



1st Quarter 2018

Interim management statement

According to International Financial Reporting Standards

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A. Financial progress and performances of reporting period

Financial Performance

Basic Group financials are presented below:

(Amounts in thousands of euro)	01.01- 31.03.2018	01.01- 31.03.2017	Δ %
Revenue (GGR)	377,260	358,898	5.1%
GGR contribution and other levies and duties	(124,117)	(119,861)	3.6%
Net gaming revenue (NGR)	253,143	239,037	5.9%
Profit before interest, tax, depreciation and amortization (EBITDA)	87,218	78,489	11.1%
Profit before tax	57,892	51,513	12.4%
Profit for the period	39,931	33,797	18.1%
Net increase/(decrease) in cash and cash equivalents			
Cash inflows from operating activities	8,878	51,016	(82.6%)
Cash outflows used in investing activities	(11,180)	(23,641)	(52.7%)
Cash inflows from financing activities	46,579	175,837	(73.5%)

Basic Company financials are presented below:

(Amounts in thousands of euro)	01.01- 31.03.2018	01.01- 31.03.2017	Δ %
Revenue (GGR)	315,057	294,510	7.0%
GGR contribution and other levies and duties	(108,357)	(102,883)	5.3%
Net gaming revenue (NGR)	206,699	191,628	7.9%
Profit before interest, tax, depreciation and amortization (EBITDA)	79,339	71,064	11.6%
Profit before tax	57,419	49,975	14.9%
Profit for the period	40,658	35,013	16.1%
Net increase/(decrease) in cash and cash equivalents			
Cash inflows from operating activities	20,529	73,022	(71.9%)
Cash outflows used in investing activities	(10,042)	(13,067)	(23.1%)
Cash inflows from financing activities	36,447	176,002	(79.3%)

B. Main developments during the first quarter of 2018 and their effect on the interim management statement

VLTs operating activities

The first Gaming Halls commenced their operating activities on 11.01.2017. Until 31.03.2018, in total, 11,519 VLT machines were operating in 293 Gaming Halls and 1,354 Opap Stores. The main target of the Company's Management is to continue the roll-out of VLT machines in operation during the year.

Loan restructuring OPAP S.A.

In order to achieve more favourable borrowing terms, the Company proceeded in March 2018 with its loan portfolio restructuring. More specifically, it repaid, earlier and without extra cost, loans of an amount of € 215,500 th. which at the time bore an interest rate of 3.9% (floating) and at the same time issued a new 5-year duration bond loan of € 250,000 th. which bears fixed interest of 3.1%.

Share Capital Increase of Tora Direct S.A

The extraordinary General Meeting of Tora Direct S.A. that took place on 18.12.2017, approved a Share Capital Increase of € 1,001 th. through the issuance of 1,390,000 new ordinary shares with a nominal value of € 0.72 each. The share capital increase was covered on 11.01.2018.

Share capital increase of HORSE RACES S.A.

On 30.01.2018 the extraordinary General Meeting of HORSE RACES S.A. decided to increase the company's share capital by € 5,000 th. through the issuance of 500,000 new ordinary shares of € 10 nominal price each. The share capital increase was covered on 05.02.2018.

TORA WALLET S.A. licensed as an Electronic Money Institution by the Bank of Greece

On 12.02.2018 the procedure for the licensing of TORA WALLET S.A. as an Electronic Money Institution by the Bank of Greece was completed successfully. This development marks the official commencement of TORA WALLET S.A.'s activities in the financial services sector through OPAP's agency network.

C. Alternative Performance Indicators (API)

The Group presents certain Alternative Performance Indicators besides from IFRSs arising from its financial statements, particularly the indicator "Net Debt/Earnings before interest, taxes, depreciation and amortization (EBITDA)". The indicators which are defined and calculated in detail below, are widely used in order to present the Group's profits in relation to its debt and how the viable servicing of its debt is. The Alternative Performance Indicators should not be considered as a substitute for other figures and have been calculated in accordance with the IFRS provisions.

(Amounts in thousands of euro)	01.01-31.03.2018	01.01-31.03.2017	Δ %
Profit before interest, tax, depreciation and amortization (EBITDA) / Revenue (GGR)	23.1%	21.9%	5.7%
Profit attributable to owners of the Company / Revenue (GGR)	10.6%	9.3%	14.2%
Net debt	438,886	82,568	431.5%
Total debt / Total equity	91.4%	50.4%	81.3%
Net debt / Profit before interest, tax, depreciation and amortization (EBITDA) last twelve months	1.4	0.3	394.2%

Earnings before interest, taxes, depreciation and amortization (EBITDA) as a % of GGR

Calculated as the ratio of Earnings before tax, depreciation and amortization (EBITDA) over GGR in the period.

Profit attributable to owners of the Company as a % of GGR

Calculated as the ratio of net profit for the period over GGR for the period.

Net Debt

Calculated as the sum of short-term borrowings plus long-term Loans at the end of the period minus the "Cash and cash equivalents" balance at the end of the period.

Total Debt/Equity

Calculated as the ratio of the sum of Short-term loan plus the sum of Long-term loans at the end of the period over Equity at the end of the period.

Net Debt /Earnings before interest, taxes, depreciation and amortization (EBITDA) last twelve months

Calculated as the ratio of Net Debt (see above) over Earnings before interest, tax and amortization in the last twelve months.

D. Interim Management Statement

The attached Interim Management Statement as at 31 March 2018 was approved by the Board of Directors of OPAP S.A. per rotation on 29 May 2018 and has been posted at the Company's website www.opap.gr as well as in the website of the Athens Stock Exchange.

It is noted that the published attached condensed financial information arises from the Interim Management Statement, which aims to provide the reader with a general information about the financial status and results of the Group and the Company but they do not present a comprehensive view of the financial position and results of financial performance and cash flows of the Company and the Group, in accordance with the International Financial Reporting Standards (IFRS).

All amounts presented in the interim management statement are in thousands of euro unless otherwise stated.

The comparative figures have been reclassified where was necessary in order to comply with changes in presentation of the current period.

1. Statement of Financial Position

As at 31 March 2018 and for the three-month period then ended on that date

(Amounts in thousands of euro)

		GROUP		COMPANY	
	Notes	31.03.2018	31.12.2017	31.03.2018	31.12.2017
ASSETS					
Non - current assets					
Intangible assets		1,152,197	1,163,867	994,446	1,001,442
Property, plant & equipment		109,978	109,298	87,697	86,994
Investment property		917	922	917	922
Goodwill		54,676	54,676	-	-
Investments in subsidiaries		-	-	281,945	281,945
Long – term receivables		2	2	2	2
Other non - current assets		23,774	22,553	40,749	40,225
Deferred tax asset		3,703	5,209	-	-
Total non - current assets		1,345,246	1,356,527	1,405,756	1,411,530
Current assets					
Cash and cash equivalents		290,379	246,102	141,204	94,270
Inventories		10,559	7,920	1,701	1,927
Trade receivables		102,129	127,829	36,468	54,360
Other current assets		46,027	58,532	19,901	29,896
Total current assets		449,094	440,383	199,274	180,454
TOTAL ASSETS		1,794,340	1,796,910	1,605,030	1,591,984
EQUITY & LIABILITIES					
Equity					
Share capital		95,700	95,700	95,700	95,700
Reserves		33,034	33,034	31,900	31,900
Treasury shares		(9,039)	(9,039)	(9,039)	(9,039)
Retained earnings		635,009	595,075	639,250	598,462
Equity attributable to owners of the Company		754,704	714,770	757,811	717,023
Non-controlling interests		43,458	43,397	-	-
Total equity		798,162	758,167	757,811	717,023
Non-current liabilities					
Loans	6.1	650,601	513,098	594,868	467,342
Deferred tax liability		-	-	10,556	9,252
Employee benefit plans		3,499	3,084	3,116	2,735
Provisions		31,589	31,187	30,175	29,773
Other non-current liabilities		9,796	9,354	7,775	7,590
Total non-current liabilities		695,485	556,722	646,491	516,693
Current liabilities					
Loans	6.1	78,663	169,171	78,453	169,171
Trade payables		121,257	173,860	44,395	77,005
Tax liabilities		56,217	89,771	47,168	78,409
Other current liabilities		44,555	49,218	30,712	33,683
Total current liabilities		300,694	482,020	200,729	358,268
Total liabilities		996,178	1,038,743	847,219	874,961
TOTAL EQUITY & LIABILITIES		1,794,340	1,796,910	1,605,030	1,591,984

The attached notes on pages 11 to 13 form an integral part of Interim Management Statement.

2. Income Statement

As at 31 March 2018 and for the three-month period then ended on that date

(Amounts in thousands of euro except earnings per share)

	Notes	GROUP		COMPANY	
		01.01-31.03.2018	01.01-31.03.2017* restated	01.01-31.03.2018	01.01-31.03.2017* restated
Amounts wagered		1,079,110	1,058,009	897,412	872,396
Income Statement is as follows:					
Revenue (GGR)		377,260	358,898	315,057	294,510
GGR contribution and other levies and duties		(124,117)	(119,861)	(108,357)	(102,883)
Net gaming revenue (NGR)		253,143	239,037	206,699	191,628
Agents' commission		(92,544)	(90,773)	(76,211)	(74,150)
Other NGR related commission		(12,673)	(7,236)	(8,570)	(3,128)
Other operating income	6.2	27,668	24,905	9,310	8,928
Other operating cost		(21,021)	(21,616)	-	-
		154,574	144,317	131,229	123,278
Operating expenses		(67,356)	(65,829)	(51,889)	(52,214)
Payroll expenses	6.3	(17,931)	(15,220)	(14,633)	(13,365)
Marketing expenses	6.4	(13,946)	(15,805)	(9,268)	(11,069)
Other operating expenses	6.5	(35,478)	(34,803)	(27,988)	(27,780)
Profit before interest, tax, depreciation and amortization (EBITDA)		87,218	78,489	79,339	71,064
Depreciation and amortization		(22,854)	(22,745)	(16,661)	(17,270)
Results from operating activities		64,364	55,743	62,678	53,793
Finance income		598	538	247	182
Finance costs		(7,070)	(4,918)	(6,343)	(4,000)
Other finance income / (cost)		-	150	836	-
Profit before tax		57,892	51,513	57,419	49,975
Income tax expense		(17,961)	(17,717)	(16,761)	(14,962)
Profit for the period		39,931	33,797	40,658	35,013
Profit attributable to:					
Owners of the Company		39,870	33,222	40,658	35,013
Non-controlling interests		61	575	-	-
Profit after tax		39,931	33,797	40,658	35,013
Basic and diluted earnings (after tax) per share in €		0.1254	0.1045	0.1279	0.1101

*The figures of Q1 2017 are the outcome of the restated Financial Statements due to the re-calculation of the VLTs license amortization following the amendment of the respective legislation (November 2017).

The attached notes on pages 11 to 13 form an integral part of Interim Management Statement.

3. Statement of Profit or Loss and Other Comprehensive Income

As at 31 March 2018 and for the three-month period then ended on that date

(Amounts in thousands of euro)

	Notes	GROUP		COMPANY	
		01.01-31.03.2018	01.01-31.03.2017	01.01-31.03.2018	01.01-31.03.2017
Profit for the period		39,931	33,797	40,658	35,013
Other comprehensive income - items that are or may be reclassified subsequently to profit or loss					
Profit from valuation of hedging derivatives		183	-	183	-
Attributable income tax		(53)	-	(53)	-
Total items that may be reclassified to profit or loss		130	-	130	-
Other comprehensive income net of tax		130	-	130	-
Total comprehensive income net of tax		40,061	33,797	40,788	35,013
Total comprehensive income attributable to:					
Owners of the Company		40,000	33,222	40,788	35,013
Non-controlling interests		61	575	-	-
Total comprehensive income net of tax		40,061	33,797	40,788	35,013

The attached notes on pages 11 to 13 form an integral part of Interim Management Statement.

4. Statement of Changes in Equity

4.1. Consolidated Statement of Changes in Equity

As at 31 March 2018 and for the three-month period then ended on that date

(Amounts in thousands of euro)

GROUP	Share capital	Reserves	Treasury shares	Retained earnings	Non-controlling interests	Total equity
Balance as at 1 January 2017	95,700	32,417	(7,454)	914,614	36,954	1,072,231
Total comprehensive income for the period 01.01-31.03.2017	-	-	-	33,222	575	33,797
Transactions with owners of the Company						
Acquisition of treasury shares	-	-	(1,585)	-	-	(1,585)
Share capital increase expenses of subsidiaries	-	-	-	(165)	-	(165)
Total transactions with owners of the Company	-	-	(1,585)	(165)	-	(1,751)
Balance as at 31 March 2017	95,700	32,417	(9,039)	947,670	37,529	1,104,277
Balance as at 1 January 2018	95,700	33,034	(9,039)	595,075	43,397	758,168
Profit for the period 01.01-31.03.2018	-	-	-	39,870	61	39,931
Other comprehensive income for the period 01.01-31.03.2018	-	-	-	130	-	130
Total comprehensive income for the period 01.01-31.03.2018	-	-	-	40,000	61	40,061
Transactions with owners of the Company						
Share capital increase expenses of subsidiaries	-	-	-	(66)	-	(66)
Total transactions with owners of the Company	-	-	-	(66)	-	(66)
Balance as at 31 March 2018	95,700	33,034	(9,039)	635,009	43,458	798,163

The attached notes on pages 11 to 13 form an integral part of Interim Management Statement.

4.2. Separate Statement of Changes in Equity

As at 31 March 2018 and for the three-month period then ended on that date

(Amounts in thousands of euro)

COMPANY	Share capital	Reserves	Treasury shares	Retained earnings	Total equity
Balance as at 1 January 2017	95,700	31,900	(7,454)	917,975	1,038,121
Total comprehensive income for the period 01.01-31.03.2017	-	-	-	35,013	35,013
Acquisition of treasury shares	-	-	(1,585)	-	(1,585)
Balance as at 31 March 2017	95,700	31,900	(9,039)	952,988	1,071,549
Balance as at 1 January 2018	95,700	31,900	(9,039)	598,462	717,023
Profit for the period 01.01-31.03.2018	-	-	-	40,658	40,658
Other comprehensive income for the period 01.01-31.03.2018	-	-	-	130	130
Total comprehensive income for the period 01.01-31.03.2018	-	-	-	40,788	40,788
Balance as at 31 March 2018	95,700	31,900	(9,039)	639,250	757,811

The attached notes on pages 11 to 13 form an integral part of Interim Management Statement.

5. Cash Flow Statement

As at 31 March 2018 and for the three-month period then ended on that date

(Amounts in thousands of euro)

	GROUP		COMPANY	
	01.01- 31.03.2018	01.01.- 31.03.2017	01.01- 31.03.2018	01.01.- 31.03.2017
OPERATING ACTIVITIES				
Profit before tax	57,892	51,513	57,419	49,975
Adjustments for:				
Depreciation & Amortization	22,854	22,745	16,661	17,270
Net finance costs	6,472	4,363	5,260	3,801
Employee benefit plans	404	680	370	655
Provisions for bad debts	248	15	165	-
Other provisions	402	849	402	841
Exchange differences	-	18	-	18
Share of profit from associates	-	(150)	-	-
Loss from investing activities	13	21	13	3
Other non-cash items	-	-	689	689
Total	88,285	80,054	80,977	73,252
Changes in Working capital				
Decrease / (increase) in inventories	(2,639)	2,232	227	96
Decrease in receivables	41,670	16,825	27,221	4,261
Increase / (decrease) in payables (except banks)	(58,804)	(32,834)	(32,144)	8,203
Increase / (decrease) in taxes payable	(49,962)	(10,226)	(46,714)	(8,685)
Total	18,550	56,051	29,567	77,128
Interest paid	(9,664)	(5,035)	(9,039)	(4,107)
Income tax paid	(8)	-	-	-
Net cash flows from operating activities	8,878	51,016	20,529	73,022
INVESTING ACTIVITIES				
Proceeds from sale of tangible & intangible assets	2	44	2	-
Loan repayments from third parties	44	89	-	-
Share capital increase in subsidiaries	-	-	-	(10,000)
Loans granted to Group companies	-	-	(700)	-
Purchase of intangible assets	(6,946)	(21,025)	(6,774)	(261)
Purchase of property, plant and equipment & investment property	(4,930)	(2,969)	(3,604)	(2,874)
Dividends received	-	-	836	-
Interest received	651	221	198	68
Net cash flows used in investing activities	(11,180)	(23,641)	(10,042)	(13,067)
FINANCING ACTIVITIES				
Proceeds from loans & borrowings	262,242	196,274	252,032	196,274
Payments of loans & borrowings	(215,523)	(18,680)	(215,500)	(18,680)
Acquisition of treasury shares	-	(1,585)	-	(1,585)
Share capital increase expenses of subsidiaries	(55)	(165)	-	-
Dividends paid	(85)	(7)	(85)	(7)
Net cash flows from financing activities	46,579	175,837	36,447	176,002
Net increase in cash and cash equivalents	44,277	203,211	46,934	235,957
Cash and cash equivalents at the beginning of the period	246,102	273,523	94,270	65,433
Cash and cash equivalents at the end of the period	290,379	476,734	141,204	301,389

The attached notes on pages 11 to 13 form an integral part of Interim Management Statement.

6. Notes on the interim management statement

6.1. Loans

The Group's borrowing movement is as follows:

Description	Year of maturity	31.12.2017				31.03.2018	
		Book value	New Loans	Repayments	(Issuance cost)/Amortization of issuance cost	Outstanding nominal value	Book value
Bond Loan, amount € 250,000	2023	-	250,000	-	(1,239)	250,000	248,761
Bond Loan, amount € 200,000	2022	196,798	-	-	186	200,000	196,984
Bond Loan, amount € 100,000	2021	100,000	-	(100,000)	-	-	-
Bond Loan, amount € 45,000	2020	40,500	-	(40,500)	-	-	-
Bond Loan, amount € 5,000	2020	5,000	-	-	-	5,000	5,000
Bond Loan, amount € 50,000	2020	49,771	-	-	21	50,000	49,792
Bond Loan, amount € 100,000	2020	99,273	-	-	58	100,000	99,331
Bond Loan, amount € 50,000	2019	40,000	10,000	-	-	50,000	50,000
Bond Loan, amount € 75,000	2018	75,000	-	-	-	75,000	75,000
Bond Loan, amount € 75,000	2018	75,000	-	(75,000)	-	-	-
Overdraft, amount € 500		-	210	-	-	210	210
Overdraft, amount € 15,000		171	561	-	-	732	732
Overdraft, amount € 10,000		-	2,692	-	-	2,692	2,692
Overdraft, amount € 10,000		-	29	-	-	29	29
Overdraft, amount € 2,000		<u>756</u>	-	<u>(23)</u>	-	<u>733</u>	<u>733</u>
Total		682,269	263,492	(215,523)	(973)	734,396	729,265

The average interest rate as at 31.03.2018 amounts to 3.45% for the Group and 3.4% for the Company (2017: 3.9% for the Group and the Company).

6.2. Other operating income

The analysis of other operating income is as follows:

	GROUP		COMPANY	
Period that ended on March 31,	2018	2017	2018	2017
Revenues from prepaid cards and mobile top-ups	19,952	19,008	-	-
Income from IT services	907	-	-	-
Management fees	-	-	7,535	7,888
Other income	<u>6,809</u>	<u>5,897</u>	<u>1,775</u>	<u>1,040</u>
Total	27,668	24,905	9,310	8,928

6.3. Payroll expenses

The analysis of payroll expenses is as follows:

	GROUP		COMPANY	
Period that ended on March 31,	2018	2017	2018	2017
Wages and salaries	14,761	12,339	12,058	10,833
Social security costs	2,483	1,946	1,970	1,663
Other staff costs	283	254	235	214
Employee benefit plans	404	680	370	655
Termination compensations	-	2	-	-
Total	17,931	15,220	14,633	13,365

As at 31.03.2017 and 31.03.2018 the number of permanent and part time employees is 907 and 1,060 for the Company, and 1,101 and 1,428 for the Group.

6.4. Marketing expenses

The analysis of marketing expenses is as follows:

	GROUP		COMPANY	
Period that ended on March 31,	2018	2017	2018	2017
CSR and sponsorships	6,638	7,605	4,428	5,461
Advertising	<u>7,308</u>	<u>8,201</u>	<u>4,840</u>	<u>5,609</u>
Total	13,946	15,805	9,268	11,069

6.5. Other operating expenses

The analysis of other operating expenses is as follows:

	GROUP		COMPANY	
Period that ended on March 31,	2018	2017	2018	2017
IT related costs	12,584	12,225	13,016	11,437
Utilities & Telecommunication costs	3,183	3,903	2,220	3,415
Rentals	2,691	1,863	1,652	1,054
Other	15,510	15,459	9,669	10,581
Inventory consumption	<u>1,510</u>	<u>1,353</u>	<u>1,432</u>	<u>1,293</u>
Total	35,478	34,803	27,988	27,780

6.6. Subsequent events

On 03.04.2018, the Company following the agreement with Piraeus Bank dated from 03.04.2015 repaid a bond loan of €75,000.

OPAP S.A. according to the 18th Annual Ordinary Shareholders General Meeting, held on April 25th, 2018 decided upon the distribution of a total dividend for the fiscal year 2017 of 0.40 euro per share. It is noted that the Company's Board of Directors had decided the distribution of a gross amount of 0.10 euro per share as interim dividend.

The remaining dividend of the amount of 0.30 euro per share is subject to 15% withholding tax in accordance to articles 36 & 64 of L. 4172/2013, as this has been amended by L. 4387/2016, i.e. 0.045 euro per share.