



## 3rd Quarter 2019

**Interim Management Statement  
According to International Financial Reporting Standards**

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## A. Financial progress and performance of reporting period

### Financial Performance

Basic Group financials are presented below:

(Amounts in thousands of euro)	01.01- 30.09.2019	01.01- 30.09.2018	Δ %
Revenue (GGR)	1,173,222	1,106,328	6.0%
GGR contribution and other levies and duties	(382,501)	(363,310)	5.3%
Net gaming revenue (NGR)	790,721	743,019	6.4%
Profit before interest, tax, depreciation and amortization (EBITDA)	300,261	244,598	22.8%
Profit before tax	200,866	155,365	29.3%
Profit for the period	140,705	105,775	33.0%
Net increase/(decrease) in cash and cash equivalents			
Net cash inflow from operating activities	200,956	156,304	28.6%
Net cash outflow from investing activities	(40,495)	(52,499)	(22.9%)
Net cash outflow from financing activities	(175,819)	(160,528)	9.5%

Basic Company financials are presented below:

(Amounts in thousands of euro)	01.01- 30.09.2019	01.01- 30.09.2018	Δ %
Revenue (GGR)	998,595	929,038	7.5%
GGR contribution and other levies and duties	(339,035)	(318,356)	6.5%
Net gaming revenue (NGR)	659,560	610,683	8.0%
Profit before interest, tax, depreciation and amortization (EBITDA)	279,114	220,058	26.8%
Profit before tax	198,827	156,169	27.3%
Profit for the period	142,096	109,551	29.7%
Net increase/(decrease) in cash and cash equivalents			
Net cash inflow from operating activities	206,938	155,990	32.7%
Net cash outflow from investing activities	(34,867)	(12,487)	179.2%
Net cash outflow from financing activities	(176,163)	(160,743)	9.6%

## B. Main developments during the nine-month period of 2019 and their effect on the interim management statement

### VLTs

#### Operating activities

The first Gaming Halls commenced their operating activities on 11.01.2017. Until 30.09.2019, in total, 20,932 VLT machines were operating in 369 Gaming Halls and 2,022 Opap Stores. The main target of the Company's Management is to effectively install 25,000 VLT machines according to the concession agreement up to 31.12.2019 in Greece.

#### Legislative act

On 02.04.2019, the Council of the State issued a ruling that annulled the Hellenic Gaming Commission's (HGC) decision 225/2/25.10.2016 which set out the VLTs Regulation. This court ruling was purely procedural, deeming that this regulation should have been originally issued through a Presidential Decree. The court did not make any judicial assessment of the substantive grounds invoked by the applicants or the VLTs Regulation itself. The Company operated the existing VLT network normally, only the rollout of any additional VLT machines was currently on hold.

On 27.06.2019, the President of the Republic endorsed a legislative act which gave to the respective Regulation the force of law and is applicable for an interval of up to 12 months. The respective law was published on 09.08.2019 and according to the Article 86, establishes directions for the Gambling Regulations and the Hellenic Gaming Commission's certification acts and allows for an interval of up to 12 months, the transitional application of the directions enforced by Hellenic Gaming Commission's decision No.225/2/25.10.2016.

Consequently, the Company continued with the installation of the remaining VLT machines.

### Dividends

#### Dividend distribution for the year 2018

The 19th Annual Ordinary Shareholders General Meeting, held on 22.05.2019 approved a remaining gross dividend of € 0.60 per share for the fiscal year 2018 following the € 0.10 per share interim dividend already paid on October 2018 according to the Board of Directors' of the Company decision, resulting to a total rewarding dividend per share of € 0.70 for 2018.

#### Scrip dividend

The 19th Annual Ordinary Shareholders General Meeting approved the introduction of a five-year scrip dividend program (2019 - 2023) and granted the Board of Directors of the Company the authority for the determination of the specific terms of the Program on an annual basis. In addition, it authorised the latter

for an extraordinary share capital increase of the Company during the five-year period 2019 - 2023 of up to the amount of € 50,000 th. upon issuance of up to 160.000.000 new ordinary, nominal and indivisible voting shares, pursuant to article 24 of Law 4548/2018.

Actually, this program grants each eligible shareholder the option to receive the distribution in the form of new Company shares, or in cash, or by combination of new shares and in cash.

The maximum percentage of the gross dividend that can be used to subscribe for new shares is 90%. The remaining 10% should be applied to withholding tax, except in case of shareholders being exempt of the withholding tax, in which case they will receive the corresponding amount in cash.

## Share Capital

### Share capital increase of OPAP SERVICES S.A.

On 12.02.2019 the extraordinary General Meeting of OPAP SERVICES S.A. decided to increase the company's share capital by € 5,000 th. through the issuance of 5,000,000 new ordinary shares of € 1 nominal price each. The share capital increase was paid up on 13.02.2019.

### Share capital increase of OPAP S.A.

By virtue of the decision of the Board of Directors of the Company dated 06.06.2019, the share capital of the Company will be increased for an amount up to € 9,000 th. upon issuance of up to 30,000,000 new ordinary, nominal and indivisible voting shares, for the implementation of the dividend reinvestment program of fiscal year 2018 following the granting of relevant authorization by the Annual General Meeting of the Shareholders of 22.05.2019 in accordance with article 24 par. 1 b) of Greek law 4548/2018 for the implementation of the approved by the above General Meeting dividend reinvestment program of a five-year duration (2019 – 2023).

The Board of Directors, at its meeting dated 12.07.2019, decided to issue 2,623,443 new common, registered, voting shares, of nominal value of € 0.30 each, which resulted from the partial subscription of the share capital increase from the reinvestment of the remaining dividend of the financial year 2018. As a result thereof, the share capital of the Company was increased by € 787 th. and now amounts to € 96,487 th., divided to 321,623,443 common, registered, voting shares, of nominal value of € 0.30 each. As the issue price of the Company's new shares amounted to € 9.56, the total above par value of the new shares, amounting to € 24,294 th., was transferred to the account "Share premium".

### Admission of new common shares to trading

On 15.07.2019 were admitted to trading on Athens Stock Exchange 2,623,443 new, common, registered, voting shares as a result of the reinvestment of the remaining dividend of the financial year 2018 by 2,684 beneficiaries at issue price of € 9.56.

### **Agreement for acquisition of 51% of Stoiximan Group's Greek and Cypriot operations under GML Interactive LTD**

OPAP INVESTMENT LTD, on 03.01.2019, following the conclusion of its due diligence exercise, agreed to acquire the 51% of Stoiximan Group's Greek and Cypriot operations under GML Interactive LTD, 100% subsidiary of TCB Holdings LTD ("TCB"), for a total consideration of € 94,860 th., plus net cash as of the closing date. The conclusion of this transaction that will give to OPAP joint control together with two shareholders of TCB in Stoiximan Group's Greek and Cypriot operations is subject to clearance by the competent gaming regulatory and anti-trust authorities.

### **Early repayment of long term loan by OPAP S.A.**

The Company, on 22.01.2019 repaid fully, before its maturity date (31.12.2021), the long term loan of € 6,041 th. to its subsidiary OPAP INVESTMENT LTD.

### **KKCG and EMMA have agreed to divide the assets in the SAZKA Group**

In a joint announcement on 14.03.2019, KKCG and EMMA Capital announced their agreement in splitting assets of the SAZKA Group. Following the completion of the transaction on 11.07.2019, KKCG owns 100% of SAZKA Group, while the participation of EMMA Capital was fully eliminated.

Thus, in relation to the Company, Emma Delta Hellenic Holdings remains the strategic shareholder with 33% stake.

### **Ratification of legislative provisions relative to horseracing activity**

On 17.04.2019 the Hellenic Parliament ratified new legislative provisions concerning horseracing activity. These provisions, combined with the relative reform of the Greek Jockey Club's operational framework, resolve long-standing issues and create a new, more sustainable, environment for the subsidiary HORSE RACES S.A.. According to the law, a Concession Agreement amendment was signed with HRADF on 25.07.2019.

### **Voluntary tender offer**

The Company on 09.07.2019 received the tender offer by Sazka Group a.s.. In accordance with the Greek Takeover Law (law 3461/2006), the Company shall appoint a financial advisor and the Board of Directors shall evaluate the tender offer and issue its opinion following the approval of the information memorandum by the Hellenic Capital Market Commission on 30.09.2019.

### **Signing of binding Memorandum of Understanding between OPAP S.A. and INTRALOT S.A. for the transfer of INTRALOT S.A. shares in HELLENIC LOTTERIES S.A.**

The Company, through its subsidiary OPAP INVESTMENT LTD, signed a binding Memorandum of Understanding with INTRALOT S.A. to acquire all of its shares in HELLENIC LOTTERIES S.A. for a consideration € 20,000. In addition, according to the aforementioned memorandum, HELLENIC LOTTERIES S.A. will sign with INTRALOT S.A. an amendment to the existing services provision agreement under renegotiated terms & conditions.

The closure of the transaction was completed with the signing of the definitive Share Purchase Agreement and completion of all regulatory and existing Shareholder Agreement requirements on 18.09.2019. After the completion, OPAP INVESTMENT LTD participation in the share capital of HELLENIC LOTTERIES S.A. reached 83.5%.

### **Online betting – legislative act**

On 19.07.2019, the Council of State issued a ruling that annulled the Hellenic Gaming Commission's decision 105/2/16.05.2014, which regulated the offering of online fixed-odds betting by OPAP SA.

Despite the fact that the current contribution of online betting is not material and in any case below 1% of OPAP Group's total revenue (GGR), OPAP S.A. is already in contact with competent bodies including the Hellenic Gaming Commission for all the appropriate actions to be taken. The Company is also evaluating how to pursue the protection of its interests by all legal means.



## 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 viable servicing 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 provisions of IFRS.

	01.01-30.09.2019	01.01-30.09.2018	Δ %
Profit before interest, tax, depreciation and amortization (EBITDA) / Revenue (GGR)	25.6%	22.1%	15.8%
Profit attributable to owners of the Company / Revenue (GGR)	12.0%	9.5%	26.0%
Profit before interest, tax, depreciation and amortization (EBITDA) / Net gaming revenue (NGR)	38.0%	32.9%	15.4%
Profit attributable to owners of the Company / Net gaming revenue (NGR)	17.8%	14.2%	25.6%
Net debt (amounts in thousands of euro)	549,820	467,855	18%
Total debt / Total equity	101.0%	85.6%	18.0%
Net debt / Profit before interest, tax, depreciation and amortization (EBITDA) last twelve months	1.3	1.4	(6.0%)

### 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 year over GGR for the period.

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

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

### Profit attributable to owners of the Company as a % of NGR

Calculated as the ratio of net profit for the year over NGR 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. Following the adoption of IFRS 16, financial liabilities related to leases are included in the calculation of Net Debt from 2019 onwards.



**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. Following the adoption of IFRS 16 financial liabilities related to leases are included in the calculation of Total Debt from 2019 onwards

**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.

**Net Debt before IFRS 16**

Net Debt before IFRS 16 is used by management to evaluate the Group's capital structure, excluding financial liabilities related to leases, for comparability purposes with prior years.

**Earnings before interest, taxes, depreciation and amortization (EBITDA) before IFRS 16**

It is defined as deducting from EBITDA the expense adjustments related to leases and is used by the management in order to facilitate comparability with prior year's figures.

The Alternative Performance Indicators are presented below excluding the effect of IFRS 16 on the financial statements:

	01.01- 30.09.2019	01.01- 30.09.2018	Δ %
Profit before interest, tax, depreciation and amortization (EBITDA) before IFRS 16 / Revenue (GGR)	25.0%	22.1%	12.9%
Profit attributable to owners of the Company before IFRS 16 / Revenue (GGR)	12.0%	9.5%	26.1%
Profit before interest, tax, depreciation and amortization (EBITDA) before IFRS 16 / Net gaming revenue (NGR)	37.0%	32.9%	12.5%
Profit attributable to owners of the Company before IFRS 16 / Net gaming revenue (NGR)	17.8%	14.2%	25.6%
Net debt before IFRS 16 (amounts in thousands of euro)	484,586	467,855	4%
Total debt before IFRS 16 / Total equity before IFRS 16	91.8%	85.6%	7.2%
Net debt before IFRS 16 / Profit before interest, tax, depreciation and amortization (EBITDA) before IFRS 16 last twelve months	1.2	1.4	(15.6%)

## D. Interim Management Statement

The attached Interim Management Statement as at 30 September 2019 was approved by the Board of Directors of OPAP S.A. on 27 November 2019 and are posted at the Company's website [www.opap.gr](http://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 of the nine-month period ended 30 September 2019

(Amounts in thousands of euro)

		GROUP		COMPANY	
	Notes	30.09.2019	31.12.2018*	30.09.2019	31.12.2018*
ASSETS					
Non - current assets					
Intangible assets		1,073,877	1,122,920	937,614	972,679
Property, plant and equipment		100,339	111,467	80,759	88,421
Right-of-use assets		64,969	-	33,103	-
Investment properties		1,732	903	1,732	903
Goodwill		34,275	34,275	-	-
Investments in subsidiaries		-	-	283,725	270,725
Investments in associates		52,470	50,089	-	-
Long – term receivables		2	2	2	2
Other non - current assets		46,476	47,151	39,704	35,646
Deferred tax assets		16,008	17,359	-	-
Long – term investments		<u>6,630</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non - current assets		1,396,779	1,384,165	1,376,638	1,368,376
Current assets					
Cash and cash equivalents		167,238	182,596	97,471	101,563
Inventories		19,229	10,662	1,278	1,053
Trade receivables		115,944	140,186	40,657	45,405
Other current assets		47,283	44,000	26,308	28,597
Short – term investments		<u>3,270</u>	<u>8,858</u>	<u>-</u>	<u>-</u>
Total current assets		352,965	386,302	165,714	176,618
Total Assets		1,749,744	1,770,468	1,542,352	1,544,994

		GROUP		COMPANY	
	Notes	30.09.2019	31.12.2018*	30.09.2019	31.12.2018*
EQUITY & LIABILITIES					
Equity					
Share capital		96,487	95,700	96,487	95,700
Share premium		24,294	-	24,294	-
Reserves		30,350	32,212	29,094	30,955
Treasury shares		(14,497)	(14,497)	(14,497)	(14,497)
Retained earnings		<u>554,634</u>	<u>609,339</u>	<u>556,856</u>	<u>605,071</u>
Equity attributable to owners of the Company		691,267	722,754	692,233	717,229
Non-controlling interests		<u>18,523</u>	<u>36,782</u>	-	-
Total equity		709,790	759,536	692,233	717,229
Non-current liabilities					
Loans	6.1	651,544	650,260	596,349	601,351
Lease liabilities		57,922	-	27,580	-
Deferred tax liability		22,382	15,462	19,746	12,701
Employee benefit plans		2,659	4,807	2,167	4,409
Provisions		10,016	28,273	8,641	26,893
Other non-current liabilities		<u>14,797</u>	<u>12,021</u>	<u>11,814</u>	<u>9,300</u>
Total non-current liabilities		759,320	710,823	666,297	654,654
Current liabilities					
Loans	6.1	280	191	20,000	20,011
Lease liabilities		7,312	-	5,371	-
Employee benefit plans		3,260	-	3,260	-
Trade payables		135,670	177,459	44,355	65,168
Current income tax liabilities		27,305	8,648	27,533	6,691
Other current liabilities		<u>106,806</u>	<u>113,811</u>	<u>83,303</u>	<u>81,241</u>
Total current liabilities		280,634	300,109	183,822	173,111
Total liabilities		1,039,954	1,010,931	850,119	827,765
Total Equity & Liabilities		1,749,744	1,770,468	1,542,352	1,544,994

\* The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated.

The attached notes on pages 20 to 23 form an integral part of the Interim Management Statement.

## 2. Income Statement

### 2.1. Consolidated Income Statement

As of the nine-month period ended 30 September 2019

(Amounts in thousands of euro except earnings per share)

GROUP	Notes	2019		2018	
		01.01-30.09.2019	01.07-30.09.2019	01.01-30.09.2018*	01.07-30.09.2018*
Amounts wagered		3,213,615	1,081,938	3,156,479	1,045,220
<b>Income Statement is as follows:</b>					
Revenue (GGR)		1,173,222	393,630	1,106,328	368,871
GGR contribution and other levies and duties		(382,501)	(128,505)	(363,310)	(121,312)
Net gaming revenue (NGR)		790,721	265,125	743,019	247,559
Agents' commissions		(278,902)	(93,572)	(271,280)	(90,290)
Other NGR related commissions		(48,738)	(16,829)	(38,093)	(11,691)
Other operating income	6.2	104,441	32,102	88,968	29,210
Other operating cost		(66,682)	(23,073)	(65,380)	(22,051)
		500,840	163,753	457,233	152,737
Operating expenses		(200,580)	(62,154)	(212,634)	(65,561)
Payroll expenses	6.3	(62,093)	(19,675)	(56,900)	(18,534)
Marketing expenses	6.4	(44,240)	(12,863)	(44,402)	(9,996)
Other operating expenses	6.5	(94,246)	(29,616)	(111,332)	(37,031)
Profit before interest, tax, depreciation and amortization (EBITDA)		300,261	101,599	244,598	87,175
Depreciation and amortization		(85,356)	(28,626)	(70,718)	(24,328)
Results from operating activities		214,905	72,972	173,881	62,847
Finance income		2,217	642	1,472	347
Finance costs		(20,939)	(7,195)	(19,988)	(6,459)
Share of profit of associates		4,683	1,901	-	-
Profit before tax		200,866	68,321	155,365	56,735
Income tax expense		(60,161)	(19,362)	(49,590)	(17,228)
Profit for the period		140,705	48,959	105,775	39,507
Profit attributable to:					
Owners of the Company		140,566	48,770	105,185	39,158
Non-controlling interests		139	190	591	349
Profit after tax		140,705	48,959	105,775	39,507
Basic and diluted earnings per share in €		0.4421	0.1527	0.3310	0.1232

\* The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated.

The attached notes on pages 20 to 23 form an integral part of the Interim Management Statement.

## 2.2. Income Statement of the Company

As of the nine-month period ended 30 September 2019

(Amounts in thousands of euro except earnings per share)

COMPANY	Notes	2019		2018	
		01.01-30.09.2019	01.07-30.09.2019	01.01-30.09.2018*	01.07-30.09.2018*
Amounts wagered		2,693,001	912,800	2,636,457	883,942
<b>Income Statement is as follows:</b>					
Revenue (GGR)		998,595	337,058	929,038	314,400
GGR contribution and other levies and duties		<u>(339,035)</u>	<u>(114,411)</u>	<u>(318,356)</u>	<u>(107,569)</u>
Net gaming revenue (NGR)		659,560	222,647	610,683	206,831
Agents' commission		(232,721)	(78,647)	(224,758)	(75,863)
Other NGR related commission		(38,042)	(13,279)	(26,701)	(8,353)
Other operating income	6.2	<u>43,855</u>	<u>9,938</u>	<u>27,409</u>	<u>8,925</u>
		432,651	140,658	386,633	131,541
Operating expenses		<u>(153,537)</u>	<u>(49,137)</u>	<u>(166,576)</u>	<u>(52,827)</u>
Payroll expenses	6.3	(51,389)	(16,184)	(46,823)	(15,250)
Marketing expenses	6.4	(34,336)	(9,667)	(32,248)	(7,908)
Other operating expenses	6.5	<u>(67,812)</u>	<u>(23,286)</u>	<u>(87,505)</u>	<u>(29,669)</u>
Profit before interest, tax, depreciation and amortization (EBITDA)		279,114	91,521	220,058	78,714
Depreciation and amortization		<u>(64,480)</u>	<u>(21,702)</u>	<u>(51,584)</u>	<u>(17,890)</u>
Results from operating activities		214,634	69,819	168,474	60,824
Finance income		860	164	633	131
Finance costs		(18,166)	(6,117)	(17,775)	(5,694)
Other finance income		<u>1,500</u>	-	<u>4,836</u>	<u>4,000</u>
Profit before tax		198,827	63,866	156,169	59,262
Income tax expense		<u>(56,732)</u>	<u>(18,374)</u>	<u>(46,617)</u>	<u>(16,246)</u>
Profit for the period		142,096	45,492	109,551	43,016
Profit attributable to:					
Owners of the Company		<u>142,096</u>	<u>45,492</u>	<u>109,551</u>	<u>43,016</u>
Profit after tax		142,096	45,492	109,551	43,016
Basic and diluted earnings per share in €		0.4469	0.1424	0.3447	0.1353

\* The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated.

The attached notes on pages 20 to 23 form an integral part of the Interim Management Statement.

### 3. Statement of Profit or Loss and Other Comprehensive Income

#### 3.1. Consolidated Statement of Profit or Loss and Other Comprehensive Income

As of the nine-month period ended 30 September 2019

(Amounts in thousands of euro)

GROUP	Notes	2019		2018	
		01.01- 30.09.2019	01.07- 30.09.2019	01.01- 30.09.2018*	01.07- 30.09.2018*
Profit for the period		140,705	48,959	105,775	39,507
<b>Other comprehensive income - items that may be reclassified to profit or loss</b>					
Gain/(loss) from valuation of hedging derivatives		(2,482)	(484)	108	582
Attributable income tax		<u>621</u>	<u>121</u>	<u>(31)</u>	<u>(169)</u>
Total items that may be reclassified to profit or loss		(1,862)	(363)	77	413
Other comprehensive income net of tax		(1,862)	(363)	77	413
Total comprehensive income net of tax		138,843	48,596	105,852	39,920
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		138,704	48,406	105,261	39,571
Non-controlling interests		<u>139</u>	<u>190</u>	<u>591</u>	<u>349</u>
Total comprehensive income net of tax		138,843	48,596	105,852	39,920

\* The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated.

The attached notes on pages 20 to 23 form an integral part of the Interim Management Statement.



### 3.2. Statement of Profit or Loss and Other Comprehensive Income of the Company

As of the nine-month period ended 30 September 2019

(Amounts in thousands of euro)

COMPANY	Notes	2019		2018	
		01.01-30.09.2019	01.07-30.09.2019	01.01-30.09.2018*	01.07-30.09.2018*
Profit for the period		142,096	45,492	109,551	43,016
<b>Other comprehensive income - items that are or may be reclassified subsequently to profit or loss</b>					
Gain/(loss) from valuation of hedging derivatives		(2,482)	(484)	108	582
Attributable income tax		<u>621</u>	<u>121</u>	<u>(31)</u>	<u>(169)</u>
Total items that may be reclassified to profit or loss		(1,862)	(363)	77	413
Other comprehensive income net of tax		(1,862)	(363)	77	413
Total comprehensive income net of tax		140,234	45,129	109,628	43,429
Total comprehensive income attributable to:					
Owners of the Company		<u>140,234</u>	<u>45,129</u>	<u>109,628</u>	<u>43,429</u>
Total comprehensive income net of tax		140,234	45,129	109,628	43,429

\* The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated.

The attached notes on pages 20 to 23 form an integral part of the Interim Management Statement.

## 4. Statement of Changes in Equity

### 4.1. Consolidated Statement of Changes in Equity

As of the nine-month period ended 30 September 2019

(Amounts in thousands of euro)

GROUP	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Reserves	Treasury shares	Retained earnings	Total		
Balance at 1 January 2018*	95,700	-	32,882	(9,039)	595,168	714,711	44,752	759,463
Profit for the period 01.01-30.09.2018	-	-	-	-	105,185	105,185	591	105,775
Other comprehensive loss for the period 01.01-30.09.2018	-	-	77	-	-	77	-	77
<b>Total comprehensive income for the period 01.01-30.09.2018</b>	-	-	77	-	105,185	105,261	591	105,852
<b>Transactions with owners of the Company</b>								
Share capital increase expenses of subsidiaries	-	-	-	-	(261)	(261)	(69)	(330)
Share capital decrease of subsidiary	-	-	-	-	-	-	(6,261)	(6,261)
Other movements	-	-	-	-	(1,539)	(1,539)	-	(1,539)
Dividends	-	-	-	-	(95,345)	(95,345)	(3,632)	(98,977)
<b>Total transactions with owners of the Company</b>	-	-	-	-	(97,145)	(97,145)	(9,961)	(107,106)
Balance at 30 September 2018	95,700	-	32,959	(9,039)	603,207	722,827	35,381	758,208
Balance at 1 January 2019*	95,700	-	32,212	(14,497)	609,340	722,754	36,782	759,536
Profit for the period 01.01-30.09.2019	-	-	-	-	140,566	140,566	139	140,705
Other comprehensive loss for the period 01.01-30.09.2019	-	-	(1,862)	-	-	(1,862)	-	(1,862)
<b>Total comprehensive income for the period 01.01-30.09.2019</b>	-	-	(1,862)	-	140,566	138,704	139	138,843
<b>Transactions with owners of the Company</b>								
Share capital increase	787	24,294	-	-	-	25,081	-	25,081
Share capital increase expenses	-	-	-	-	(64)	(64)	-	(64)
Dividends	-	-	-	-	(190,302)	(190,302)	(3,304)	(193,607)
<b>Total transactions with owners of the Company</b>	787	24,294	-	-	(190,366)	(165,285)	(3,304)	(168,590)
<b>Changes in ownership interests</b>								
Acquisition of NCI without a change in control	-	-	-	-	(4,906)	(4,906)	(15,094)	(20,000)
<b>Total changes in ownership interests</b>	-	-	-	-	(4,906)	(4,906)	(15,094)	(20,000)
<b>Balance at 30 September 2019</b>	<b>96,487</b>	<b>24,294</b>	<b>30,350</b>	<b>(14,497)</b>	<b>554,634</b>	<b>691,267</b>	<b>18,523</b>	<b>709,790</b>

\* The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated.

The attached notes on pages 20 to 23 form an integral part of the Interim Management Statement.

## 4.2. Condensed Interim Statement of Changes in Equity of the Company

As of the nine-month period ended 30 September 2019

(Amounts in thousands of euro)

COMPANY	Share capital	Share premium	Reserves	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2018*	95,700	-	31,748	(9,039)	598,614	717,023
Profit for the period 01.01-30.09.2018	-	-	-	-	109,551	109,551
Other comprehensive loss for the period 01.01-30.09.2018	-	-	77	-	-	77
<b>Total comprehensive income for the period 01.01-30.09.2018</b>	-	-	77	-	109,551	109,628
Other movements	-	-	-	-	(1,539)	(1,539)
Dividends	-	-	-	-	(95,345)	(95,345)
<b>Balance at 30 September 2018</b>	95,700	-	31,825	(9,039)	611,281	729,767
Balance at 1 January 2019*	95,700	-	30,955	(14,497)	605,071	717,229
Profit for the period 01.01-30.09.2019	-	-	-	-	142,096	142,096
Other comprehensive loss for the period 01.01-30.09.2019	-	-	(1,862)	-	-	(1,862)
<b>Total comprehensive income for the period 01.01-30.09.2019</b>	-	-	(1,862)	-	142,096	140,234
Share capital increase	787	24,294	-	-	-	25,081
Share capital increase expenses	-	-	-	-	(9)	(9)
Dividends	-	-	-	-	(190,302)	(190,302)
<b>Balance at 30 September 2019</b>	96,487	24,294	29,094	(14,497)	556,856	692,233

\* The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated.

The attached notes on pages 20 to 23 form an integral part of the Interim Management Statement.

## 5. Cash Flow Statement

As of the nine-month period ended 30 September 2019

(Amounts in thousands of euro)

	GROUP		COMPANY	
	01.01- 30.09.2019	01.01- 30.09.2018*	01.01- 30.09.2019	01.01- 30.09.2018*
<b>OPERATING ACTIVITIES</b>				
Profit before tax	200,866	155,365	198,827	156,169
<b>Adjustments for:</b>				
Depreciation & Amortization	85,356	70,718	64,480	51,584
Net finance costs	18,688	18,471	15,799	12,296
Employee benefit plans	1,257	1,209	1,158	1,110
Provisions for bad debts	4,314	2,348	1,690	1,460
Other provisions	(15,887)	451	(15,886)	472
Exchange differences	33	45	8	9
Share of profit from associates	(4,683)	-	-	-
Profit from investing activities	26	-	-2	-
Other non-cash items	<u>139</u>	<u>-</u>	<u>2,088</u>	<u>2,066</u>
<b>Total</b>	<b>290,109</b>	<b>248,607</b>	<b>268,162</b>	<b>225,166</b>
<b>Changes in Working capital</b>				
(Increase) / decrease in inventories	(8,567)	(2,806)	(225)	90
Decrease in receivables	18,466	28,102	3,987	12,843
Decrease in payables (except banks)	(46,978)	(85,758)	(19,124)	(55,855)
Increase in taxes payable	<u>196</u>	<u>12,166</u>	<u>273</u>	<u>12,300</u>
<b>Total</b>	<b>253,225</b>	<b>200,311</b>	<b>253,072</b>	<b>194,545</b>
Interest paid	(19,574)	(22,168)	(17,764)	(20,167)
Income taxes paid	<u>(32,695)</u>	<u>(21,840)</u>	<u>(28,370)</u>	<u>(18,388)</u>
<b>Net cash inflow from operating activities</b>	<b>200,956</b>	<b>156,304</b>	<b>206,938</b>	<b>155,990</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds from sale of tangible & intangible assets	57	30	38	18
Additional consideration for the acquisition of associate & subsidiary	(22,000)	-	-	-
Loan repayments from third parties	3,046	3,665	436	3,282
Loan repayments from subsidiaries	-	-	100	-
Share capital (increase) / decrease of subsidiaries	-	-	(13,000)	14,018
Loans granted to third parties	(1,739)	(16,000)	-	-
Loans granted to Group companies	-	-	(6,100)	(50)
Purchase of intangible assets	(14,631)	(25,591)	(13,539)	(24,992)
Purchase of property, plant and equipment	(5,601)	(16,125)	(5,039)	(10,169)
Dividends received	-	-	1,500	4,836
Interest received	1,415	1,522	737	571
Net change in short-term & long-term investments	<u>(1,042)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net cash outflow from investing activities</b>	<b>(40,495)</b>	<b>(52,499)</b>	<b>(34,867)</b>	<b>(12,487)</b>

	GROUP		COMPANY	
	01.01- 30.09.2019	01.01- 30.09.2018*	01.01- 30.09.2019	01.01- 30.09.2018*
<b>FINANCING ACTIVITIES</b>				
Proceeds from loans & borrowings	100	260,433	-	249,862
Payments of loans & borrowings	(79)	(290,805)	(6,052)	(290,671)
Transaction costs related to loans & borrowings	-	(1,250)	-	(1,250)
Share capital increase expenses	(64)	(330)	(9)	-
Share capital return of subsidiaries	-	(6,261)	-	-
Payment of lease liabilities	(7,366)	-	(4,997)	-
Dividends paid	<u>(168,410)</u>	<u>(122,315)</u>	<u>(165,106)</u>	<u>(118,684)</u>
<b>Net cash outflow from financing activities</b>	<b><u>(175,819)</u></b>	<b><u>(160,528)</u></b>	<b><u>(176,163)</u></b>	<b><u>(160,743)</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b><u>(15,358)</u></b>	<b><u>(56,723)</u></b>	<b><u>(4,092)</u></b>	<b><u>(17,240)</u></b>
Cash and cash equivalents at the beginning of the period	<u>182,596</u>	<u>246,102</u>	<u>101,563</u>	<u>94,270</u>
<b>Cash and cash equivalents at the end of the period</b>	<b>167,238</b>	<b>189,379</b>	<b>97,471</b>	<b>77,031</b>

\* The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated.

**The attached notes on pages 20 to 23 form an integral part of the Interim Management Statement.**

## 6. Notes on the interim management statement

### 6.1. Loans

The analysis of the Group's debt is as follows:

GROUP	Year of maturity	31.12.2018				30.09.2019	
		Book value	New Loans	Repayments	Amortization of expenses	Outstanding nominal value	Book value
Loan, amount € 916	2026	664	-	(69)	-	596	596
Bond Loan, amount €250,000	2023	248,804	-	-	200	250,000	249,004
Bond Loan, amount €200,000	2022	197,510	-	-	506	200,000	198,016
Bond Loan, amount €50,000	2023	49,286	-	-	313	50,000	49,599
Bond Loan, amount €5,000	2020	5,000	-	-	-	5,000	5,000
Bond Loan, amount €50,000	2023	49,482	-	-	148	50,000	49,630
Bond Loan, amount €100,000	2023	99,513	-	-	186	100,000	99,699
Overdraft, amount € 500		180	100	-	-	280	280
Overdraft, amount € 15,000		<u>11</u>	-	<u>(11)</u>	-	-	-
<b>Total</b>		<b>650,450</b>	<b>100</b>	<b>(79)</b>	<b>1,353</b>	<b>655,876</b>	<b>651,824</b>

The Group average interest rate as at 30.09.2019 amounts to 3.18% (31.12.2018: 3.45%).

### 6.2. Other operating income

The analysis of other operating income is as follows:

	GROUP		COMPANY	
Period that ended on September 30,	2019	2018	2019	2018
Revenues from prepaid cards and mobile top-ups	70,184	66,080	-	-
Income from IT services	5,374	4,938	-	-
Management fees	-	-	22,613	22,002
Other income	<u>28,883</u>	<u>17,950</u>	<u>21,242</u>	<u>5,407</u>
<b>Total</b>	<b>104,441</b>	<b>88,968</b>	<b>43,855</b>	<b>27,409</b>

Other income for both the Company and the Group, includes an amount of € 15,886 which represents the effect of the Company's provisions movement within the period.

### 6.3. Payroll expenses

The analysis of payroll expenses is as follows:

	GROUP		COMPANY	
Period that ended on September 30,	2019	2018	2019	2018
Wages and salaries	45,681	45,500	37,461	37,395
Social security costs	9,757	9,010	7,872	7,284
Other staff costs	1,067	1,023	860	876
Employee benefit plans	1,257	1,209	1,158	1,110
Termination compensations	<u>4,331</u>	<u>157</u>	<u>4,038</u>	<u>157</u>
<b>Total</b>	<b>62,093</b>	<b>56,900</b>	<b>51,389</b>	<b>46,823</b>

The number of employees of the Company as at 30.09.2019 and 30.09.2018 is 1,149 and 1,095, respectively, while the Group's as at 30.09.2019 and 30.09.2018 is 1,544 and 1,464, respectively.

In the context of the voluntary leave scheme that took place within the first semester of 2019, 47 employees retired and got compensated by € 2,958, while the respective expense for the Company, taking also into account the already provided for employee termination payment according to IAS 19, finally stands at € 2,805.

### 6.4. Marketing expenses

Marketing expenses are as follows:

	GROUP		COMPANY	
Period that ended on September 30,	2019	2018	2019	2018
CSR and sponsorships	14,256	15,525	10,605	10,353
Advertising	<u>29,984</u>	<u>28,877</u>	<u>23,731</u>	<u>21,894</u>
<b>Total</b>	<b>44,240</b>	<b>44,402</b>	<b>34,336</b>	<b>32,248</b>

The Company's CSR expense for the nine months ended 30 September 2019 amounts to € 3,621 (2018: € 2,651) and the sponsorships expense to € 6,983 (2018: € 7,702). At Group level, the relevant expenses are € 3,621 and € 10,635, respectively (2018: € 2,825 and € 12,700).



## 6.5. Other operating expenses

The analysis of other operating expenses is as follows:

	GROUP		COMPANY	
Period that ended on September 30,	2019	2018	2019	2018
IT related costs	22,168	36,741	25,579	39,007
Utilities & Telecommunication costs	10,571	10,542	7,776	7,825
Rentals	1,417	7,709	573	4,553
Other	55,856	52,475	29,907	32,510
Inventory consumption	<u>4,234</u>	<u>3,866</u>	<u>3,977</u>	<u>3,610</u>
<b>Total</b>	<b>94,246</b>	<b>111,332</b>	<b>67,812</b>	<b>87,505</b>

The fluctuation observed in rentals is due to the first application of IFRS 16 "Leases".

IT related costs for both the Company and the Group, are decreased in the current period mainly due to the more favourable terms agreed with an IT provider.

## 6.6. Subsequent events

### Financing

On 04.10.2019, the Company repaid, earlier and without extra cost, the bond loan from Alpha bank of an amount of € 50,000.

At the same time, the Company issued a new bond loan of € 100,000, with maturity date 04.10.2021, up to 04.10.2024.

On 03.10.2019, the Company issued a new bond loan of € 50,000, with maturity date 03.10.2022.

### Voluntary tender offer

The Company, on 31.10.2019, has been officially informed on the results of the Voluntary Tender Offer of Sazka Group a.s.. During the acceptance period, namely between 01.10.2019 and 29.10.2019, 23,323,179 shares were offered, representing approximately 7.25% of the Company's total paid-up share capital, including the treasury shares held by the Company.

Following the completion of the off-exchange transfer of the offered shares, Sazka Group a.s. holds, either directly or indirectly, 128,593,179 shares in total, representing approximately 39.98% of the Company's total paid-up share capital, including the treasury shares held by the Company, or approximately 40.21% (of the total paid-up share capital of the Company, excluding treasury shares held by the Company) of the total paid-up share capital and voting rights of the Company.

### **Stoiximan**

On 04.11.2019, the Company has been informed on the approval of the merger control notification regarding OPAP's Stoiximan investment by the Hellenic Competition Commission (HCC) (HCC/01.11.2019). The transaction is additionally subject to clearance by the Cyprus' Commission for the Protection of Competition and the competent gaming regulatory authorities. Following the above clearance and the final closing of the transaction, the Company would gain joint control together with two shareholders of TCB Holdings Ltd ('TCB') in Greek and Cypriot operations of GML Interactive Ltd ('GML'), 100% subsidiary of TCB.

### **New law for online betting**

The L. 4635/2019 (Government's Gazette A' 167/30.10.2019) amended the L. 4002/2011 regarding online sports betting activities. The new law defines details for licensing of operators, technical requirements for the operation of the information system and other prerequisites the operators should comply with. According to new law, two types of licenses are available, online betting license and other online games license.