

Q2 2021 RESULTS

9 September 2021

Sazka
GROUP



Robert Chvatal, CEO

Kenneth Morton, CFO



Business and strategic update

Q2 2021 highlights

- Strong quarter on year on year and quarter on quarter basis
- Good performance of Austrian Lotteries, Czech Republic, Italy and Stoiximan from previous quarters continues
- Material contributions from OPAP physical retail and casinos
 - All material restrictions relaxed by the end of the quarter
 - However, restrictions were in place for material portion of Q2, so performance does not yet represent run-rate
- Key strategic developments include
 - Restructuring of Austrian casinos largely implemented (€45m cost savings)
 - Continued to increase interest in OPAP

€ millions	Q2 2021	Q1 2021	Δ vs Q1 '21	Q2 2020	Δ vs Q2 '20
GGR	740.1	526.3	41%	246.6	200%
NGR	449.1	283.0	59%	162.0	177%
Adjusted EBITDA	252.7	144.4	75%	57.1	343%
Adjusted EBITDA margin	56.3%	51.0%	5 p.p.	35.2%	21 p.p.
Profit before tax	166.1	48.1	245%	12.3	1250%
Pro-rata GGR	601.9	520.3	16%	339.2	77%
Pro-rata Adjusted EBITDA (post IFRS 16)	160.9	105.2	53%	52.4	207%
Pro-rata LTM Adjusted EBITDA (pre IFRS 16)	463.2	360.6	28%	378.5	22%

Notes:

This presentation includes non-IFRS performance measures. Please refer to slide 26.

COVID – Q1 and Q2 2021 impact summary

Q1 2021

- POS in the Czech Republic, Austria and Italy open and functional
 - COVID-related restrictions still in place, however minimal impact on sales via POS network
- Substantial impact on physical retail operations in Greece and Cyprus as well as CASAG's casino businesses
 - Agents' stores in Greece and VLT halls shut for almost all of Q1
 - Casinos and gaming halls in Austria and most international casinos closed throughout Q1
- Online sales at structurally higher levels

Q2 2022

- All operations reopened
 - OPAP stores across Greece resumed operations as of 12 April and PLAY gaming halls and VLT operations were reopened on 24 May; most material restrictions now relaxed
 - All Austrian casinos were reopened as of 19 May and all international casinos are now open
- Online sales continue to grow across geographies

Quarterly business highlights – Austria



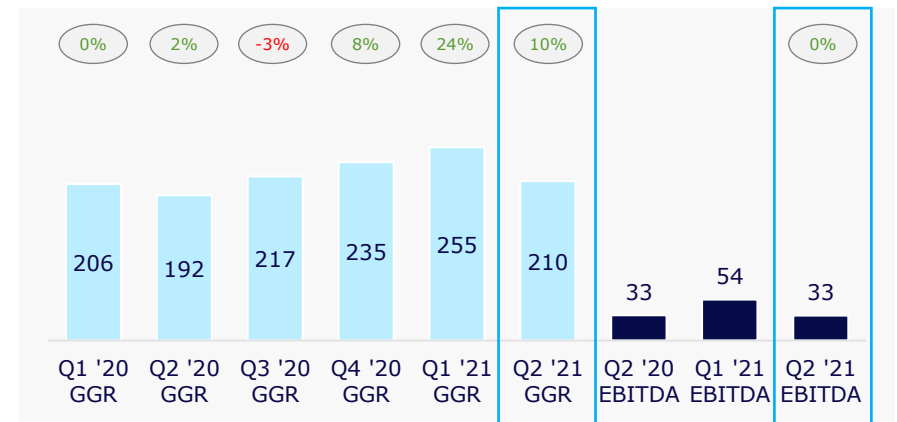
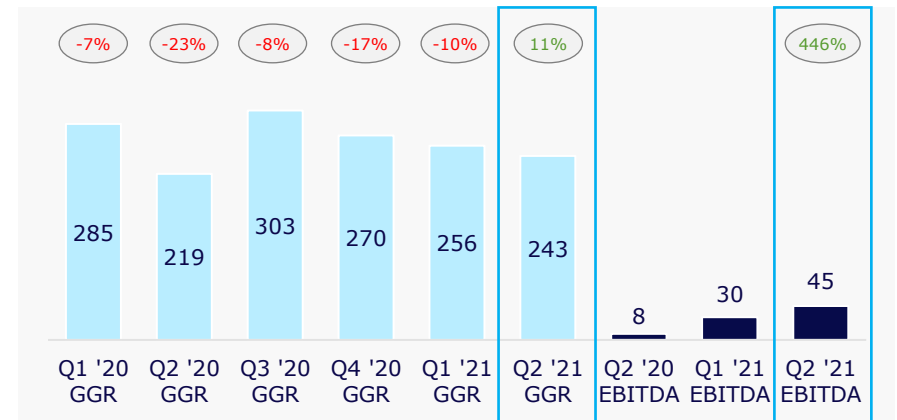
Austria - consolidated:

- Austrian casinos reopened as of 19 May
- International casinos all open by end of quarter
- Very encouraging performance after reopening with meaningful EBITDA generation

Austria – Austrian Lotteries:

- Q2 trading a little softer across verticals due to lower jackpot levels and typical seasonality

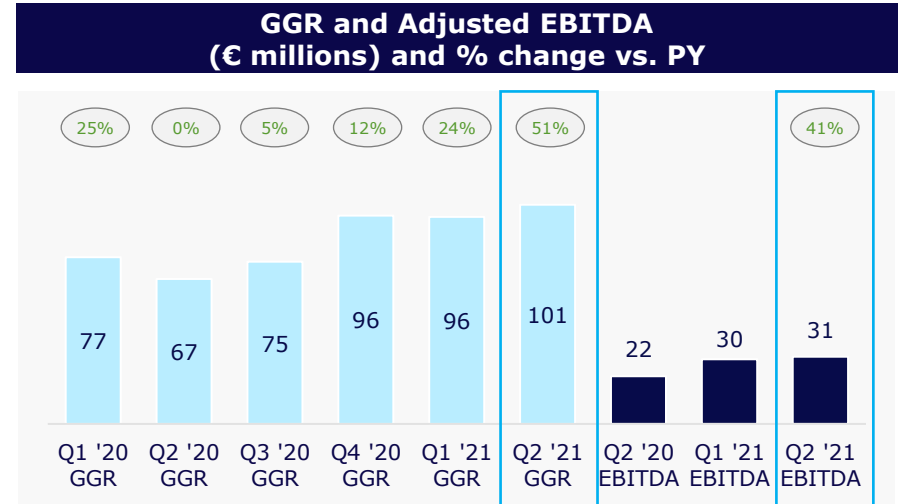
GGR and Adjusted EBITDA (€ millions) and % change vs. PY



Quarterly business highlights – Czech Republic



- Consistently strong performance over recent quarters continues
- Online (online lotteries and iGaming) have been major driver of growth, physical retail sales also growing
- Q2 '21 EBITDA +41% above last year



Quarterly business highlights – Greece and Cyprus



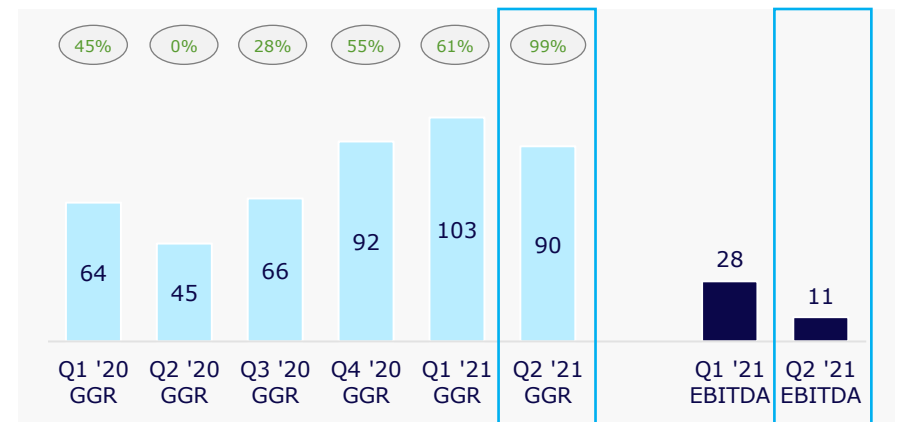
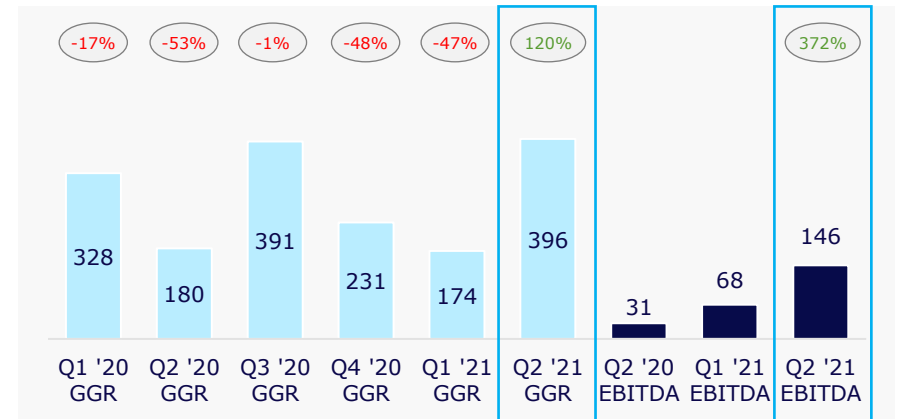
Greece and Cyprus - consolidated:

- Physical retail operations started up in stages during quarter
- Performance after reopening slightly better than during Q3 20, GGR in line with 2019
- Material benefit to EBITDA and cashflow generation from GGR tax prepayment

Greece and Cyprus - Stoiximan:

- Consistently strong trading continues
- Q2 GGR reflects usual seasonality in sports betting, EBITDA further impacted by lower margins
- H1 EBITDA of €39 million

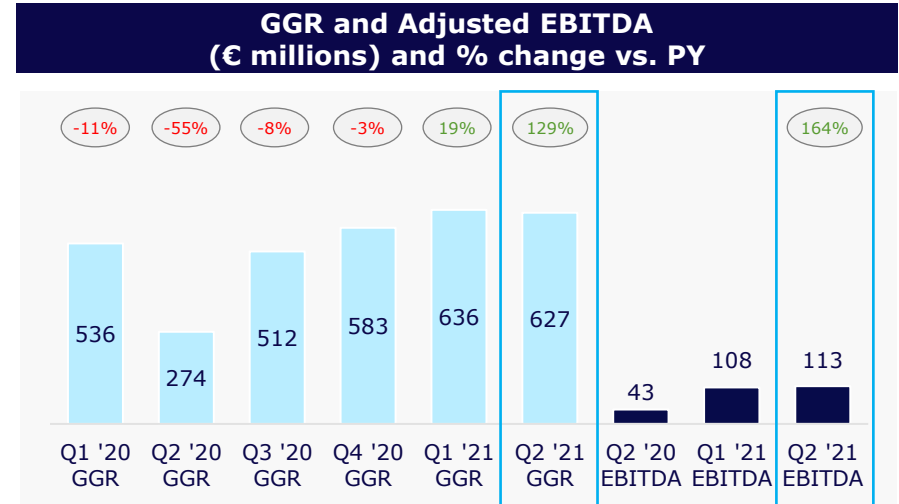
GGR and Adjusted EBITDA (€ millions) and % change vs. PY



Quarterly business highlights – Italy

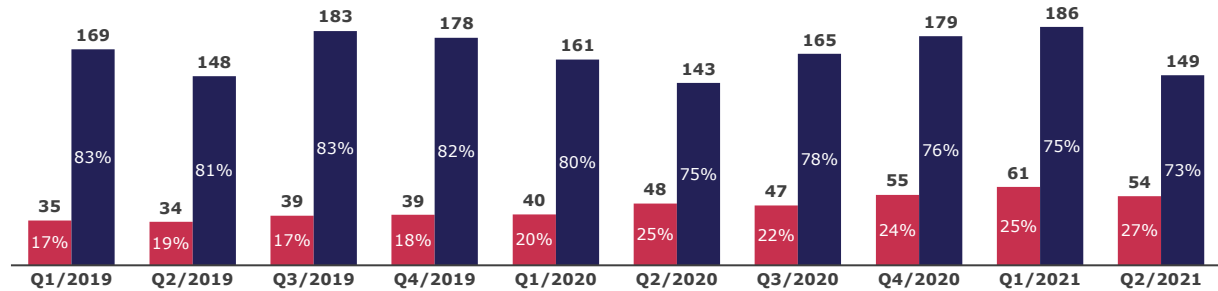


- Both Q1 and Q2 have been record quarters
- YoY comparison reflects impact of first wave of COVID on Italy in March-May

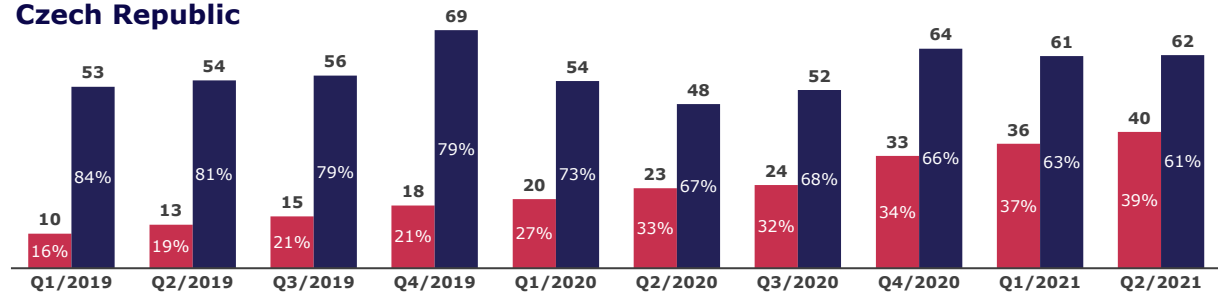


Online and iGaming momentum

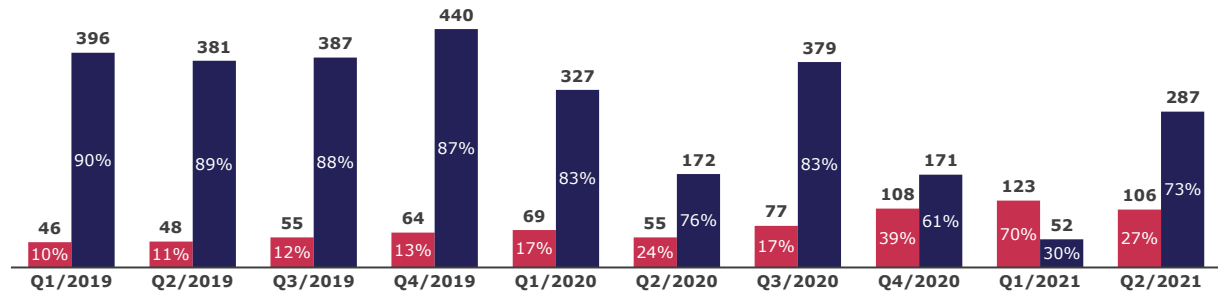
Austria (excl. casinos and land-based sports betting)



Czech Republic



Greece and Cyprus (including Stoiximan for all periods)

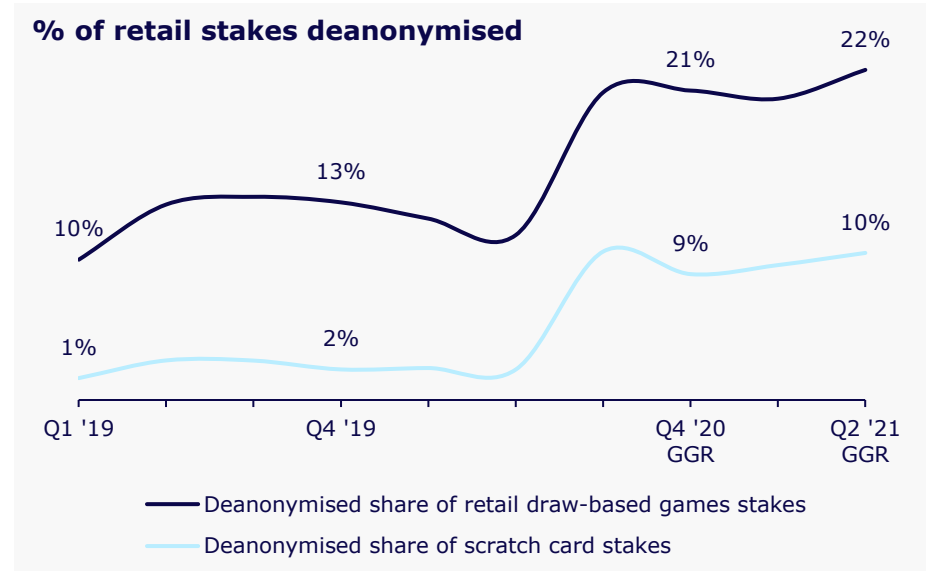


- **Online – not just a key channel but also a tool to drive growth and protect players through data**
- Strong growth in revenues from iGaming and sales of other products through online channels sustained
- Sales through physical retail also remain strong
- Supported by
 - Cross-selling, leveraging brands, website and app traffic from lottery players, increasingly granular knowledge of customer base
 - New product launches
 - Acquisition of leading online player in Greece, Stoiximan (consolidated from December)

■ Online channel
■ Physical retail channel

Product launches and innovation – digitalisation of physical retail in Czech Republic

- **Deanonimisation of physical retail users – traditionally anonymous - allows us to realise benefits (data, player protection) similar to online user**
- In the Czech Republic, the Sazka Club loyalty scheme aims to deanonymise traditional retail customer base
- Wheel of Fortune initiative successfully launched in Q3 2020 to boost this effort
- Sazka Club customer base now similar in size to online lottery base in Digital Entertainment Hub
- Currently c. 431,000 players fully registered
- As of Q2 2021, 22% of retail draw-based games and 10% of scratch cards sales deanonymized
- Similar retail loyalty scheme successfully launched in Greece in Q1



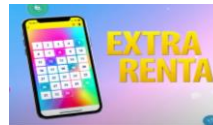
Product launches and innovation – YTD highlights

- Continuing to expand and improve our product offering, channels and technology across geographies
- Continuing to successfully implementing proven innovations across our geographies
 - Digitalisation of physical retail via loyalty scheme (Czech Republic → Greece)
 - Event draws (Czech Republic → Austria)
 - Online products and know-how (Czech Republic → Austria)
 - Group play / syndicates (Austria → Czech Republic)

New and revitalised products



NEW special event draws



NEW annuity jackpot game



NEW scratch card family



NEW Q2 → **NEW** group play feature



NEW Q2 → **NEW** Powerspin game features

New technology and UI



NEW in-house sports-betting platform at Stoiximan



NEW sports-betting app enhancements



NEW iGaming app tournaments integration

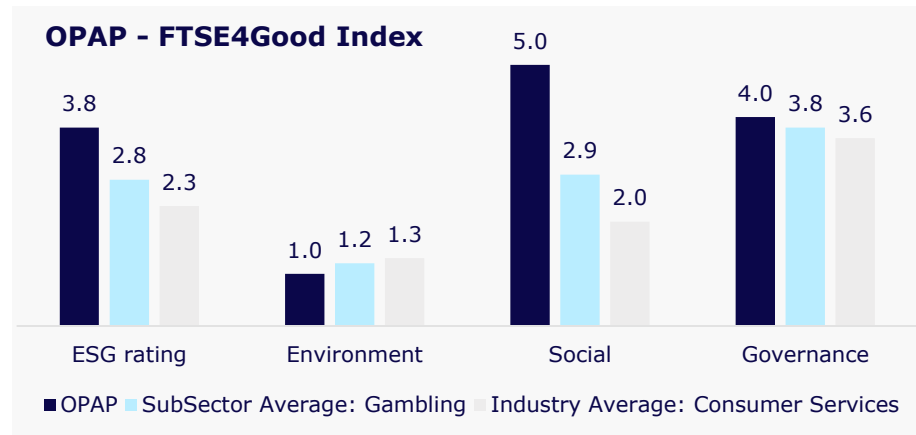
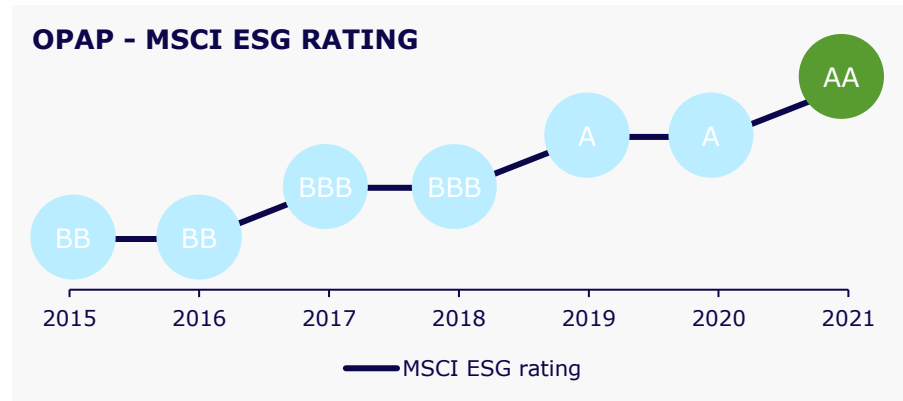
Digitalising physical retail



NEW retail loyalty scheme

Q2 ESG update

- SAZKA a.s. donated CZK 50m to victims of tornado in the Czech Republic
- OPAP's MSCI ESG rating upgraded to AA
- OPAP confirmed as FTSE4Good Index Series constituent for fifth consecutive year
- OPAP completed next milestones in renovation of children hospital, reaching 85%+ of total renovation project
- OPAP Major Sponsor of Greek Paralympics team
- Annual CSR report [published](#)



Key strategic developments

Q2 2021

- Shareholding in OPAP increased to 45.4% (economic interest 38.3%), compared to 43.1% (economic interest 36.1%) at YE 20, through open market purchases
- ReFIT restructuring programme at CASAG to a large extent implemented
 - Currently c. 460 FTE (29 % less) less compared to avg. 2019 headcount at Austrian casino operations
 - Expected run-rate cost savings of €45 million, to be delivered in 2022, in line with previous expectations

Subsequent

- Shareholding in OPAP increased to 46.4% (economic interest 39.4%) through open market purchases and taking OPAP dividend as scrip



Financial update

Consolidated P&L

- Consolidated P&L reflects consolidation of CASAG since Q3 and Stoiximan since December 2020
- Year on year comparison also reflects weak Q2 2020
- Strong growth in most line items vs Q1, reflecting recovery in Greece and Cyprus physical retail and casinos
- Significant benefit from GGR tax prepayment in Greece

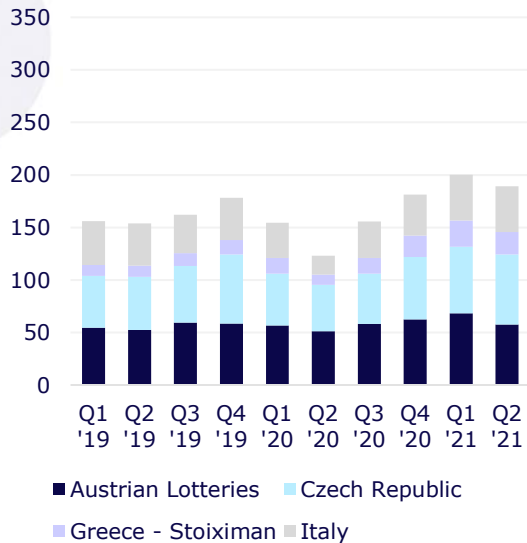
€ millions	Q2 2021	Q1 2021	Δ vs Q1 '21	Q2 2020	Δ vs Q2 '20
GGR	740.1	526.3	41%	246.6	200%
NGR	449.1	283.0	59%	162.0	177%
Operating expenses	-373.1	-278.6	34%	-164.2	127%
Share of profit of equity investees	21.4	19.0	13%	21.9	-2%
Operating EBITDA	238.8	132.6	80%	56.8	320%
Adjusted EBITDA	252.7	144.4	75%	57.1	343%
Adjusted EBITDA margin	56.3%	51.0%	5 p.p.	35.2%	21 p.p.
Profit before tax	166.1	48.1	245%	12.3	1250%
Profit after tax	141.9	35.2	303%	17.6	706%

Notes:

1 Restated. Please see note 1 (g) of the Financial Statements and MD&A.

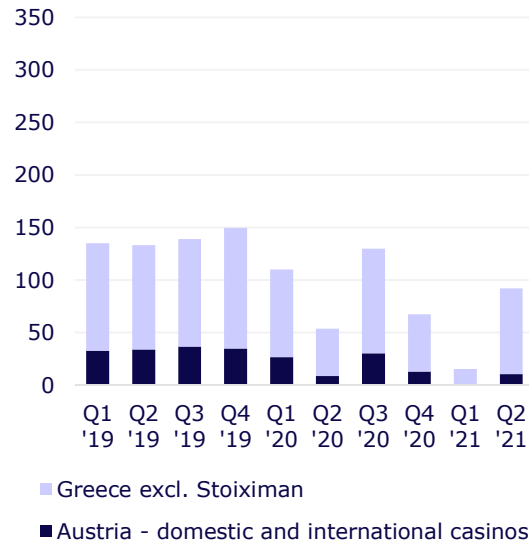
Pro-rata NGR development

Segments with limited impact from COVID-19 restrictions



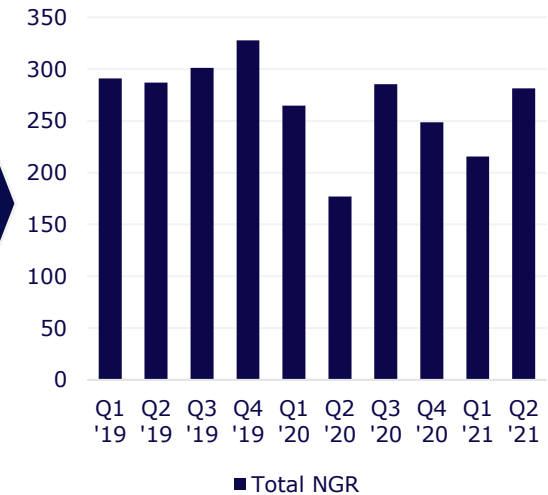
- **Austrian Lotteries, Czech Republic, Italy, Stoiximan**
- Minimal impact from restrictions after first wave in Q1 / Q2 2020
- Strong performance throughout H2 2020, H1 2020 and into H2 2021
- Benefiting from more rapid customer shift to online

More impacted segments



- **Greece physical retail, casinos**
- Directly impacted by restrictions for much of 2020 and H1 2021
- Good recovery in Q3 2020 and later part of Q2 2021 when restrictions were lifted
- Q220 21 does not yet reflect full run rate given timing of reopening
- **GGR currently at approximately 2019 levels in all affected businesses**

Combined performance



Key financing transactions

Subsequent

- €55 million scheduled amortisation on SAZKA Group syndicated loan
- €30 million voluntary repayment of RCF
 - Amount remains available, undrawn capacity €140 million
- SAZKA Entertainment downstreamed €75 million to SAZKA Group as equity contribution

Dividends and distributions

Q2 2021

- In May, LottoItalia made a distribution of share capital of €47 million (€15 million net to SAZKA Group's interest)

Subsequent

- In July, SAZKA a.s. paid a dividend of CZK900 million (c. €35 million)
- In August, OPAP paid a dividend of €0.55/share, €72 million net to SAZKA Group's economic interest. SAZKA Group elected to receive the dividend as scrip
- In August, LottoItalia made a distribution of share capital of €47 million (€15 million net to SAZKA Group's interest)

Dividends and distributions (continued)

€ millions	end of June	2020				2021			Q1-Q3	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	2020	2021
Austrian Lotteries	9.45%		77	100			61		177	61
CASAG	59.70%									
SDHH	78.64%		5		2	2	2	2	5	5
LOTTOITALIA	32.50%		150	64	23	176	47	47	214	269
OPAP	38.33%	320			100			187	420	187
SAZKA	100.00%			37		2	3	38	37	43
Net to SG economic interest at end of June 2021		123	59	106	9	61	25	126	288	211
of which OPAP scrip dividend		123		36				70	159	70
Net to SG economic interest at end of quarter		107	59	103	9	61	25	128	269	213
of which OPAP scrip dividend		107		34				72	141	72
Net to SG economic interest at end of June 2021 - Cash			59	69	9	61	25	56	129	141
Net to SG economic interest at end of quarter - Cash			59	69	9	61	25	56	129	141

LTM pro-rata data

As at 30 June 2021, pre IFRS 16 basis						
€ millions	Austria	Czech Republic	Greece and Cyprus	Italy	Corporate ¹	Total
Pro-rata LTM Adjusted EBITDA ¹	86.3	96.3	154.2	132.0	(5.6)	463.2
Pro-rata net debt	(102.8)	(73.0)	162.3	(76.9)	1,510.0	1,419.5
<i>Gross debt (100%)</i>	147.8	-	1,044.4	-	1,562.2	2,754.5
<i>Cash and equivalents and ST financial assets (100%)</i>	(320.1)	(73.0)	(621.0)	(236.6)	(52.8)	(1,303.4)
Pro-rata net debt to Adjusted EBITDA	-1.2x	-0.8x	1.1x	-0.6x	n/m	3.1x
Pro-rata priority net debt to Adjusted EBITDA						-0.3x

- Shown on pre-IFRS 16 basis (reflecting treatment in covenants)
- No adjustment for expected cost savings from restructuring of CASAG domestic casinos or events after end of quarter
 - €75 million contributed by SAZKA Entertainment to equity of SAZKA Group in July 2021
- Currently €213 million of cash from Apollo investment at level of SAZKA Entertainment (immediate parent company of SAZKA Group)

¹ Includes SAZKA Group, service companies and holding companies

Current trading and outlook

- Assuming no new restrictions, Q3 will be first quarter since Q4 2019 with no material COVID impact on our operations
 - While Q2 saw a strong recovery, physical retail channel in Greece and Cyprus and casinos were materially impacted for parts of the period
- Austrian Lotteries, Czech Republic and Italy continuing to trade well
- Greece physical retail, Austrian and international casinos now operating with no material restrictions
 - In each case, GGR around 2019 levels, similar but slightly better than recovery in Q3 2020
 - Substantial positive impact on profitability and cashflow generation from GGR tax prepayment and restructuring of Austrian domestic casinos

Guidance		
Metric	Short term	Medium term
Pro-rata NGR growth¹	NGR growth of 31%-39% vs. 2020	NGR growth of 20%-24% YoY
Pro-rata EBITDA margin¹	Not guided	EBITDA margin around 48%-50%

Notes:
 Management targets are internal objectives against which we measure our operational performance, and they should not be regarded as forecasts or expected results or otherwise as a representation by us or any other person that we will achieve these objectives in any time period. Please see Disclaimer on Slide 27 regarding forward-looking statements.

¹ non-IFRS performance measure. Please refer to slide 26.






Thank you!





Appendix

Summary of adjustments to EBITDA

Standalone, 100% (€m)

Operating EBITDA		2019	2020	H1 20	H1 21
Austria		211	147	60	76
Czech Republic		95	84	46	57
Greece and Cyprus		413	260	102	205
Italy		396	311	126	221
Corporate		(27)	(30)	(8)	(6)

Adjustments to Operating EBITDA

Austria		-	(4)	(13)	(1)
Czech Republic		-	(2)	(2)	4
Greece and Cyprus		1	66	27	9
Italy		-	-	-	-
Corporate		10	15	4	14

Adjusted EBITDA

Austria		211	143	47	75
Czech Republic		95	82	44	61
Greece and Cyprus		413	326	129	214
Italy		396	311	126	221
Corporate		(17)	(15)	(4)	8

EBITDA adjustments breakdown

Austria adjustments	2019	2020	H1 20	H1 21
Casino Linz insurance gain + restructuring non-personal costs	-	(4)	(8)	-
Other	-	-	(5)	(1)
Total Austria adjustments	-	(4)	(13)	(1)

Czech Republic adjustments	2019	2020	H1 20	H1 21
Gain from cancellation of obligation to acquire entity	-	(2)	(2)	-
Charitable donation to support disaster relief and other	-	-	-	4
Total Czech Republic adjustments	-	(2)	(2)	4

Greece and Cyprus adjustments	2019	2020	H1 20	H1 21
Hellenic Lotteries minimum gaming tax adjustment	-	38	16	14
Litigation provision	(16)	5	-	(1)
COVID-19 related extraordinary costs		10	8	(4)
Other non-recurring costs and write-offs	17	14	4	-
Total Greece and Cyprus adjustments	1	66	27	9

Corporate adjustments	2019	2020	H1 20	H1 21
Inorganic business development costs	10	15	4	14
Total Corporate adjustments	10	15	4	14

Alternative performance measures

This presentation includes non-IFRS performance measures, including, Net gaming revenue, Operating EBITDA, Adjusted EBITDA, Adjusted EBITDA margin and pro rata financial information.

Please refer to SAZKA Group's press release and Management's discussion and analysis of financial condition and results of operations dated 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 SAZKA Group a.s. This presentation is not to be reproduced or distributed, in whole or in part, by any person other than SAZKA Group a.s. This presentation does not represent an offer, constitute or form part of, and should not be construed as an advertisement, recommendation or an invitation to subscribe to or to purchase securities of SAZKA Group 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, a 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 operation, financial condition, liquidity, prospects, growth, strategies and the industries in which we operate. 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," "would" 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, even if our results of operations, financial condition and liquidity and the development of the industries in which we operate are consistent with the forward-looking statements contained in this document, those past 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. The financial information included in this presentation have not been subject to any review or audit process by our independent auditors and may be subject to changes after a review or audit process.

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 annual report within the meaning of applicable Czech law.