Allwyn International a.s. Q2 2022 Results

13 September 2022

For further information on our company, please visit our website: ***allwynentertainment.com***



Presenting today



Robert Chvatal
CEO, Allwyn



Kenneth Morton
CFO, Allwyn

Today’s agenda

- Business and Strategic Update
- Financial Update
- Update on Current Trading
- Appendix

Business and Strategic Update

Q2 2022 highlights

Strong financial performance demonstrating strong organic growth and recovery post-pandemic

- Strong financial performance continues, reflecting fully opened physical retail and organic growth
  - Gross Gaming Revenue and Adjusted EBITDA significantly above Q2 last year and very significantly above pre-pandemic levels
  - Continuing to deliver best in class profitability with Adjusted EBITDA margin of 52%
  - Significant cashflow generation despite continued investment in inorganic growth strategies

- Continuing to deliver on organic and inorganic growth strategies, leveraging our unique international B2C lottery platform
  - Another quarter of strong online growth despite physical retail being fully open
  - Digitalization of retail channel
  - Product and technology innovation
  - Increased economic interest in OPAP to above 50% after end of the quarter
  - Camelot and IGT have notified the court of the withdrawal of their appeals, paving the way for Allwyn to receive the award of, and begin transition to, the 4th licence

Consolidated GGR

€902m

+22.5%
vs Q2 '21

Consolidated Adjusted EBITDA

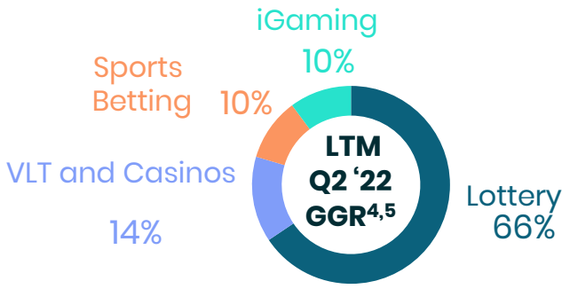
€286m

+19.6%
vs Q2 '21

Online % Share of GGR

	Q2 '19		Q2 '22
	18.6%	+10.4%[1,2]	29.1%
	18.5%	+25.5%	44.0%
	11.1%	+10.5%[2,3]	21.6%

Product Split



1) Excl. casinos and land-based sports betting
2) Q2-19 based on management accounts, Q2 2022 based on financial data from operating companies
3) Including Stoiximan for all periods
4) GGR for Italy calculated as stakes – payout
5) Based on pro-rata GGR

allwyn

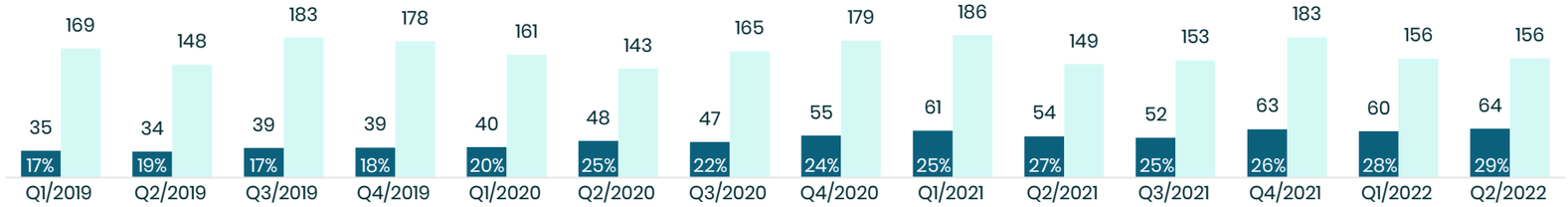
Strong online growth with innovation in physical retail

We continue to de-anonymise our physical retail customer base

- Strong online momentum continued in Q2 2022, including online sales of lottery products and iGaming
- 44% of GGR in the Czech Republic generated through the online channel while physical retail 13% above Q2-19 (pre-pandemic) level
- Sales through physical retail remain resilient
- We continue to de-anonymise our customer base

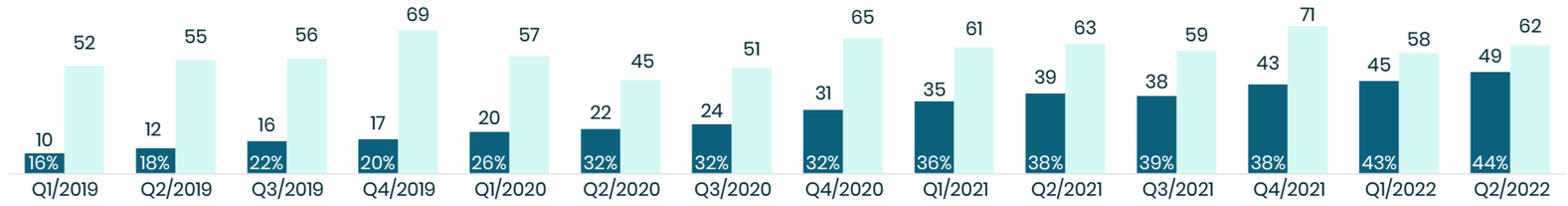
Austria GGR (Lotteries and Online Gaming)[1,2]

GGR (€m) / Online share of total (%)



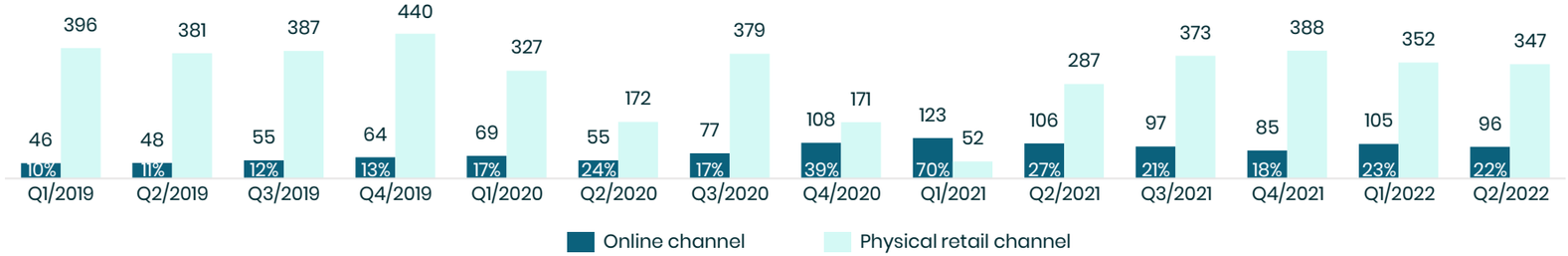
Czech Republic GGR

GGR (€m) / Online share of total (%)



Greece and Cyprus GGR (including Stoiximan for all periods)[1]

GGR (€m) / Online share of total (%)

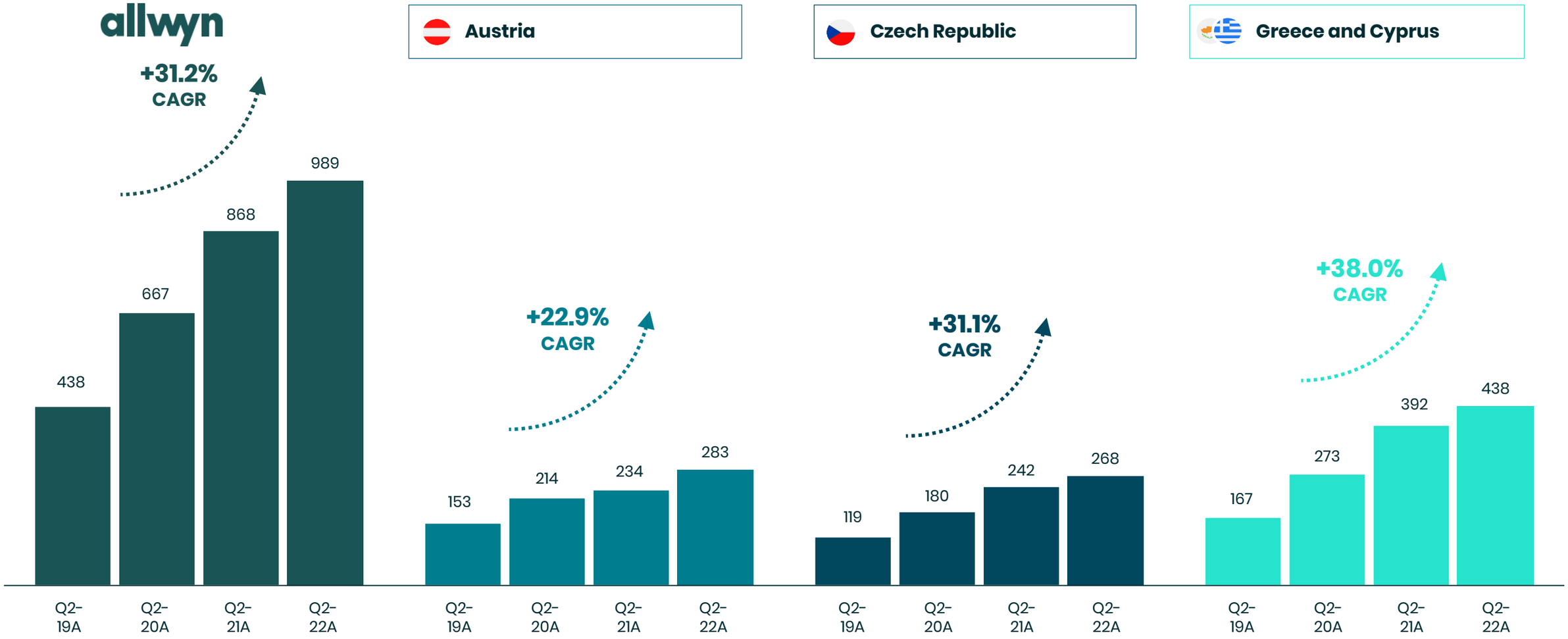


1) Based on management accounts, except for Q2 2022 based on financial data from operating companies
2) Does not include casinos and sports betting operated under Tipp3 brand

Rapid growth in online customer base continues

Number of online customers more than doubled since pre-pandemic

Average monthly active online customers per quarter (000)[1]



Source: Company information

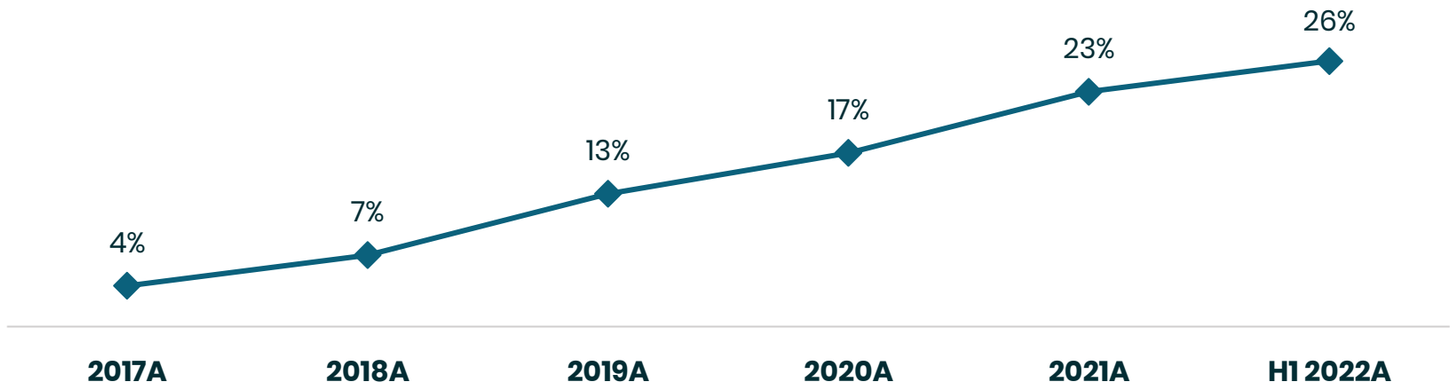
1) Average monthly active online customers are customers with at least one online purchase made on a particular gaming platform during a given month. Data for Austria is based on players for OLG and tipp3, for Czech Republic on SAZKA a.s., for Greece and Cyprus OPAP and Stoiximan

Growing de-anonymised lottery share in physical retail

Loyalty programmes bring the benefits of online to the physical retail channel

- Retail loyalty programmes successfully rolled out across all our geographies with constant subscriber growth
- Loyalty programmes continue to successfully de-anonymise the physical retail player base
  - In the Czech Republic, the loyalty program covered 26% of numerical lotteries turnover in H1 2022
  - In Greece and Cyprus, the registered loyalty customer base more than doubled since March 2021
  - New loyalty programme launched in Austria in Q1 2022

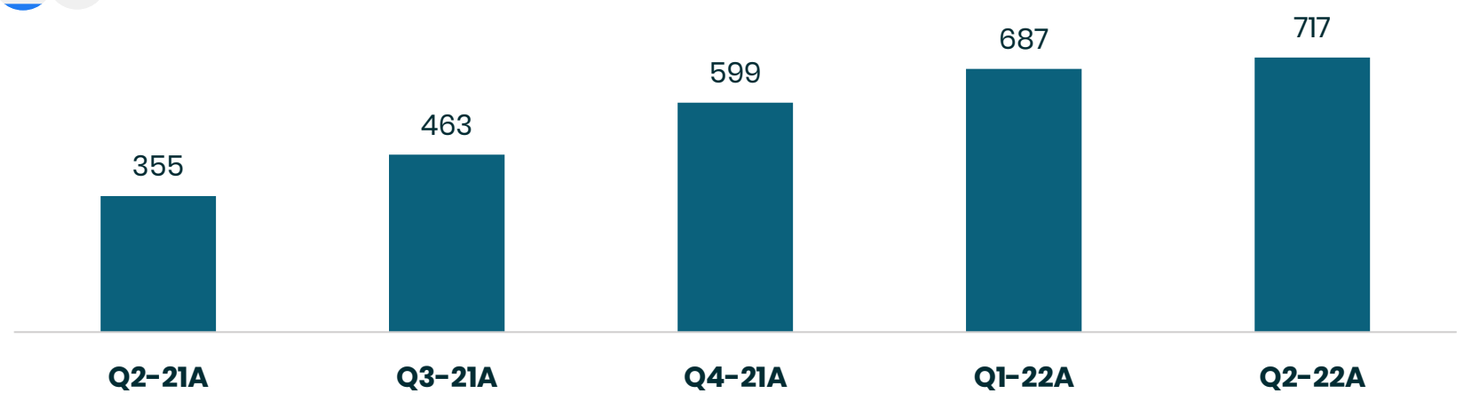
Czech Republic: de-anonymised lottery share(%)



Austria: New loyalty programme launched in Q1 2022



Greece and Cyprus: evolution of registered customer base ('000)



Source: Company information

H1 2022 product launches and innovation across physical retail and online channels

Continuing to expand and improve product offering, user experience, and technology

New and revitalized products / experiences





NEW Lotto and EuroMillions gift cards

NEW EuroMillions Shower of Millionaires

NEW Q2 → Game Shows





NEW 'Golden Wheel' provides customers with a second chance to win a small prize

NEW 2nd draw Eurojackpot

NEW Q2 → Friday 13th campaign delivering daily highest ever number of online customers





NEW Tzoker campaign "the Philosopher"

NEW PowerSpin combo game features

NEW Q2 → "5 Years Luck" scratch card delivering record high average daily turnover

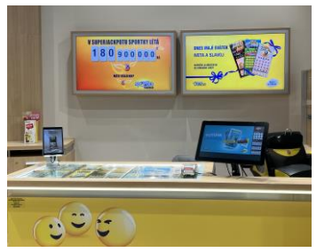
Digitalizing physical retail



NEW Physical retail loyalty scheme



NEW Beacons feature promotes in-store play via mobile



NEW PoS terminals, introducing digital signage and enabling personalized marketing

allwyn

Key strategic developments in Q2 2022

We continue to execute our inorganic growth strategies

1 Increase in OPAP shareholding

- In Q2 2022, the Company increased its direct shareholding in OPAP by 0.62% through market purchases. As a result, the Group's interest in OPAP increased from 48.13% to 48.75%

2 Acquisition of 36.75% in Kaizen (Betano)

- In April 2022, we agreed to acquire a 36.75% interest in the business of Kaizen Gaming Limited outside Greece and Cyprus from OPAP for a consideration of €50m plus earnouts
- Closing expected in Q4
- Kaizen is a fast growing online sports betting and iGaming operator using proprietary gaming technology
- The company operates in seven markets under the Betano brand with particularly strong presence in Romania and Portugal

allwyn

Key developments after the end of Q2

We continue to execute our inorganic growth strategies

1 Increase in OPAP economic interest above 50%

- In Q3 2022 to date, the Company increased its direct shareholding in OPAP by 0.41% through market purchases and elected to receive a dividend paid by OPAP as new shares under OPAP's scrip dividend programme
- As a result, the Group's interest in OPAP increased from 48.75% to 49.80%
- Excluding OPAP's treasury shares this represents an economic interest of 50.05%

2 NYSE listing via merger with CRHC

- Ongoing

allwyn

UK National Lottery update

Camelot and IGT withdraw appeals

- In March 2022, Allwyn was selected by the UK Gambling Commission as Preferred Applicant for the fourth UK National Lottery licence that will run for 10 years from February 2024

- Camelot and certain other parties brought claims against the Gambling Commission challenging its award decision resulting in an automatic suspension of the licence award and preventing the Gambling Commission from entering into agreements with Allwyn to start transition

- In May 2022, the Gambling Commission's application to lift the automatic suspension was heard before the Technology and Construction Court

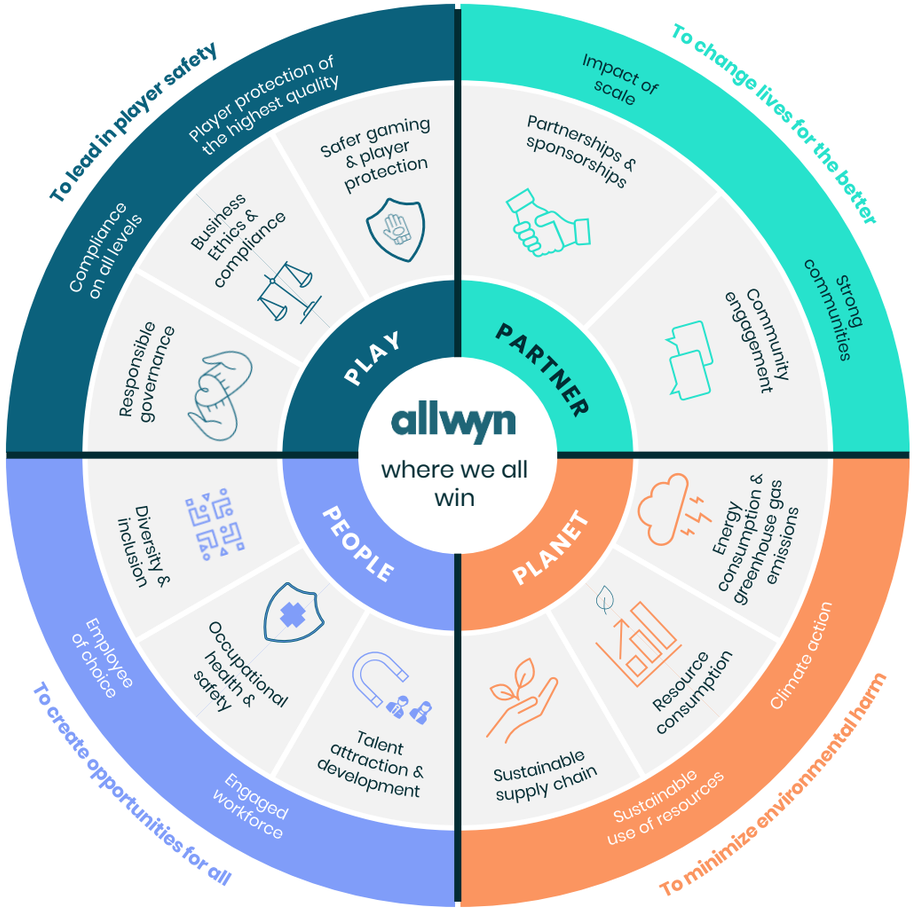
- In June 2022, the court ruled to lift the automatic suspension. A permission to appeal was granted on 14 July 2022

- Camelot and IGT have notified the court of the withdrawal of their appeals, paving the way for Allwyn to receive the award of, and begin transition to, the 4th licence

allwyn

We have introduced our new ESG strategy

Our mission is to be a trusted and proactive guardian of all that is good in lotteries and casual gaming entertainment



In June 2022, we published our first ESG report (following several CSR reports), showcasing our ESG strategy

Our ESG strategy is based on "4Ps":

1. **Playing Responsibly**
   To lead in player safety
2. **Partnering for Impact**
   To change lives for the better
3. **Empowering People**
   To create opportunities for all
4. **Respecting the Planet**
   To minimize environmental impact

allwyn

We share our success with local communities – selected Q2 2022 activities

Funding of good causes is an integral part of our ESG strategy

Help to Ukraine

- Delivering further support in-kind (medical supplies, essential goods, dry foods) to the Hellenic Red Cross to help people affected by the war in Ukraine
- “Neighbours in Need” campaign in Austria bringing donations of €1.6m



Sports

- SAZKA Olympic Multi-contest program for schools helping more than 130k children to discover their physical strengths and sport talent
- OPAP Gold sponsor of the Greek National Basketball team



Environment

- Wald4Leben project organized by CASAG and Austrian Lotteries’ employees planting trees



Financial Update

Q2 2022 financial highlights

Strong performance reflecting more normalized operational environment

- Strong financial performance reflecting limited COVID-19 related restrictions in physical retail business and continued organic growth
  - Q2-22 Pro-rata GGR 18% above last year
  - Q2-22 Pro-rata Adjusted EBITDA 25% above last year
- Continued high profitability
  - Pro-rata Adjusted EBITDA margin at 51%
- Low leverage at 2.2x despite continuing investment in inorganic growth strategies

Consolidated GGR

GGR	**+22.5%**
€902m	*vs Q2 '21*

Consolidated Adjusted EBITDA

Adjusted EBITDA	**+19.6%**
€286m	*vs Q2 '21*

Pro-rata GGR[1]

GGR	**+17.9%** *vs Q2 '21*
€708m	**+51.0%** *vs Q2 '19*

Pro-rata Adjusted EBITDA[1]

Adjusted EBITDA	**+25.2%** *vs Q2 '21*
€185m	**+113.5%** *vs Q2 '19*

Note: 2021 figures restated for treatment of Stoiximan GGR and adjustment for arbitration gain.
1) Net revenue from services (IFRS basis), equivalent to Net gaming revenue (NGR) in other segments

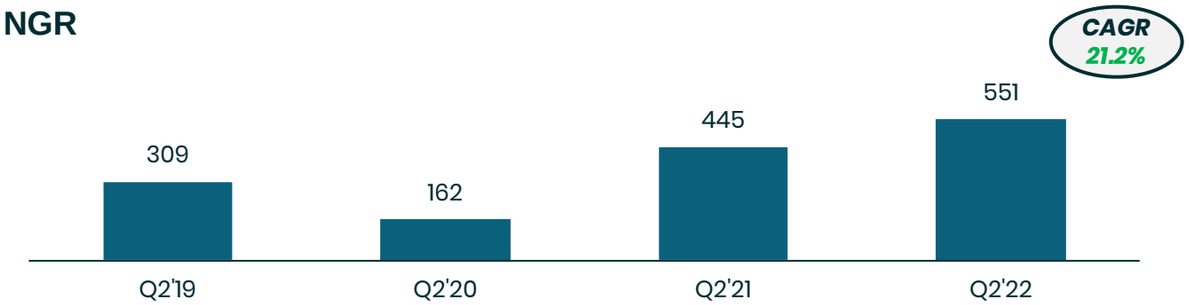
allwyn

Q2 2022 financials summary

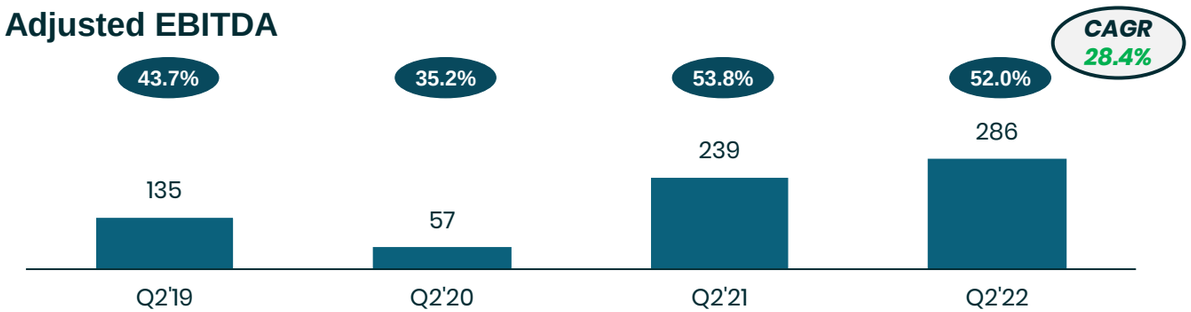
Strong performance continued in Q2 with substantial growth compared to pre-pandemic levels

Consolidated basis

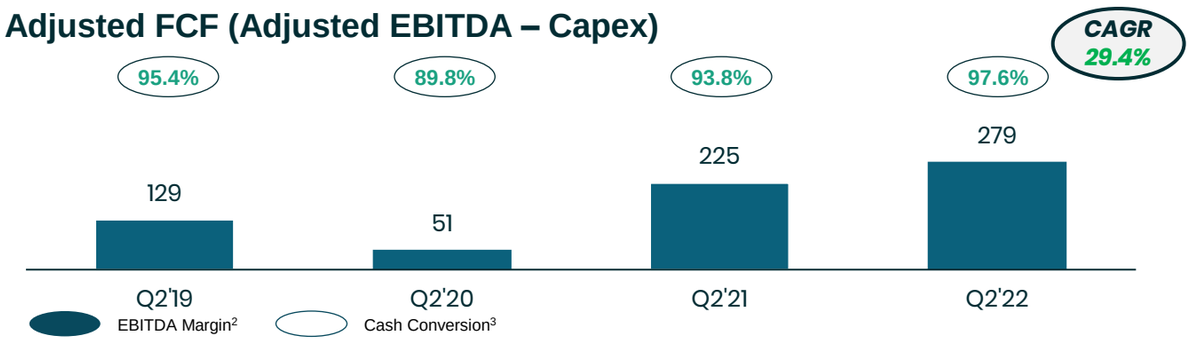
NGR



Adjusted EBITDA

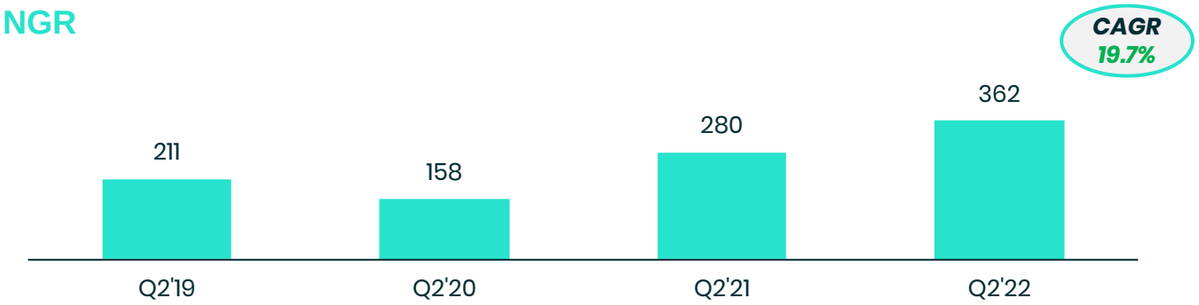


Adjusted FCF (Adjusted EBITDA – Capex)

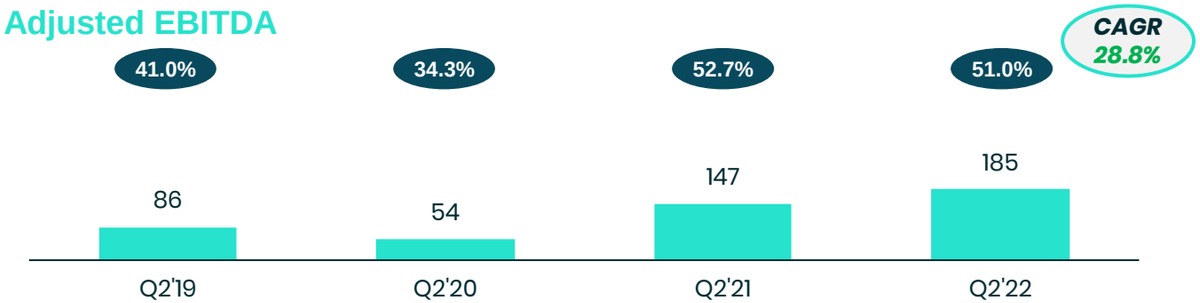


Pro-rata basis[1]

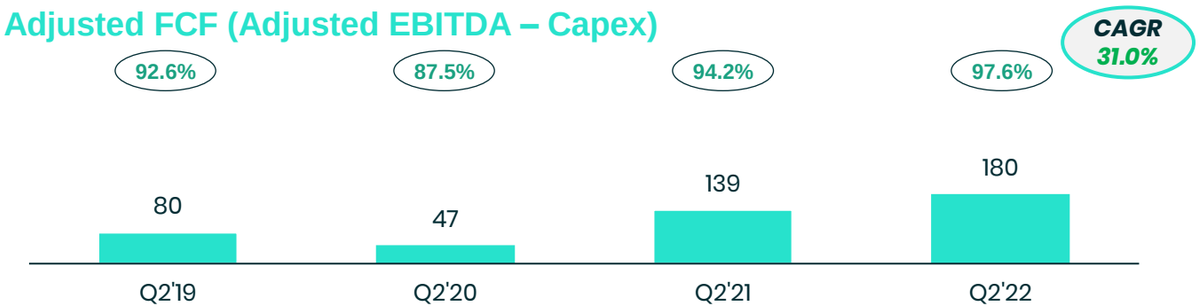
NGR



Adjusted EBITDA



Adjusted FCF (Adjusted EBITDA – Capex)



Note: 2021 figures restated for treatment of Stoiximan GGR and adjustment for arbitration gain.
1) Pro rata calculation based on economic ownership as at each respective period end
2) Calculated as Adj. EBITDA/NGR
3) Calculated as (Adj. EBITDA – Capex)/Adj. EBITDA

allwyn

Consolidated P&L

- Strong top-line growth
- Revenue from non-gaming activities primarily reflects recovery in casino activity
- Lower other operating income reflects COVID-19 related subsidies in prior year
- Continuing to demonstrate structurally higher profitability
  - Costs increases significantly lower than top-line growth
  - Adjusted EBITDA margin at 52%
- Lower PBT and PAT reflect one-off benefits in previous year (FX gain and one-off deferred tax benefit reflecting change in tax rate in Greece)

€ millions	**Q2 '22**	**Q2' 21**	***Δ vs. Q2 '21***
GGR	**902**	**736**	*23%*
NGR	**551**	**445**	*24%*
Revenue from non-gaming activities	51	36	*43%*
Other operating income	73	106	*(31%)*
Operating expenses	(413)	(369)	*12%*
Share of profit of equity investees	18	21	*(17%)*
Operating EBITDA	**279**	**239**	*17%*
Adjusted EBITDA	**286**	**239**	*20%*
Adjusted EBITDA margin	52%	53%	*(1 p.p.)*
Profit before tax	162	163	*(1%)*
Profit after tax	119	140	*(15%)*

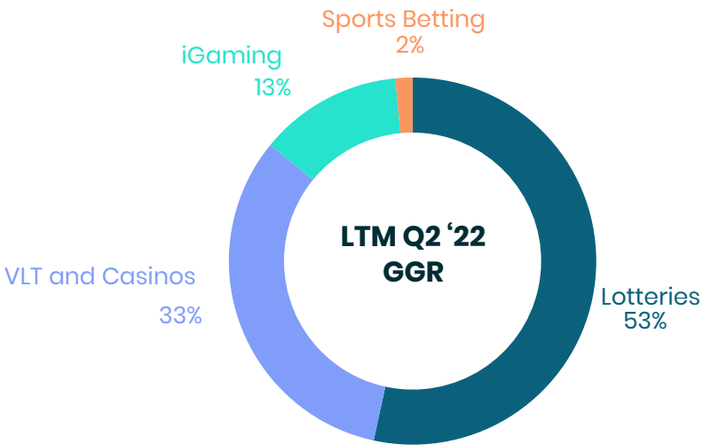
Note: 2021 figures restated for treatment of Stoiximan GGR and adjustment for arbitration gain.

allwyn

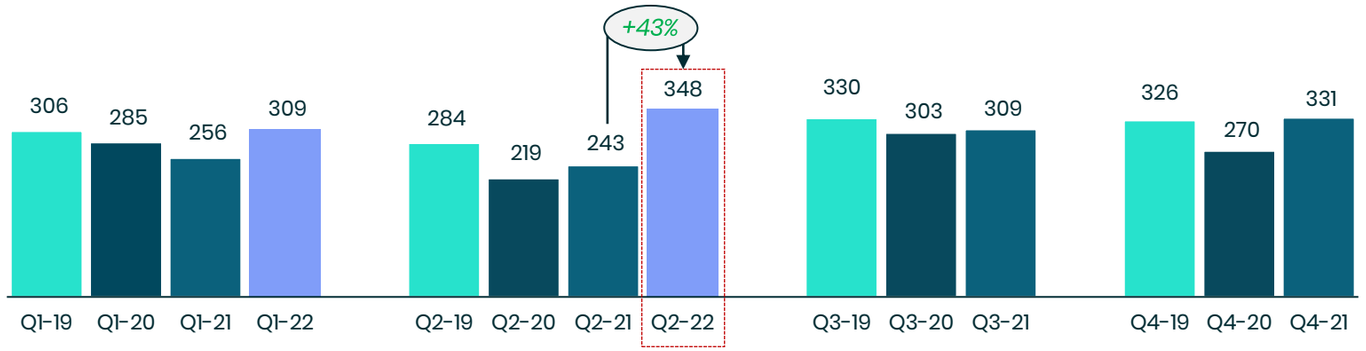
Segmental business highlights – Austria

Strong top-line recovery performance across products, cost savings support margins

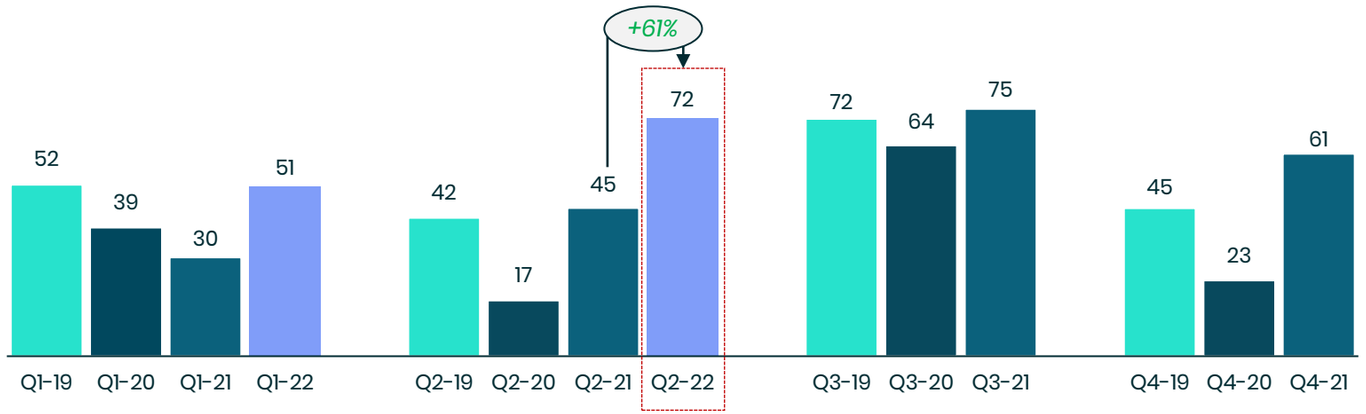
- Strong performance across all products:
  - Strong recovery in revenues at Austrian and international casinos businesses in more normal operating environment
  - Numerical lotteries GGR +13% year-on-year
  - iGaming GGR +10% year-on-year
- Profitability supported by Project ReFit cost savings



Gross Gaming Revenue, €m



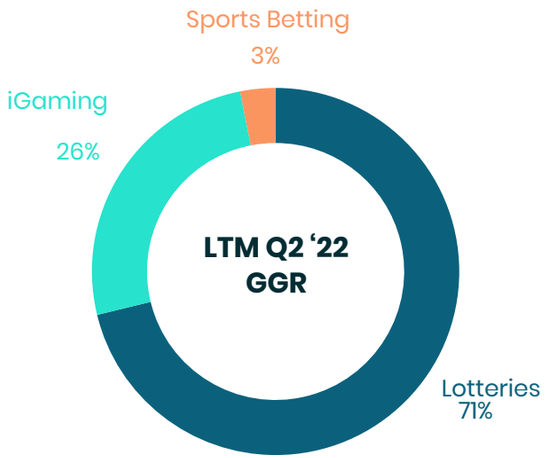
Adjusted EBITDA, €m



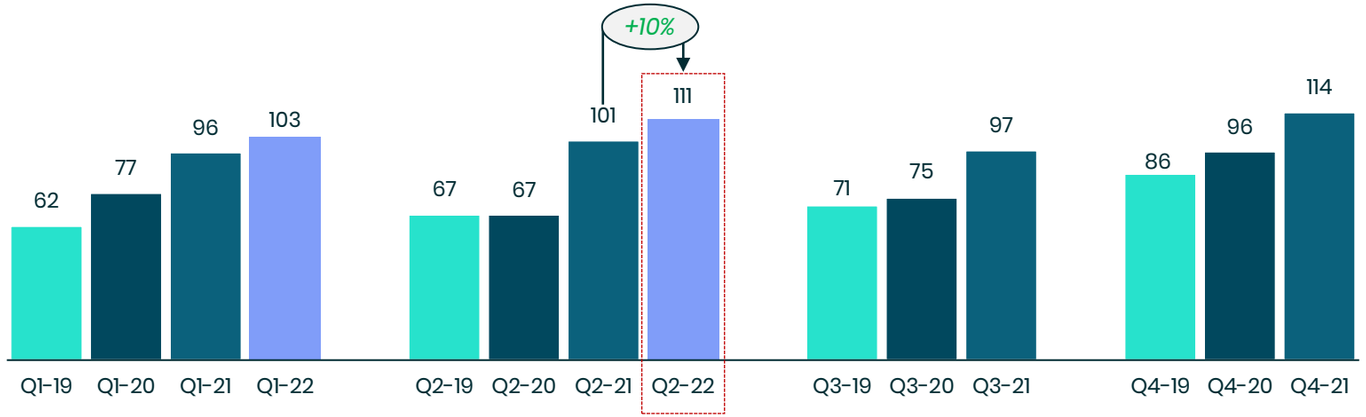
Segmental business highlights – Czech Republic

Continuing strong online growth and resilient physical retail

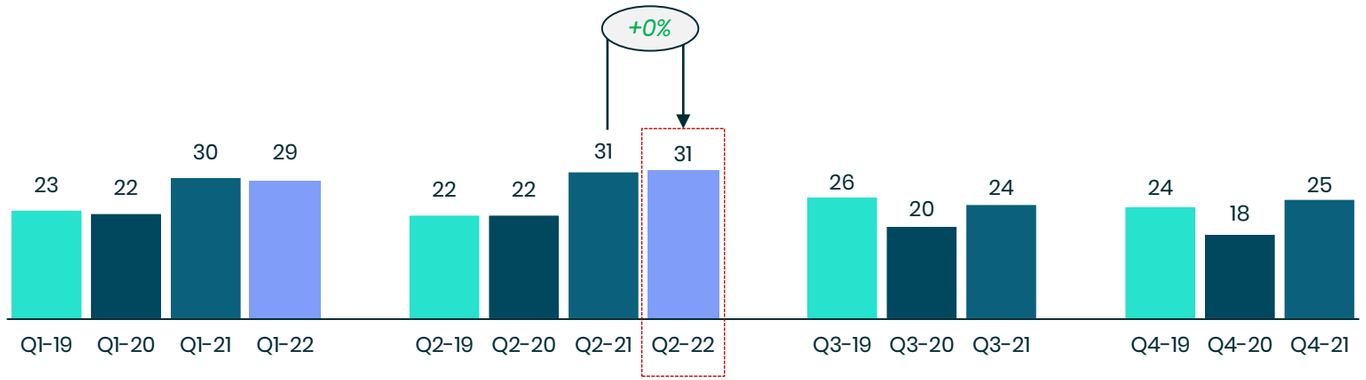
- Continued topline growth and strong profitability with GGR and EBITDA substantially above pre-pandemic levels
- Strong growth in iGaming (+33 year-on-year) and numerical lotteries (+7% year-on-year)
  - Strong sales in Eurojackpot following the launch of a second weekly draw
- Strong online growth continued with 44% of GGR generated online in Q2-22 (vs. 38% in Q2-21)
- Highest ever quarterly Adjusted EBITDA, though margin slightly down vs unusually high level in Q2-21



Gross Gaming Revenue, €m



Adjusted EBITDA, €m

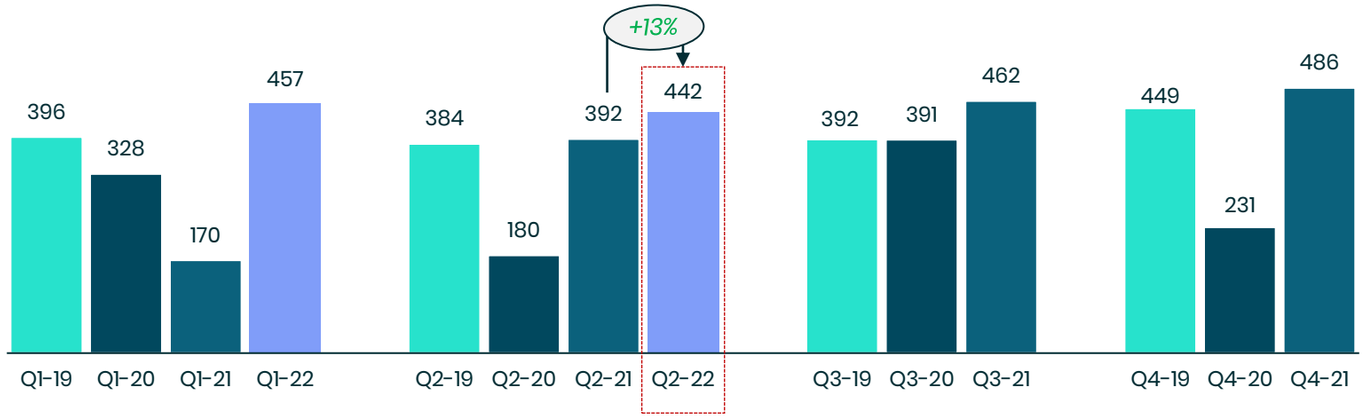


Segmental business highlights – Greece and Cyprus

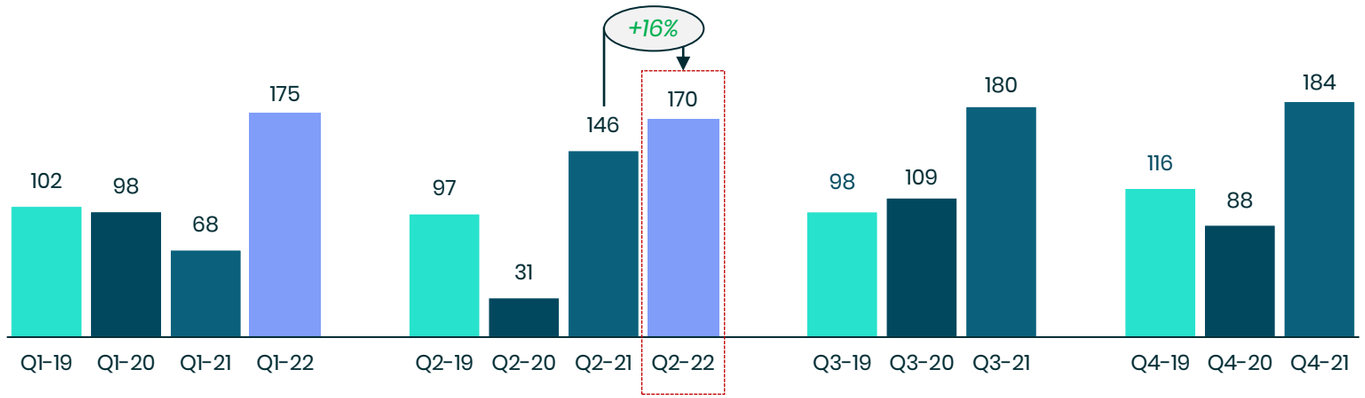
Strong revenue growth across most product categories

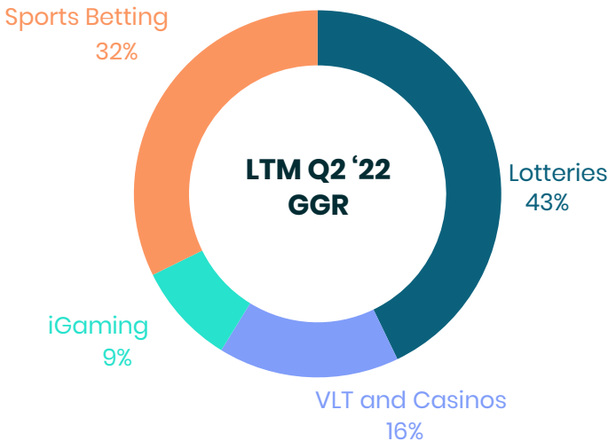
- Strong growth in topline (+13% year-on-year)
- Strong performance in numerical lotteries, sports betting and VLTs, benefiting from end of material COVID-related restrictions during quarter
- Adjusted EBITDA margin of 56%

Gross Gaming Revenue, €m



Adjusted EBITDA, €m





Note: Quarterly figures adjusted due to the restatement of Stoiximan GGR.

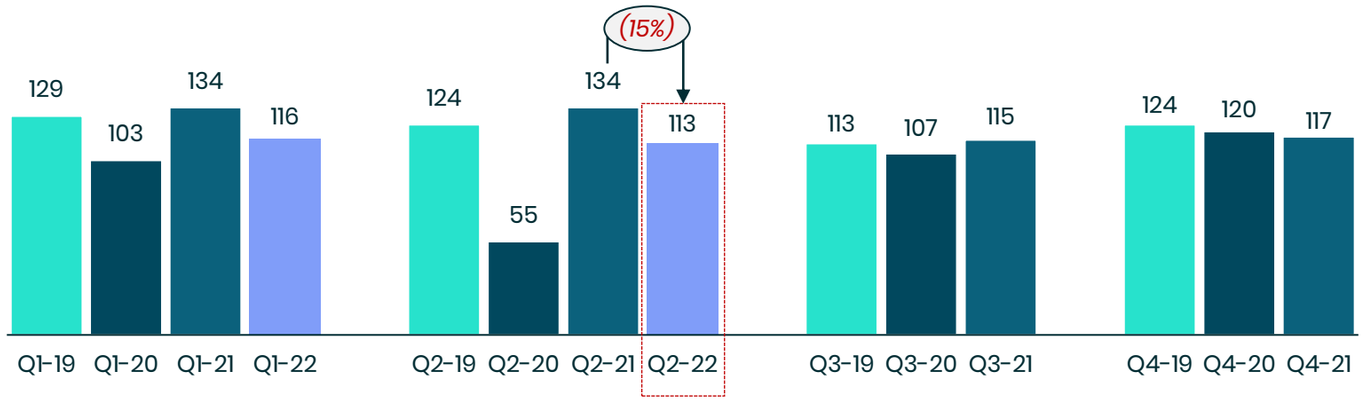
Segmental business highlights – Italy

Stable performance, in line with recent quarters

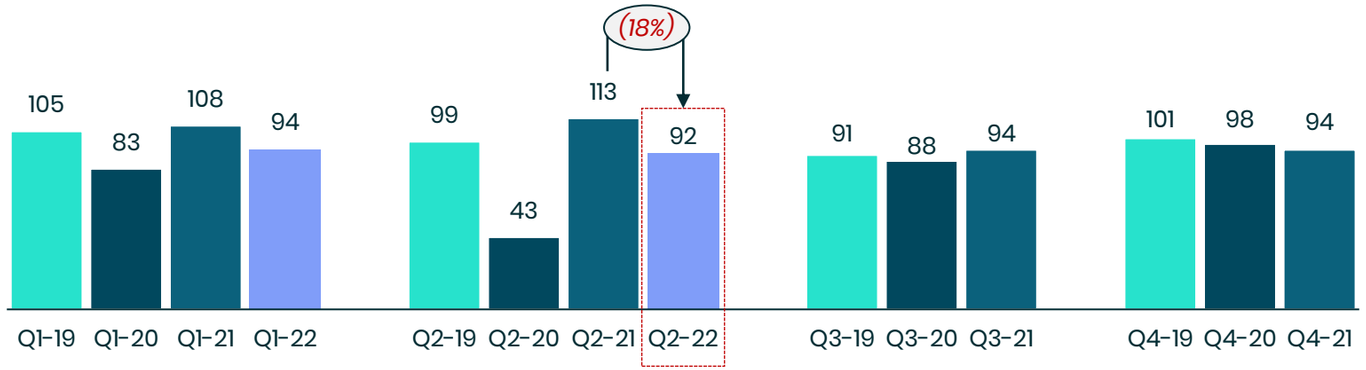
- Solid revenue and EBITDA broadly in line with previous two quarters
- Slight revenue decline year-on-year due to exceptionally strong performance in H1 2021
- Stable high profitability and cashflow generation



Revenue, €m



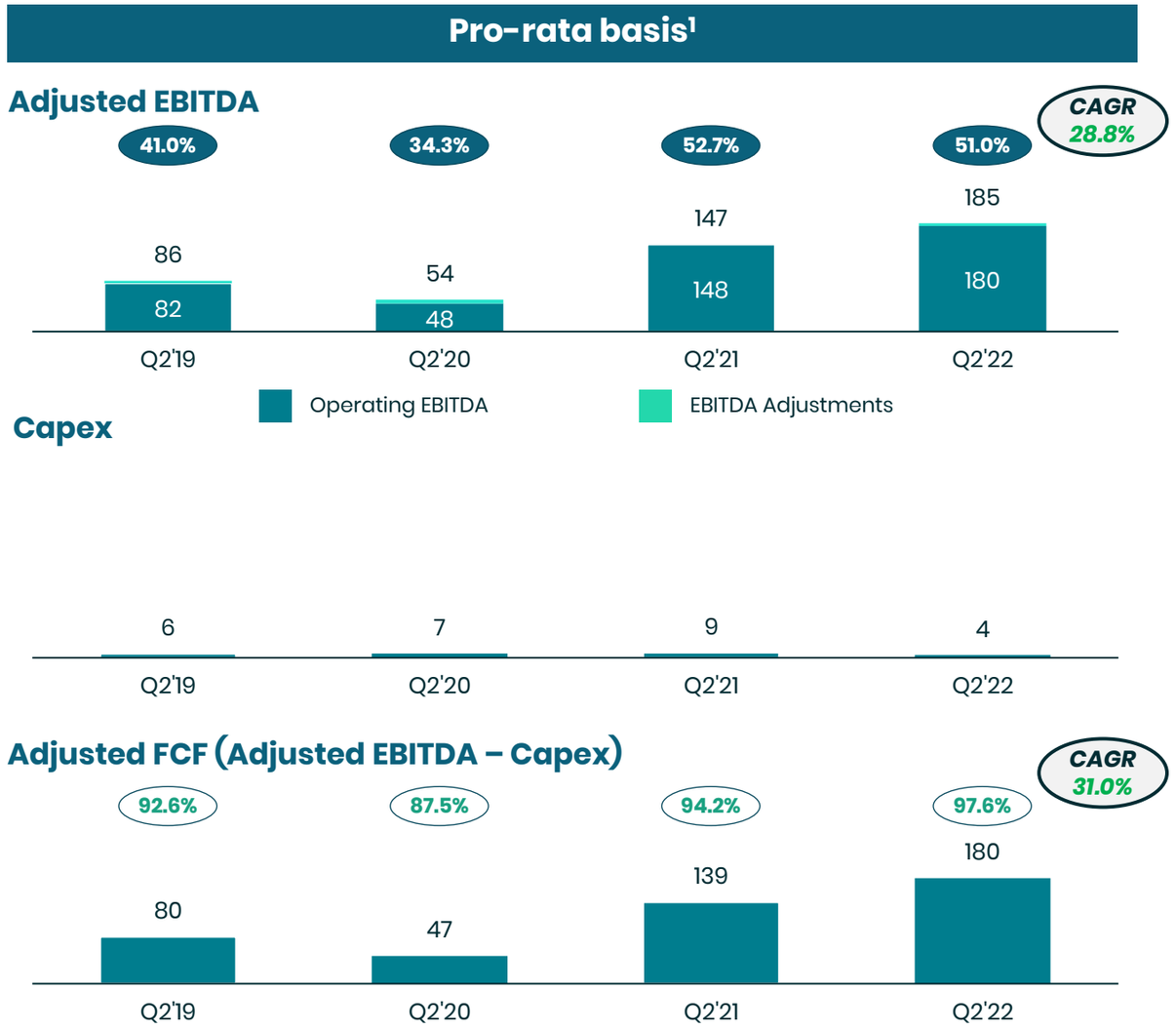
Adjusted EBITDA, €m



Strong free cashflow generation

Reflects asset light business model and high profitability

- Clean EBITDA with only small adjustments
- Consistently low capex requirements
- Key cash flow items in Q2 2022:
  - Allwyn invested €30.6m in open market purchases of OPAP shares
  - OPAP made an earn-out payment of €106.4m, representing the substantial majority of the outstanding contingent consideration from its purchase of Stoiximan
- Strong FCF across geographies reflected in dividend distributions and repayment of debt at subsidiary level
  - CASAG paid its first distribution since pre-COVID, Austrian Lotteries continuing to pay out 100% of net income
  - OPAP distributed €1.4 per share (post Q2) plus announced €0.3 interim dividend (to be paid in Q4), representing its highest ever annual pay-out



Note: 2021 figures restated for treatment of Stoiximan GGR.
1) Pro rata calculation based on economic ownership as at each respective period end
2) Calculated as Adj. EBITDA/NGR
3) Calculated as (Adj. EBITDA – Capex)/Adj. EBITDA

allwyn

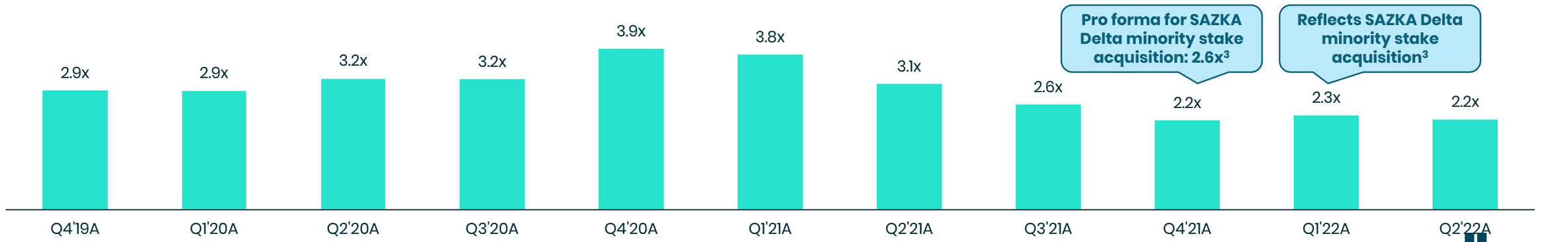
Pro-rata net leverage (pre-IFRS 16 basis)

De-leveraging continues despite M&A investments, net cash / negligible net debt position at all key operating entities

As of 30 June 2022, Pre-IFRS16 Basis

€ millions	Austria	Czech Republic	Greece and Cyprus	Italy	Corporate[1]	Total
100% basis						
LTM Adjusted EBITDA[2]	244	105	700	375	(7)	1,416
Cash and cash equivalents and short term financial assets	(339)	(40)	(814)	(179)	(101)	(1,473)
Net debt	(257)	(40)	26	(179)	1,771	1,321
Pro-rata ownership (%)	**59.7%**	**100.0%**	**48.8%**	**32.5%**	**100.0%**	
Pro-rata LTM Adjusted EBITDA[2]	145	105	341	122	(7)	706
Pro-rata net debt	(153)	(40)	13	(58)	1,771	1,532
Pro-rata net leverage	**(1.1x)**	**(0.4x)**	**0.0x**	**(0.5x)**	**NM**	**2.2x**
Pro-rata priority net leverage						**(0.5x)**

Pro-rata Net Debt / Pro-rata LTM Adj. EBITDA (Pre-IFRS16)



1) Includes SAZKA Group a.s., service companies and holding companies
2) Pre-IFRS16 EBITDA; Pro rata calculation based on economic ownership by segment at the end of Q2'22
3) Total consideration of €327m

Key financing transactions in Q2

Continuing to capitalise on strong financial, operational and strategic momentum and further strengthen liquidity

Allwyn International

- In June 2022 we signed an increase of our syndicated loan by €180m
  - Term loan facilities were increased by €107 million to €435m
  - RCF was increased by €73m to €243m
- The RCF is currently entirely undrawn

OPAP

- In April 2022, OPAP extended a €100m RCF maturing in May 2022 to May 2023. The RCF remains undrawn
- In May 2022 OPAP signed a €250m forward starting loan agreement, with a maturity of 3 years, starting in March 2023
  - The new loan extends an existing €250m loan maturing in March 2023 until March 2026
  - Existing €250m is booked as short term under IFRS, however the forward starting loan agreement addresses refinancing

CASAG

- In June 2022, CASAG made a prepayment of €40.7 million of its syndicated loan

allwyn

Update on Current Trading

Update on current trading

Our business continues to perform well despite weaker general consumer sentiment

1 COVID-19

- All our businesses are currently operating without material impact from COVID-19 related restrictions

2 War in Ukraine

- No material impact - we do not have any operations in Ukraine, Russia or Belarus and our suppliers have not experienced any material disruptions

3 Macroeconomic environment

- Limited impact of inflation and rising energy prices on our cost structure
  - Our largest cost categories linked to revenue (e.g. gaming taxes, agent's commissions) and energy accounting for a small proportion of our costs.

4 Consumer sentiment

- Macroeconomic and political uncertainties continue to have some impact on consumer sentiment in general in the countries where we operate
- However, so far the impact on consumer demand for our products have been limited, reflecting the low price point of our products and low average ticket size, as well as our large number of regular players
  - In-line with previous periods of economic dislocation (global financial crisis, Greek crisis, COVID)

5 Seasonality

- Second half of the year and in particular the fourth quarter typically strongest periods of the year

allwyn

Thank you

Appendix

Summary of adjustments to EBITDA

Standalone, 100% (€m)

Operating EBITDA	2019	2020	2021	Q1 2022	Q2 2022
Austria	211	147	232	53	73
Czech Republic	95	84	107	29	31
Greece and Cyprus	413	260	555	174	166
Italy	396	311	409	94	92
Corporate – Allwyn International	(27)	(30)	(14)	(5)	(6)
Adjustments to Operating EBITDA					
Austria	--	(4)	(21)	(2)	(1)
Czech Republic	--	(2)	4	--	--
Greece and Cyprus	1	66	23	0	4
Italy	--	--	--	--	--
Corporate – Allwyn International	10	15	7	3	4
Adjusted EBITDA					
Austria	211	143	211	51	72
Czech Republic	95	82	111	29	31
Greece and Cyprus	413	326	578	175	170
Italy	396	311	409	94	92
Corporate – Allwyn International	(17)	(15)	(7)	(2)	(3)

EBITDA Adjustments Breakdown

	2019	2020	2021	Q1 2022	Q2 2022
Austria adjustments					
Casino Linz insurance gain + restructuring non-personnel costs	--	(4)	(1)	--	--
Argentina arbitration gain	--	--	(16)	(1)	(1)
Other	--	--	(4)	(1)	0
Total Austria adjustments	**--**	**(4)**	**(21)**	**(2)**	**(1)**
Czech Republic adjustments					
Gain from cancellation of obligation to acquire entity	--	(2)	--	--	--
Charitable donation to support disaster relief and other	--	--	4	--	--
Total Czech Republic adjustments	**--**	**(2)**	**4**	**--**	**--**
Greece and Cyprus adjustments					
Hellenic Lotteries minimum gaming tax adjustment	--	38	25	--	--
Litigation provision	(16)	5	(1)	0	1
COVID-19 related extraordinary costs	--	10	(4)	0	4
Other non-recurring costs and write-offs	17	13	3	--	(1)
Total Greece and Cyprus adjustments	**1**	**66**	**23**	**0**	**4**
Corporate adjustments – Allwyn International					
Inorganic business development costs	10	15	20	3	4
Arbitration gain	--	--	(13)	--	--
Total Corporate adjustments – Allwyn International	**10**	**15**	**7**	**3**	**4**

Dividends and distributions

€m	Ownership At end of period	2019	2020	2021	H1 2022
Dividends and cash upstreamed – 100% basis					
Austrian Lotteries	9.5%[1]	120	177	91	120
CASAG	59.7%	15	-	-	-
Lottoltalia	32.5%	351	237	316	275
OPAP	49.0%[2]	165	420	222	-
SAZKA	100.0%	19	38	81	49
Dividends and cash upstreamed – pro rata to interest at the end of each quarter		**191**	**275**	**281**	**150**
of which cash		191	139	197	150
of which OPAP dividend taken as scrip		-	136	83	-
Dividends and cash upstreamed – pro rata to interest as of 30 June 2022		**234**	**337**	**301**	**150**
of which cash		234	142	197	150
of which OPAP dividend taken as scrip		-	195	104	-

1) 9.45% directly held stake. CASAG also holds a 73.8% stake in Austrian Lotteries
2) Net of treasury shares

allwyn

Capital structure overview

As of 30 June 2022

€ millions, Q2'22 (Pre-IFRS16)	Amount	x LTM Adj. EBITDA[1]
Pro-rata cash and cash equivalents	(798.2)	
Pro-rata subsidiary debt	458.8	
Pro-rata priority net debt[2]	**(339.4)**	**(0.5x)**
Syndicated loan (Term Loans and RCF)	432.2	
CZK6bn 5.2% Czech Notes	243.8	
€300m 4.125% SSNs	299.2	
€500m 3.875% SSNs	500.0	
€400m 4.125% FRNs	396.5	
Pro-rata net debt	**1,532.5**	**2.2x**

1) Pro-rata Adjusted EBITDA of €706.4m for LTM ended of 30 June 2022
2) Including cash at Allwyn International a.s.

Alternative performance measures

This presentation includes non-IFRS performance measures, including Net gaming revenue ("NGR"), Operating EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Capex, Adjusted Free Cash Flow ("Adjusted FCF"), Cash conversion and pro rata financial information.

Please refer to Allwyn International's press release and Management's discussion and analysis of financial condition and results of operations dated around the same date as this presentation for definitions of these non-IFRS measures and reconciliations to the most directly comparable IFRS measures.

Pro-rata ownership % indicates the effective economic interest of the Company in each entity as of the date of our most recent financial statements, which is assumed to have been held throughout the previous twelve months.

As there are no generally accepted accounting principles governing the calculation of non-IFRS financial and operating measures, other companies may calculate such measures differently or may use such measures for different purposes than we do, and therefore you should exercise caution in comparing these measures as reported by us to such measures or other similar measures as reported by other companies. These measures may not be indicative of our historical operating results or financial condition, nor are such measures meant to be predictive of our future results or financial condition. Even though the non-IFRS financial measures are used by management to assess our financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under IFRS

Disclaimer

This presentation was produced by Allwyn International a.s. This presentation is not to be reproduced or distributed, in whole or in part, by any person other than Allwyn International a.s. This presentation does not represent an offer for, or constitute or form part of, and should not be construed as, an advertisement, recommendation or an invitation to subscribe for or to purchase securities of, Allwyn International a.s. or its subsidiaries.

This presentation does not form, and should not be construed as, the basis of any credit analysis or other evaluation, or as providing an investment or lending recommendation, advice or valuation or a due diligence review. The information contained in this presentation is for informational purposes only.

This presentation may include forward looking statements regarding certain of our plans and our current goals, intentions, beliefs and expectations concerning, among other things, our future results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which we operate — including, without limitation, our plans to list on the New York Stock Exchange and the pending litigation relating to the outcome of the UK National Lottery 4th Licence competition. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Generally, but not always, words such as "guidance," "may," "could," "should," "will," "expect," "intend," "estimate," "anticipate," "assume," "believe," "plan," "seek," "continue," "target," "goal," or their negative variations or similar expressions identify forward-looking statements. By their nature, forward-looking statements are inherently subject to risks and uncertainties because they relate to events and/or depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that the actual results of operations, financial condition and liquidity and the development of the industries in which we operate may differ materially (positively or negatively) from those made in or suggested by the forward-looking statements contained in this presentation. In addition, our historical results or developments may not be indicative of results or developments in future periods. We do not undertake any obligation to review, update or confirm expectations or estimates contained herein or to release publicly any revisions to any forward-looking statements contained herein in order to reflect events that occur or circumstances that arise after the date of this document.

No warranty or representation of any kind, express or implied, is or will be made in relation to, and to the fullest extent permissible by law, no responsibility or liability in contract, tort, or otherwise, is or will be accepted by us or any of our officers, employees, advisers or agents, or any other party, as to the accuracy, completeness or reasonableness of the information contained in this presentation, including any guidance, opinions, forecasts or projections. Nothing in this document shall be deemed to constitute such a representation or warranty. Any estimates and projections in this presentation were developed solely for our use at the time at which they were prepared and for limited purposes which may not meet the requirements or objectives of the recipient of this presentation. Nothing in this document should be considered to be a forecast of future profitability or financial position, and none of the information in the document is or is intended to be a profit forecast or profit estimate.

We are not providing any advice herein (whether in relation to legal, tax or accounting issues or otherwise). You should seek legal, tax, accounting and any other necessary advice from your advisors in relation to the contents of this presentation.

This presentation has not been approved by any regulatory authority and does not represent financial statements or an annual report within the meaning of applicable Czech law.

allwyn