

20

3rd Quarter

Interim Management Statement

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A. Financial progress and performance of reporting period

Financial Performance

The Basic Group's financials are presented below:

(Amounts in thousands of euro)	01.01-30.09.2020	01.01-30.09.2019	Δ %
Revenue (GGR)	898,891	1,173,222	(23.4%)
GGR contribution and other levies and duties	(304,051)	(382,501)	(20.5%)
Net gaming revenue (NGR)	594,840	790,721	(24.8%)
Profit before interest, tax, depreciation and amortization (EBITDA)	207,585	304,944	(31.9%)
Profit before tax	93,255	200,866	(53.6%)
Profit for the period	70,365	140,705	(50.0%)
Net increase/(decrease) in cash and cash equivalents			
Net cash inflow from operating activities	158,828	200,956	(21.0%)
Net cash outflow from investing activities	(78,885)	(40,495)	94.8%
Net cash outflow from financing activities	(170,359)	(175,819)	(3.1%)

The Basic Company's financials are presented below:

(Amounts in thousands of euro)	01.01-30.09.2020	01.01-30.09.2019	Δ %
Revenue (GGR)	776,920	998,595	(22.2%)
GGR contribution and other levies and duties	(263,304)	(339,035)	(22.3%)
Net gaming revenue (NGR)	513,615	659,560	(22.1%)
Profit before interest, tax, depreciation and amortization (EBITDA)	186,706	279,114	(33.1%)
Profit before tax	108,670	198,827	(45.3%)
Profit for the period	80,371	142,096	(43.4%)
Net increase/(decrease) in cash and cash equivalents			
Net cash inflow from operating activities	139,097	206,938	(32.8%)
Net cash outflow from investing activities	(79,827)	(34,867)	128.9%
Net cash outflow from financing activities	(169,553)	(176,163)	(3.8%)

B. Main developments during the nine-month period of 2020 and their effect on the interim management statement

Dividends

Extraordinary dividend

The meeting of the Company's Board of Directors held on 08.01.2020 approved the distribution of a total gross extraordinary dividend of € 1 per share from the undistributed earnings up to the year ending on 31.12.2018. The total approved gross dividend amounted to € 319,794 th.. The distribution was proceeded through the implementation of the general terms of the five-year dividend reinvestment program as approved by the Company's Ordinary General Meeting of the Shareholders, dated 22.05.2019.

Dividend distribution for the year 2019

The 20th Annual Ordinary Shareholders General Meeting, held on 25.06.2020 approved a remaining gross dividend of € 0.30 per share for the fiscal year 2019. The total approved gross dividend amounted to € 99,863 th.. The distribution was proceeded through the implementation of the general terms of the five-year dividend reinvestment program as approved by the Ordinary General Meeting of the Shareholders of the Company, dated 22.05.2019.

Share capital

Share capital increase of OPAP S.A.

By virtue of the decision of the Board of Directors of the Company dated 08.01.2020, the share capital of the Company would be increased for an amount up to € 13,095 th. upon issuance of up to 43,648,896 new ordinary, nominal and indivisible voting shares, for the implementation of the dividend reinvestment program.

The share capital increase was partially subscribed resulting at a final share capital increase of €3,925 th. through the issuance of 13,084,373 new, common, registered, voting shares of nominal value of € 0.30 each. As a result thereof, the share capital of the Company amounted to € 100,412 th., divided to 334,707,816 shares, of nominal value of € 0.30 each. As the issue price of the Company's new shares amounted to € 11.26, the total above par value of the new shares, amounting to € 143,404 th., was transferred to the account "Share premium".

In addition, by virtue of the decision of the 20th Annual Ordinary Shareholders General Meeting, held on 25.06.2020, the share capital of the Company would be increased for an amount up to € 5,310 th. upon issuance of up to 17,700,000 new ordinary, nominal and indivisible voting shares, for the implementation of the dividend reinvestment program.

On 05.08.2020, the election period of shareholders to exercise their right to reinvest the dividend for the fiscal year 2019 was completed. The share capital increase was partially subscribed resulting at a final

share capital increase of € 2,016 th. through the issuance of 6,718,571 new, common, registered, voting shares of nominal value of € 0.30 each. As a result thereof, the share capital of the Company now amounts to € 102,428 th., divided to 341,426,387 shares, of nominal value of € 0.30 each. As the issue price of the Company's new shares amounted to € 7.91, the total above par value of the new shares, amounting to € 51,128 th., was transferred to the account "Share premium".

Share capital increase of OPAP INVESTMENT LTD

The sole shareholder of OPAP INVESTMENT LTD, OPAP S.A., approved on 23.04.2020 the increase of the company's share capital by € 70,000 th. through the issuance of 70,000 new ordinary shares of € 1 nominal price and € 999 share premium each as per the Board of Directors decision dated 23.04.2020. The share capital increase was paid up on 08.05.2020.

Admission of new common shares to trading

On 10.02.2020, as a result of the reinvestment of the extraordinary dividend of the financial year 2018, 13,084,373 new, common, registered, voting shares were admitted to trading on Athens Stock Exchange by 2,900 beneficiaries at an issue price of € 11.26.

Additionally, on 11.08.2020, 6,718,571 new, common, registered, voting shares were admitted to trading on Athens Stock Exchange as a result of the reinvestment of the dividend for the financial year 2019 by 1,455 beneficiaries at issue price of € 7.91.

Financing

Bonds prepayment

The Company, by virtue of the resolution of the Company's Board of Directors dated 29.01.2020, decided to prepay on 23.03.2020 the total nominal value of bonds issued and made available through the process of a public offer, pursuant to the Common Bond Loan Program issuance of up to €200,000 th. and the Bondholder Agent Appointment Agreement dated 08.03.2017.

The bondholders received €1 th. per bond and the accrued interest generated on 23.03.2020.

Bond loan of TORA DIRECT S.A.

TORA DIRECT S.A., according to the meeting of its Board of Directors dated 13.03.2020, resolved on the issuance of a common bond loan of € 9,500 th., divided to 9,500 bonds of € 1,000 each. OPAP S.A. subscribed for the whole amount of € 9,500 th.

Bond loan of HORSE RACES S.A.

HORSE RACES S.A., according to the meeting of its Board of Directors dated 17.03.2020, resolved on the issuance of a common bond loan of € 8,000 th., divided to 8,000 bonds of € 1,000 each. OPAP S.A.

subscribed for the whole amount of € 8,000 th. As at 30.09.2020, HORSE RACES S.A. has received € 6,000 th..

Bond loans of OPAP S.A.

The Company, on 27.03.2020, issued a bond loan of € 100,000 th. with maturity date on 27.03.2021 which may be extended for 12 months. The amount was collected on the same date. Later, on 31.03.2020, the Company also issued a bond loan of € 200,000 th. with maturity date on 01.10.2020 which was collected on 01.04.2020. Subsequently, on 04.05.2020, the Company signed another bond loan agreement of € 100,000 th. with maturity date on 04.05.2022, which may be extended for 12 months. The respective amount has not been drawn down to date.

On 01.07.2020, the Company proceeded to a partial repayment of € 50,000 th. of its bond loan of € 200,000 th., without extra cost.

Investment in Kaizen Gaming (Stoiximan/Betano brands)

Following the approval of the Hellenic Competition Commission and the decision published on 14.04.2020 of the Commission for the Protection of Competition of the Republic of Cyprus, OPAP INVESTMENT LTD, on 13.07.2020, acquired from KAIZEN GAMING LIMITED (former TCB HOLDINGS LTD) the pre-agreed 51% direct stake in Stoiximan Group's Greek and Cypriot business ('SMGC'), currently operated by KAIZEN INTERNATIONAL GAMING LIMITED (former GML INTERACTIVE LTD), for an aggregate net consideration (i.e. after subtracting OPAP's 36.75% stake in TCB) of € 90,196 th. plus net cash of € 3,015 th.. Additionally, OPAP INVESTMENT LTD will pay earn-out payments for 2020 and 2021 subject to the performance criteria set for SMGC.

After the completion of the aforementioned transaction, the Company effectively holds 69% stake in SMGC, while it retains its 36.75% stake in Stoiximan Group's operations outside of Greece and Cyprus under the BETANO brand.

Finally, OPAP INVESTMENT LTD will proceed with the acquisition of an additional 15.48% indirect stake in SMGC for aggregate net consideration of € 43,302 th. plus net cash (plus earn-out payments for 2020 and 2021), resulting in a 84.49% combined stake (the transaction was completed on 18.11.2020, refer to Note 6). It is envisaged that SMGC will operate under the 'Stoiximan' brand through a separate legal entity.

SMGC will continue to operate independently from OPAP's own online business, with the existing SMGC's management team continuing to lead the SMGC day-to-day operations.

Online betting and Online Casino Games & Poker

Following the publication of Law 4635/2019 regarding the licensing and operating of online games of chance in Greece, on 26.02.2020, Hellenic Gaming Commission (the “HGC”) invited all the transitional licensed gaming operators (including OPAP) to submit their applications for the granting of Type A License and/or Type B License until 31.03.2020.

On 26.03.2020, OPAP submitted two separate applications to HGC for the awarding of both licenses. The said applications were subject to the submission of the supplementary data to HGC within one month after the publication of the Gaming Regulation for the Organization and Running of Online Games of Chance (the “Regulation”). On 05.08.2020, the Regulation was published in the Government Gazette (FEK B` 3265) and OPAP should have submitted all the supplementary data HGC until 07.09.2020, which was made on 04.09.2020. HGC will award the licenses within two months upon the submission of the supplementary data. Before the award of the relevant licenses the assessment of the suitability of the shareholders and the persons who perform Key Functions must also be completed pursuant to the provisions of the Gaming Regulation related to the Suitability of Persons. The said assessment has not been completed yet.

OPAP stores reopening

On 13.03.2020, the Greek government published its decision to impose a temporary ban on the operation of a wide range of retail stores, indoor venues and other locations, aiming to contain the spread of the coronavirus (COVID-19). As a result, all of the OPAP stores and PLAY gaming halls were ordered to be closed from 14.03.2020. Additionally, retail stores in Cyprus closed on 16.03.2020. Following a relevant decision of the Greek government, and as part of the gradual lifting of restrictive measures for containing the spread of the coronavirus (COVID-19), OPAP’s retail network of 3,600+ stores across Greece resumed operations as at 11.05.2020. Street vendors also restarted the distribution of Hellenic Lotteries’ products (Scratch & Passive lotteries) as at the same date. In addition, upon decision of the Cypriot government, the Opap retail network in Cyprus resumed operations on 23.05.2020. As far as the OPAP PLAY network is concerned, it resumed operations as at 08.06.2020, while the horse racing activity at Markopoulo Park restarted on 15.06.2020.

Coronavirus (COVID-19) impact

Since the coronavirus (COVID-19) outbreak, OPAP proceeded with the implementation of a set of decisive actions in response to coronavirus (COVID-19) to proactively protect its employees and support its network in the same time with the balanced assurance of its business continuation through a series of initiatives. However, since OPAP’s business is heavily weighted towards retail, the pandemic severely impacted the Group’s financial results and operational performance with OPAP stores remaining closed for almost two months, and VLTs only restarting operations as of early June.

During the lockdown period and the following months, the OPAP's online product portfolio was enhanced with new games, along with the increased penetration of online Tzoker.

Following the ease of the lockdown restrictions and stores re-opening, the Group safeguarded the proper operations of the business by supporting its partners whenever needed, with encouraging performance rump-up aided also by the gradual restart of major sports leagues & events. During the same period, OPAP concluded the second part of Kaizen Gaming (Stoiximan/Betano brands) transaction with the equivalent payment.

The encouraging performance post stores re-opening along with the low fixed cost base of the business and a set of cost mitigations actions, resulted the Group to record Q3 2020 EBITDA higher by 1.5% versus Q3 2019 and at this stage, besides the coronavirus (COVID-19) impact, the Group maintains strong financial position.

Nevertheless, there is a high degree of uncertainty, primarily as to whether a second wave of the disease will trigger a round of local sheltering measures, deterioration of GDP or lower private consumption, for the last quarter of the year.

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.

(Amounts in thousands of euro)	01.01-30.09.2020	01.01-30.09.2019	Δ %
Profit before interest, tax, depreciation and amortization (EBITDA) / Revenue (GGR)	23.1%	26.0%	(11.2%)
Profit attributable to owners of the Company / Revenue (GGR)	8.1%	12.0%	(32.0%)
Profit before interest, tax, depreciation and amortization (EBITDA) / Net gaming revenue (NGR)	34.9%	38.6%	(9.5%)
Profit attributable to owners of the Company / Net gaming revenue (NGR)	12.3%	17.8%	(30.7%)
Net debt	605,543	473,414	27.9%
Total debt / Total equity	186.1%	144.7%	28.6%
Net debt / Profit before interest, tax, depreciation and amortization (EBITDA) last twelve months	1.9	1.1	68.0%

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 year/period minus the "Cash and cash equivalents", "Long-term investments" and "Short-term investment" balances at the end of the year. 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.

D. Interim Management Statement

The attached Interim Management Statement as at 30 September 2020 was approved by the Board of Directors of OPAP S.A. on 24 November 2020 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. They also have been rounded in thousands of euro and any differences are attributed to roundings. The comparative figures have been reclassified where necessary in order to comply with changes in presentation of the current period.

1. Statement of Financial Position

As at the nine-month period ended 30 September 2020

(Amounts in thousands of euro)

	Notes	GROUP		COMPANY	
		30.09.2020	31.12.2019	30.09.2020	31.12.2019
ASSETS					
Non - current assets					
Intangible assets		1,011,034	1,065,733	893,000	933,089
Property, plant and equipment		89,679	98,308	86,808	95,138
Right-of-use assets		50,784	64,036	28,329	32,627
Investment properties		1,631	1,703	1,631	1,703
Goodwill		27,353	30,275	-	-
Investments in subsidiaries		-	-	429,187	362,987
Investments in associates		152,882	54,158	-	-
Long – term receivables		5,149	1,467	3,956	-
Other non - current assets		25,641	27,855	27,980	29,290
Deferred tax assets		25,781	19,894	-	-
Long – term investments		-	<u>1,000</u>	-	-
Total non - current assets		1,389,934	1,364,429	1,470,890	1,454,835
Current assets					
Cash and cash equivalents		543,396	633,815	340,014	450,297
Inventories		10,248	6,962	5,071	2,745
Trade receivables		109,733	161,158	58,645	70,905
Current income tax assets		6	4,436	-	4,429
Other current assets		42,839	60,204	39,098	33,259
Short – term investments		<u>9,916</u>	<u>8,915</u>	-	-
Total current assets		716,138	875,489	442,828	561,636
Total Assets		2,106,071	2,239,918	1,913,718	2,016,471
EQUITY & LIABILITIES					
Equity					
Share capital		102,428	96,487	102,428	96,487
Share premium		218,826	24,294	218,826	24,294
Reserves		31,223	31,522	29,968	30,266
Treasury shares		(14,497)	(14,497)	(14,497)	(14,497)
Retained earnings		<u>269,502</u>	<u>615,982</u>	<u>280,679</u>	<u>620,030</u>
Equity attributable to owners of the Company		607,481	753,788	617,403	756,579
Non-controlling interests		<u>15,226</u>	<u>18,104</u>	-	-
Total equity		622,707	771,892	617,403	756,579
Non-current liabilities					
Loans	1	841,633	1,045,580	791,157	995,301
Lease liabilities		52,080	57,649	23,463	27,663
Deferred tax liability		30,315	23,528	28,333	21,015
Employee benefit plans		4,203	2,989	3,680	2,570
Provisions		5,307	8,517	5,305	8,515
Other non-current liabilities		<u>3,761</u>	<u>3,361</u>	<u>2,915</u>	<u>2,524</u>
Total non-current liabilities		937,299	1,141,624	854,853	1,057,588
Current liabilities					
Loans	1	257,457	6,784	269,737	20,004
Lease liabilities		7,685	7,130	5,691	5,157
Employee benefit plans		-	3,578	-	3,578
Trade payables		128,717	184,054	49,298	76,867
Current income tax liabilities		12,734	1,755	13,109	-
Other current liabilities		<u>139,472</u>	<u>123,101</u>	<u>103,627</u>	<u>96,697</u>
Total current liabilities		546,066	326,403	441,462	202,304
Total liabilities		1,483,364	1,468,027	1,296,315	1,259,892
Total Equity & Liabilities		2,106,071	2,239,918	1,913,718	2,016,471

The attached notes on pages 20 to 25 form an integral part of the Interim Management Statement.

2. Income Statement

2.1. Consolidated Income Statement

For the nine-month period ended 30 September 2020

(Amounts in thousands of euro except earnings per share)

GROUP	Notes	2020		2019	
		01.01-30.09.2020	01.07-30.09.2020	01.01-30.09.2019	01.07-30.09.2019
Amounts wagered		2,521,574	1,108,923	3,213,615	1,081,938
Income Statement is as follows:					
Revenue (GGR)		898,891	390,964	1,173,222	393,630
GGR contribution and other levies and duties		<u>(304,051)</u>	<u>(131,360)</u>	<u>(382,501)</u>	<u>(128,505)</u>
Net gaming revenue (NGR)		594,840	259,604	790,721	265,125
Agents' commissions		(211,209)	(91,695)	(278,902)	(93,572)
Other NGR related commissions		(45,461)	(20,855)	(55,312)	(19,005)
Other operating income	2	95,640	28,680	104,441	32,102
Other operating cost		(57,131)	(20,061)	(66,682)	(23,053)
Share of profit of associates		<u>13,420</u>	<u>7,061</u>	<u>4,683</u>	<u>1,901</u>
		390,100	162,734	498,949	163,498
Operating expenses		<u>(182,515)</u>	<u>(57,697)</u>	<u>(194,005)</u>	<u>(59,998)</u>
Payroll expenses	3	(59,717)	(19,801)	(62,093)	(19,675)
Marketing expenses	4	(35,019)	(11,615)	(44,240)	(12,863)
Other operating expenses	5	(79,829)	(25,892)	(83,223)	(25,978)
Net impairment losses on financial assets		<u>(7,950)</u>	<u>(389)</u>	<u>(4,449)</u>	<u>(1,482)</u>
Profit before interest, tax, depreciation and amortization (EBITDA)		207,585	105,038	304,944	103,500
Depreciation, amortization and impairment		<u>(92,526)</u>	<u>(26,868)</u>	<u>(85,356)</u>	<u>(28,626)</u>
Results from operating activities		115,059	78,170	219,588	74,874
Finance income		9,985	464	2,217	642
Finance costs		<u>(31,789)</u>	<u>(10,194)</u>	<u>(20,939)</u>	<u>(7,195)</u>
Profit before tax		93,255	68,440	200,866	68,321
Income tax expense		<u>(22,890)</u>	<u>(16,136)</u>	<u>(60,161)</u>	<u>(19,362)</u>
Profit for the period		70,365	52,304	140,705	48,959
Profit attributable to:					
Owners of the Company		73,242	52,799	140,566	48,770
Non-controlling interests		<u>(2,877)</u>	<u>(495)</u>	<u>139</u>	<u>190</u>
Profit after tax		70,365	52,304	140,705	48,959
Basic and diluted earnings per share in €		0.2211	0.1568	0.4421	0.1527

The attached notes on pages 20 to 25 form an integral part of the Interim Management Statement.

2.2. Income Statement of the Company

For the nine-month period ended 30 September 2020

(Amounts in thousands of euro except earnings per share)

COMPANY	Notes	2020		2019	
		01.01-30.09.2020	01.07-30.09.2020	01.01-30.09.2019	01.07-30.09.2019
Amounts wagered		2,159,705	947,941	2,693,001	912,800
Income Statement is as follows:					
Revenue (GGR)		776,920	337,192	998,595	337,058
GGR contribution and other levies and duties		<u>(263,304)</u>	<u>(113,970)</u>	<u>(339,035)</u>	<u>(114,411)</u>
Net gaming revenue (NGR)		513,615	223,221	659,560	222,647
Agents' commission		(177,688)	(77,227)	(232,721)	(78,647)
Other NGR related commission		(39,781)	(18,585)	(44,617)	(15,456)
Other operating income	2	38,455	11,290	43,855	9,938
Other operating cost		<u>(109)</u>	<u>(60)</u>	-	-
		334,493	138,639	426,076	138,482
Operating expenses		<u>(147,788)</u>	<u>(45,122)</u>	<u>(146,962)</u>	<u>(46,961)</u>
Payroll expenses	3	(49,092)	(16,271)	(51,389)	(16,184)
Marketing expenses	4	(26,967)	(8,378)	(34,336)	(9,667)
Other operating expenses	5	(68,311)	(20,480)	(59,525)	(20,012)
Net impairment losses on financial assets		<u>(3,419)</u>	<u>6</u>	<u>(1,712)</u>	<u>(1,098)</u>
Profit before interest, tax, depreciation and amortization (EBITDA)		186,706	93,517	279,114	91,521
Depreciation and amortization		<u>(63,897)</u>	<u>(21,116)</u>	<u>(64,480)</u>	<u>(21,702)</u>
Results from operating activities		122,808	72,402	214,634	69,819
Finance income		9,252	281	860	164
Finance costs		(28,890)	(9,242)	(18,166)	(6,117)
Dividend income		<u>5,500</u>	-	<u>1,500</u>	-
Profit before tax		108,670	63,441	198,827	63,866
Income tax expense		<u>(28,299)</u>	<u>(16,516)</u>	<u>(56,732)</u>	<u>(18,374)</u>
Profit for the period		80,371	46,925	142,096	45,492
Profit attributable to:					
Owners of the Company		<u>80,371</u>	<u>46,925</u>	<u>142,096</u>	<u>45,492</u>
Profit after tax		80,371	46,925	142,096	45,492
Basic and diluted earnings per share in €		0.2426	0.1393	0.4469	0.1424

The attached notes on pages 20 to 25 form an integral part of the Interim Management Statement.

3. Statement of Comprehensive Income

3.1. Consolidated Statement of Comprehensive Income

For the nine-month period ended 30 September 2020

(Amounts in thousands of euro)

GROUP	2020		2019	
	01.01-30.09.2020	01.07-30.09.2020	01.01-30.09.2019	01.07-30.09.2019
Profit for the period	70,365	52,304	140,705	48,959
Other comprehensive income - items that may be reclassified to profit or loss				
Gain/(loss) from valuation of hedging derivatives	(392)	14	(2,482)	(484)
Attributable income tax	94	(3)	621	121
Exchange differences on translation of foreign operations	(3)	=	=	=
Total items that may be reclassified to profit or loss	(300)	10	(1,862)	(363)
Other comprehensive income net of tax	(300)	10	(1,862)	(363)
Total comprehensive income net of tax	70,065	52,314	138,843	48,596
Total comprehensive income attributable to:				
Owners of the Company	72,943	52,809	138,704	48,406
Non-controlling interests	(2,878)	(495)	139	190
Total comprehensive income net of tax	70,065	52,314	138,843	48,596

The attached notes on pages 20 to 25 form an integral part of the Interim Management Statement.

3.2. Statement of Comprehensive Income of the Company

For the nine-month period ended 30 September 2020

(Amounts in thousands of euro)

COMPANY	2020		2019	
	01.01-30.09.2020	01.07-30.09.2020	01.01-30.09.2019	01.07-30.09.2019
Profit for the period	80,371	46,925	142,096	45,492
Other comprehensive income - items that are or may be reclassified subsequently to profit or loss				
Gain/(loss) from valuation of hedging derivatives	(392)	14	(2,482)	(484)
Attributable income tax	<u>94</u>	<u>(3)</u>	<u>621</u>	<u>121</u>
Total items that may be reclassified to profit or loss	(298)	10	(1,862)	(363)
Other comprehensive income net of tax	(298)	10	(1,862)	(363)
Total comprehensive income net of tax	80,074	46,935	140,234	45,129
Total comprehensive income attributable to:				
Owners of the Company	<u>80,074</u>	<u>46,935</u>	<u>140,234</u>	<u>45,129</u>
Total comprehensive income net of tax	80,074	46,935	140,234	45,129

The attached notes on pages 20 to 25 form an integral part of the Interim Management Statement.

4. Statement of Changes in Equity

4.1. Consolidated Statement of Changes in Equity

For the nine-month period ended 30 September 2020

(Amounts in thousands of euro)

Attributable to owners of the Company

GROUP	Share capital	Share premium	Reserves	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2019	95,700	-	32,212	(14,497)	609,339	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 01.01-30.09.2019	-	-	(1,862)	-	-	(1,862)	-	(1,862)
Total comprehensive income/(loss) for the period 01.01-30.09.2019	-	-	(1,862)	-	140,566	138,704	139	138,843
Transactions with owners of the Company								
Share capital increase	787	24,294	-	-	-	25,081	-	25,081
Share capital increase expenses	-	-	-	-	(64)	(64)	-	(64)
Dividends provided for or paid	-	-	-	-	(190,302)	(190,302)	(3,304)	(193,607)
Total transactions with owners of the Company	787	24,294	-	-	(190,366)	(165,285)	(3,304)	(168,590)
Changes in ownership interests								
Acquisition of subsidiaries with non controlling interests	-	-	-	-	(4,906)	(4,906)	(15,094)	(20,000)
Total changes in ownership interests	-	-	-	-	(4,906)	(4,906)	(15,094)	(20,000)
Balance at 30 September 2019	96,487	24,294	30,350	(14,497)	554,634	691,267	18,523	709,790
Balance at 1 January 2020	96,487	24,294	31,522	(14,497)	615,983	753,788	18,104	771,892
Profit/(Loss) for the period 01.01-30.09.2020	-	-	-	-	73,242	73,242	(2,877)	70,365
Other comprehensive loss 01.01-30.09.2020	-	-	(299)	-	-	(299)	(1)	(300)
Total comprehensive income/(loss) for the period 01.01-30.09.2020	-	-	(299)	-	73,242	72,943	(2,878)	70,065
Transactions with owners of the Company								
Share capital increase	5,941	194,532	-	-	-	200,473	-	200,473
Share capital increase expenses	-	-	-	-	(65)	(65)	-	(65)
Dividends provided for or paid	-	-	-	-	(419,657)	(419,657)	-	(419,657)
Total transactions with owners of the Company	5,941	194,532	-	-	(419,723)	(219,249)	-	(219,249)
Balance at 30 September 2020	102,428	218,826	31,223	(14,497)	269,502	607,481	15,226	622,707

The attached notes on pages 20 to 25 form an integral part of the Interim Management Statement.

4.2. Separate Statement of Changes in Equity

For the nine-month period ended 30 September 2020

(Amounts in thousands of euro)

COMPANY	Share capital	Share premium	Reserves	Treasury shares	Retained earnings	Total equity
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 01.01-30.09.2019	-	-	(1,862)	-	-	(1,862)
Total comprehensive income/(loss) for the period 01.01-30.09.2019	-	-	(1,862)	-	142,096	140,234
Share capital increase	787	24,294	-	-	-	25,081
Share capital increase expenses	-	-	-	-	(9)	(9)
Dividends provided for or paid	-	-	-	-	(190,302)	(190,302)
Balance at 30 September 2019	96,487	24,294	29,094	(14,497)	556,856	692,233
Balance at 1 January 2020	96,487	24,294	30,266	(14,497)	620,030	756,579
Profit for the period 01.01-30.09.2020	-	-	-	-	80,371	80,371
Other comprehensive loss 01.01-30.09.2020	-	-	(298)	-	-	(298)
Total comprehensive income/(loss) for the period 01.01-30.09.2020	-	-	(298)	-	80,371	80,074
Share capital increase	5,941	194,532	-	-	-	200,473
Share capital increase expenses	-	-	-	-	(65)	(65)
Dividends provided for or paid	-	-	-	-	(419,657)	(419,657)
Balance at 30 September 2020	102,428	218,826	29,968	(14,497)	280,679	617,403

The attached notes on pages 20 to 25 form an integral part of the Interim Management Statement.

5. Cash Flow Statement

For the nine-month period ended 30 September 2020

(Amounts in thousands of euro)

	GROUP		COMPANY	
	01.01-30.09.2020	01.01-30.09.2019	01.01-30.09.2020	01.01-30.09.2019
OPERATING ACTIVITIES				
Profit before tax	93,255	200,866	108,670	198,827
Adjustments for:				
Depreciation & amortization	81,066	85,356	63,437	64,480
Net finance costs	21,743	18,688	19,633	17,299
Employee benefit plans	453	1,257	351	1,158
Provisions for bad debts	1,509	4,314	700	1,690
Write-off of trade receivables	234	-	234	-
Other provisions	452	(15,887)	452	(15,886)
Impairment losses on PPE, intangible assets, Right-of-use assets & goodwill	11,460	-	460	-
Exchange differences	61	33	5	8
Dividend income	-	-	(5,500)	(1,500)
Impairment of investment in subsidiaries	-	-	3,800	-
Impairment of other current & non-current assets	6,185	117	2,485	-
Share of profit from associates	(13,420)	(4,683)	-	0.0
(Profit)/loss from investing activities	(1)	26	(2)	(2)
Rent concessions	(1,159)	-	(563)	-
Other non-cash items	-	22	-	2,088
Total	201,837	290,109	194,161	268,162
Changes in Working capital				
Increase in inventories	(3,286)	(8,567)	(2,326)	(225)
Decrease in receivables	40,910	18,466	5,842	3,987
Decrease in payables (except banks)	(47,518)	(46,782)	(31,006)	(18,852)
Total	191,944	253,225	166,672	253,072
Interest paid	(26,798)	(19,574)	(24,387)	(17,764)
Income taxes paid	(6,318)	(32,695)	(3,189)	(28,370)
Net cash inflow from operating activities	158,828	200,956	139,097	206,938
INVESTING ACTIVITIES				
Proceeds from sale of tangible & intangible assets	5	57	5	38
Additional consideration for the acquisition of associate	(92,103)	(22,000)	-	-
Loan repayments from third parties	17,461	3,046	861	436
Loan repayments from subsidiaries	-	-	8,000	100
Share capital increase of subsidiaries	-	-	(70,000)	(13,000)
Loans granted to third parties	(776)	(1,739)	(776)	-
Loans granted to Group companies	-	-	(15,500)	(6,100)
Purchase of intangible assets	(4,833)	(14,631)	(3,635)	(13,539)
Purchase of property, plant and equipment	(7,641)	(5,601)	(7,205)	(5,039)
Dividends received	6,799	-	7,500	1,500
Interest received	2,203	1,415	922	737
Net change in short-term & long-term investments	(1)	(1,042)	-	-
Net cash outflow from investing activities	(78,885)	(40,495)	(79,827)	(34,867)

	GROUP		COMPANY	
	01.01-30.09.2020	01.01-30.09.2019	01.01-30.09.2020	01.01-30.09.2019
FINANCING ACTIVITIES				
Proceeds from loans & borrowings	303,940	100	300,000	-
Payments of loans & borrowings	(253,100)	(79)	(250,004)	(6,052)
Transaction costs related to loans & borrowings	(800)	-	(800)	-
Share capital increase expenses	(65)	(64)	(65)	(9)
Payment of lease liabilities	(5,960)	(7,366)	(4,159)	(4,997)
Dividends paid	(214,524)	(168,410)	(214,524)	(165,106)
Receipt of returnable advance payment	151	-	-	-
Net cash outflow from financing activities	(170,359)	(175,819)	(169,553)	(176,163)
Net increase/(decrease) in cash and cash equivalents	(90,417)	(15,358)	(110,283)	(4,092)
Cash and cash equivalents at the beginning of the period	633,815	182,596	450,297	101,563
Effects of exchange rate changes on cash and cash equivalents	(3)	-	-	-
Cash and cash equivalents at the end of the period	543,396	167,238	340,014	97,471

The attached notes on pages 20 to 25 form an integral part of the Interim Management Statement.

Notes on the interim management statement

1. Loans

The Group's borrowing movement is as follows:

GROUP	Year of maturity	31.12.2019					30.09.2020	
		Book value	New Loans	Repayments	Amortization of expenses	Modification gain	Outstanding nominal value	Book value
Loan, amount € 916	2025	573	-	(96)	-	-	476	476
Bond Loan, amount €250,000	2023	249,070	-	-	1,088	(3,625)	250,000	246,532
Bond Loan, amount €200,000	2020	198,208	-	(200,000)	1,792	-	-	-
Bond Loan, amount €300,000	2024	298,569	-	-	224	-	300,000	298,793
Bond Loan, amount €50,000	2023	49,707	-	-	293	-	50,000	50,000
Bond Loan, amount €5,000	2020	5,000	-	-	-	-	5,000	5,000
Bond Loan, amount €100,000	2023	99,763	-	-	792	(4,471)	100,000	96,084
Bond Loan, amount €50,000	2022	49,859	-	-	37	-	50,000	49,896
Bond Loan, amount €100,000	2024	99,832	-	-	21	-	100,000	99,853
Bond Loan, amount €100,000	2021	-	100,000	-	(263)	-	100,000	99,737
Bond Loan, amount €200,000	2020	-	200,000	(50,000)	-	-	150,000	150,000
Overdraft, amount € 500		280	-	-	-	-	280	280
Overdraft, amount € 3,000		1,500	1,500	(3,000)	-	-	-	-
Overdraft, amount € 3,000		-	2,440	-	-	-	2,440	2,440
Overdraft, amount € 15,000		4	-	(4)	-	-	-	-
Total		1,052,364	303,940	(253,100)	3,983	(8,096)	1,108,196	1,099,090

The average interest rate of the Group as at 30.09.2020 amounts to 2.75% (30.09.2019: 3.18%).

On 23.03.2020, the Company proceeded to an early repayment of the total nominal value of the bonds issued and made available through the process of a public offer, pursuant to the Common Bond Loan Program issuance of up to € 200,000 and the Bondholder Agent Appointment Agreement dated 08.03.2017. The bondholders received € 1 per bond and the accrued interest generated on 23.03.2020.

On 27.03.2020, the Company issued and collected a bond loan of € 100,000 from Alpha Bank with maturity date on 27.03.2021 and an extension option for 12 months, which is not intended to be exercised by the Management.

On 31.03.2020, the Company issued an additional bond loan of € 200,000 from Eurobank with maturity date on 01.10.2020. On 01.07.2020, the Company proceeded to a partial repayment of € 50,000 of its bond loan, without extra cost and agreed to extend the maturity date of the remaining amount to 01.04.2021.

On 04.05.2020, the Company signed another bond loan agreement of € 100,000 with Piraeus Bank with maturity date on 04.05.2022, which may be extended for 12 months. The respective amount has not been

yet collected. The relevant arrangement fees of € 760 were payable to Piraeus Bank upon signing the new loan agreement. Currently, this amount is included in “Other current assets” and will be recognised as transaction cost when the facility is drawn down.

Finally, the Company renegotiated two of its existing loan facilities to take advantage of lower interest rates. The above resulted in the recognition of a modification gain of € 8,096, which is included in Finance income in the statement of profit or loss.

The Group’s loan agreements do not contain mortgages and pledges on the assets of the Group and the Company.

2. Other operating income

The analysis of other operating income is as follows:

Period that ended on September 30,	GROUP		COMPANY	
	2020	2019	2020	2019
Revenues from prepaid cards, mobile top-ups and bill payments	63,018	70,184	-	-
Income from IT services	5,989	5,374	-	-
Management fees	-	-	17,706	22,613
Other income	<u>26,634</u>	<u>28,883</u>	<u>20,749</u>	<u>21,242</u>
Total	95,640	104,441	38,455	43,855

Other income of the current period includes an amount of € 12,251 for the Group and € 11,482 for the Company, which both represent a 25% discount of March, April and May tax liabilities as per the latest temporary measures introduced by the Greek tax authorities. Additionally, the other operating income of the Group, among others, includes a tax return of € 2,593 relating to OPAP INVESTMENT dividends received and an income from operating leases of € 3,065.

The comparative figures, of both the Group and the Company, include an amount of € 15,886 that represents a litigation provision reversal after the positive for the Company outcome of the Courts.

3. Payroll expenses

The analysis of payroll expenses is as follows:

Period that ended on September 30,	GROUP		COMPANY	
	2020	2019	2020	2019
Wages and salaries	47,204	45,681	38,820	37,461
Social security costs	9,618	9,757	7,840	7,872
Other staff costs	1,082	1,067	857	860
Employee benefit plans	1,260	1,257	1,158	1,158
Termination compensations	<u>553</u>	<u>4,331</u>	<u>417</u>	<u>4,038</u>
Total	59,717	62,093	49,092	51,389

The number of employees of the Company as at 30.09.2020 and 30.09.2019 is 1,166 and 1,149 respectively, while the Group's employees as at 30.09.2020 and 30.09.2019 are 1,554 and 1,544, respectively.

The variation observed in termination compensations between the two comparative periods is attributed to the voluntary leave scheme that took place within the first semester of 2019 when 47 employees in total retired and were compensated by € 2,958. The respective expense for the Company taking into account the provisions booked for employee termination according to IAS 19, finally amounted to € 2,805.

4. Marketing expenses

The analysis of marketing expenses is as follows:

Period that ended on September 30,	GROUP		COMPANY	
	2020	2019	2020	2019
CSR and sponsorships	11,773	14,256	8,755	10,605
Advertising	<u>23,246</u>	<u>29,984</u>	<u>18,212</u>	<u>23,731</u>
Total	35,019	44,240	26,967	34,336

The Company's CSR expense for the current period amounts to € 2,425 (2019: € 3,621) and the sponsorships expense to € 6,329 (2019: € 6,983). At Group level, the relevant expenses are € 2,443 and € 9,330, respectively (2019: € 3,621 and € 10,635).

The significantly decrease observed in marketing expenses is connected with the lockdown resulted from the coronavirus (COVID-19) pandemic.

5. Other operating expenses

The analysis of other operating expenses is as follows:

Period that ended on September 30,	GROUP		COMPANY	
	2020	2019	2020	2019
IT related costs	16,871	15,593	19,899	19,004
Utilities & Telecommunication costs	9,154	10,571	8,934	7,776
Rentals	1,265	1,417	549	573
Other	49,728	51,408	36,351	28,195
Inventory consumption	<u>2,810</u>	<u>4,234</u>	<u>2,578</u>	<u>3,977</u>
Total	79,829	83,223	68,311	59,525

The Group's 'Other' category includes a various range of operating expenses such as professional fees of € 21,407 (2019: € 21,008), consumables of € 1,988 (2019: € 1,778), tax fines, stamp duties and other taxes of € 1,836 (2019: 1,678), subscriptions of € 1,707 (2019: € 1,427), repairs and maintenance of € 1,414 (2019: € 1,363), travelling expenses of € 1,330 (2019: € 2,391), transportation cost of € 1,235 (2019: € 1,187), prior year expenses of € 524 (2019: € 741), BoD fees of € 653 (2019: € 649) etc. Additionally, the variation observed between the two comparative periods at Company level, is mainly attributed to the extraordinary financial support that the Company paid to its agents' network of € 5,161 in relation to the measures undertaken due to the coronavirus (COVID-19) impact.

6. Subsequent events

Financing

Prepayment of bond loans

On 02.10.2020, the Company repaid, earlier and without extra cost, the bond loan from Alpha bank of an amount of € 100,000 with initial maturity date on 27.03.2021.

In addition, on 29.10.2020, the Company repaid, earlier and without extra cost, the outstanding bond loan from EFG Eurobank of an amount of € 150,000 with maturity date on 01.04.2021.

OPAP S.A. bond loan issuance through public offer

The Board of Directors of the Company, in its meeting dated 13.10.2020, resolved on the issuance of a common bond loan of an amount up to € 200,000 and minimum amount of € 150,000, in accordance with Law 4548/2018 and applicable provisions of Law 3156/2003, the disposal of the relevant bonds through a public offer in Greece and their listing to trade on the Fixed Income Securities Trading Segment of the Regulated Market of the Athens Exchange.

Following the completion of the Public Offer that took place between 21 and 23 October 2020, in accordance with article 17 para. 2 of the Regulation (EU) 2017/1129, the Company on 23.10.2020

announced that 200,000 common, bearer bonds with a nominal value of € 1 each (the Bonds) have been allocated and as a result funds of € 200,000 have been raised. The total valid demand from investors that participated in the Public Offer was € 611,900, resulting to an oversubscription by 3.06 times. The final yield has been set at 2.10%, the Bonds interest rate at 2.10% and the offer price of the Bonds at € 1 each, namely 100% of the nominal value.

Opap S.A. license exclusive right extension 2020-2030

On 13.10.2020, according to the amendment dated 29.04.2013 of the Supplementary Act of 12.12.2011 between the Hellenic Republic Asset Development Fund (HRADF) and OPAP S.A., the 10-year extension of the Company's exclusive right of conducting, managing, organizing and operating specific numeric games as well as sports betting games, went into force. The consideration for the extension of the exclusive right for the period between 13.10.2020 and 12.10.2030 amounted to € 375,000 and was fully paid in 2011. It should be mentioned that the Company purchased the aforementioned exclusive right from the Greek State following the Concession Agreement dated 13.10.2000 for 20 years, at a price of € 322,817.

OPAP stores suspension

On 05.11.2020, the Greek government announced a nationwide lockdown, aiming to contain the spread of the coronavirus (COVID-19). As a result, a temporary suspension of business activity for a series of sectors is imposed from 07.11.2020 until 30.11.2020, including OPAP stores, PLAY gaming halls across Greece, street vendors distributing Hellenic Lotteries' products (Scratch and Passive lotteries) as well as the horseracing facility at Markopoulo Park. Additionally, retail stores in the districts of Limassol and Paphos of Cyprus were ordered to be closed from 12.11.2020 until 30.11.2020.

During this period, the Company's gaming activities continue to operate online, offering an extended range of products. At the same time, the full range of Stoiximan's products is available through its own platforms.

Assuming end of current lockdown on 30.11.2020, the financial impact of the 2nd lockdown is expected at c. € 113,000 - € 120,000 on GGR level and at c. €45,000 - € 50,000 on EBITDA.

Investment in Kaizen Gaming (Stoiximan/Betano brands)

On 18.11.2020, OPAP Investment Ltd acquired the pre-agreed additional 15.48% indirect stake in Stoiximan Group’s Greek and Cypriot business (“SMGC”), currently operated by Kaizen Gaming International Limited, for the aggregate consideration of € 43,302 plus net cash. Additionally, OPAP Investment will pay earnout payments for 2020 and 2021 subject to the performance criteria set for SMGC. Following the completion of the aforementioned transaction, OPAP effectively holds 84.49% combined stake in SMGC, while it retains its 36.75% stake in Kaizen Gaming International’s operations outside of Greece and Cyprus under the BETANO brand.