



SAZKA Group a.s.

Report for the three month period ended 31 March 2020

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SAZKA Group a.s.

**Management's discussion and analysis of financial condition and results of operations
for the three month period ended 31 March 2020**

1. Significant transactions and developments for the three month period ended 31 March 2020

1.1 Financing

In February 2020 we completed an offering of €300 million aggregate principal amount of 3 7/8% Senior Notes due 2027 (the "2027 Senior Notes"). The 2027 Senior Notes were priced at 99.240% of par. The proceeds were used to repay and cancel debt at CAME Holding GmbH and Italian Gaming Holding a.s.

In March 2020 OPAP prepaid an outstanding €200 million retail bond.

1.2 Other developments

In February 2020 OPAP S.A. paid an extraordinary dividend in the amount 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. As a result of the scrip dividend programme, the Group's shareholding in OPAP S.A. increased from 40.01% to 41.69% (equivalent to an economic interest of 33.33%).

In March 2020, the Group signed a shareholder agreement with ÖBAG, an entity owned by the Austrian government, regarding the management of CASAG. As part of this agreement, ÖBAG is waiving its pre-emption rights with respect to our acquisition of a 17.2% stake in CASAG from Novomatic. The pre-emption period for other shareholders will finish after the publication of this document, however as a result of the shareholders agreement, we expect to acquire an additional stake of at least 13.5% in CASAG, resulting in a stake of at least 51.8% in total, subject to necessary regulatory approvals and CASAG shareholders' meeting approval.

COVID-19 impact

The performance of all the Group's businesses in Q1 2020 was impacted by the COVID-19 outbreak. Before the impact of COVID-19, which began to a material extent in March in the countries in which we operate, performance across our businesses had been strong.

Czech Republic: As of 16 March 2020, the Government of the Czech Republic implemented restrictions on movement of citizens in the Czech Republic in order to contain the spread of the COVID-19 epidemic. Citizens were permitted to shop for supplies limited to food, essential items, fuel, and medicine. The public was also able to access necessary financial and postal services.

Greece: On 13 March 2020, the Greek government published its decision to impose a temporary ban on the operation of a wide range of shops, indoor venues, and other locations. As a result of this, all OPAP stores and PLAY gaming halls in Greece were closed from 14 March 2020. OPAP's stores in Cyprus were also closed.

Austria: On 13 March 2020, the Austrian government published its decision to impose a temporary ban on the operation of a wide range of shops, excluding those providing basic services such as food retail, pharmacies, post offices, banks, petrol stations and tobacco stores. The decision went into force on 16 March 2020. In coordination with the authorities, CASAG decided to close all its casinos in Austria, while its subsidiary Austrian Lotteries decided to close all its gaming halls on 13 March 2020. All of Casinos Austria International's casinos were also closed as a result of COVID-19.

Italy: The Agenzia Dogane Monopoli suspended sales of LOTTOITALIA's 10e Lotto and Millionday games through its retail network, effective from 31 March 2020. LOTTOITALIA's Lotto game was also suspended.

2. Comparison of results of operations for the three month periods ended 31 March 2020 and 31 March 2019

2.1 Consolidated statement of comprehensive income

Gross gaming revenue (GGR)

Our GGR for the three months ended 31 March 2020 was €405.3 million, a decrease of €52.5 million, or 11.5%, compared to €457.9 million in the three months ended 31 March 2019.

The decrease in GGR was primarily caused by the impact of COVID-19, with revenues in different geographies and segments affected to varying degrees. The reduction of sales of certain products through physical retail networks was partly offset by strong performance in Digital-only Games and online sales.

In Greece GGR dropped by €67.7 million, with the largest reduction in the following segments: Numerical Lotteries (decrease by €40.3 million), Sports Betting (decrease by €13.8 million) and Instant Lotteries (decrease by €11.3 million).

In the Czech Republic GGR increased by €15.2 million. The growth was primarily attributable to growth in Digital-only Games in the amount of €6.5 million, Numerical Lotteries in the amount of €7.7 million, Revenues in Digital-only Games were already substantially up compared to the same period last year before the impact of COVID-19, and were further supported by existing and new customers' reduced access to other forms of gaming and other entertainment options as a result of COVID-19.

Lottery tax

Our lottery tax expense for the three months ended 31 March 2020 was €138.5 million, a decrease of €3.3 million, or 2.3%, compared to €141.8 million in the three months ended 31 March 2019. This decrease was not as significant as the decrease in GGR, due to an increase of Lottery tax in Czech Republic and minimum tax payments required by some licenses in Greece.

Net gaming margin (NGR)

Our net gaming margin for the three months ended 31 March 2020 was €266.8 million, a decrease of €49.2 million, or 15.6%, compared to €316.1 million in the three months ended 31 March 2019. This was due to the factors set forth above.

Agents' commissions

Our agents' commissions for the three months ended 31 March 2020 were €86.9 million, a decrease of €15.5 million, or 15.1%, compared to €102.4 million in the three months ended 31 March 2019. This was primarily due to the decrease in amount staked and GGR.

Materials, consumables and services

Our materials, consumables and services expenses for the three months ended 31 March 2020 were €66.4 million, a decrease of €4.6 million, or 6.4%, compared to €70.9 million in the three months ended 31 March 2019. This was primarily due to decrease in the cost of goods sold and cost of IT and software services, primarily due to the decrease in amount staked and GGR.

Marketing services

Our marketing services expenses for the three months ended 31 March 2020 were €19.2 million, a decrease of €0.3 million, or 1.6%, compared to €19.5 million in the three months ended 31 March 2019.

Personnel expenses

Our personnel expenses for the three months ended 31 March 2020 were €24.9 million, an increase of €0.5 million, or 2.1%, compared to €24.5 million in the three months ended 31 March 2019.

Revenue from sale of goods and services

Our revenue from sale of goods and services for the three months ended 31 March 2020 was €28.0 million, a decrease of €1.6 million, or 5.4%, compared to €29.6 million in the three months ended 31 March 2019.

Other operating income

Our other operating income for the three months ended 31 March 2020 was €12.1 million, a decrease of €2.9 million, or 19.3%, compared to €15.0 million in the three months ended 31 March 2019.

Other operating expenses

Our other operating expenses for the three months ended 31 March 2020 were €10.0 million, a decrease of €2.7 million, or 21.5%, compared to 12.7 million in the three months ended 31 March 2019.

Share of profit of equity method investees (net of tax)

Our share of profit of equity method investees (net of tax) for the three months ended 31 March 2020 was €25.0 million, a decrease of €6.1 million, or 19.5%, compared to €31.5 million in the three months ended 31 March 2019. This was primarily due to the decrease of profit after tax of LOTTOITALIA S.r.l. by €5.4 million and Casinos Austria AG by €3.3 million, primarily due to the impact of COVID-19, which began to impact Italy earlier than other jurisdictions where we operate. This was partly offset by an increase of profit after tax of TCB Holdings Ltd (parent company of Stoiximan Group, a leading online gaming operator in Greece) by €3.1 million.

Operating EBITDA

Our operating EBITDA for the three months ended 31 March 2020 was €124.5 million, a decrease of €37.2 million, or 23.0%, compared to €161.7 million in the three months ended 31 March 2019. This was due to the factors set forth above.

Depreciation and amortization

Our depreciation and amortization for the three months ended 31 March 2020 was €28.8 million, an increase of €0.2 million, or 0.7%, compared to €28.6 million in the three months ended 31 March 2019.

Profit from operating activities

Our profit from operating activities for the three months ended 31 March 2020 was €95.6 million, a decrease of €37.4 million, or 28.1%, compared to €133.1 million in the three months ended 31 March 2019. This was due to the factors set forth above.

Finance costs, net

Our net finance costs for the three months ended 31 March 2020 were €34.0 million, an increase of €14.2 million, or 71.3%, compared to €19.9 million in the three months ended 31 March 2019. This was primarily due to an increase of interest expenses by €8.7 million, primarily as a result of senior notes issued in 2019 and 2020 at SAZKA Group a.s. and increase of bond loans at OPAP S.A. and an increase of foreign exchange losses by €5.3 million. Foreign exchanges losses primarily reflect changes in the CZK/EUR exchange rate which cause translation gains or losses on consolidation of entities whose functional currency is not the EUR (including the Company and Italian Gaming Holding a.s., whose functional currency is CZK) into the presentation currency.

Profit before income tax

Our profit before income tax for the three months ended 31 March 2020 was €61.6 million, a decrease of €51.6 million, or 45.6%, compared to €113.2 million in the three months ended 31 March 2019. This was due to the factors set forth above

Income tax expense

Our income tax expense for the three months ended 31 March 2020 was €19.0 million, a decrease of €7.5 million, or 28.2%, compared to €26.5 million in the three months ended 31 March 2019. This was primarily due to the decrease in profit before income tax.

Profit for the period after tax from continuing operations

Our profit for the period after tax from continuing operations for the three months ended 31 March 2020 was €42.6 million, a decrease of €44.1 million, or 50.9%, compared to €86.7 million in the three months ended 31 March 2019. This was due to the factors set forth above.

Profit for the period after tax from discontinuing operations

Our profit after tax from discontinued operations for the three months ended 31 March 2020 was €0.0 million, compared to €11.2 million in the three months ended 31 March 2019. This reflects the fact that SAZKA Group Adriatic d.o.o. was only consolidated for 4 months in 2019.

Profit for the period after tax attributable to non-controlling interests

Our profit attributable to non-controlling interests for the three months ended 31 March 2020 was €20.6 million, a decrease of €25.4 million, or 14.5%, compared to €46.1 million in the three months ended 31 March 2019. This was primarily due to the decrease in profit for the period after tax.

2.2 Consolidated statement of cash flows

Net cash generated from operating activities

Our operating result before changes in working capital and provisions for the three months ended 31 March 2020 was €94.4 million, a decrease of €46.3 million, or 32.9%, compared to €140.7 million in the three months ended 31 March 2019. This was primarily due to the decrease in profit for the period after tax from continuing operations.

Our net cash generated from operating activities for the three months ended 31 March 2020 was €35.8 million, an increase of €84.2 million, compared to net cash used of €48.3 million in the three months ended 31 March 2019. This was primarily due to the decrease in operating result before changes in working capital and provisions and a reduction in cash outflows as a result of changes in provisions and working capital, including due to the impact of COVID-19.

Interest paid for the three months ended 31 March 2020 was €26.3 million, an increase of €8.8 million, or 56.8%, compared to €17.5 million in the three months ended 31 March 2019 due to the reasons described under movement in Finance costs, net above.

Income tax paid for the three months ended 31 March 2020 was €5.1 million, a decrease of €0.4 million, or 7.3%, compared to €5.5 million in the three months ended 31 March 2019.

Net cash generated from investing activities

Our net cash used in investing activities for the three months ended 31 March 2020 was €5.3 million. This included cash used in acquisition of property, plant and equipment and intangible assets in the amount of €13.1 million and dividend received from TCB Holdings Ltd in the amount of €6.8 million.

Our net cash used from investing activities for the three months ended 31 March 2019 was €3.6 million. This included cash used in acquisition of property, plant and equipment and intangible assets in the amount of €10.1 million and dividend received from Casinos Austria AG in the amount of €5.7 million.

Net cash generated from/used in financing activities

Our net cash used in financing activities for the three months ended 31 March 2020 was €255.2 million. Dividends of €166.0 million were paid to non-controlling interest by OPAP S.A. We issued certain bonds and loans in the amount of €411.7 million, including the 2027 Senior Notes and new bond loan at OPAP S.A., and repaid loans in the amount of €507.7 million, including repayment of facilities at CAME Holding GmbH and Italian Gaming Holding a.s. and a retail bond at OPAP S.A..

Our net cash generated from financing activities for the three months ended 31 March 2019 was €65.7 million. Dividends of €29.3 million were paid to non-controlling interest, primarily consisting of dividends paid by EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD. We drew down bank loans in the amount of €115.8 million, including a refinancing and increase of a margin loan at Emma Delta Hellenic Holdings Limited.

Dividends and shareholder distributions made

The table below sets out the aggregate amount of dividends and share premium reductions paid per entity in the period indicated.

€ millions	3M 2019	3M 2020
SAZKA a.s.	--	--
OPAP S.A.	--	--
TCB Holdings Ltd	--	6.8
Casinos Austria AG	5.7	--
LOTTOITALIA S.r.l.	--	--

Capital expenditures

The table below presents a breakdown of additions to property, plant and equipment and intangible assets and goodwill for the periods indicated.

€ millions	3M 2019	3M 2020
Intangible assets and goodwill	1.6	19.3
Property, plant and equipment	1.2	4.5

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 our Financial statements and notes.

Liquidity is described in Note 5 "Cash and cash equivalents" and capital resources are described in Note 3 "Equity" and Note 10 "Bank loans and other borrowings".

Material commitments and contingencies are described in Note 10 "Bank loans and other borrowings", Note 11 "Lease liabilities" and Note 23 "Contingencies".

Critical accounting policies are described in Note 2 "Basis of preparation".

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 S.A. in the open market or in privately negotiated transactions.



SAZKA Group a.s.

**Condensed consolidated interim financial statements
for the three month period ended 31 March 2020**

prepared in accordance with IAS 43 Interim Financial Reporting

<i>Consolidated statement of financial position</i>	Note	31/03/2020	31/12/2019
ASSETS			
Intangible assets		1,870,429	1,879,140
Goodwill		574,049	600,626
Property, plant and equipment		188,759	194,700
Investment property		1,681	1,703
Other non-current investments		6,244	6,715
Equity method investees	3	668,826	649,065
Long-term receivables and other non-current assets	4	30,396	29,667
Long-term restricted cash		8,642	8,794
Long-term derivative financial instruments	13	8,359	9,510
Deferred tax asset		16,855	20,013
Total non-current assets		3,374,240	3,399,933
Inventories		18,479	7,432
Short-term trade receivables and other current assets	4	165,246	246,008
Short-term derivative financial instruments	13	110	3,493
Current tax asset		1,443	5,130
Short-term financial assets	5	3,711	12,547
Cash and cash equivalents	6	547,467	763,673
Total current assets		736,456	1,038,283
Total assets		4,110,696	4,438,216
EQUITY AND LIABILITIES			
Share capital	8	81	81
Capital contributions and other reserves		2,417	55,423
Translation reserve		20,859	-15,341
Retained earnings and profit for the year		475,157	488,003
Total equity attributable to owners of the Company		498,514	528,166
Non-controlling interest	9	745,193	855,946
Total equity		1,243,707	1,384,112
Bank loans and other borrowings – non-current portion	10	2,162,076	2,252,527
Other long-term liabilities	12	26,214	9,975
Long-term lease liabilities	11	58,183	59,949
Long-term derivative financial instruments	13	13,063	3,716
Long term provisions		8,267	8,517
Employee benefits		3,119	2,993
Deferred tax liability		209,775	212,839
Total non-current liabilities		2,480,697	2,550,516
Bank loans and other borrowings, current portion	10	62,481	99,414
Short-term lease liabilities	11	8,332	8,261
Short-term trade and other payables	12	285,071	380,890
Short-term derivative financial instruments	13	10,097	--
Current tax liability		12,218	6,866
Short-term provisions		8,093	8,157
Total current liabilities		386,292	503,588
Total liabilities		2,866,989	3,054,104
Total equity and liabilities		4,110,696	4,438,216

The Notes on pages 9 to 47 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income	Note	3M 2020	3M 2019
Amount staked *	14	1,135,231	1,308,159
Consolidated statement of comprehensive income is as follows			
Gross gaming revenue (GGR)	14	405,309	457,848
Lottery tax	14	(138,480)	(141,773)
Net gaming margin **	14	266,829	316,075
Revenue from sale of goods and services	14	27,980	29,574
Other operating income		12,128	15,024
Agents' commissions		(86,874)	(102,368)
Materials, consumables and services	15	(66,380)	(70,948)
Marketing services	16	(19,210)	(19,521)
Personnel expenses	17	(24,974)	(24,465)
Other operating expenses	18	(10,013)	(12,745)
Share of profit of equity method investees (net of tax)		24,979	31,047
Operating EBITDA ***	19	124,465	161,673
Depreciation and amortization	20	(28,833)	(28,621)
Profit from operating activities		95,632	133,052
Interest income		949	1,564
Other finance income		482	55
Finance cost		(35,437)	(21,469)
Finance costs, net	21	(34,006)	(19,850)
Profit before income tax		61,626	113,202
Income tax expense		(19,033)	(26,519)
Profit for the period after tax from continuing operations		42,593	86,683
Gain on disposal of subsidiaries		--	--
Profit for the period from discontinued operations, excluding gain on disposal		--	11,236
Profit for the period after tax from discontinuing operations	7	--	11,236
Profit for the period after tax		42,593	97,919
<i>Items that are or may subsequently be reclassified to profit or loss:</i>			
Translation of foreign operations into the Group's presentation currency		36,194	(3)
Foreign currency translation differences of foreign operations disposed of transferred to profit or loss		6	--
Remeasurement of hedging derivatives (net of tax)	13	(54,704)	(1,290)
Share of other comprehensive income of equity method investees		1,581	494
Other comprehensive income / (loss) for the period from continuing operations		(16,923)	(799)
<i>Items that are or may subsequently be reclassified to profit or loss:</i>			
Translation of foreign operations into the Group's presentation currency		--	426
Other comprehensive income for the period from discontinued operations	7	--	426
Total other comprehensive income / (loss) for the period		(16,923)	(373)
Total comprehensive income for the period		25,670	97,546

Consolidated statement of comprehensive income	Note	3M 2020	3M 2019
Profit for the period after tax attributable to:			
Owners of the Company		21,962	51,856
– continuing operations		21,962	45,186
– discontinued operations	7	--	6,670
Non-controlling interests		20,631	46,063
– continuing operations		20,631	41,497
– discontinued operations	7	--	4,566
Profit for the period after tax		42,593	97,919
Total comprehensive income attributable to:			
Owners of the Company		5,156	52,097
– continuing operations		5,156	44,928
– discontinued operations	7	--	7,169
Non-controlling interests		20,514	45,449
– continuing operations		20,514	40,956
– discontinued operations	7	--	4,493
Total comprehensive income for the period		25,670	97,546

* “Amount staked” represents the total value of bets before wins are deducted, except for “VLTs and Casinos” and certain “Digital-only Games” products where Amount staked is presented net of wins as the difference between stakes placed and wins paid during the player’s session.

** Usually referred to as “Net gaming revenue” or “NGR”.

***“Operating EBITDA” is calculated as “Profit before income tax” less “Finance costs, net” less “Depreciation and amortization”.

The Notes on pages 9 to 47 are an integral part of these consolidated financial statements.

<i>Consolidated statement of changes in equity</i>	Note	Share capital	Reserve fund	Capital contributions	Translation reserve	Hedging reserve	Retained earnings and profit for the period	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2020		81	313	38,398	(15,341)	16,712	488,003	528,166	855,946	1,384,112
Profit for the period ended 31 March 2020		--	--	--	--	--	21,962	21,962	20,631	42,593
Other comprehensive loss for the period ended 31 March 2020		--	--	1,575	36,200	(54,581)	--	(16,806)	(117)	(16,923)
Total comprehensive income for the period		--	--	1,575	36,200	(54,581)	21,962	5,156	20,514	25,670
Transactions with owners, recorded directly in equity:										
Dividends declared		--	--	--	--	--	--	--	(191,108)	(191,108)
Effect of scrip dividend		--	--	--	--	--	--	--	25,078	25,078
Effect of change in ownership due to scrip dividend programme		--	--	--	--	--	(34,934)	(34,934)	34,934	--
Other movements in equity		--	--	--	--	--	126	126	(171)	(45)
Total transactions with owners		--	--	--	--	--	(34,808)	(34,808)	(131,267)	(166,075)
Balance at 31 March 2020	8	81	313	39,973	20,859	(37,869)	475,157	498,514	745,193	1,243,707

Total dividend declared to non-controlling interest was €191,108 thousand including withholding tax, consisting of dividend paid in cash to minority shareholders of OPAP S.A. in the amount of €166,030 thousand and dividend settled by issuing of new OPAP S.A. shares to non-controlling interest in the amount of €25,078 thousand.

OPAP S.A. provides shareholders the option of receiving dividends as cash or OPAP S.A. shares via a scrip dividend programme. The Group elected to receive its dividends as OPAP S.A. shares via a scrip dividend programme (see Note 1.3). "Effect of change in ownership due to scrip dividend programme" reflects the issuance of these shares at a price above their book value per share.

The Notes on pages 9 to 47 are an integral part of these consolidated financial statements.

Condensed consolidated interim financial statements for the three month period ended 31 March 2020 (in thousands of Euro)

<i>Consolidated statement of changes in equity</i>	Note	Share capital	Reserve fund	Capital contributions	Translation reserve	Hedging reserve	Retained earnings and profit for the period	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2019		81	229	463,119	(9,842)	9,686	347,849	811,122	961,960	1,773,082
Profit for the period ended 31 March 2019		--	--	--	--	--	51,856	51,856	46,063	97,919
Other comprehensive loss for the period ended 31 March 2019		--	--	491	497	(747)	--	241	(614)	(373)
Total comprehensive income for the period		--	--	491	497	(747)	51,856	52,097	45,449	97,546
Transactions with owners, recorded directly in equity:										
Dividends declared		--	--	--	--	--	--	--	(29,280)	(29,280)
Other movements in equity		--	--	--	--	--	(580)	(580)	524	(56)
Total transactions with owners		--	--	--	--	--	(580)	(580)	(28,756)	(29,336)
Balance at 31 March 2019	8	81	229	463,610	(9,345)	8,939	399,125	862,639	978,653	1,841,292

The Notes on pages 9 to 47 are an integral part of these consolidated financial statements.

<i>Consolidated statement of cash flows</i>	Note	3M 2020	3M 2019
OPERATING ACTIVITIES			
Profit (+) for the year from continuing operations		42,593	86,683
Profit (+) for the year from discontinued operations	7	--	11,236
Profit (+) for the year		42,593	97,919
<i>Adjustments for:</i>			
Income tax expense		19,033	30,656
Depreciation and amortization	20	28,833	29,447
Profit (-) on sale of property, plant and equipment and intangible assets		(2)	(4)
Net interest expense (+)	21	23,499	13,513
Net FX losses (+)	21	5,452	241
Share of profit (-) of equity method investees		(24,979)	(31,047)
Operating result before changes in working capital and provisions		94,429	140,725
Increase (+) / decrease (-) in provisions		(188)	(23,594)
Increase (-) / decrease (+) in inventories		(11,047)	(9,311)
Increase (-) / decrease (+) in trade receivables and other assets		89,488	(105,700)
Increase (+) / decrease (-) in trade and other payables		(105,491)	(27,550)
Cash generated from operating activities		67,191	(25,430)
Interest paid		(26,334)	(17,497)
Income tax paid		(5,062)	(5,455)
Net cash generated from operating activities		35,795	(48,382)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(13,096)	(10,098)
Dividends and distribution received from equity method investees	3	6,799	5,744
Proceeds from sale of property, plant and equipment and intangible assets		72	83
Interest income received		926	563
Net movement in short-term financial assets		--	154
Net cash generated from (+) / used in (-) investing activities		(5,299)	(3,554)
FINANCING ACTIVITIES			
Dividends paid to non-controlling interest	9	(166,030)	(29,280)
Loans and borrowings received	10	411,692	115,766
Repayment of loans and borrowings	10	(507,691)	(21,823)
Repayment of principal element lease liabilities	11	(2,120)	(1,409)
Net movement in restricted cash related to financing activities		8,987	2,450
Net cash generated from (+) / used in (-) financing activities		(255,162)	65,704
Net decrease (-) / increase (+) in cash and cash equivalents		(224,666)	13,768
Effect of currency translation on cash and cash equivalents		8,460	238
Cash and cash equivalents at the beginning of the year	6	763,673	312,678
Cash and cash equivalents at the end of the period	6	547,467	326,684

The Notes on pages 9 to 47 are an integral part of these consolidated 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 and associates the “Group”) 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 Vinohradská 1511/230, Strašnice, 100 00 Praha 10, and its Identification Number is 242 87 814. The Company’s purpose is to hold investments in other group entities.

The Group operates lottery, betting and non-lottery business in the Czech Republic, Greece, Cyprus, Italy, Austria and other countries.

The immediate parent of the Company is KKCG AG and its ultimate controlling party pursuant to IFRS standards is VALEA FOUNDATION (see Note 1.5).

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 instant and numerical lotteries, sports and odds betting and other similar games.

In addition to lottery and betting 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 Group companies

Companies included in the consolidated group as of 31 March 2020 and 31 December 2019 and the Company’s effective ownership interest are as follows:

	Note	Country	Effective ownership	
			31/03/2020	31/12/2019
Parent company:				
SAZKA Group a.s.		Czech Republic	n/a	n/a
Subsidiaries:				
Austrian Gaming Holding a.s.		Czech Republic	100.00%	100.00%
CAME Holding GmbH		Austria	100.00%	100.00%
Emma Delta Finance Plc	(a)	Cyprus	--	75.48%
Emma Delta Hellenic Holdings Limited	(a)	Cyprus	75.48%	75.48%
Emma Delta Management Ltd	(c)	Cyprus	66.70%	66.70%
EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD	(a)	Cyprus	75.48%	75.48%
HELLENIC LOTTERIES S.A.	(b)	Greece	27.83%	26.71%
HORSE RACES S.A.	(b)	Greece	33.33%	31.99%
IGH Financing a.s.		Czech Republic	100.00%	100.00%
Italian Gaming Holding a.s.		Czech Republic	100.00%	100.00%
Italian GNTN Holding a.s.		Czech Republic	100.00%	100.00%
Kavárna štěstí s.r.o.		Czech Republic	100.00%	100.00%
Medial Beteiligungs GmbH		Austria	99.66%	99.66%
Neurosoft S.A.	(b)	Greece	22.57%	21.66%
OPAP CYPRUS LTD	(b)	Cyprus	33.33%	31.99%
OPAP INTERNATIONAL LTD	(b)	Cyprus	33.33%	31.99%
OPAP INVESTMENT LTD	(b)	Cyprus	33.33%	31.99%
OPAP S.A.	(b)	Greece	33.33%	31.99%

	Note	Country	Effective ownership	
			31/03/2020	31/12/2019
OPAP SPORTS LTD	(b)	Cyprus	33.33%	31.99%
RUBIDIUM HOLDINGS LIMITED		Cyprus	100.00%	100.00%
SAZKA a.s.		Czech Republic	100.00%	100.00%
SAZKA Asia a.s.		Czech Republic	100.00%	100.00%
Sazka Asia Vietnam Company Limited		Vietnam	100.00%	100.00%
SAZKA Czech a.s.		Czech Republic	100.00%	100.00%
Sazka Distribution Vietnam Company Limited		Vietnam	100.00%	100.00%
SAZKA FTS a.s.		Czech Republic	100.00%	100.00%
SAZKA Group Financing a.s.		Slovakia	100.00%	100.00%
SAZKA Group Russia LLC		Russia	--	100.00%
SPORTLEASE a.s.		Czech Republic	100.00%	100.00%
TORA DIRECT S.A.	(b)	Greece	33.33%	31.99%
TORA WALLET S.A.	(b)	Greece	33.33%	31.99%
Vitalpeak Limited		Cyprus	100.00%	100.00%
Associates:				
Casinos Austria AG *		Austria	38.16%	38.16%
CLS Beteiligungs GmbH *	(d)	Austria	66.67%	66.67%
LOTTOITALIA S.r.l.		Italy	32.50%	32.50%
LTB Beteiligungs GmbH *	(e)	Austria	66.67%	66.67%
TCB Holdings Ltd *	(b)	Malta	12.25%	11.75%

*The equity method investees comprise a group of entities.

- (a) The controlling interest in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD is represented by 100% of voting rights held by Emma Delta Management Ltd. However, the economic interest attributable to the Group comprises 75.48% of investor shares owned by RUBIDIUM HOLDINGS LIMITED.
- (b) The Group has de-facto control over OPAP S.A. subgroup. OPAP S.A. subgroup includes HELLENIC LOTTERIES S.A., HORSE RACES S.A., Neurosoft S.A., OPAP CYPRUS LTD, OPAP INTERNATIONAL LTD, OPAP INVESTMENT LTD, OPAP S.A., OPAP SPORTS LTD, TORA DIRECT S.A., TORA WALLET S.A. Moreover, OPAP S.A. acquired an interest in TCB Holdings Ltd in 2018 as a result of which this company became an associate (see Note 3).

As of 30 December 2019, OPAP SERVICES S.A. legally merged with OPAP S.A.

The decision on the Group's de-facto control over OPAP S.A. subgroup represents a significant judgement, which is based on the following facts and circumstances.

The Group holds part of its interest in OPAP S.A. subgroup through a 66.70% voting interest in Emma Delta Management Ltd ("Emma Delta") which in turn holds an indirect 34.10% interest in OPAP S.A. (31 December 2019: 32.73%). The remaining 33.30% voting interest in Emma Delta is held by a third-party investor. Emma Delta is the manager of, and owner of, all voting management shares in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD which through an intermediate company holds the 34.10% interest in OPAP S.A. (31 December 2019: 32.73%).

Under the terms of a shareholders' agreement between the shareholders of Emma Delta, the Group is entitled to nominate a majority of the members of the board of Emma Delta, one of whom is to act as chairperson.

Apart from the indirect interest, the Company holds a direct 7.59% interest in OPAP S.A. (31 December 2019: 7.28%).

The Group's total shareholding in OPAP S.A. is 41.69% (31 December 2019: 40.01%) which is equivalent to an economic interest of 33.33% (31 December 2019: 31.99%).

Although the Group's shareholding in OPAP S.A. is below 50%, it is by far the largest individual shareholding. The remaining shares are widely dispersed among numerous public market investors. Since Emma Delta acquired the stake in OPAP S.A. in 2013, the shareholders' attendance at OPAP S.A.'s general meetings has never reached 80%, therefore the Group controls the majority of votes present at OPAP S.A.'s general meetings. All shareholders' resolutions proposed at general meetings that the Group has voted in favour of have been approved. The Group's appointees make up a majority of the OPAP S.A. Board of Directors (including CEO, CFO and Executive Chairman).

- (c) 66.70% represents voting shares, the Group's economic interest in Emma Delta Management Ltd is 75.48%.
- (d) According to the company's Articles of Association the General Meeting of the company is able to make a decision only with the approval of 75% of shares. The Group holds 66.67% of shares through CAME Holding GmbH. Therefore, the Group considers it as an investment in an associate and the company is accounted as an equity method investee.

CLS Beteiligungs GmbH ("CLS") holds a 27.08% share in Lotto-Toto-Holding GmbH, which owns 26.17% of shares in Österreichische Lotterien GmbH ("OLG"). Together with its shareholding in LTB Beteiligungs GmbH, the Group's effective share in OLG is 9.45%.

Casinos Austria AG increased its share in OLG from 67.98% to 73.81% through an equity contribution to OLG of €24,500 thousand and through a restructuring process whereby 50% of Entertainment Glücks und Unterhaltungsspiel GmbH originally owned by Casinos Austria AG was merged into OLG as of 1 January 2019. Therefore, Lotto-Toto-Holding GmbH decreased its share in OLG from 32% to 26.17% during the reporting period of 2019. This transaction is presented as a change of "Equity method investee in OLG" (see Note 3).

- (e) According to the company's Articles of Association the General Meeting of the company is able to make a decision only with the approval of 100% of shares. The Group holds 66.67% of shares through CAME Holding GmbH. Therefore, the Group considers it as an investment in an associate and the company is accounted as an equity method investee.

LTB Beteiligungs GmbH ("LTB") holds a 27.08% share in Lotto-Toto-Holding GmbH, which owns 26.17% of investors shares in OLG. Together with its shareholding in CLS Beteiligungs GmbH, the Group's effective share in OLG is 9.45%.

Casinos Austria AG increased its share in OLG from 67.98% to 73.81% through an equity contribution to OLG of €24,500 thousand and through a restructuring process where 50% of Entertainment Glücks und Unterhaltungsspiel GmbH originally owned by Casinos Austria AG was merged into OLG as of 1 January 2019. Therefore, Lotto-Toto-Holding GmbH decreased its share in OLG from 32% to 26.17% during the reporting period of 2019. This transaction is presented as a change of "Equity method investee in OLG" (see Note 3).

Changes in the Group

1. Acquisitions and changes in ownership interest

In 2020 and 2019 the Group acquired interest in, or incorporated, the following companies:

Company / Group companies	2020	2019	Type of transaction	Date of transaction
EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD (a)	--	3.61%	Acquisition	24 May 2019
HELLENIC LOTTERIES S.A. (b)	--	16.50%	Acquisition	17 September 2019
Italian GNTN Holding a.s.	--	100.00%	Incorporation	20 February 2019
	1.68%	--	Scrip dividend	6 February 2020
OPAP S.A. (c)	--	-0.27%	Scrip dividend	15 July 2019
	--	7.28%	Acquisition	November 2019

The above stated percentages represent the direct share acquired by the parent company of each company.

- (a) On 24 May 2019 the Group acquired an additional 3.61% of the investor shares in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD. The increase represents an increase in economic share in the company without change of control. This additional purchase is presented as "Purchase of non-controlling interest in subsidiaries" in the Consolidated statement of cash flows for year-end 2019.
- (b) On 17 September 2019 OPAP INVESTMENT LTD acquired an additional 16.50% of HELLENIC LOTTERIES S.A. This additional purchase is presented as a "Purchase of non-controlling interest in subsidiaries" in the Consolidated statement of cash flows for year-end 2019.
- (c) OPAP S.A. paid a dividend per OPAP share of €0.60 on 15 July 2019 to shareholders of record on 26 June 2019, providing shareholders the option of receiving cash or OPAP S.A. shares via a new scrip dividend programme. The Group elected to receive cash. As a result of other shareholders electing to receive shares under the scrip dividend programme, the Group's shareholding in OPAP S.A. was diluted from 33.00% to 32.73% (equivalent to an economic interest of 24.71%).

On 8 July 2019, the Group announced its intention to launch a voluntary tender offer the ("VTO") for the acquisition of all of the shares of OPAP S.A. not held by itself or its concert parties. Pursuant to the VTO, which expired on 29 October 2019, the Company acquired 23,323,179 shares on 5 November 2019, comprising 7.25% of the outstanding shares of OPAP S.A. In November 2019, after the settlement of the VTO, the Group acquired an additional 0.03% stake in OPAP S.A. through open market purchases. As a result of the VTO and the open market purchases, the direct economic interest in OPAP S.A., together with the existing indirect interest in OPAP S.A. held through EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD, was equivalent to an economic interest of 31.99%.

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. As a result, Emma Delta Hellenic Holding Limited's shareholding in OPAP S.A. increased from 32.73% to 34.10%, the Company's direct shareholding increased from 7.28% to 7.59%, and the Group's shareholding increased from 40.01% to 41.69% (equivalent to an economic interest of 33.33%).

2. Disposals

In 2020 and 2019, the following companies (see Note 7) were disposed of from the Group:

Company / Group companies	2020	2019	Type of transaction	Date of transaction
Emma Delta Finance Plc	100.00%	--	Liquidation	18 January 2020
PUNI BROJ d.o.o. (a)	--	100.00%	Sale	25 April 2019
Minus5 d.o.o. (a)	--	51.00%	Sale	25 April 2019
SAZKA Group Adriatic d.o.o. (a)	--	100.00%	Sale	25 April 2019
SAZKA Group Russia LLC (b)	100.00%	--	Sale	27 March 2020
SUPER SPORT d.o.o. (a)	--	67.00%	Sale	25 April 2019

The above stated percentages in companies reflect the direct share disposed by the parent company of each company.

- (a) Following the management decision, the Group classified the Croatian subgroup (SAZKA Group Adriatic d.o.o. and all of its subsidiaries, including SUPER SPORT d.o.o., PUNI BROJ d.o.o., and Minus 5 d.o.o.) as discontinued operations according to IFRS 5 on 31 March 2019 (see Note 7). The comparative Consolidated statement of comprehensive income has been re-presented to show the continuing operations separately from the discontinued operations.

The Croatian subgroup was sold to EMMA GAMMA LIMITED with an effective date of 30 April 2019.

- (b) On 27 March 2020, the Group sold SAZKA Group Russia LCC. The effect of the sale was immaterial and is presented in Note 21 as "Net loss from the sale of securities".

1.4 Statutory body and Supervisory Board

The Board of Directors as at 31 March 2020:

Chairman of the Board of Directors:	Karel Komárek
Member of the Board of Directors:	Pavel Šaroch
Member of the Board of Directors:	Robert Chvátal
Member of the Board of Directors:	Katarína Kohlmayer

Supervisory Board as at 31 March 2020:

Chairman of the Supervisory Board:	Tomáš Porupka
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1.5 Shareholder as at 31 March 2020

KKCG AG	100%
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Registered office:

Kapellgasse 21,

6004 Luzern

Switzerland

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 2019.

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 11 June 2020.

(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.

The accounting policies applied in the condensed interim consolidated financial statements are the same as the accounting policies applied by the Group in the last annual consolidated financial statements for the period ended 31 December 2019.

(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 presentation currency of the Group is Euro (€) as the majority of Group's transactions representing its assets, liabilities and related profit or loss accounts are in Euro.

These condensed consolidated interim financial statements are presented in Euro (€) for Group reporting purposes. All financial information is rounded to the nearest 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 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, revenues and expenses. These estimates, judgements and assumptions are based on past experience and other various factors deemed appropriate as at the date of preparation of 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 recognized 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. As at 30 March 2020 no significant impacts were identified.

Significant assumptions used by the Group when applying the Group's accounting policies and key sources of uncertainty upon making estimates during the preparation of the condensed consolidated interim financial statements were the same as those used during the preparation of consolidated financial statements for the period ended 31 December 2019.

The use of estimates and judgements affects mainly the following areas:

- goodwill, trademarks and brands with indefinite useful lives, and
- judgement with respect of de-facto control over OPAP S.A. subgroup (see Note 1.3).

(e) Significant accounting policies

The accounting policies 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 2019, except for the adoption of new and amended standards as set out in Note 2f below.

Current income tax is calculated on the basis of the tax laws enacted, or substantively enacted, at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred tax is calculated using valid tax rates that are also expected to be valid when the asset is realised or the liability settled. The tax rates are country dependent and following local legislations.

(f) New standards and amendments applicable from 1 January 2020

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 2020.

Amendment to IFRS 3 "Business combinations"

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term "outputs" is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

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

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform

The IASB has issued amendments to IFRS 9, IAS 39 and IFRS 7 that provide certain reliefs in connection with interest rate benchmark reform.

Phase 1 considers reliefs to hedge accounting in the period before the reform. These amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement under both IAS 39 and IFRS 9. Furthermore, the amendments set out triggers for when the reliefs will end, which include the uncertainty arising from interest rate benchmark reform no longer being present.

Phase 2 of the IASB's project will address issues that arise once an existing interest rate is replaced with an alternative interest rate. The IASB started its discussions of Phase 2 in September 2019 and expects these discussions to continue into the first half of 2020, after which it is expected to issue an exposure draft of proposed Phase 2 amendments for comment.

The Group's only risk exposure that is directly affected by the interest rate benchmark reform and relates to Phase 1 reliefs is OPAP's 3-year floating-rate debt in nominal amount of €100,000 thousand, due to changes in 3 month EURIBOR that is the current benchmark interest rate. OPAP S.A. has hedged this debt with an interest rate swap, and it has designated the swap as a cash flow hedge.

It is currently expected that €STR (Euro Short Term Rate) will replace EURIBOR. There are key differences between EURIBOR and €STR. EURIBOR is a term rate, which means that it is published for a borrowing period (such as three month), and it is forward-looking, because it is published at the beginning of the borrowing period. €STR is currently a backward-looking rate. It is based on overnight rates from actual transactions of euro area banks, and it is published at the end of the overnight borrowing period. To transition existing contracts and agreements that reference EURIBOR to €STR, adjustments for term differences and credit differences may need to be applied to €STR, to enable the two benchmark rates to be economically equivalent on transition.

Amendments to IAS 1 and IAS 8 - Definition of material

The IASB has made amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors" which use a consistent definition of materiality throughout International Financial Reporting Standards and the "Conceptual Framework" for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of "primary users of general purpose financial statements" to whom those financial statements are directed, by defining them as "existing and potential investors, lenders and other creditors" that must rely on general purpose financial statements for much of the financial information they need.

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

Amendments to References to the "Conceptual Framework" in IFRS Standards

The IASB has issued a revised "Conceptual Framework" which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting,
- reinstating prudence as a component of neutrality,
- defining a reporting entity, which may be a legal entity, or a portion of an entity,
- revising the definitions of an asset and a liability,
- removing the probability threshold for recognition and adding guidance on derecognition,
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in Other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the "Conceptual Framework" in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised "Conceptual Framework" from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised "Conceptual Framework".

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

(g) Standards, interpretations and amendments issued before 31 March 2020 but not yet effective

The following standards, amendments and interpretations are not yet effective and are not expected to have a significant impact on the Group's consolidated financial statements.

Documents not yet endorsed by the EU:**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 re-measured 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 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.

It is expected to be endorsed before its effective date. IASB effective date is 1 January 2021.

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

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.

It is expected to be endorsed before its effective date. 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.

Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 “Consolidated financial statements” and IAS 28 “Investments in associates and joint ventures” clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- require full recognition in the investor's financial statements of gains and loss arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 “Business Combinations”), and
- require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors’ interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

These amendments are effective for annual periods beginning on or after a date to be determined by the IASB.

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

(h) Changes in accounting policies

In 2020 the Group adopted the new accounting standards described in Note 2f. There were no other significant changes in accounting policies in 2020 and the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

3. Equity method investees

		31/03/2020	31/12/2019
Equity method investees	Parent ownership interest (%)	668,826	649,065
Casinos Austria AG (a)	38.29%	256,236	249,977
LTB Beteiligungs GmbH (b)	66.67%	45,045	43,892
CLS Beteiligungs GmbH (c)	66.67%	44,992	43,847
LOTTOITALIA S.r.l. (d)	32.50%	270,624	257,114
TCB Holdings Ltd (e)	36.75%	51,929	54,235

The above stated percentages represent the direct share owned by the parent company of each company.

Change in value of the equity method investees includes increase in the amount of an investment by the owner and the share of profit or loss and other comprehensive income of the equity method investees less dividends declared and distributions made by the equity method investees.

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

(a) Casinos Austria AG

Casinos Austria AG is a worldwide gaming and entertainment group based in Austria. As at 31 March 2020, Medial Beteiligungs GmbH holds a share of 38.29%. The Company has an indirect share in Medial Beteiligungs GmbH of 99.66%.

Casinos Austria AG	31/03/2020	31/12/2019
Non-current assets	896,235	915,801
Current assets	414,040	351,889
Non-current liabilities	(409,113)	(426,362)
Current liabilities	(470,389)	(431,921)
Net assets	430,773	409,407
Non-controlling interest	(74,369)	(69,349)
Net assets attributable to Casino Austria AG equity holders	356,404	340,058
Group's share (38.29%)	136,467	130,208
Goodwill	119,769	119,769
of which Goodwill from initial economic share	40,008	40,008
of which Goodwill from additional economic share	79,761	79,761
Carrying amount of interest in associate	256,236	249,977
	For the period ended	For the period ended
Casinos Austria AG	31/03/2020	31/03/2019
Profit for the period	18,895	28,516
of which attributable to shareholders of the equity method investee	12,848	21,425
Total comprehensive income (100%)	22,416	29,805
of which attributable shareholders of the equity method investee	16,346	22,714
Group's share of total comprehensive income	6,259	8,697
Dividends received by subsidiary of the Company (Medial Beteiligungs GmbH)	--	5,744

(b) LTB Beteiligungs GmbH

LTB Beteiligungs GmbH holds a 27.08% share in Lotto-Toto-Holding GmbH, which owns 26.17% of shares in Österreichische Lotterien GmbH ("OLG"). The Company has an indirect share of 66.67% through CAME Holding GmbH.

Together with its shareholding in CLS Beteiligungs GmbH, the Group's effective share in OLG is 9.45%.

According to the company's Articles of Association the General Meeting of the company is able to make a decision only with 100% shares approval. Therefore, the Group considers it an investment in an associate and the company is accounted as an equity method investee.

LTB Beteiligungs GmbH	31/03/2020	31/12/2019
Equity method investee in OLG	67,542	65,814
Current assets	27	26
Non-current liabilities	--	--
Current liabilities	(5)	(5)
Net assets (100%)	67,564	65,835
Group's share (66.67%) = carrying amount of interest in associate	45,045	43,892
	For the period ended 31/03/2020	For the period ended 31/03/2019
Profit for the period	1,550	1,919
of which share of profit of equity method investee OLG	1,547	1,920
of which net profit of LTB	3	(1)
Share of OCI of equity method investee OLG	181	--
Total comprehensive income (100%)	1,731	1,919
Group's share of total comprehensive income	1,154	1,279
Dividends received by subsidiary of the Company (CAME Holding GmbH)	--	--

(c) CLS Beteiligungs GmbH

CLS Beteiligungs GmbH holds a 27.08% share in Lotto-Toto-Holding GmbH, which owns 26.17% of shares in OLG. The Company has an indirect share of 66.67% through CAME Holding GmbH.

Together with its shareholding in LTB Beteiligungs GmbH, the Group's effective share in OLG is 9.45%.

According to the company's Articles of Association the General Meeting of the company is able to make a decision only with 75% shares approval. Therefore, the Group considers it an investment in an associate and the company is accounted as an equity method investee.

CLS Beteiligungs GmbH	31/03/2020	31/12/2019
Equity method investee in OLG	67,474	65,746
Current assets	21	50
Non-current liabilities	--	--
Current liabilities	(11)	(29)
Net assets (100%)	67,484	65,767
Group's share (66.67%) = carrying amount of interest in associate	44,992	43,847
	For the period ended	For the period ended
	31/03/2020	31/03/2019
Profit for the period	1,536	1,909
of which share of profit of equity method investee OLG	1,547	1,920
of which net profit of CLS	(11)	(11)
Share of OCI of equity method investee OLG	181	--
Total comprehensive income (100%)	1,717	1,909
Group's share of total comprehensive income	1,145	1,273
Dividends received by subsidiary of the Company (CAME Holding GmbH)	--	--

(d) LOTTOITALIA S.r.l

LOTTOITALIA S.r.l. is a company that organizes and manages a lottery and gaming business in Italy. The Group holds a share of 32.50%.

The company is accounted for using the equity method.

LOTTOITALIA S.r.l.	31/03/2020	31/12/2019
Non-current assets	581,375	606,892
Current assets	300,705	218,050
Non-current liabilities	(12)	(24)
Current liabilities	(49,377)	(33,796)
Net assets (100%)	832,691	791,122
Group's share (32.50%) = carrying amount of interest in associate	270,624	257,114
	For the period ended	For the period ended
	31/03/2020	31/03/2019
Profit for the period	41,569	58,072
Total comprehensive income (100%)	41,569	58,072
Group's share of total comprehensive income	13,510	18,873
Dividends declared by LOTTOITALIA S.r.l. (net to stake of Italian Gaming Holding a.s.)*	--	66,145
Reserve distribution received by subsidiary of the Company (Italian Gaming Holding a.s.)	--	8,199

*Dividends paid on 2 April 2019 to Italian Gaming Holding a.s.

(e) TCB Holdings Ltd

On 18 December 2018, OPAP INVESTMENT LTD completed the acquisition of a 36.75% stake in TCB Holdings Ltd for a total consideration of €50,000 thousand and measured it as an investment in associate for the year ending on 31 December 2018.

€2,000 thousand of the consideration was recognized as a contingent payment obligation according to the respective contract. The liability was settled in February 2019.

TCB Holdings Ltd	31/03/2020	31/12/2019
Non-current assets	21,502	20,692
Current assets	62,571	68,970
Non-current liabilities	(4,031)	(1,068)
Current liabilities	(50,494)	(53,184)
Net assets (100%)	29,548	35,410
Group's share (36.75%)	10,859	13,013
Post audit adjustment	(144)	8
Goodwill	41,214	41,214
Carrying amount of interest in associate	51,929	54,235
	For the period ended	For the period ended
TCB Holdings Ltd	31/03/2020	31/03/2019
Revenues	83,150	51,107
Profit for the period	12,435	3,835
Total comprehensive income (100%)	12,435	3,835
Group's share of total comprehensive income	4,570	1,409
Dividends received by subsidiary of the Company (OPAP S.A. subgroup)	6,799	--

4. Trade and other receivables

“Long-term receivables and other non-current assets” comprise advances and deposits provided that are due in more than 12 months after the reporting date.

	31/03/2020	31/12/2019
Long-term receivables and other non-current assets	30,396	29,667
Long-term advances and deposits provided	1,388	1,387
Advances for pension benefits	221	221
Receivables from VLT vendors	22,161	22,816
Long-term loans provided	1,919	1,971
Other long-term receivables	4,707	3,272

“Receivables from VLT vendors” are not interest bearing and the amounts presented are at an immaterial discount to the face value of the receivables.

	31/03/2020	31/12/2019
Short-term trade receivables and other current assets	165,246	246,008
Short-term receivables from agents	88,585	151,929
Short-term trade receivables	9,884	21,767
Receivables from VAT and other taxes	13,550	19,603
Short-term loans provided	17,156	19,177
Short-term prepaid expenses	12,247	13,977
Short-term receivables from VLT vendors	3,439	3,439
Other short-term receivables	20,385	16,116

“Short-term receivables from agents” are collected on weekly basis (SAZKA a.s.) or twice a week (OPAP S.A.). Agents must deposit cash on the Group’s bank accounts (recognized in “Guarantee deposits from lottery agents”, see Note 12). These deposits provide security, which can be offset against receivables from the agent. The Group also uses direct debit to transfer money from agents to the Group’s bank accounts.

“Short-term receivables from agents” decreased mainly as a result of COVID-19 related restrictions on OPAP S.A.’s activities.

“Short-term prepaid expenses” consist mainly of prepayments made to football clubs for advertising and sponsorship services. Furthermore, it includes prepaid consultancy fees and prepaid rent for storage facilities.

“Short-term trade receivables” comprise mainly trade receivables related to non-gaming activities in the amount of €7,258 thousand (31 December 2019: €14,156 thousand).

5. Short-term financial assets

“Short-term financial assets” in the amount of €3,711 thousand (31 December 2019: €12,547 thousand) consist of a receivable under a cash pooling agreement in the amount of €399 thousand (31 December 2019: €399 thousand) and restricted cash in the amount of €3,312 thousand (31 December 2019: €12,148 thousand). Restricted cash represents interest which will be incurred and paid in the next 12 months on certain debt facilities. The decrease in restricted cash was caused by the repayment of a bank loan at CAME Holding GmbH and a bank loan at Italian Gaming Holding a.s. (see Note 10).

6. Cash and cash equivalents

	31/03/2020	31/12/2019
Cash and cash equivalents	547,467	763,673
Bank accounts	200,395	255,794
Fixed-term deposits	343,850	504,250
Cash in hand	3,222	3,629

As at 31 March 2020, the Group has bank accounts with a total balance of €68,622 thousand (31 December 2019: €59,218 thousand) pledged under various borrowing facilities. The balances on these bank accounts are unrestricted.

7. Disposals of subsidiaries

For the three month period ended 31 March 2020

During the year 2020 the Group sold SAZKA Group Russia LLC and Emma Delta Finance Plc was liquidated. The impact of sale is immaterial and is presented as “Net loss from the sale of securities” (see Note 21).

For the year ended 31 December 2019

Following the management decision of the Group, the Group classified the Croatian subgroup (SAZKA Group Adriatic d.o.o. and all of its subsidiaries, including SUPER SPORT d.o.o., PUNI BROJ d.o.o., and Minus 5 d.o.o.) as a discontinued operations on 31 March 2019 (see Note 1.3). The comparative “Consolidated statement of comprehensive income” been re-presented to show the continuing operations separately from the discontinued operations.

The Croatian subgroup was sold to EMMA GAMMA LIMITED with regulatory approvals granted on 25 April 2019 and effective date of 30 April 2019.

Cash consideration for the sale of the Croatian subgroup was €302,607 thousand.

The Company also assigned to EMMA GAMMA LIMITED receivables of €117,393 thousand arising from a loan provided to Sazka Group Adriatic d.o.o. The consideration paid by EMMA GAMMA LIMITED for the assigned receivable was €117,150 thousand.

The effects of the disposal are provided in the following table:

Croatian subgroup	31/12/2019
Consideration received or receivable:	302,607
Cash	302,607
Total disposal consideration	302,607
Carrying amount of net assets sold	(27,868)
Gain on sale of investment before reclassification of foreign translation reserve	274,739
Reclassification of foreign currency translation reserve from other comprehensive income to profit or loss upon disposal	2,528
Gain on sale of investment	277,267

Financial performance and cash flow information of Croatian subgroup

The financial performance and cash flow information presented below are for the four months ended 30 April 2019 (4M 2019 column) and for the period of eight months between the acquisition on 26 April 2018 and 31 December 2018 (8M 2018 column).

Result of discontinued operations	4M 2019	8M 2018
Amount staked	173,022	306,125
Consolidated statement of comprehensive income is as follows:		
Gross gaming revenue (GGR)	47,187	87,443
Lottery tax	(9,952)	(17,344)
Net gaming margin*	37,235	70,099
Revenue from sale of goods and services	374	145
Other operating income	58	930
Materials, consumables and services	(5,856)	(12,983)
Marketing services	(455)	(1,178)
Personnel expenses	(4,972)	(9,229)
Other operating expenses	(1,321)	(2,933)
Operating EBITDA**	25,063	44,851
Depreciation and amortization	(1,080)	(741)
Profit from operating activities	23,983	44,110
Interest income	339	100
Other finance income	188	12
Finance cost	(3,705)	(4,582)
Finance costs, net	(3,178)	(4,470)
Profit before income tax	20,805	39,640
Income tax expense	(5,234)	(7,224)
Profit after income tax of discontinued operations	15,571	32,416
Gain on sale of subsidiary	277,267	--
Profit from discontinued operations	292,838	32,416
<i>Items that are or may subsequently be reclassified to profit or loss:</i>		
Translation of foreign operations into the Group's presentation currency	17	2,533
Other comprehensive income / (loss)	17	2,533
Total comprehensive income from discontinued operations	292,855	34,949

* Usually referred to as "Net gaming revenue" or "NGR".

**"Operating EBITDA" is calculated as "Profit before income tax" less "Finance costs, net" less "Depreciation and amortization".

Cash flow from (used in) discontinued operations	2019	2018
Net cash flow from (used in) operating activities	13,715	40,657
Net cash flows from (used in) investing activities	(2,180)	(201,934)
Net cash flows from (used in) financing activities	(23,665)	203,607
Net decrease (-) / increase (+) in cash generated by the subgroup	(12,130)	42,330

	Croatian subgroup
	Net assets sold in 2019
Tangible fixed assets	10,028
Brands	55,349
Licenses	22
Goodwill	292,167
Other intangible assets	87
Long-term receivables	23
Short-term receivables	4,643
Cash and cash equivalents	30,200
Other current assets	2,574
Deferred tax liability	(9,963)
Bank loans and other borrowings*	(209,991)
Other non-current liabilities	(113,432)
Other current liabilities	(11,403)
Net identifiable assets and liabilities	50,304
Non-controlling interest	(22,436)
Net assets value disposed	27,868
Sales price	302,607
Gain on sale of investment before reclassification of foreign translation reserve	274,739

*"Bank loans and other borrowings" include a loan provided by SAZKA Group a.s. to Sazka Group Adriatic d.o.o. in the amount of €117,393 thousand which was as of 31 December 2018 eliminated as an intragroup transaction during the consolidation process.

8. Equity

Share capital

The Group's share capital consists of 20 ordinary shares in certificated form with a nominal value of CZK 100 thousand per share. The share capital is fully paid-up. No changes were made in the share capital in the periods ended 31 March 2020 or 31 December 2019.

No shares of the Group are held by the Group or its subsidiary or associate.

9. Non-controlling interests

The Group's non-controlling interests amount to €745,193 thousand as of 31 March 2020 and relate mainly to OPAP S.A. subgroup. The Group holds an economic interest of 34.10% in OPAP S.A. with non-controlling interest of 65.90%. Non-controlling interest in OPAP S.A. subgroup includes a 16.50% non-controlling interest in OPAP S.A.'s subsidiary HELLENIC LOTTERIES S.A. and a 32.28% non-controlling interest in its subsidiary Neurosoft S.A.

As a result of the scrip dividend programme, the Group's shareholding in OPAP S.A. subgroup increased in 2020 to 41.69%, with a direct share of 7.59% held by the Company (see Note 1.3).

Other non-controlling interests represent 24.52% of the equity of the whole Emma Delta Management Ltd subgroup (including OPAP S.A. subgroup).

A reconciliation of non-controlling interest is presented in the table below:

<i>31/03/2020</i>	<i>HELLENIC LOTTERIES S.A.</i>	<i>Neurosoft S.A.</i>	OPAP S.A. subgroup	Emma Delta subgroup (incl. OPAP S.A. subgroup) ⁽¹⁾	Direct share in OPAP S.A. subgroup of SAZKA Group a.s.	Other (individually immaterial) ⁽²⁾	Total
Direct share in OPAP S.A. subgroup					7.59%		
Direct non-controlling interest percentage	16.50%	32.28%	65.90%	24.52%			
Non-current assets	114,421	9,991	2,066,067	2,051,884			
Current assets	100,231	7,150	599,803	614,744			
Non-current liabilities	(49,912)	(3,378)	(1,216,856)	(1,223,794)			
Current liabilities	(82,062)	(5,275)	(265,470)	(461,785)			
Net assets	82,678	8,488	1,183,544	981,049			
Subgroup's non-controlling interest	--	--	16,382	785,542			
Net assets attributable to the Group	82,678	8,488	1,167,162	195,507			
Non-controlling interest calculation	13,642	2,740	769,160	47,938			
Subgroup's non-controlling interest entering into consolidation	--	--	16,382	785,542			
Carrying amount of non-controlling interest	13,642	2,740	785,542 ⁽³⁾	833,480	(88,588) ⁽³⁾	301	745,193
Net assets excluding net assets of subgroup on lower level (see Note 1.3)	82,678	8,488	1,092,378	(202,495)			
Effective non-controlling interest share	78.53%	82.57%	74.26%	24.52%			
Effective non-controlling interest	64,923	7,009	811,200	(49,652)	(88,588)	301	745,193

(1) Net assets of Emma Delta Management Ltd subgroup ("Emma Delta subgroup") consist mainly of the net assets of OPAP S.A subgroup, which are further diluted on the Emma Delta level.

(2) Other (individually immaterial) consists of non-controlling interest of Medial Beteiligungs GmbH subgroup.

(3) Non-controlling interest of €785,542 thousand is further decreased by €88,588 thousand which represents the direct share of Sazka Group a.s. in OPAP S.A. subgroup (rather than the interest held indirectly through Emma Delta subgroup)

2020	HELLENIC LOTTERIES S.A.	Neurosoft S.A.	OPAP S.A. subgroup	Emma Delta subgroup (incl. OPAP S.A. subgroup) ⁽¹⁾	Direct share in OPAP S.A. subgroup of SAZKA Group a.s.	Other (individually immaterial) ⁽²⁾	Total
Direct share in OPAP S.A. subgroup					7.59%		
Direct non-controlling interest percentage	16.50%	32.28%	65.90%	24.52%			
Net gaming margin	9,098	--	217,369	217,369			
Profit	(8,939)	(1,098)	34,584	9,284			
Other comprehensive income	--	--	(183)	(62)			
Total comprehensive income	(8,939)	(1,098)	34,401	9,222			
Profit allocated to non-controlling interest	(1,475)	(354)	22,791	2,276	(2,625)	19	
OCI allocated to non-controlling interest	--	--	(121)	(15)	14	5	
Share of profit of subgroup's non-controlling interest entering into consolidation	--	--	(1,829)	20,962			
Share of other comprehensive income of subgroup's non-controlling interest entering into consolidation	--	--	--	(121)			
Total comprehensive income attributable to non-controlling interest	(1,475)	(354)	20,841	23,102	(2,611)	23	20,514
Net cash from operating activities	2,565	393	33,390	41,671			
Cash flows used in investing activities	21	(108)	3,621	(3,369)			
Net cash from financing activities	(21)	(128)	(248,865)	(245,404)			
Net inflow (+) / outflow (-) of cash and cash equivalents for the year	2,565	157	(211,854)	(207,102)			(207,102)
Dividends declared to NCI ⁽³⁾	--	--	(191,108)	--			(191,108)

(1) Net assets of Emma Delta Management Ltd subgroup ("Emma Delta subgroup") consist mainly of the net assets of OPAP S.A subgroup, which are further diluted on the Emma Delta subgroup level.

(2) Other (individually immaterial) consists of non-controlling interest of Medial Beteiligungs GmbH subgroup.

(3) Total dividend paid to non-controlling interest was €191,108 thousand including withholding tax, consisting of dividend paid in cash to minority shareholders of OPAP S.A. in the amount of €166,030 thousand and dividend settled by issuing of new OPAP S.A. shares to non-controlling interest in the amount of €25,078 thousand.

10. Bank loans and other borrowings

	31/03/2020	31/12/2019
Bank loans and other borrowings – non-current portion	2,162,076	2,252,527
Long-term bank loans	210,780	483,225
Long-term liabilities arising from debt securities (bonds)	1,951,296	1,769,302
	31/03/2020	31/12/2019
Bank loans and other borrowings – current portion	62,481	99,414
Current portion of long-term bank loans and borrowings	--	83,288
Short-term bank loans and borrowings received	22,955	--
Short-term liabilities arising from debt securities (bonds)	14,119	14,342
Overdrafts	25,407	1,784

On 5 February 2020 the Company issued €300,000 thousand of senior notes. Proceeds were used, together with cash on balance sheet, to repay and cancel bank loans at CAME Holding GmbH and Italian Gaming Holding a.s. as described below and to pay certain fees and expenses in connection with the issuance of the senior notes. The issue price for the senior notes was 99.24%. The notes are due on 15 February 2027 and have a fixed interest rate equal to 3.88% p.a. Interest is paid semi-annually in arrear on 15 August and 15 February each year.

On 10 February 2020 the Group fully repaid a bank loan at CAME Holding GmbH. The total amount of the prepayment (principal, interest and break costs) was €96,982 thousand.

On 17 February 2020 the Group fully repaid a bank loan at Italian Gaming Holding a.s. The total amount of the prepayment (principal and interest) was €214,773 thousand.

On 23 March 2020 OPAP S.A. prepaid an outstanding retail bond. The bondholders received €200,000 thousand and the accrued interest €3,539 thousand on 23 March 2020.

On 27 March 2020, OPAP S.A. issued a bond loan of €100,000 thousand with maturity date on 29 March 2021 which may be extended for 12 months at the option of the lender.

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

	2,351,941
Balance at 1 January 2020	2,351,941
Cash flows	
Loans and borrowings received	411,692
Repayment of loans and borrowings	(507,691)
Interest for previous year paid *	(9,889)
Non-cash changes	
Accrued unpaid interest	8,004
Non-cash settlement	4,107
Effect of FX differences recognized in Profit or loss	44,241
Effect of FX differences recognized in Other comprehensive income	(77,848)
Balance at 31 March 2020	2,224,557

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

11. Lease liabilities

Balance at 1 January 2020	68,210
Payment lease liabilities	(2,120)
New lease contracts	655
Effect of currency translation	(230)
Balance at 31 March 2020	66,515

12. Trade and other payables

	31/03/2020	31/12/2019
Other long-term liabilities	26,214	9,975
Obligation to purchase IGT Czech Republic LLC	1,932	2,069
Deferred purchase price for intangible assets	15,930	--
Deferred consideration for the purchase of shares in OPAP S.A.	6,938	6,709
Other payables	1,414	1,197

	31/12/2020	31/12/2019
Short-term trade and other payables	285,071	380,890
Liabilities arising from unclaimed prizes	87,205	126,043
Short-term trade payables	53,895	73,214
Lottery tax liabilities	50,866	80,908
Payables to state (social and health insurance liabilities, other taxes)	10,182	16,171
Payables to employees	19,831	18,040
Prepaid stakes	6,090	13,946
Contract liabilities	1,065	1,140
Guarantee deposits from lottery agents	14,694	14,745
Deferred consideration for the purchase of shares in OPAP S.A.	3,000	3,000
Deferred purchase price for intangible assets	1,447	--
Other payables	36,796	33,683

“Lottery tax liabilities” are due when cash for stakes is accepted. Lottery tax is calculated as the tax base multiplied by a rate, which varies based on the type of game and country by country. The tax base is the difference between “Amount staked” and prizes paid.

Trade payables comprise items arising from the Group's ordinary course of business and are due as specified in the respective payment terms.

As at 31 March 2020 and 31 December 2019 “Trade and other payables” were not secured.

13. Derivatives

The Group uses interest rate derivatives (IRS) to mitigate the risk of negative impact on future cash flow due to an increase in interest rates. The future cashflows relate to interest payments under loan agreements, in which interest payments are based on floating rates (EURIBOR, PRIBOR).

When the hedge accounting requirements are fulfilled, derivatives are designated and recognized as hedging derivatives. The changes in fair value of hedging derivatives are recognized through equity and other comprehensive income.

The Group uses currency derivatives (FX forwards, FX swaps) to mitigate currency risk. Although the currency derivatives economically offset the currency risk, hedge accounting criteria are not fulfilled for these derivatives, apart from derivatives designated as hedging instruments under net investment hedges (see

section below). Consequently, such currency derivatives are recognized as trading derivatives classified as financial instruments at fair value through profit or loss.

The Group uses non-derivative financial liabilities to hedge foreign currency risks resulting from net investments, provided that these other financial liabilities meet the same requirements as a hedging derivative. The non-derivative financial liabilities can only be used for hedging of foreign currency risks. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that the economic relationship exists between the hedged item and the hedging instrument. The Group also enters into currency forwards that have similar critical terms as the hedged item, such as currency or notional amount, to hedge foreign currency risks resulting from net investments. As all critical terms matched during the period, the economic relationship was 100% effective. The Group does not recognize any hedge ineffectiveness from net investment hedges in the consolidated profit or loss statement. The gain or loss on the hedging instrument that is determined to be an effective hedge of the net investment is recognised in other comprehensive income and is included in hedging reserve.

The Group held the following hedging derivatives:

Hedging derivatives	Due date	Fixed rate	Nominal value as at 31/03/2020	Average fixed rate 31/03/2020	Fair value as at 31/03/2020
Interest rate swaps	2020	3M PRIBOR	16,468	0.310	110
Interest rate swaps	2024	3M PRIBOR	100,482	1.827	(2,414)
Interest rate swaps	2025	3M PRIBOR	118,939	1.992	(7,885)
Interest rate swaps	2023	3M EURIBOR	100,000	0.365	(2,764)
CZK/EUR forwards *	2020	--	230,000	26.214	(10,097)
Total hedging derivatives			565,889	--	(23,050)

* FX forwards represent hedging instruments under a net investment hedge.

Hedging derivatives	Due date	Fixed rate	Nominal value as at 31/12/2019	Average fixed rate 31/12/2019	Fair value as at 31/12/2019
Interest rate swaps	2020	3M PRIBOR	17,710	0.310	341
Interest rate swaps	2024	3M PRIBOR	91,499	1.729	851
Interest rate swaps	2024	3M PRIBOR	22,912	2.215	(50)
Interest rate swaps	2025	3M PRIBOR	121,999	1.894	300
Interest rate swaps	2025	3M PRIBOR	5,903	2.512	(185)
Interest rate swaps	2023	3M EURIBOR	100,000	0.365	(2,524)
CZK/EUR forwards *	2020	--	230,000	26.214	3,152
Total hedging derivatives			590,023	--	1,885

* FX forwards represent hedging instruments under a net investment hedge.

The effect of hedge accounting recognized in profit or loss and other comprehensive income during the period were as follows:

	Hedging gains (+)/losses (-) recognized in OCI	Cash flow hedge reclassified to profit or loss (the hedged item affected profit or loss)	Change in the three month period ended 2020
Cash flow hedging reserve, net of tax	(54,704)	--	(54,704)
attributable to owners of the Company	(54,581)*	--	(54,581)
attributable to non-controlling interest	(123)	--	(123)

*of which revaluation of hedging instruments under net investment hedges in relation to foreign operations in the amount of €(37,901) thousand. "Translation of foreign operations into the Group's presentation currency" in other comprehensive income includes translation gains in relation to these foreign operations, in the amount of €48,830 thousand during the period.

	Hedging gains (+)/losses (-) recognized in OCI	Cash flow hedge reclassified to profit or loss (the hedged item affected profit or loss)	Change in the three month period ended 2019
Cash flow hedging reserve, net of tax	(1,290)	--	(1,290)
attributable to owners of the Company	(747)	--	(747)
attributable to non-controlling interest	(543)	--	(543)

Effects of cash flow hedges are recognized in other comprehensive income under the line item "Remeasurement of hedging derivatives".

The Group has hedged interest payments on bank loans in principal amount as at 31 March 2020 of €357,319 thousand (31 December 2019: €571,093 thousand). The IRSs designated as hedging instruments match the critical terms of the loans, which ensures high effectivity of the hedge relationship for the life-time of the hedge. The Group applies a Dollar offset method to measure the effectiveness of the hedge relationship. The effectiveness of hedging as of 31 March 2020 and 31 December 2019 met IFRS criteria for recognition as hedging derivatives. The Group has not recognized any hedge ineffectiveness arising from these hedges in the consolidated statement of profit or loss.

The Group held the following trading derivatives:

Trading derivatives	Due date	Nominal value as at 31/03/2020	Fair value as at 31/03/2020	Nominal value as at 31/12/2019	Fair value as at 31/12/2019
FX swaps	2022	--	--	14,136	(74)
FX swaps	2023	--	--	148,286	(883)
Call option	2023	8,359	8,359	8,359	8,359
Total trading financial derivatives		8,359	8,359	170,781	7,402

All financial derivatives at fair value as at 31 March 2020 and 31 December 2019 were categorised to Level 2 in the fair value hierarchy.

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For all of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

14. Revenues and Revenue from sale of goods and services

	3M 2020	3M 2019
Amount staked	1,135,231	1,308,159
Pay-outs to winners	(729,922)	(850,311)
Gross gaming revenue (GGR) (see Note 23.3)	405,309	457,848
Lottery tax	(138,480)	(141,773)
Net gaming margin*	266,829	316,075
Revenue from sale of goods and services	27,980	29,574
Sales of goods	19,635	21,942
Sales of services	8,345	7,632

* Usually referred to as “Net gaming revenue” or “NGR”.

“Gross gaming revenue (GGR)” in OPAP S.A. subgroup decreased by €67,719 thousand as a result of COVID-19 related restrictions on the Group’s retail networks (see Note 23.3 or subsequent events in consolidated financial statements of SAZKA Group a.s. for the year ended 31 December 2019).

Disaggregation of revenues according to timing of revenue recognition for the three month period ended 31 March 2020:

	At a point in time	Over time	Total
Mobile virtual network operator (MVNO)	2,605	--	2,605
Mobile phone top-up	21,704	--	21,704
Other	3,671	--	3,671
Total revenues from contracts with customers	27,980	--	27,980
Gross gaming revenue (GGR)			405,309
Total revenues			433,289

Disaggregation of revenues according to timing of revenue recognition for the three month period ended 31 March 2019:

	At a point in time	Over time	Total
Mobile virtual network operator (MVNO)	2,425	--	2,425
Mobile phone top-up	22,366	--	22,366
Other	4,783	--	4,783
Total revenues from contracts with customers	29,574	--	29,574
Gross gaming revenue (GGR)			457,848
Total revenues			487,422

The Group recognized the following assets and liabilities related to contracts with customers:

	31/3/2020	31/12/2019
Current contract liabilities relating to MVNO contracts (see Note 12)	1,065	1,140

15. Materials, consumables and services

	3M 2020	3M 2019
Materials, consumables and services	(66,380)	(70,948)
Cost of goods sold	(20,253)	(22,242)
Fees to system providers	(20,780)	(20,075)
Advisory and other professional services	(12,580)	(11,889)
Cost of IT and software services	(3,845)	(7,471)
Telecommunication services	(2,630)	(2,354)
Scratch card production cost	(1,036)	(1,402)
Expense relating to leases	(485)	(810)
Materials and consumables	(398)	(350)
Other services	(4,373)	(4,355)

The majority of “Materials, consumables and services” are directly related to revenue from lottery and betting activities.

16. Marketing services

	3M 2020	3M 2019
Marketing services	(19,210)	(19,521)
Advertising	(13,684)	(14,310)
Sponsorship and donations	(5,526)	(5,211)

17. Personnel expenses

	3M 2020	3M 2019
Personnel expenses	(24,974)	(24,465)
Wages and salaries	(19,393)	(18,149)
Social security and health insurance	(4,885)	(4,700)
Other social expenses	(457)	(446)
Retirement benefit costs	(239)	(1,170)

“Social security and health insurance” expense includes an amount of €3,059 thousand (3M 2019: €2,574 thousand) related to contributions to state pension funds. The Group’s legal and constructive obligation for these pension state plans is limited to the contributions.

18. Other operating expenses

	3M 2020	3M 2019
Other operating expenses	(10,013)	(12,745)
Other taxes	(3,612)	(3,096)
Travel expenses	(807)	(762)
Repair and maintenance	(474)	(455)
Fees	(402)	(450)
Insurance premiums	(313)	(239)
Remaining portion of operating expenses	(4,405)	(7,743)

For the three month period ended 31 March 2020, "Remaining portion of operating expenses" primarily comprises expenses related to OPAP S.A. subgroup amounting to €4,208 thousand (3M 2019: €7,658 thousand).

19. Operating EBITDA

The Directors of the Group have presented the performance measure "Operating EBITDA" as they monitor this performance measure at a consolidated level. Operating EBITDA is not a defined performance measure in IFRS.

"Operating EBITDA" is calculated as "Profit before income tax" less "Finance costs, net" less "Depreciation and amortization".

20. Depreciation and amortization

	3M 2020	2M 2019
Depreciation and amortization	(28,833)	(28,621)
Depreciation of property, plant and equipment incl. investment property	(5,616)	(5,719)
Amortisation of intangible assets	(20,700)	(21,030)
Depreciation of right of use asset	(2,517)	(1,872)

21. Finance costs, net

	3M 2020	3M 2019
Interest income	949	1,564
Other finance income	482	55
Finance cost	(35,437)	(21,469)
Interest expense on bank loans	(3,606)	(7,934)
Interest expense on leases	(625)	--
Interest expense on bonds	(20,217)	(7,143)
Foreign exchange losses	(5,452)	(241)
Other finance expenses	(5,516)	(6,151)
Net loss from the sale of securities	(21)	--
Finance costs, net	(34,006)	(19,850)

The increase in "Interest expense on bonds" primary relates to new bonds issued by the Company and new bonds loan issued by OPAP S.A. (see Note 10). The decrease in "Interest expense on bank loans" primarily relates to the repayment of bank loans.

“Foreign exchanges losses” primarily reflect changes in the CZK/EUR exchange rate which cause translation gains or losses on consolidation of entities whose functional currency is not the EUR (including the Company and Italian Gaming Holding a.s., whose functional currency is CZK) into the presentation currency.

22. Contingencies

Legal matters

OPAP S.A. has appealed to the administrative courts, awaiting the hearing, for the imposition in 2014 of additional taxes and surcharges for the fiscal year 2020 of a total amount of €29,568 thousand and at the same time OPAP SERVICES S.A. has also exercised legal right against the imposition of additional taxes and surcharges totalling €2,773 thousand resulting from the tax audit conducted in 2016 for the fiscal year 2012. Both amounts have already been paid to the respective authorities. As far as the OPAP SERVICES S.A. case is concerned, it should be noted that the outcome will affect OPAP S.A. given their merger that was completed on December 2019.

Third party lawsuits against OPAP S.A. subgroup have been filed of a total claim of €370,335 thousand (31 December 2019: €366,696 thousand), for which the outcome is estimated as positive for the subgroup and consequently, no provision is required. The majority of these claims relate to old distribution agent arrangements where similar cases were recently all ruled with a positive outcome for OPAP S.A. subgroup. In 2019, an additional number of former agents became a party to the lawsuit which resulted in an increase in the total potential claim.

Off balance sheet items and pledged assets

Off-balance sheet assets	31/03/2020	31/12/2019
Guarantees received (bank and other guarantees)	26,332	27,956
Total	26,332	27,956

Off-balance sheet liabilities	31/03/2020	31/12/2019
Guarantees granted (notes, other guarantees)	78,500	53,500
Total	78,500	53,500

Guarantees granted include guarantees granted by OPAP S.A. subgroup to the Hellenic Republic Asset Development Fund, including €75,000 thousand (31 December 2019: €50,000 thousand) related to HELLENIC LOTTERIES S.A. and €3,500 thousand (31 December 2019: €3,500 thousand) to HORSE RACES S.A. and referring to performance obligations arising from the respective concession agreements.

Pledged assets for loans received	31/03/2020	31/12/2019
Tangible and intangible fixed assets	89,728	96,594
Bank accounts	68,622	59,218

The highest portion of pledged tangible and intangible assets represent trademarks with carrying value of €68,506 thousand (31 December 2019: €73,669 thousand).

In addition, the following securities and shares were pledged:

SAZKA a.s. shares pledged in relation to a loan to SAZKA a.s. in the principal amount of €258,265 thousand. The net assets of SAZKA a.s. are €212,492 thousand as of 31 March 2020 (31 December 2019: €223,958 thousand) and consists of the following:

	31/03/2020	31/12/2019
Assets		
Intangible assets	99,187	88,883
Goodwill	352,649	379,226
Property, plant and equipment	27,936	30,271
Other non-current investments	719	774
Long-term receivables and other non-current assets	1,720	1,814
Long-term restricted cash	2,013	2,165
Long-term derivative financial instruments	--	1,151
Total non-current assets	484,224	504,284
Inventories	407	458
Short-term trade receivables and other current assets	8,215	7,885
Short-term derivative financial instruments	110	341
Cash and cash equivalents	68,918	59,523
Total current assets	77,650	68,207
Total assets	561,874	572,491
Total liabilities	349,382	348,533
Net assets	212,492	223,958

OPAP S.A. shares pledged in relation to a loan to Emma Delta Hellenic Holdings Limited which was fully repaid in November 2019. The related pledge agreement was terminated in March 2020.

LOTTOITALIA S.r.l. shares pledged and enterprise pledge in relation to a bank loan to Italian Gaming Holding a.s. which was fully repaid in February 2020 (see Note 10). The related pledge agreement was terminated in March 2020.

Medial Beteiligungs GmbH shares pledged in relation to a bank loan to CAME Holding GmbH which was fully repaid in February 2020 (see Note 10). The related pledge agreement was terminated on 14 February 2020. Medial Beteiligungs GmbH is company holding participations in Casinos Austria AG without any additional economic activities – for further detail see Note 3.a.

23. Operating segments

23.1 Product segments

3M 2020 FINANCIAL PRODUCT SEGMENTS	Numerical Lotteries	Instant Lotteries	Sports Betting	Digital - only Games	VLTs and Casinos	Total reportable segments	Unallocated items*	Total
Amount staked	584,686	66,883	396,560	20,487	66,615	1,135,231	--	1,135,231
Gross gaming revenue (GGR)	214,609	23,089	90,090	10,906	66,615	405,309	--	405,309
Net gaming revenue	139,667	14,034	59,512	6,985	46,631	266,829	--	266,829
Revenue from sale of goods and services and other operating income	375	348	617	--	--	1,340	38,768	40,108
Agents' commission	(44,112)	(5,279)	(20,671)	(10)	(16,006)	(86,078)	(796)	(86,874)
Operating expenses	(36,102)	(6,115)	(20,810)	(3,753)	(20,592)	(87,372)	(33,205)	(120,577)
Share of profit of equity method investees	17,930	363	4,592	3,369	(1,275)	24,979	--	24,979
Operating EBITDA	77,758	3,351	23,240	6,591	8,758	119,698	4,767	124,465
Depreciation and amortization	(9,356)	(2,201)	(4,942)	(366)	(11,140)	(28,005)	(828)	(28,833)
Profit/loss from operating activities from continuing operations	68,402	1,150	18,298	6,225	(2,382)	91,693	3,939	95,632

* Unallocated items represent non-lottery operations and headquarter expenses.

Condensed consolidated interim financial statements for the three month period ended 31 March 2020 (in thousands of Euro)

3M 2019 FINANCIAL PRODUCT SEGMENTS	Numerical Lotteries	Instant Lotteries	Sports Betting	Digital - only Games	VLTs and Casinos	Total reportable segments	Unallocated items**	Total
Amount staked	699,623	99,703	429,987	9,901	68,945	1,308,159	--	1,308,159
Gross gaming revenue (GGR)	247,250	34,357	102,909	4,387	68,945	457,848	--	457,848
Net gaming revenue	171,570	25,644	67,634	2,968	48,259	316,075	--	316,075
Revenue from sale of goods and services and other operating income	--	1	116	--	--	117	44,481	44,598
Agents' commission	(53,642)	(7,665)	(23,931)	(10)	(16,421)	(101,669)	(699)	(102,368)
Operating expenses	(41,256)	(9,596)	(19,681)	(2,096)	(20,251)	(92,880)	(34,799)	(127,679)
Share of profit of equity method investees	25,024	41	1,664	2,850	1,468	31,047	--	31,047
Operating EBITDA	101,696	8,425	25,802	3,712	13,055	152,690	8,983	161,673
Depreciation and amortization	(8,769)	(2,837)	(4,802)	(223)	(10,330)	(26,961)	(1,660)	(28,621)
Profit/loss from operating activities from continuing operations	92,927	5,588	21,000	3,489	2,725	125,729	7,323	133,052
Profit for the year from discontinued operations	--	--	4,737	5,900	898	11,535	(299)	11,236

* Unallocated items represent non-lottery operations and headquarter expenses.

23.2 Entity wide information

As at 31 March 2020, the Group's operations were in the Czech Republic, Greece, Cyprus, Austria and Italy. The Group also had financing vehicles and dormant companies in certain other countries including Russia, Slovakia and Vietnam.

Entity wide information	Czech Republic	Greece and Cyprus	Austria	Italy	Croatia	Other and headquarter costs	Total
Gross gaming revenue (GGR)	76,998	328,311	--	--	--	--	405,309
Net gaming revenue	49,462	217,367	--	--	--	--	266,829
Share of profit of equity method investees	--	4,492	6,977	13,510	--	--	24,979
Operating EBITDA	22,047	86,303	6,977	13,510	--	(4,372)	124,465

As at 31 March 2019 Group's operations were in Czech Republic, Greece, Cyprus, Austria, Italy and Croatia. The Group also had financing vehicles and dormant companies in certain other countries including Russia, Slovakia and Vietnam.

Entity wide information	Czech Republic	Greece and Cyprus	Austria	Italy	Croatia	Other and headquarter costs	Total
Gross gaming revenue (GGR)	61,818	396,030	--	--	--	--	457,848
Net gaming revenue	49,240	266,835	--	--	--	--	316,075
Share of profit equity method investees	--	1,418	10,756	18,873	--	--	31,047
Operating EBITDA	22,714	113,037	10,756	18,873	--	(3,707)	161,673
Operating EBITDA from discontinued operations	--	--	--	--	18,820	--	18,820

23.3 Gross gaming revenue (GGR) according to Entity wide information

3M 2020 Gross gaming revenue (GGR)	Czech Republic	Greece and Cyprus	Total
Numerical Lotteries	50,130	164,479	214,609
Instant Lotteries	13,857	9,232	23,089
Sports Betting	2,105	87,985	90,090
Digital-only Games	10,906	--	10,906
VLTs and Casinos	--	66,615	66,615
Total	76,998	328,311	405,309

3M 2019 Gross gaming revenue (GGR)	Czech Republic	Greece and Cyprus	Total
Numerical Lotteries	42,464	204,786	247,250
Instant Lotteries	13,800	20,557	34,357
Sports Betting	1,167	101,742	102,909
Digital-only Games	4,387	--	4,387
VLTs and Casinos	--	68,945	68,945
Total	61,818	396,030	457,848

Decrease of "Gross gaming revenue (GGR)" in OPAP S.A. subgroup by €67,719 thousand (represented in the segment "Greece and Cyprus") was a result of COVID-19 related restrictions on the Group's retail network.

24. Related parties

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

The transactions disclosed below were related party transaction for the Group due to the counterparty being within the KKCG group.

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

There were no material transactions with equity method investees (see Note 3) in the current year or in prior year periods, except for dividends declared in the amount of €6,799 thousand in 2020 (31 March 2019: €71,889 thousand) and reserve distribution of equity method investee in the amount of €0 thousand (31 March 2019: €8,199 thousand).

24.1 Outstanding related party balances as at 31 March 2020 and 31 December 2019:

The following tables present outstanding receivables and payables from related parties of the Group as at 31 March 2020 and 31 December 2019:

Transactions with shareholders	31/03/2020	31/12/2019
ASSETS		
Long-term trade receivables and other non-current assets	--	8,532
LIABILITIES		
Short-term trade and other payables	39	--
EQUITY		
Dividends paid	--	149,073
Transactions with related parties of the Group other than shareholders	31/03/2020	31/12/2019
ASSETS		
Long-term trade receivables and other non-current assets	1,281	1,377
Short-term financial assets	--	399
Short term trade receivables and other current assets	109	272
LIABILITIES		
Short-term trade and other payables	594	3,127

24.2 Transactions with related parties of the Group for the three month period ended 31 March 2020 and 31 March 2019:

The following tables present transactions with related parties of the Group with effect on the Consolidated statement of comprehensive income for the three month period ended 31 March 2020 and 31 March 2019:

Transactions with shareholders	3M 2020	3M 2019
Materials, consumables and services	42	--
Transactions with related parties of the Group other than shareholders	3M 2020	3M 2019
Revenue from sale of goods and services	81	89
Other operating income	12	11
Materials, consumables and services	905	1,206
Personnel expenses	5	--
Other operating expenses	141	32
Finance income	145	44

24.3 Transactions with members of the Group's Board of Directors, Supervisory Board and executive management ended 31 March 2020 and 31 March 2019:

In 2020, the Group paid bonuses to members of the Group entities' - Group's Board of Directors, Supervisory Board and executive management amounting to €222 thousand (3M 2019: €197 thousand).

Bonuses, remuneration and other personal expenses incurred in respect of members of the Board of Directors, Supervisory Board and executive management of the consolidated entities:

	3M 2020		3M 2019	
	Board of Directors and Supervisory Board	Executive management	Board of Directors and Supervisory Board	Executive management
Wages and salaries	--	1,966	--	2,147
Social and health insurance	23	1,015	--	51
Retirement benefit costs	--	21	--	298
Remuneration of members of statutory bodies	222	--	197	--
Total	245	3,002	197	2,496

As of 31 March 2020, a payable totalling €3,578 thousand (31 December 2019: €3,578 thousand) was recognized in respect of the long-term incentive scheme of OPAP S.A. The amount is reflected among others, in the line "Payables to employees" (see Note 12).

As of 31 March 2020, a short-term payable totalling €255 thousand (31 December 2019: €1,351 thousand) was recognized in respect of the bonus programme of SAZKA a.s. The amount is reflected among others, in the line "Payables to employees" (see Note 12).

The following tables summarise the Group securities owned by members of the Board of Directors as at 31 March 2020:

	Nominal value per note	Number of notes	Total nominal value (in thousands of Euro)
SAZKA Group CZK bond	10,000 CZK	345	134
SAZKA Group Financing bond	1,000 EUR	25	25

	Number of shares	Total market value (in thousands of Euro)
OPAP shares	5,387	37



25. Subsequent events

Significant subsequent events that occurred after 31 March 2020:

1. On 31 March 2020, OPAP S.A. issued a bond loan of €200,000 thousand with maturity date on 30 September 2020. The amount was drawn on 1 April 2020.
2. In April and May 2020, SAZKA Group a.s. acquired 666,725 shares comprising 0.2% of the outstanding shares of OPAP S.A through open market purchases, for a total of €4,789 thousand. As a result, the Group's direct economic interest in OPAP, together with the existing indirect interest in OPAP held through EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD, increased to 41.89% (7.79% direct and 34.10% indirect).
3. On 16 April 2020 the general meeting of LOTTOITALIA S.r.l. approved a dividend in the amount of €149,732 thousand. On 23 April 2020 the Company's subsidiary Italian Gaming Holding a.s. received its share in the amount of €48,663 thousand.
4. On 21 April 2020 OPAP S.A. announced (i) the receipt of regulatory approvals for its previously announced acquisition of 51% of Stoiximan Group's Greek and Cypriot business (SMGC) from TCB Holding and (ii) the acquisition (subject to regulatory approvals) of a further stake in SMGC, as a result of which OPAP will have a total shareholding of 85% in and sole control of SMGC. OPAP will retain its existing 36.75% shareholding in TCB Holding, which will continue to provide online betting and other online gaming services outside of Greece and Cyprus.

The aggregate net consideration planned to be paid in the course of 2020 for these transactions is €163.4 million, plus net cash. In addition, subject to performance criteria set for the SMGC, the sellers shall be entitled to receive certain earn-out payments, calculated based on EBITDA for 2020 and 2021.

5. On 4 May 2020 OPAP S.A. signed a bond loan agreement of €100,000 thousand with maturity date on 4 May 2022, which may be extended for 12 months at the option of the lender. The respective amount has not been yet drawn.
6. The COVID-19 related restrictions which impacted the Group in March and April have been relaxed significantly in May and June 2020. OPAP's agents' stores in Greece opened on 11 May 2020, its agent's stores in Cyprus opened on 23 May 2020, and its VLT halls (PLAY stores) opened on 8 June 2020. OPAP's horse racing activities are expected to reopen on 15 June 2020. In Italy, sales of Lotto and Millionday games restarted on 27 April 2020 and Lotto sales resumed on 4 May 2020. Land-based casinos and most of the VLT halls in Austria opened on 29 May 2020.
7. Österreichische Lotterien GmbH approved distributions to its shareholders in the amount of €16,694 thousand net to our 9.45% direct stake of which €7,244 thousand was paid on 27 May 2020 and the remaining €9,450 thousand will be paid in September.

<p>Date:</p> <p>11 June 2020</p>	<p>Signature of the authorised representative:</p> <div data-bbox="502 347 694 504"></div> <p>Pavel Šaroch Member of the Board of Directors</p> <div data-bbox="965 313 1460 627"></div> <p>Robert Chvátal Member of the Board of Directors</p>
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