70%	59.80%
Glücksrad Kft.		Hungary	joint venture	29.25%	29.30%
Great Blue Heron Gaming Company**		Canada	subsidiary	42.98%	43.06%
Inmobiliaria Ovalle S.A.		Chile	subsidiary	59.70%	59.80%
Inversiones Anacaldo S.A. i.L.**		Chile	associate	14.93%	14.95%
Leisure & Entertainment S.A.**		Argentina	subsidiary	59.70%	59.80%
LIE2 AG		Liechtenstein	subsidiary	59.70%	59.80%
National Videolottery of the Rep. of Macedonia-Casinos Austria LLC-Skopje		Macedonia	joint venture	10.24%	10.26%
ÖLG Holding GmbH		Austria	subsidiary	59.70%	59.80%
Austrian Lotteries subgroup (Österreichische Lotterien GmbH)		Austria	subsidiary	53.52%	53.60%
Deutsche Sportwetten GmbH		Germany	subsidiary	34.13%	34.17%
Glücks- und Unterhaltungsspiel BetriebsgesmbH		Austria	subsidiary	53.53%	53.60%
Österreichische Sportwetten GmbH		Austria	subsidiary	34.13%	34.17%
Österreichische Klassenlotterie Vertriebsgesellschaft m.b.H.		Austria	subsidiary	53.53%	53.60%
Rabcat Computer Graphics GmbH		Austria	subsidiary	51.32%	51.39%
Win2day International GmbH		Austria	subsidiary	53.53%	53.60%
WinWin International GmbH		Austria	subsidiary	53.53%	53.60%
Reef Casino Investments Pty Ltd.		Australia	joint venture	29.85%	29.90%
Reef Casino Trust		Australia	joint venture	25.07%	25.12%
Reef Corporate Services Ltd.		Australia	joint venture	29.85%	29.90%
Revolutionary Technology Systems AG		Switzerland	joint venture	29.85%	29.90%
Spielbanken Niedersachsen GmbH		Germany	subsidiary	59.70%	59.80%
Viage Productions S.A.		Belgium	subsidiary	59.70%	59.80%
CLS Beteiligungs GmbH *		Austria	associate	66.67%	66.67%
Italian Gaming Holding a.s.		Czech Republic	subsidiary	100.00%	100.00%
LottoItalia S.r.l.		Italy	associate	32.50%	32.50%
LTB Beteiligungs GmbH *		Austria	associate	66.67%	66.67%

	Note	Country		Effective interest 30/06/2021	31/12/2020
Medial Beteiligungs GmbH		Austria	subsidiary	100.00%	100.00%
OPAP subgroup (OPAP S.A.)	(d)	Greece	subsidiary	38.33%	36.10%
Daedalus Technologies FZC		Dubai	subsidiary	25.96%	24.45%
Hellenic Lotteries S.A.		Greece	subsidiary	32.01%	30.14%
Horse Races Single-Member S.A.		Greece	subsidiary	38.33%	36.10%
Neurosoft S.A.		Greece	subsidiary	25.96%	24.45%
OPAP Cyprus Ltd		Cyprus	subsidiary	38.33%	36.10%
OPAP International Ltd		Cyprus	subsidiary	38.33%	36.10%
OPAP Investment Ltd		Cyprus	subsidiary	38.33%	36.10%
OPAP Sports Ltd		Cyprus	subsidiary	38.33%	36.10%
Stoiximan		Malta	business unit	32.39%	30.50%
Kaizen Gaming Limited *		Malta	associate	14.09%	13.27%
Tora Direct Single-Member S.A		Greece	subsidiary	38.33%	36.10%
Tora Wallet Single-Member S.A.		Greece	subsidiary	38.33%	36.10%
Rubidium Holdings Limited		Cyprus	subsidiary	100.00%	100.00%
SAZKA a.s.		Czech Republic	subsidiary	100.00%	100.00%
SAZKA Asia a.s.		Czech Republic	subsidiary	100.00%	100.00%
Sazka Asia Vietnam Company Limited	(e)	Vietnam	subsidiary	--	100.00%
SAZKA Czech a.s.		Czech Republic	subsidiary	100.00%	100.00%
SAZKA DELTA AIF VARIABLE CAPITAL INVESTMENT COMPANY LTD		Cyprus	subsidiary	78.64%	78.64%
SAZKA Delta Hellenic Holdings Limited		Cyprus	subsidiary	78.64%	78.64%
SAZKA Delta Management Ltd		Cyprus	subsidiary	66.70%	66.70%
Sazka Distribution Vietnam Company Limited	(f)	Vietnam	subsidiary	--	100.00%
SAZKA FTS a.s.	(g)	Czech Republic	subsidiary	55.00%	100.00%
SAZKA Group CZ a.s.		Czech Republic	subsidiary	100.00%	100.00%
SAZKA Group Financing a.s.		Slovakia	subsidiary	100.00%	100.00%
SAZKA Group Financing (Czech Republic) a.s.		Czech Republic	subsidiary	100.00%	100.00%
SAZKA Group UK Holding Ltd	(a)	United Kingdom	subsidiary	100.00%	--
SAZKA Group UK Limited		Czech Republic	subsidiary	100.00%	100.00%
SAZKAmobil 5G a.s.		Czech Republic	subsidiary	100.00%	100.00%
SAZKA Services s.r.o.		Czech Republic	subsidiary	100.00%	100.00%
SPORTLEASE a.s.		Cyprus	subsidiary	100.00%	100.00%
Vitalpeak Limited**		Czech Republic	subsidiary	100.00%	100.00%

*The equity method investees comprise a group of entities.

** Companies in liquidation.

(a) On 25 January 2021, the Group incorporated SAZKA Group UK Holding Ltd and Allwyn Entertainment Ltd (formerly SAZKA Group UK 2 LTD).

(b) On 1 June 2021, the Group sold a 0.10% interest in CASAG.

(c) On 18 March 2021, Casinos Austria Maritime Corp. was wound up and deconsolidated. The impact of the transaction is immaterial.

(d) During 2021 the Group increased its economic interest in OPAP S.A. through open market purchases. As a result the Group's economic interest increased by 2.23%.

(e) On 25 January 2020, Sazka Asia Vietnam Company Limited was liquidated. The impact of the transaction is immaterial.

(f) On 30 March 2021, Sazka Distribution Vietnam Company Limited was liquidated. The impact of the transaction is immaterial.

(g) On 9 March 2021, 45% of SAZKA FTS a.s. was sold to KKCG AG. The impact of the transaction is immaterial.

28. New standards and amendments applicable from 1 January 2021

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 2021.

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

i. **Amendments to IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark ("IBOR") reform Phase 2**

The amendments complement those issued in 2019 and focus on the effects on the financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.

The IASB effective date is 1 January 2021.

The amendment did not have any material impact on the Group's consolidated financial statements.

ii. Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9

The IASB issued amendments to IFRS 4 providing two options for entities that issue insurance contracts within the scope of IFRS 4:

An option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach; or

An optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

The IASB effective date is 1 January 2021.

The amendment did not have any material impact on the Group's consolidated financial statements.

29. Standards, interpretations and amendments issued but not yet effective

Documents not yet endorsed by the EU:

i. Amendments to IFRS 16 "Leases" - COVID-19 related rent concessions beyond 30 June 2021 (issued on 30 June 2021)

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID ‑ 19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

It is expected to be endorsed after its effective date.

The IASB effective date is 1 April 2021.

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

ii. IFRS 17 "Insurance contracts"

IFRS 17 was issued in May 2017 as replacement for IFRS 4 "Insurance contracts". It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

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

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

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

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

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

The new standard is expected to be endorsed before its effective date. The IASB effective date is 1 January 2023. The original effective date of 1 January 2021 was amended based on the fact that amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023) were issued.

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

iii. Amendments to IAS 1 "Presentation of financial statements" - Classification of liabilities as current or non-current

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

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

The amendments are expected to be endorsed before their effective date. The IASB effective date is 1 January 2023. The original effective date of 1 January 2022 was amended based on the fact that the Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023) were issued.

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

iv. Amendments to IFRS 3 "Business combinations" - Reference to "Conceptional framework" & Amendments to IAS 37 "Provisions, Contingent liabilities and Contingent Assets" - cost of fulfilling a contract

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

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

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

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

v. Annual Improvements 2018-2020

The following improvements were finalised in May 2020:

- IFRS 9 "Financial Instruments" - clarifies which fees should be included in the 10% test for derecognition of financial liabilities;
- IFRS 16 "Leases" - amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements. to remove any confusion about the treatment of lease incentives;
- IFRS 1 "First-time Adoption of International Financial Reporting Standards" - allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to joint ventures and associates that have taken the same IFRS 1 exemption; and

- IAS 41 “Agriculture” - removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

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

The Group does not expect that these amendments will have a significant impact on the Group’s consolidated financial statements.

vi. Amendments to IAS 1 “Presentation of financial statements” – disclosure of accounting policies

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures.

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

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

vii. Amendments to IAS 8 “Accounting policies, changes in accounting estimates and errors” - definition of accounting estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

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

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

viii. Amendments to IAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction (issued on 7 May 2021)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

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

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

ix. Amendments to IAS 16 Property, plant and equipment – Proceeds before intended use

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

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

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

30. Subsequent events

Strategic

So far in Q3 2021 the Company increased its direct shareholding in OPAP by 0.22% through market purchases. Total consideration paid was €9.3 million.

On 2 August 2021 OPAP S.A. paid an annual dividend of €0.55 per share. Shareholders had the option of receiving cash or shares under OPAP S.A.'s scrip dividend programme. The Group elected to receive scrip.

On 6 August 2021 the Company increased its direct shareholding in OPAP by 0.59% through an intra-group purchase of shares from SAZKA Delta Hellenic Holdings.

As a result of the above transactions, the Group's shareholding in OPAP increased by from 45.36% to 46.39% and its economic interest increased from 38.33% to 39.36%.

Financing

On 26 July, the Company received an equity contribution of €75.0 million from its parent company SAZKA Entertainment AG.

On 30 July, the Group repaid (through its subsidiary SAZKA Group Financing (Czech Republic) a.s.) €80.0 million of its bank loan facility (€30.0 million of the revolving credit facility and a €55.0 million annual amortisation payment under the term loan). The amount repaid under the revolving credit facility remains available.

On 30 July, the Group received (through its subsidiary Italian Gaming Holding a.s.) a reserve distribution from LottoItalia S.r.l. in the amount of €15.1 million.

COVID-19 update

Restrictions related to COVID-19 in the jurisdictions where the Group operates were almost completely lifted during first half of the year. So far in the second half of the year all the Group's businesses have been operating with minimal impact from remaining restrictions, although some measures are still in place in majority of the jurisdictions.

Lately, countries experience once again increases in COVID-19 cases caused by the Delta variant. Certain restrictive measures are still in place, for example mask mandate in public transportation or buildings, but these do not interfere with the availability of the products of the Group through the physical retail channel.

At the same time, the Group continues to offer a broad range of products through online channels.

Date:	Signature of the authorised representative:
8 September 2021	Robert Chvátal Member of the Board of Directors Pavel Šaroch Member of the Board of Directors