



FY 2019 Review

30 April 2020

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 an investment or lending recommendation, advice, a valuation or a due diligence review. The information contained in this presentation is for indicative 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 “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 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.



Highlights

FY 2019 highlights

- Strong top-line, profit and cashflow generation.
- Growth in all key geographies and major business segments.
- Several major strategic initiatives.
- Strong foundation for 2020.

€ millions	2019	2018	Δ
Amounts staked	5 457	5 195	+5%
GGR	1 907	1 798	+6%
NGR	1 311	1 233	+6%
EBITDA	592	508	+17%
Margin	45.2%	41.2%	+4 pp.
Adjusted EBITDA ¹	603		
Cash generated from operating activities	474	393	+21%
Pro-rata Adjusted EBITDA ¹	411		
Pro -rata net Debt	1,193		

Notes:

1 Adjusted EBITDA excludes the impact of one off items of €11.0 million, primarily consisting of costs relating to the potential acquisition of Novomatic's stake in Casinos Austria and certain financing transactions and certain impairments at OPAP, partly offset by adjustment for the release of a provision at OPAP (€16.1 million). Revenues for 2019 include €8.4 million from the Company's parent KKCG AG, representing recharges of certain expenses relating to the VTO (as defined below) incurred by the Company.

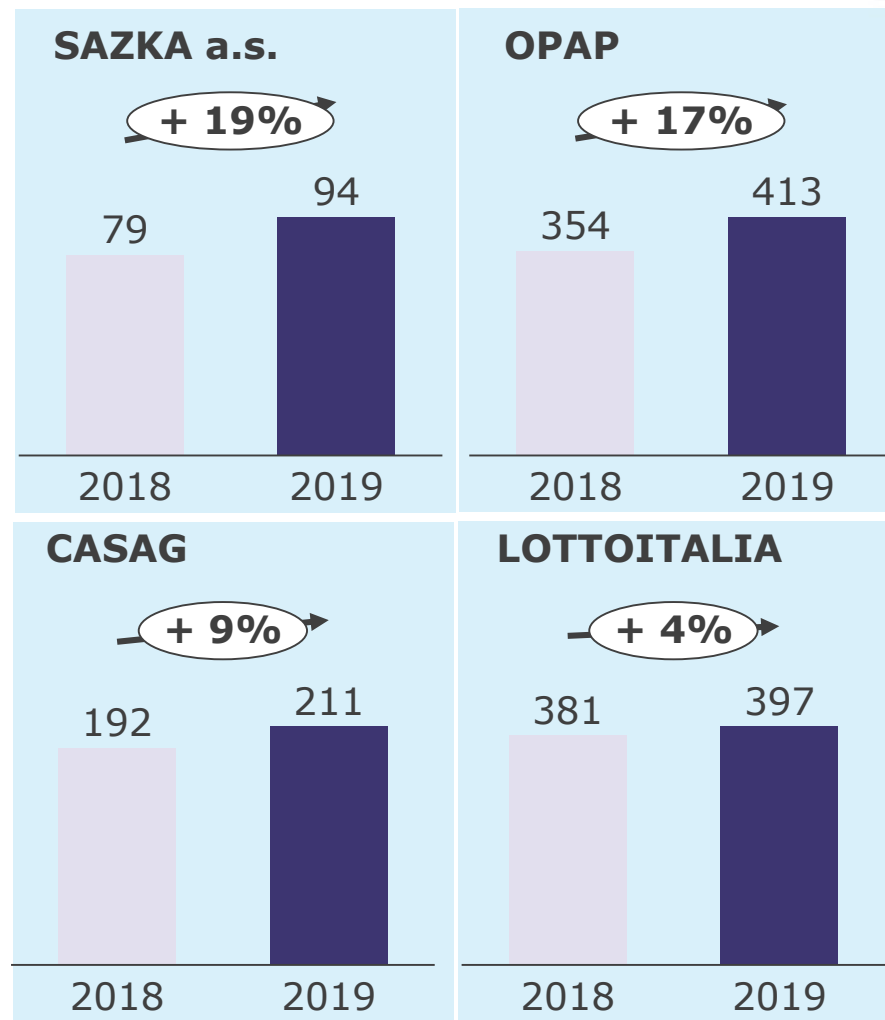
Key strategic developments

- In May 2019, we sold our entire interest in our **Croatian business** for cash consideration of €302.6 million.
- In July 2019 **KKCG became the sole shareholder of the Company, acquiring Emma Capital's 25% stake.**
- In November 2019 we acquired an **additional 7.25% shareholding in OPAP** via a voluntary tender offer ("VTO"). As a result of the VTO and subsequent market purchases, our shareholding in OPAP increased to 40.0% (32.0% on a pro-rata basis).
- In December 2019, we announced the acquisition of an additional (up to) **17.2% stake in Casinos Austria** from Novomatic, the completion of which remains subject to various conditions precedent and pre-emptive right of other CASAG's shareholders.

Business highlights

- **SAZKA a.s.:** GGR and NGR both increased by 14% driven by growth in Digital games and Instant lotteries. With operating expenses increasing by 9%, EBITDA grew by 19%.
- **OPAP:** GGR increased by 5% and NGR increased by 4% driven mainly by growth in VLTs and Numerical lotteries. With operating expenses decreasing across all cost categories, EBITDA grew by 17%.
- **CASAG:** GGR and NGR both increase by 2% driven mainly by the continuing growth trend in the online gaming in Austria as well as growth of Casinos Austria International. EBITDA grew by 9%.
- **LOTTOITALIA:** Revenues grew by 2% led mainly by growth in the 10eLotto game. EBITDA grew by 4%.

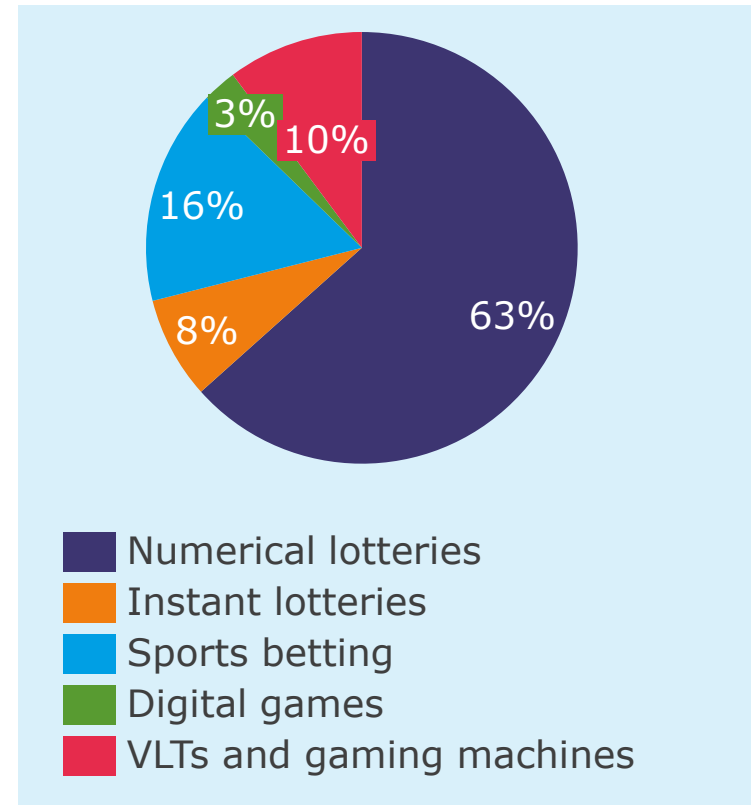
EBITDA (€ millions)



Segment highlights

- Numerical lotteries' EBITDA grew by 13% to €400 million.
- Instant lotteries' EBITDA remained flat at €48 million.
- Sports betting's EBITDA grew by 27% to €102 million.
- Digital games' EBITDA grew by 47% to €16 million.
- VLT business' EBITDA increased by 98% to €64 million.

EBITDA by business segments



Key subsequent events

- In January 2020, OPAP approved the distribution of a **extra-ordinary dividend** of €1.00 per share. As a result of our electing to receive scrip, our **ownership in OPAP increased from 40.0% to 41.7%**.
- In March 2020 the Group signed a **shareholder agreement with ÖBAG regarding the management of Casinos Austria**. As part of this agreement, ÖBAG is waiving its pre-emption rights with respect to the acquisition of a 17.2% stake in Casinos Austria from Novomatic. As a result we should acquire an additional stake of at least 13.5%, resulting in a **stake of at least 51.8% in Casinos Austria**.
- In April 2020 OPAP announced receipt of regulatory approvals for its previously announced acquisition of 51% of Stoiximan Group's Greek and Cypriot business and the acquisition (subject to regulatory approvals) of a further stake as a result of which **OPAP will have a total shareholding of 85% in and sole control of Stoiximan Greek and Cypriot business**.



Financial Information

Consolidated income statement

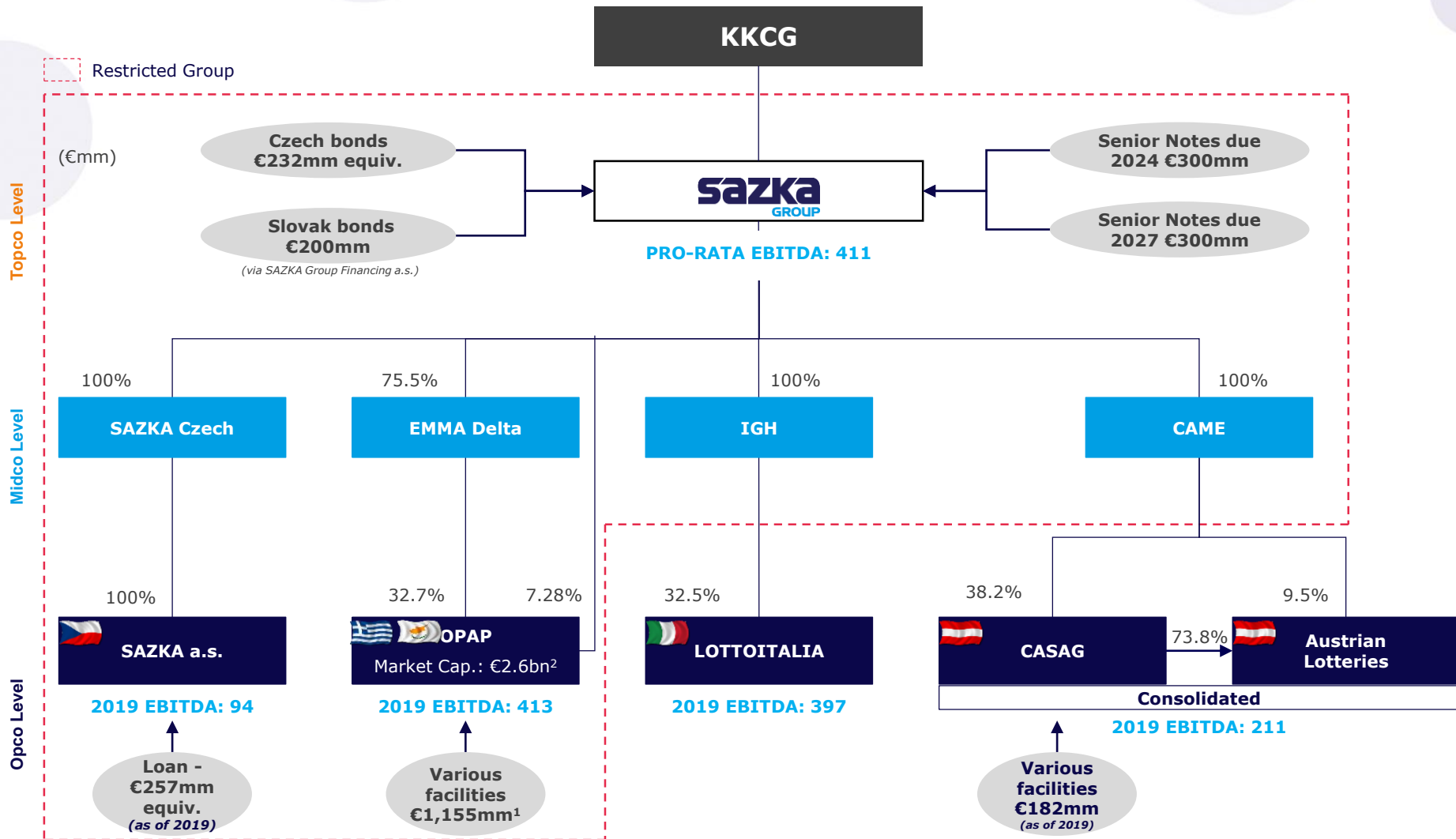
- Finance costs include €41m relating to VTO.
- Income tax expense positively impacted (€29m) by change in deferred tax as a result of reduction in rate in Greece.
- Gain on disposal reflects sale of Croatian business.

€ millions	2019	2018	Δ
Amounts staked	5 457	5 195	+5%
GGR	1 906	1 798	+6%
NGR	1 311	1 233	+6%
Operating Expenses	(999)	(971)	
Share of profit of equity investees	120	101	+19%
Operating EBITDA	592	508	+17%
Financing costs, net	(113)	(76)	
PBT	358	313	
Income tax expense	(46)	(83)	
Profit for the year after tax from continuing operations	311	230	+35%
- Owners of the company	142	120	+19%
Gain on disposal of subsidiaries	277		
Profit from discontinued operations (excl. gain on disposal)	16	32	
Profit for the year after tax	604	263	

Key financing transactions

- **€2.1 billion committed financing** for the VTO.
- September 2019: **CZK 6.0 billion** (approximately €232 million) 2024 notes.
 - One of the largest private issuances in the history of the Czech bond market.
- November 2019: €300 million 4.125% Senior Notes due 2024.
 - **Our debut international bond offering.**
 - Proceeds used to refinance a syndicated loan facility which had been drawn to finance the VTO and **repay a €250 million margin loan at Emma Delta.**
- February 2020: €300 million 3.875% **senior notes** due 2027.
 - Proceeds used to **repay debt** at CAME and IGH.
 - Continuing our strategy of **simplifying our capital structure** and **extending maturities.**

Simplified current group loan structure



Notes: As at 31 December 2019, pro forma for the Senior Notes 2027 issue and subsequent OPAP activity. Debt shown net of issuance cost except Senior Notes due 2024, Senior Notes due 2027, Slovak Bonds and OPAP facilities;

1 OPAP facilities as of April 2, 2020

2 Source: Factset as of April 26, 2020

Pro-rata data

As at 31 December 2019

€ thousands	Sazka a.s.	OPAP	Equity method investees	Other	SAZKA Group (plus finco)	Total
Pro-rata Adjusted EBITDA ⁽¹⁾	93 818	126 137	207 074	(3 115)	(13 227)	410 686
Gross debt (100%)	257 440	1 056 360	180 047	308 500	729 640	
Cash and equivalents and ST financial assets	(59 523)	(637 100)	(514 821)	(29 706)	(49 890)	
Pro-rata net debt	197 916	134 121	(99 679)	281 258	679 750	1 193 367
Pro-rata net debt to Adjusted EBITDA	2.1x	1.1x				2.9x
Pro-rata priority net debt to adjusted EBITDA						1.1x

Notes:

1 Adjusted EBITDA excludes the impact of one off items of €11.0 million, primarily consisting of costs relating to the potential acquisition of Novomatic's stake in Casinos Austria and certain financing transactions and certain impairments at OPAP, partly offset by adjustment for the release of a provision at OPAP (€16.1 million). Revenues for 2019 include €8.4 million from the Company's parent KKCG AG, representing recharges of certain expenses relating to the VTO (as defined below) incurred by the Company.



Covid-19 Update

Covid-19 update

- **No material interruption to business continuity.**
- **Different products and geographies have been affected to varying degrees.**
- **Online sales performing strongly.**
- Currently, many of the restrictions to which our physical retail networks have been subject are being **gradually and to various degrees lifted.**
- As of 31 March 2020, the Company and its 100%-owned subsidiaries had cash of were **approximately €100 million.**
- On 23 April 2019 the Group received a **€49 million dividend** from LOTTOITALIA.

Covid-19 update: proactive approach

- Focus on **online sales** and **products that have benefited from COVID-19**.
- SAZKA Group together with our subsidiaries and equity affiliates have been implementing and continuing to evaluate **savings and deferrals in operating costs (for example, marketing costs) and capital expenses**.
- Profitability and cash flow have been further supported by a **reduction of variable costs** (for example taxes on GGR and sales commissions).
- **Continuously sharing best practice across the Group** on revenue and cost side.
- The operating companies are also evaluating the various **schemes launched by governments** to provide support to businesses, for example by deferring tax payments and subsidizing the cost of employees in impacted businesses.

COVID-19 update: Czech Republic



Strong online performance and resilience of POS network.

- Very strong performance in online, including traditional games and Digital games.
- From 20 April 2020, certain businesses are allowed to reopen.
- c. 95% of SAZKA a.s.' retail network can currently provide its products, up from approximately 70% in earlier weeks.
- YTD GGR approximately in line with budget (set before COVID-19).
- GGR so far in April has been slightly above budget, strong performance in digital channels more than compensating for negative impact on sales via physical POS.

COVID-19 update: Greece



Stores reopening

- On 28 April 2020 a gradual lifting of restrictions was announced by PM.
- OPAP stores (excluding PLAY gaming halls) will reopen on 11 May, as part of the 2nd group of shops which are allowed to reopen.
- Safety precautions will apply to staff and customers (e.g. mask use), seating in-store will not be allowed, while a maximum number of people allowed in-store at any given time will be established depending on store size.

COVID-19 update: Austria



Lotteries displaying resilience

- Both domestic and international casinos, as well as the domestic gaming halls currently closed.
- Financial measures by Austrian government (and governments of certain jurisdictions where Casinos Austria International operates) to support part-time work.
- Austrian Lotteries' sales network has stayed resilient.
- Austrian Lotteries' online gaming activities remain available to the public during the entire period (draw-based games e.g. Lotto and Euromillions, scratch cards, online casino, poker, bingo and sports betting).

COVID-19 update: Italy



Pathway to reopening

- Regulator suspended sales of Lotto and Millionday games through its retail network, effective from 31 March 2020. LOTTOITALIA's Lotto game was also suspended.
- These games account for 100% of LOTTOITALIA's sales.
- On 23 April 2020 the ADM published a decree allowing sales of 10e Lotto and Millionday games from 27 April 2020 and Lotto from 4 May 2020.

Covid-19 update: CSR

Greece

- OPAP supports front line workers, supplies ventilators and 500,000 surgical masks to Greek hospitals

Czech Republic

- Sazka a.s. provides protective equipment to public

Austria

- Austrian Lotteries launched a public health awareness campaign in Austria on masks wearing.



AUCH WIR TRAGEN MASKE!



Thomas May
ORF-Moderator & Lotto
Fee



Janine Flock
Olympia-Skeletonpilotin



Bettina Glatz-Kremsner
Generaldirektorin
Casinos Austria Gruppe



Thank you!