Independent auditor's report

to the Board of Directors of SAZKA Group a.s.

Opinion

We have audited the accompanying consolidated financial statements of SAZKA Group a.s., with its registered office at Vinohradská 1511/230, Strašnice, Prague 10 ("the Company") and its subsidiaries (together "the Group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2018, consolidated statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2018 and notes to the consolidated financial statements, which include significant accounting policies and other explanatory information (the "Consolidated Financial Statements").

The Consolidated Financial Statements of the Group have been prepared by the Company for purposes of raising additional debt finance.

In our opinion, the accompanying Consolidated Financial Statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, of its consolidated financial performance and its consolidated cash flows for the year ended 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic. These standards consist of International Standards on Auditing (ISAs) which may be supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and accepted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and Supervisory Board of the Company for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board of the Company is responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above stated requirements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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Independent auditor's report

As part of an audit in accordance with the above stated requirements, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the notes, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

20 August 2019

PricewaterhouseCoopers Audit, s.r.o.
represented by

Jiří Zouhar

Petr Burget
Statutory Auditor, Licence No. 2019

This report is addressed to the Board of Directors of SAZKA Group a.s.

SAZKA Group a.s.

Consolidated financial statements
for the year ended 31 December 2018

prepared in accordance with International Financial Reporting Standards
as adopted by the European Union

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Consolidated statement of financial position	**Note**	**31/12/2018**	**31/12/2017 Restated***	**31/12/2016**
ASSETS				
Intangible assets	4	1 989 714	1 980 572	2 021 609
Goodwill	4	892 149	620 195	561 937
Property, plant and equipment	5	142 732	138 182	92 515
Investment property		903	922	940
Other non-current investments		2 201	918	1 701
Equity method investees	6	670 729	498 579	386 082
Long-term receivables and other non-current assets	8	86 323	23 372	7 028
Deferred tax asset	7	2 046	3 716	12 158
Total non-current assets		**3 786 797**	**3 266 456**	**3 083 970**
Inventories		11 266	8 400	12 883
Short-term trade receivables and other current assets	8	206 556	213 522	134 488
Current tax asset		288	893	31 414
Short-term financial assets	9	15 010	8 908	13 606
Cash and cash equivalents	10	312 678	410 288	365 999
Total current assets		**545 798**	**642 011**	**558 390**
Total assets		**4 332 595**	**3 908 467**	**3 642 360**

* The Group restated comparatives upon completion of acquisition accounting for NEUROSOFT S.A. (Note 2 (i))

The notes on pages 10 to 120 are an integral part of these consolidated financial statements.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Consolidated statement of financial position (continued)	**Note**	**31/12/2018**	**31/12/2017 Restated***	**31/12/2016**
EQUITY AND LIABILITIES				
Equity				
Share capital	12	81	81	81
Capital contributions and other reserves		473 034	485 439	437 820
Translation reserve		-9 842	-12 462	-7 738
Retained earnings and profit for the year		347 849	250 004	183 041
Total equity attributable to owners of the Company		811 122	723 062	613 204
Non-controlling interest	13	961 960	929 072	1 139 164
Total equity		**1 773 082**	**1 652 134**	**1 752 368**
Liabilities				
Bank loans and other borrowings – non-current portion	14	1 653 740	1 338 235	990 296
Other long-term liabilities	16	129 484	11 912	8 551
Long term provisions	15	31 688	33 767	35 674
Employee benefits	18	4 807	3 084	1 507
Deferred tax liability	7	234 005	225 801	219 543
Total non-current liabilities		**2 053 724**	**1 612 799**	**1 255 571**
Bank loans and other borrowings, current portion	14	113 172	261 429	292 052
Short-term trade and other payables	16	363 379	370 268	327 418
Current tax liability		16 600	2 148	5 121
Short-term provisions	15	12 638	9 689	9 830
Total current liabilities		**505 789**	**643 534**	**634 421**
Total liabilities		**2 559 513**	**2 256 333**	**1 889 992**
Total equity and liabilities		**4 332 595**	**3 908 467**	**3 642 360**

* The Group restated comparatives upon completion of acquisition accounting for NEUROSOFT S.A. (Note 2 (i).)

The notes on pages 10 to 120 are an integral part of these consolidated financial statements.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Consolidated statement of comprehensive income	**Note**	**For 2018**	**For 2017 Restated***	**For 2016**
Amount staked	19	5 501 500	4 967 155	1 613 330
Consolidated statement of comprehensive income is as follows				
Gross gaming revenue (GGR),	19	1 885 706	1 664 027	591 246
Lottery tax	19	- 582 658	- 530 436	-182 291
Net gaming margin **	19	1 303 048	1 133 591	408 955
Revenue from sale of goods and services	19	130 874	99 818	36 949
Other operating income	20	15 191	36 585	8 998
Agent´s commissions	21	-411 718	-396 565	-130 875
Materials, consumables and services	22	-337 720	-288 069	-100 745
Marketing services	23	-90 957	-95 404	-39 134
Personnel expenses	24	-107 209	-81 564	-28 039
Other operating expenses	25	-50 131	-54 984	-22 910
Share of profit of equity method investees (net of tax)	26	101 297	73 758	15 890
Operating EBITDA ***	27	**552 675**	**427 166**	**149 089**
Depreciation and amortization	28	-118 905	-95 300	-16 934
Profit from operating activities		**433 770**	**331 866**	**132 155**
Interest income	29	3 155	2 937	5 733
Finance income	29	2 016	184	23 866
Finance cost	29	-86 134	-76 000	-50 517
Loss from financial operations		**-80 963**	**-72 879**	**-20 918**
Profit before income tax		**352 807**	**258 987**	**111 237**
Income tax expense	30	-90 293	-69 525	-18 962
Profit for the year after tax		**262 514**	**189 462**	**92 275**
Items that are or may subsequently be reclassified to profit or loss:				
Foreign currency translation differences for foreign operations		2 651	-4 724	31
Remeasurement of hedging derivatives (net of tax)	17	-6 719	16 462	-754
Share of other comprehensive income of equity method investees		-5 542	-232	-2 445
Items that wil not be reclassified to profit or loss:				
Actuarial remeasurements		-76	181	-179
Other comprehensive income / (loss) for the year	31	**-9 686**	**11 687**	**-3 347**
Total comprehensive income for the year		**252 828**	**201 149**	**88 928**

* The Group restated comparatives upon completion of acquisition accounting for NEUROSOFT S.A. (Note 2 (i))
** Usually referred to as Net gaming revenue (NGR).
*** Operating profit before interest, tax, depreciation and amortization.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Profit for the year after tax attributable to:			
Owners of the Company	139 684	92 921	56 604
Non-controlling interests	122 830	96 541	35 671
Profit for the year after tax	**262 514**	**189 462**	**92 275**
Total comprehensive income attributable to:			
Owners of the Company	131 143	104 574	53 397
Non-controlling interests	121 685	96 575	35 531
Total comprehensive income for the period	**252 828**	**201 149**	**88 928**

The notes on pages 10 to 120 are an integral part of these consolidated financial statements.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Consolidated statement of changes in equity	**Note**	**Share capital**	**Reserve fund**	**Other funds**	**Currency translation reserve**	**Hedging reserve**	**Retained earnings and profit for the period**	**Total equity attributable to owners of the Company**	**Non-controlling interest**	**Total equity**
Balance at 31 December 2017 as originally presented		***81***	***197***	***469 443***	***-12 462***	***15 799***	***250 063***	***723 121***	***927 718***	***1 650 839***
Impact of restatement *							***-59***	***-59***	***1 354***	***1 295***
Restated balance at 1 January 2018 *		***81***	***197***	***469 443***	***-12 462***	***15 799***	***250 004***	***723 062***	***929 072***	***1 652 134***
Profit for the year		--	--	--	--	--	139 684	**139 684**	122 830	**262 514**
Other comprehensive loss		--	--	-5 029	2 620	-6 113	-19	**-8 541**	-1 145	**-9 686**
Total comprehensive income		**--**	**--**	**-5 029**	**2 620**	**-6 113**	**139 665**	**131 143**	**121 685**	**252 828**
Transactions with owners, recorded directly in equity:										
Reallocation of previous profit		--	3	--	--	--	-3	**--**	--	**--**
Business combinations	11,6	--	--	--	--	--	--	**--**	26 839	**26 839**
Dividends paid		--	--	--	--	--	-40 338	**-40 338**	-95 977	**-136 315**
Other movements in equity		--	29	-1 295	--	--	-1 454	**-2 720**	-12 775	**-15 495**
Purchase of non-controlling interest in subsidiaries	6	--	--	--	--	--	-25	**-25**	-6 884	**-6 909**
Total transactions with owners		**--**	**32**	**-1 295**	**--**	**--**	**-41 820**	**-43 083**	**-88 797**	**-131 880**
Balance at 31 December 2018	12	**81**	**229**	**463 119**	**-9 842**	**9 686**	**347 849**	**811 122**	**961 960**	**1 773 082**

* The Group restated comparatives upon completion of acquisition accounting NEUROSOFT S.A. (Note 2 (i)).

The notes on pages 10 to 120 are an integral part of these consolidated financial statements.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Consolidated statement of changes in equity	**Note**	**Share capital**	**Reserve fund**	**Other funds**	**Currency translation reserve**	**Hedging reserve**	**Retained earnings and profit for the period**	**Total equity attributable to owners of the Company**	**Non-controlling interest**	**Total equity**
Balance at 1 January 2017		***81***	***--***	***438 598***	***-7 738***	***-778***	***183 041***	***613 204***	***1 139 164***	***1 752 368***
Profit for the year (restated*)		--	--	--	--	--	92 921	**92 921**	96 541	**189 462**
Other comprehensive loss		--	--	-232	-4 724	16 577	32	**11 653**	34	**11 687**
Total comprehensive income		**--**	**--**	**-232**	**-4 724**	**16 577**	**92 953**	**104 574**	**96 575**	**201 149**
Transactions with owners, recorded directly in equity:										
Reallocation of previous profit		--	51	--	--	--	-51	**--**	--	**--**
Business combinations (restated*)	11	--	--	--	--	--	--	**--**	4 055	**4 055**
Dividends paid		--	--	--	--	--	--	**--**	-299 265	**-299 265**
Other movements in equity		--	146	-574	--	--	444	**16**	-1 686	**-1 670**
Other capital contributions **		--	--	31 651	--	--	--	**31 651**	--	**31 651**
Purchase of non-controlling interest in subsidiaries	1.3	--	--	--	--	--	-26 383	**-26 383**	-9 771	**-36 154**
Total transactions with owners		**--**	**197**	**31 077**	**--**	**--**	**-25 990**	**5 284**	**-306 667**	**-301 383**
Restated balance at 31 December 2017 *	12	**81**	**197**	**469 443**	**-12 462**	**15 799**	**250 004**	**723 062**	**929 072**	**1 652 134**

* The Group restated comparatives upon completion of acquisition acquisition accounting NEUROSOFT S.A. (Note 2 (i)).

** For transactions with shareholders refer to Note 12.

The notes on pages 10 to 120 are an integral part of these consolidated financial statements.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Consolidated statement of changes in equity	Note	Share capital	Other funds	Currency translation reserve	Hedging reserve	Retained earnings and profit for the period	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2016		**81**	**189 158**	**-7 770**	**-24**	**126 528**	**307 973**	**289**	**308 262**
Profit for the year		--	--	--		56 604	56 604	35 671	92 275
Other comprehensive loss		--	-2 445	32	-754	-40	-3 207	-140	-3 347
Total comprehensive income		**--**	**-2 445**	**32**	**-778**	**56 564**	**53 397**	**35 531**	**88 928**
Transactions with owners, recorded directly in equity:									
Other movements in equity		--	-1 042	--	--	97	-945	-3 348	-4 293
Other capital contributions*		--	252 927	--	--	-72	252 855	-255	252 600
Dividends paid		--	--	--	--	--	--	-25 599	-25 599
Effect of new acquisitions		--	--	--	--	--	--	1 132 836	1 132 836
Effect of change in ownership interests		--	--	--	--	-76	-76	-290	-366
Total transactions with owners		**--**	**251 885**	**--**		**-51**	**251 834**	**1 103 344**	**1 355 178**
Balance at 31 December 2016	12	**81**	**438 598**	**-7 738**	**-778**	**183 041**	**613 204**	**1 139 164**	**1 752 368**

* For transactions with shareholders refer to Note 13.

The notes on pages 10 to 120 are an integral part of these historical consolidated financial information.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Consolidated statement of cash flows	**Note**	**For 2018**	**For 2017 Restated***	**For 2016**
OPERATING ACTIVITIES				
Profit (+) for the year		262 514	189 462	92 275
Adjustments for:				
Income tax expense	30	90 293	69 525	18 962
Depreciation and amortization	28	101 364	95 300	16 934
Impairment losses on intangible assets & goodwill	28	17 541	--	--
Profit (-) / loss (+) on sale of property, plant and equipment and intangible assets	19,25	66	71	-575
Profit (-) on revaluation of non-current assets, financial instruments and investments	29	--	--	-23 371
Net interest expense (+)	29	72 896	66 473	43 553
Net FX gains (-) / losses (+)	29	-161	346	-365
Other financial gains (dividends)	29	-44	-34	-40
Share of profit (-) of equity method investees	26	-101 297	-73 758	-15 890
Other non-monetary transaction		--	--	262
Operating result before changes in working capital and provisions		**443 172**	**347 385**	**131 745**
Increase (+) / decrease (-) in provisions		2 593	-1 369	653
Increase (-) / decrease (+) in inventories		-2 866	4 549	-9 776
Increase (-) / decrease (+) in trade receivables and other assets		-51 304	-76 245	46 586
Increase (+) / decrease (-) in trade and other payables		-3 369	43 355	-19 097
Cash generated from operating activities		**388 226**	**317 674**	**150 111**
Interest paid		-91 094	-54 796	-37 936
Income tax paid		-71 795	-34 741	-59 799
Net cash generated from operating activities		**225 337**	**228 137**	**52 376**
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment and intangible assets		-79 822	-95 380	-13 251
Acquisition of subsidiaries, net of cash acquired	11	-200 915	-33 181	--
Acquisition of equity method investees	6	-186 528	-101 668	-226 724
Distribution from equity method investees	6	32 796	27 330	44 668
Proceeds from sale of property, plant and equipment and intangible assets		276	190	736
Interest received		2 022	2 547	5 717
Dividends received		77 380	23 492	40
Net movement in short-term financial assets**		7 699	4 698	31 373
Net cash used in investing activities		**-347 091**	**-171 972**	**-157 441**
FINANCING ACTIVITIES				
Dividends paid to owners of the Company		-40 338	--	--
Dividends paid to non-controlling interest	12	-95 977	-299 265	-25 599
Contributions to other capital funds	12	--	31 651	252 600
Loans and borrowings received	14	996 345	696 696	823 404
Repayment of loans and borrowings	14	-806 885	-399 413	-599 220
Interest paid (bank accounts restricted until interest maturity)		-13 801	--	--
Other capital transactions with owners		-9 094	-1 586	-4 735
Purchases of non-controlling interest in subsidiaries		-6 909	-36 154	--
Net cash generated from (+) / used in (-) financing activities		**23 341**	**-8 070**	**446 450**
Net decrease (-) / increase (+) in cash and cash equivalents		**-98 413**	**48 095**	**341 385**
Effect of currency translation on cash and cash equivalents		803	-3 806	-13
Cash and cash equivalents at the beginning of the year	10	**410 288**	**365 999**	**24 627**
Cash and cash equivalents at the end of the year	10	**312 678**	**410 288**	**365 999**

* The restated comparatives upon completion of acquisition accounting for NEUROSOFT S.A. (Note 2 (i)).
** Net results from cashpooling transactions.

The notes on pages 10 to 120 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements – Contents

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Notes to the consolidated financial statements

1. General information about the Group

1.1 Purpose of the financial statements

SAZKA Group a.s. ("the Company") prepared these consolidated financial statements for purposes of raising additional debt finance. There are no differences between these consolidated financial statements and the 2018 audited statutory financial statements which were previously published, except for additional and more extensive notes and disclosures.

1.2 Description

SAZKA Group a.s. ("the Company") was established on 2 April 2012 and registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18161. The Company's registered office is at Vinohradská 1511/230, Strašnice, 100 00 Praha 10, and its Identification Number is 242 87 814. The Company's purpose is to hold investments in other group entities.

SAZKA Group a.s. ("the Group") operates lottery, betting and non-lottery business in the Czech Republic, Greece, Cyprus, Austria, Italy, Croatia and other countries and is included into the consolidated Group . The immediate parent of the Group is KKCG AG (for more details see also Note 1.5 below).

Karel Komarek is a beneficial owner (in Czech: skutečný majitel) of SAZKA Group a.s. for the reason indicated in Section 4 Para. 4 of the Czech Act No. 253/2008 Coll., on certain measures against the legalization of proceeds of crime and the financing of terrorism, as amended, so by reason that Mr Karel Komarek is a natural person, who has (pursuant to the aforementioned Act) actual possibility to perform indirect decisive control over SAZKA Group a.s.

1.3 Principal activity

The principal activity of the Group is the operation of lotteries and other similar games in accordance with applicable legislation, i.e. the operation of instant and numerical lotteries, sports and odds betting and other similar games.

In addition to lottery and betting activities, the Group also operates non-lottery business activities through points of sale and terminals (e.g. telecommunication, payment services etc.). Furthermore, the Group also invests in companies with similar business activities.

1.4 Group companies

Companies included in the consolidated group in 2018 and 2017 and their effective proportions of ownership interest are as follows (divided per main streams of business activities of the Group):

Parent company:	Note	Country	2018	2017	2016
SAZKA Group a.s.		Czech Republic	Parent company	Parent company	Parent company
		Effective portion of ownership interest at Sazka Group a.s. level			
Subsidiaries:	**Note**	**Country**	**2018**	**2017**	**2016**
Austrian Gaming Holding a.s.		Czech Republic	100.00%	100.00%	100.00%
BAIH Beteiligungsverwaltungs GmbH	(a)	Austria	--	100.00%	100.00%
CAME Holding GmbH		Austria	100.00%	100.00%	100.00%
Emma Delta Finance Plc	(c)	Cyprus	71.87%	71.87%	67.04%
Emma Delta Hellenic Holdings Limited	(c)	Cyprus	71.87%	71.87%	67.04%
Emma Delta Management Ltd	(b)	Cyprus	66.70%	66.70%	66.70%
EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD	(c)	Cyprus	71.87%	71.87%	67.04%
GLORY TECHNOLOGY LTD	(c)	Cyprus	--	--	13.41%

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

			Effective portion of ownership interest at Sazka Group a.s. level		
Subsidiaries:	**Note**	**Country**	**2018**	**2017**	**2016**
HELLENIC LOTTERIES S.A.	(d) (e)	Greece	15.89%	15.89%	14.82%
HORSE RACES S.A.	(d)	Greece	23.71%	23.71%	22.12%
IGH Financing a.s.		Czech Republic	100.00%	100.00%	100.00%
Italian Gaming Holding a.s.		Czech Republic	100.00%	100.00%	100.00%
Kavárna štěstí s.r.o.		Czech Republic	100.00%	100.00%	100.00%
Medial Beteiligungs GmbH		Austria	99.66%	29.63%	29.63%
Minus5 d.o.o.		Croatia	51.00%	--	--
Neurosoft S.A.	(d) (e)	Greece	16.06%	16.06%	6.53%
OPAP CYPRUS LTD	(d)	Cyprus	23.71%	23.71%	22.12%
OPAP INTERNATIONAL LTD	(d)	Cyprus	23.71%	23.71%	22.12%
OPAP INVESTMENT LTD	(d)	Cyprus	23.71%	23.71%	22.12%
OPAP S.A.	(d)	Greece	23.71%	23.71%	22.12%
OPAP SERVICES S.A.	(d)	Greece	23.71%	23.71%	22.12%
OPAP SPORTS LTD	(d)	Cyprus	23.71%	23.71%	22.12%
PUNI BROJ d.o.o.		Croatia	67.00%	--	--
RUBIDIUM HOLDINGS LIMITED		Cyprus	100.00%	100.00%	100.00%
SAZKA a.s.		Czech Republic	100.00%	100.00%	100.00%
SAZKA Asia a.s.		Czech Republic	100.00%	100.00%	100.00%
Sazka Asia Vietnam Company Limited		Vietnam	100.00%	100.00%	100.00%
SAZKA Czech a.s.		Czech Republic	100.00%	100.00%	100.00%
Sazka Distribution Vietnam Joint Stock Company		Vietnam	100.00%	90.00%	--
SAZKA FTS a.s.		Czech Republic	100.00%	100.00%	100.00%
SAZKA Group Adriatic d.o.o.		Croatia	100.00%	--	--
SAZKA Group Financing a.s.		Slovakia	100.00%	100.00%	--
SAZKA Group Russia LLC		Russia	100.00%	100.00%	--
SPORTLEASE a.s.		Czech Republic	100.00%	100.00%	100.00%
SUPER SPORT d.o.o.		Croatia	67.00%	--	--
TORA DIRECT S.A.	(d)	Greece	23.71%	23.71%	22.12%
TORA WALLET S.A.	(d)	Greece	23.71%	23.71%	22.12%
Vitalpeak Limited		Cyprus	100.00%	100.00%	100.00%

			Effective portion of ownership interest at Sazka Group a.s. level		
Associates:	**Note**	**Country**	**2018**	**2017**	**2016**
Casinos Austria AG *	(f)	Austria	38.16%	11.35%	11.35%
CLS Beteiligungs GmbH *	(g)	Austria	66.67%	66.67%	66.67%
LOTTOITALIA S.r.l.		Italy	32.50%	32.50%	32.50%
LTB Beteiligungs GmbH *	(h)	Austria	66.67%	66.67%	66.67%
TCB Holdings Ltd *	(d)	Malta	8.71%	--	--

*The equity method investee comprises a group of entities.

(a) As at 1 January 2018 BAIH Beteiligungsverwaltungs GmbH legally merged with CAME Holding GmbH.

(b) 66.7 % represents voting shares, total economic share in Emma Delta Management Ltd is 71.87%.

(c) *The controlling interest in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD is represented by 100% of voting rights held by parent company. However, the economic interest attributable to the Group is represented by 71.87% of investor shares owned by the company RUBIDIUM HOLDINGS LIMITED.*

(d) *The Group has de-facto control over the OPAP sub-group. OPAP sub-group includes entities HELLENIC LOTTERIES S.A., HORSE RASES S.A., Neurosoft S.A., OPAP CYPRUS LTD, OPAP INTERNATIONAL LTD, OPAP INVESTMENT LTD, OPAP S.A., OPAP SERVICES S.A., OPAP SPORTS LTD, TORA DIRECT S.A., TORA WALLET S.A. Moreover, OPAP sub-group has acquired interest in TCB Holdings Ltd. in 2018 and this company became an associate (see Note 6).*

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

The Group holds its interest in OPAP through a 66.70% voting interest in Emma Delta Management Limited ("Emma") which in turn holds an indirect 33% interest in OPAP. The remaining 33.3% voting interest in Emma is held by 3rd party investor. Emma is the manager of, and owner of all voting management shares in, Emma Delta Variable Capital Investment Company Limited which through an intermediate company holds the 33% interest in OPAP.

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

Although Emma's shareholding in OPAP is below 50%, its 33% shareholding is by far the largest individual shareholding in OPAP. The remaining 67% of shares are widely dispersed among numerous public market investors with none holding more than 3% stake. Since Emma acquired stake in OPAP an average shareholders' attendance on OPAP general meetings was 71% with average Emma's relative share on present voting rights of 46%, however hundreds of attending shareholders (or more than [35] of all shareholders) would have to get together in order to outvote Emma. All shareholders' resolutions proposed at general meetings that Emma has voted "in favor of" have been approved.

Apart from the dispersed shareholders' structure, there are also other barriers, such as regulatory approvals, preventing others from taking over the OPAP's control.

There are neither potential voting rights nor other contractual arrangements relevant to Emma's stake in OPAP.

The Group's appointees making up a majority of the OPAP Board (including in the roles of CEO and Executive Chairman). There are no restrictions of OPAP Board's authority and power. It can direct OPAP to enter significant transactions (e.g. acquisitions, etc.).

(e) *The Group has effective economic share of 16.06% in Neurosoft S.A. and 15.89% in HELLENIC LOTTERIES S.A. The Group includes both entities in the consolidated group because the Group has indirect control over these entities and applies step-by-step consolidation. The direct voting rights of 67.72% in Neurosoft S.A. and 67% in HELLENIC LOTTERIES S.A. are diluted at the level of OPAP S.A. subconsolidation (direct voting rights: 33%) and at the level of Emma Delta Management Ltd subconsolidation (direct voting rights: 71.87%).*

(f) *In 2018, the Group increased its interest in Casinos Austria AG via the acquisition of additional shares in Medial Beteiligungs GmbH. After the acquisition, the aggregatee effective interest in Casinos Austria AG sub-group is 38.16% at the Group level.*

(g) *According to the company´s Articles of Association the company is able to make a decision only with 75% shareholders approval. Therefore the Group considers it as investment in associate and the company is accounted for using the equity method.*

Company CLS Beteiligungs GmbH holds share in Lotto-Toto-Holding GmbH, which owns 32% of investors shares in Österreichische Lotterien GmbH (rest is owned by Casinos Austria AG), SAZKA Group a.s. effective share is 11.55% in Österreichische Lotterien GmbH.

(h) *According to the company´s Articles of Association the company is able to make a decision only with 100% voting shares. Therefore the Group considers it as investment in associate and the company is accounted for using the equity method.*

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Company LTB Beteiligungs GmbH holds share in Lotto-Toto-Holding GmbH, which owns 32% of investors shares in Österreichische Lotterien GmbH (the rest is owned by Casinos Austria AG), SAZKA Group a.s. effective share is 11.55% in Österreichische Lotterien GmbH.

Changes in the Group

1. *Acquisitions and changes in ownership interest*

In 2018, 2017 and 2016 the Group acquired interest in (Note 11), or incorporated, the following companies and groups of companies (the percentage stated bellow represents the interest acquired in the period):

Company / Group companies	2018	2017	2016	Type of transaction	Date of transaction
Austrian Gaming Holding a.s.	--	--	25.00%	purchase	17.8.2016
BAIH Beteiligungsverwaltungs GmbH	--	--	100.00%	purchase	7.12.2016
Emma Delta Management Ltd - Group	--	--	66.70%	purchase	6.10.2016
EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD (a)	--	4.82%	--	acquisition	31.5.2017
FSázky a.s. (b)	--	100.00%	--	purchase	23.5.2017
PUNI BROJ d.o.o.	100.00%	--	--	purchase	26.4.2018
IGH Financing a.s	--	--	100.00%	incorporation	28.4.2016
Italian Gaming Holding a.s.	--	--	100.00%	incorporation	19.2.2016
Kavárna štěstí s.r.o.	--	--	100.00%	incorporation	30.5.2016
LOTTOITALIA S.r.l.	--	--	32.50%	incorporation	5.5.2016
LTB Beteiligungs GmbH	--	--	66.67%	purchase	7.12.2016
Medial Beteiligungs GmbH (c)	70.03%	--	--	purchase	15.1.2018, 5.10.2018
Minus5 d.o.o.	51.00%	--	--	purchase	26.4.2018
Neurosoft S.A.	--	38.19%	--	purchase	2.8.2017
SAZKA Asia a.s.	--	--	100.00%	incorporation	27.7.2016
Sazka Asia Vietnam Company Limited	--	--	100.00%	purchase	29.11.2016
Sazka Distribution Vietnam Joint Stock Company	10.00%	90.00%	--	purchase	14.3. 2018, 28.6.2017
SAZKA Group Adriatic d.o.o.	100.00%	--	--	incorporation	30.1.2018
SAZKA Group Financing a.s.	--	100.00%	--	incorporation	18.10.2017
SAZKA Group Russia LLC	--	100.00%	--	incorporation	29.8.2017
SUPER SPORT d.o.o.	67.00%	--	--	purchase	26.4.2018
TCB Holdings Ltd	36.75%	--	--	purchase	18.12.2018

The above stated percentages in companies reflect direct share acquired by its parent company.

(a) *As at 31.5.2017 the Group acquired additional 4.82% investors shares in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD. The increase represents an increase in economic share in the company without change of control. This transaction is presented as purchase of non-controlling interest in the consolidated statement of changes in equity for 2017 – effect of change in ownership interests.*

(b) *FSázky a.s. became part of the consolidated subgroup SAZKA a.s. on 23 May 2017. On 1 December 2017, FSázky legally merged with SAZKA a.s.*

(c) *The Group held a share of 29.63% (without control) in Medial Beteiligungs GmbH as at 31 December 2017 and therefore the company was accounted for using the equity method. On 15 January 2018 the Group acquired an additional 59.26% share of Medial Beteiligungs-GmbH, obtained control and the company became fully consolidated. On 5 October 2018 the Group acquired an additional 10.77%. This additional purchase was presented as a purchase of non-controlling interest (see Note 6).*

2. Disposals

There were no disposals of subsidiaries or associates in 2018 and 2017.

In 2016, the following companies were disposed of the Group (the percentage stated bellow represents the interest acquired in the period):

Company / Group companies	2018	2017	2016	Type of transaction	Date of transaction
GLORY TECHNOLOGY LTD	--	--	20.00%	sale	15.12.2016

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1.5 Statutory body and supervisory board

The board of directors as at 31 December 2018:

Chairman of the board of directors:	Karel Komárek
Member of the board of directors:	Jiří Šmejc
Member of the board of directors:	Pavel Šaroch
Member of the board of directors:	Pavel Horák

Supervisory board as at 31 December 2018:

Chairman of the supervisory board:	Tomáš Porupka
Member of the supervisory board:	Jakub Sokol
Member of the supervisory board:	Radka Blažková

Prior to issue of these financial statements there were changes in the Company statutory bodies, which are described in Note 37 - Subsequent events.

1.6 Shareholders as at 31 December 2018:

KKCG AG	75%

Registered office:
Kapellgasse 21,
6004 Luzern
Switzerland

EMMA GAMMA LIMITED	25%

Registered office:
Esperidon 12, 4th floor
1087 Nicosia
Cyprus

Prior to issue of these financial statements there were changes in sharehldores of the Company, which are described in Note 37 - Subsequent events.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as adopted by the European Union („IFRS“).

The accounting policies described in Note 3 were used in preparing the consolidated financial statements for the year ended 31 December 2018 and in preparing the comparative information as at 31 December 2017.

These consolidated financial statements were approved by the board of directors on 30 April 2019.

(b) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis, using the historical cost method, unless otherwise stated in the accounting policies.

The Group is consistent in applying the accounting policies described below.

(c) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The functional currency of the SAZKA Group a.s. is the Czech Crown (CZK). Presentation currency of the Group is Euro (EUR) as the majority of Group's transactions representing its assets, liabilities and related profit & loss accounts are in EUR.

These IFRS consolidated financial statements are presented in Euro (EUR) for the Group reporting purposes. All financial information is rounded to the nearest thousand, unless stated otherwise.

Any differences between the amounts included in the financial statements and the respective amounts included in the notes are attributed to rounding.

(d) Use of estimates and judgements

When preparing the financial statements, the Company's management makes estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. These estimates, judgements and assumptions are based on past experience and other various factors deemed appropriate as at the date of preparation of financial statements and are used where the carrying amounts of assets and liabilities are not readily available from other sources or where uncertainty exists in applying the individual accounting policies. Impacts of changes in estimates are described in individual notes.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The use of estimates affects mainly the following areas:

- Goodwill, trademarks and brands with indefinite useful lives impairments – with sufficient headroom in impairment calculation, no material differences are expected within following 12 months with exception of NEUROSOFT S.A. - Note 4; accounting policy 3c);
- Provision for litigations – Note 15;
- Jugment with respect of de-facto control over OPAP – Note 1.4.

(e) Measurement of fair values

A number of the Group´s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Fair values are obtained, as appropriate, from quoted market prices, discounted cash flow projections and other valuation models.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(f) New standards and amendments applicable from 1 January 2018

The Group applied for the first time certain standards and amendments to the standards, which are effective for annual periods beginning on or after 1 January 2018.

Improvements to International Accounting Standards (Cycle 2014-2016)

This improvement is effective for annual periods beginning on or after 1 January 2018.
As part of the annual improvements project, the International Accounting Standards Board issued non-urgent but necessary amendments to IFRS 1 and IAS 28. The adoption of these improvements had no impact on the financial statements of the Group.

Amendment to IFRS 2 “Share-based Payment”: Classification and Measurement of Share-based Payment Transactions

Effective for annual periods beginning on or after 1 January 2018. On 20.6.2016 the International Accounting Standards Board issued an amendment to IFRS 2 with which the following were clarified:

- in estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions shall follow the same approach as for equity-settled share-based payments,
- where tax law requires an entity to withhold a specified amount of tax (that constitutes a tax obligation of the employee) that relates to share-based payments and shall be remitted to the tax authority, such an arrangement shall be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature,
- if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification.

The adoption of this amendment had no impact on the financial statements of the Group.

International Accounting Standard 40 "Investment Property": Transfers of Investment Property

Effective for annual periods beginning on or after 1 January 2018.

The International Accounting Standards Board issued an amendment to IAS 40 with which it clarified that an entity shall reclassify a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use.
A change in management's intentions for the use of a property does not provide evidence of a change in use. In addition, the examples of evidence of a change in use were expanded to include assets under construction and not only transfers of completed properties.

The adoption of this standard had no impact on the financial statements of the Group.

IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"

Effective for annual periods beginning on or after 1 January 2018.

The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation clarified that the date of the transaction, for the purpose of determination of exchange rate to use on initial recognition of the asset, the income or expense, is the date of initial recognition of the non-monetary asset or liability (i.e. advance consideration). Additionally, if there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The adoption of this interpretation had no impact on the financial statements of the Group.

(g) Standards, interpretations and amendments issued but not yet effective

The following new standards and amendments were not effective for the period ended 31 December 2018 and were not adopted by the Group when preparing these consolidated financial statements.

Other standards, interpretations and amendments to issued standards adopted before 31 December 2018 but not yet effective that are not described below are deemed by the Group as irrelevant.

IFRS 16 Leases

IFRS 16 was endorsed by EU on 31 October 2017 and is effective for annual periods beginning on or after 1 January 2019 with early adoption permitted.

IFRS 16 supersedes IAS 17 Leases and related interpretations. The Standard eliminates the current dual accounting model for lessees and instead requires companies to bring most leases on-balance sheet under a single model, eliminating the distinction between operating and finance leases.

Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For such contracts, the new model requires a lessee to recognize a right-of-use asset and a lease liability. The right-of-use asset is depreciated and the liability accrues interest. This will result in a front-loaded pattern of expense for most leases, even when the lessee pays constant annual rentals.

The new Standard introduces a number of limited scope exceptions for lessees which include:

- leases with a lease term of 12 months or less and containing no purchase options, and
- leases where the underlying asset has a low value ('small-ticket' leases) up to approximately EUR 4 500 thousand.

Lessor accounting, however, shall remain largely unchanged and the distinction between operating and finance leases will be retained.

The Group will aim for modified retrospective transition option applying the practical expedient of:

- application of a single discount rate to a portfolio of leases with reasonably similar characteristics.

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The Group leases the following material types of underlying assets resulting from contractual arrangements that would be in the scope of the new standard (treated as operating lease) as at 31 December 2018:

- Premises
- Cars

The lease liability which will be recognized by the Group at the date of the initial application will be measured at the present value of the remaining lease payments including those to be made over reasonably certain lease extension periods (when extension options exist) or excluding those in periods covered by lease termination options that are reasonably certain to be exercised (in case termination rights exist) discounted using the Group's incremental borrowing rate.

At the date of the initial application the Group will also recognize a right of use asset in amount equal to the lease liability and adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

The Group does expect that the new Standard, when initially applied, will have a significant impact on the financial statements. The standard will require the Group to recognize in its statement of financial position assets and liabilities relating to operating leases for which the Group acts as a lessee.

As a result, in the Statement of Financial Position, a significant increase in total assets and liabilities is anticipated on first-time adoption due to the capitalization of right-of-use assets and the recognition of lease liabilities. The nature of expenses related to those leases will also change since IFRS 16 replaces the operating lease expense with a depreciation charge for the right-of-use assets and interest expense on lease liabilities. This will give rise to a significant improvement in EBITDA. Based on the analysis performed, the Group would have recognized right-of-use assets of approximately EUR 77 081 thousand and a respective increase of lease liabilities in 2018 consolidated statement of financial position.

Operating lease commitments disclosed as at 31 December 2018 (Note 32)	65 548
Discounted using the lessee's incremental borrowing rate at 1 January 2019	57 223
Short-term leases and low-value leases recognized on a straight-line basis as expense	- 704
Adjustments as a result of a different treatment of extension and termination option	20 562
Lease liability recognized as at 1 January 2019	**77 081**

The Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the financial statements.

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

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

EU endorsement currently halted. In December 2018 IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

The amendments IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

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

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

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"

Effective for annual periods beginning on or after 1 January 2019.

These amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met, instead of at fair value through profit or loss.

The amendments are not expected to have an impact on the financial statements of the Group.

IFRIC 23 Uncertainty over Income Tax Treatments (issued by IASB on 7 June 2017)

The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 shall be applied when determining taxable income (tax losses), taxable bases, unutilised tax losses, unutilised tax offsets and tax rates where uncertainty over the accounting for income tax exists.

Effective for annual periods beginning on or after 1 January 2019.

IAS 28 (Amendments) "Long term interests in associates and joint ventures"

Effective for annual periods beginning on or after 1 January 2019.

The amendments clarify that reporting entities should apply IFRS 9 to long-term loans, preference shares and similar instruments that form part of a net investment in an equity method investee before they can reduce such carrying value by a share of loss of the investee that exceeds the amount of investor's interest in ordinary shares.
The amendments are not expected to have an impact on the financial statements of the Group.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement"

Effective for annual periods beginning on or after 1 January 2019.

These amendments clarify the accounting for defined benefit plan amendments, curtailments and settlements.

The amendments are not expected to have an impact on the financial statements of the Group.

Annual Improvements to IFRSs 2015 (2015 – 2017 Cycle)

Effective for annual periods beginning on or after 1 January 2019.

The improvements set out below describe the key changes in the following IFRSs:

- **IFRS 3 "Business combinations"**

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

- **IFRS 11 "Joint arrangements"**

IFRS 11 now explicitly explains that the investor should not remeasure its previously held interest when it obtains joint control of a joint operation, similarly to the existing requirements when an associate becomes a joint venture and vice versa.

- **IAS 12 "Income taxes"**

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

- **IAS 23 "Borrowing costs"**

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The improvements are not expected to have an impact on the financial statements of the Group.

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

IASB effective date 1 January 2020:

- Amendment to IFRS 3: Definition of a business
- Amendments to IAS 1 and IAS 8: Definition of a material
- Amendments to the Conceptual Framework for Financial Reporting (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)
- IFRS 17 Insurance contracts

(h) Changes in accounting policies

The Group used possibility for early adoption of IFRS 9 and IFRS 15 in 2017. There were no significant changes in accounting policies in 2018 and the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

(i) Restatement of comparative financial information

On 2 August 2017 the Group, through its subsidiary OPAP INVESTMENT LTD, acquired 38.19% of NEUROSOFT S.A. at a purchase price of EUR 34 197 thousand and increased its participation from 29.53% to 67.72%.

Acquisition accounting was finalized during 2018, leading to an adjustment (increase) at the fair value of the Company's net identifiable assets by EUR 4 283 thousand. The amount mostly represents previously unrecognized intangible asset (customer relationships) that met the identification and recognition criteria in the amount of EUR 6 033 thousand and respectiverelated decrease of deferred tax asset of amount EUR 1 750 thousand.

Based on the aforementioned adjustments, the goodwill resulting from the acquisition of NEUROSOFT S.A. was decreased by EUR 2 901 thousand from the initial provisional recognition and is calculated as follows:

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Fair value of identifiable assets, liabilities and contingent liabilities (67.72%)	8 513
Fair value of previously held equity interest (29.53%)	11 908
Consideration transferred	34 197
Goodwill	**37 592**

As allowed by IFRS 3, the acquisition accounting of NEUROSOFT S.A. was finalized in 2018. As a result, the Group retrospectively adjusted the amounts recognized at the acquisition date in order to reflect new information obtained about facts and circumstances that existed at the acquisition date and affected the measurement of the amounts recognized in 2017 consolidated financial statements. The adjustments of the 2017 consolidated financial statements are presented in following table:

	Restated	**Previously published**	**Difference**
ASSETS			
Intangible assets	1 980 572	1 974 662	5 910
Goodwill	620 195	623 096	-2 901
Net effect of deferred tax	3 716	5 430	-1 714
Total Assets	**3 908 467**	**3 907 172**	**1 295**
EQUITY & LIABILITIES			
Retained earnings	250 004	250 063	-59
Non-controlling interests	929 072	927 718	1 354
Total equity	**1 652 134**	**1 650 839**	**1 295**
Total liabilities	**2 256 333**	**2 256 333**	**--**
TOTAL Equity & liabilities	3 908 467	3 907 172	1 295

Depreciation, amortization and impairment	-95 300	-95 177	-123
Results from operating activities	**331 866**	**331 989**	**-123**
Profit before tax	**258 987**	**259 110**	**-123**
Income tax expense	-69 525	-69 561	36
Profit for the period	**189 462**	**189 549**	**-87**
Total comprehensive income net of tax	**201 149**	**201 236**	**-87**

3. Significant accounting policies

The accounting policies set out below have been applied consistently to the accounting periods presented in these financial statements, unless otherwise indicated.

(a) Basis of consolidation

i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control (see ii) below) is transferred to the Group. Critical assumptions and judgements with respect to new acquisitions are described in Note 11.

Goodwill represents amounts arising on the acquisition of subsidiaries and is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Goodwill is stated at cost less accumulated impairment losses (see accounting policy 3i) and Note 4).

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (see accounting policy 3e,f,g).

Any contingent consideration is measured at fair value at the date of acquisition and it is remeasured at fair value at each reporting date. Subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. In assessing control, only substantive rights and rights that are not protective are taken into account. The Group may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee’s activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. The financial information of subsidiaries is included in the consolidated financial statements from the date that control commences until the date that control ceases.

iii. Non-controlling interests *(Note 13)*

The Group evaluates NCI transaction by transaction at the acquisition date. For the acquisitions occurred during the current financial year the Group measures non-controlling interest at the acquisition date at at proportionate share of the acquiree´s identifiable net assets or at fair value at the date of acquisition. The choice is made separately for each acquisition.

Changes of the Group´s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Loss of control

When the Group loses control over the subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv. Associates and joint ventures (equity method investees) *(Note 6)*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control. Associates and joint ventures are accounted for using the equity method (equity method investees) and are initially recognized at cost. The Group's investment includes goodwill identified on acquisition less impairment losses. The consolidated financial statements include the Group's share of profit and other comprehensive income of equity method investees from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in equity method investee, the carrying amount of that interest (including any long-term loans that form part of the net investment) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation to make payments on behalf of the investee.

v. Acquisitions from entities under common control

Acquisitions from entities under common control are business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group.

Purchases of subsidiaries from parties under common control are accounted for using the predecessor values method. Under this method the consolidated financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented or, if later, the date when the combining entities were first brought under common control. The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying amounts.

The predecessor entity is considered to be the highest reporting entity in which the subsidiary's IFRS financial information was consolidated. Related goodwill inherent in the predecessor entity's original acquisitions is also recorded in these consolidated financial statements. Any difference between the carrying amount of net assets, including the predecessor entity's goodwill, and the consideration for the acquisition is accounted for in these consolidated financial statements as an adjustment within equity.

vi. Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity method investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

i. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in profit or loss, except for differences arising on the translation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash-flow hedges, which are recognized in other comprehensive income.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the presentation currency of the Group, the Euro, at the closing spot exchange rates at the end of the respective reporting period. The income and expenses of foreign operations are translated to Euro at average exchange rates for the period which are reasonable approximation of the exchange rate at the transaction dates. Foreign currency differences are recognized in other comprehensive income and accumulated in equity as a separate component.

(c) Intangible assets

i. Goodwill

Goodwill is measured as described in Note 4. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The Group use partial goodwill method.

For more information refer to the section 3i.

ii. Licenses *(Note 4)*

Licenses relate to lottery and betting business. They are carried at acquisition cost less accumulated amortization and impairment losses.

iii. Customer contracts and trademarks and brands *(Note 4)*

The Group capitalises major customer contracts and trademarks upon the acquisition of the company that concluded the contracts with the customers - unrelated parties - or the company that owns the trademark. The value of these intangible assets was determined based on an expert's appraisal prepared at the time of the acquisition.

Contracts and trademarks are assets which can be used in the future. Capitalised contracts are amortized on a straight-line basis against revenues arising from such contracts. Capitalised trademarks are stated at acquisition cost and are tested for impairment every year.

Brands are determined as intangible asset with indefinite useful life based on the market strength of the brands and significant contribution to the business. The Group performs impairment testing of the brands annually in line with the Group's policy (see Note 4).

iv. Software and Other intangible assets *(Note 4)*

Other intangible assets acquired by the Group, which have finite useful lives, are measured at acquisition cost less accumulated amortisation and impairment losses.

v. Amortisation *(Note 28)*

Intangible assets, except goodwill and other intangibles with indefinite useful lives, are amortised on a straight-line basis over their estimated useful life from the date they are available for use.

The following table shows the expected useful life of individual classes of intangible assets:

• Software	5 - 7 years
• Property rights - other	6 years
• Appreciable right, licenses	3 – 7 years or based on their contractual term
• Distribution network (contracts with providers)	20 years
• Other intangible assets	5 – 10 years

vi. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, such as maintenance costs, is recognized in the statement of comprehensive income as an expense.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

(d) Property, plant and equipment

i. Assets owned by the Group *(Note 5)*

Property, plant and equipment consist of buildings, halls and structures, land, equipment, motor vehicles and other tangible fixed assets. They are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 3i).

The cost of self-manufactured tangible fixed assets includes the cost of materials, wages and a proportion of overheads directly attributable to the construction. Acquisition cost also includes the estimated cost of dismantling and removing the tangible assets as well as the cost of land restoration.

Borrowing costs directly attributable to the acquisition of assets are capitalized until the asset substantially complete or available for use.

Acquisition cost does not include administrative or other general overheads, or initial operating losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

ii. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is carried at cost less accumulated depreciation and impairment losses.

When the use of a property changes from the owner-occupied to investment property, the property is reclassified from property, plant and equipment to investment property.

iii. Finance leases

Leases, that transferred substantially all the risks and rewards of ownership are assumed byto the Group, are classified as finance leases. Upon initial recognition the leased assets are recognized at the lower of their fair value and the present value of the minimum lease payments. Subsequently, the leased asssets are carried at the initially recognized amount less accumulated depreciation and impairment losses. Finance lease liabilities measurement is described in Note 3h.

iv. Assets held for sale

Assets that are very likely to be sold within one year from the reporting period are not included in fixed assets and are stated in current assets at the lower of their carrying amount and fair value less costs to sell. Such assets are not depreciated.

v. Depreciation *(Note 28)*

Tangible fixed assets are depreciated on a straight-line basis. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The following table shows the expected useful life of individual groups of fixed assets:

• Appliances and special technical equipment	4 - 14 years
• Fixtures and fittings	4 - 14 years
• Power and propulsion machinery and equipment	5 - 20 years
• Vehicles	6 years
• Other constructions	50 years
• Work machinery and equipment	4 - 14 years
• Buildings and halls	20 - 60 years
• Utility networks	30 - 60 years
• Construction improvements to outdoor surfaces	15 - 30 years

vi. Subsequent expenditure

Expenditure incurred to replace part of an item of property, plant and equipment is capitalised only if it results in an increase in the future economic benefits generated by the relevant tangible fixed asset. Major overhauls are capitalised as a separate item into the corresponding class of fixed assets at the moment the overhaul is executed. All other expenditure is recognized in the statement of comprehensive income as an expense.

(e) Financial assets at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or for which the entity's business model is to manage the financial asset on a fair value basis i.e. to realize the asset through sales as opposed to holding the asset to collect contractual cash flows. This category represents the "default" or "residual" category if the requirements to be classified as amortised cost or fair value through other comprehensive income ("FVOCI") are not met. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss in net finance income or costs.

(f) Financial assets at fair value through other comprehensive income

Fair value through other comprehensive income is the classification for debt instruments for which an entity has a mixed business model, i.e. the business model is achieved by both holding the financial asset to collect the contractual cash flows and through the sale of the financial assets. The characteristics of the contractual cash flows of instruments in this category must be solely payments of principal and interest.

The changes in fair value of FVOCI debt instruments are recognized in other comprehensive income. Any interest income, foreign exchange gains/losses and impairments are recognized immediately in profit or loss. Fair value changes that have been recognized in OCI are recycled to profit or loss upon disposal of the debt instrument.

On initial recognition of an equity financial instrument, an entity may make an irrevocable election (on an instrument-by-instrument basis) to designate the instrument at FVOCI. This option only applies to instruments that are not held for trading and are not derivatives. Gains or losses recognized in OCI for such equity instruments are subsequnetly never reclassified from equity to profit or loss.

(g) Financial derivatives and hedging instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from its operational, financing and investment activities. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

The financial effects of derivatives are measured at fair value and stated in separate positions of receivables and payables classified as long-term or short-term ones.

The fair value of interest rate swaps is determined as the present value of the estimated future cash flows based on observable yield curves. The fair value of currency forwards is determined based on the market price as at the date of financial statements and corresponds to the present value of the quoted forward rate.

If a financial derivative hedges the cash flows relating to a reported liability or highly probable transaction, then the portion of the gain or loss that is determined to be an effective hedge is recognized directly in other comprehensive income and accumulated in a separate reserve in equity. If a non-financial item is eventually recognized as a consequence of a hedge of a firm commitment or highly probable purchase transaction, then the cumulative gain or loss is removed from equity and included in the acquisition cost of such asset or liability. Otherwise, the cumulative gain or loss is reclassified from other comprehensive income and reported in the profit or loss together with the hedged transaction.

If the hedging instrument expires or the hedging relationship terminates, while it is still probable that the hedged transaction will occur, then the cumulated gain or loss remains in equity and is recorded as described above at the point when the transaction occurs. If the hedged transaction is no longer expected to occur, then the cumulative unrealised gain or loss recorded in equity shall be immediately charged to the profit or loss.

If a financial derivative hedges the exchange rate risk of recognized monetary assets or liabilities, hedge accounting is not applied and the gain or loss on the hedging instrument is reported in the profit or loss for the period.

If cash flows relating to recognized foreign currency receivables are hedged by other hedging instruments (e.g. designating foreign currency payables as the hedging instruments), the accounting treatment is the same as the treatment for financial derivatives hedging.

The Group decided to apply hedge accounting in accordance with IAS 39 after the application of IFRS 9 and so maintaines a documents the hedge relationship between the hedged item and the hedging derivative in line with IAS 39.

This document contains information about the following:

- hedged items;
- hedging derivatives;
- risks that are being hedged;
- calculation of hedge effectiveness.

The Group applies hedge accounting if:

- the hedge is in line with the Group's risk management strategy,
- the hedge relationship is formally documented at the inception of the hedge,
- the hedge relationship is expected to be effective throughout its duration,
- the effectiveness of the hedge relationship can be objectively measured,
- the hedge relationship is effective throughout the accounting period, i.e. changes in the fair value or cash flows of the hedging instruments attributable to the hedged risk are within a range of 80–125% of the changes in the fair value or cash flows of the hedged instruments attributable to the hedged risk, and
- for cash flow hedges, a forecast transaction is highly probable and presents an exposure to variations in cash flows that could affect profit or loss.

Financial derivatives

Gaming contracts: Gaming contracts are considered to be financial derivatives under IFRS 9 if in the transaction, the gaming institution takes a position against its customers. The value of the individual contract is contingent on the outcome of a specified event and the gaming institution is not, therefore, normally guaranteed a specific commission or return. The contracts are financial derivatives and not insurance contracts, even though the underlying variable is specific to a party to the contract. Definition of insurance requires exposure to a pre-existing risk that was present before the contract is concluded, which is not met in the case of gaming bets.

Embedded derivatives in a hybrid contract with a host that is a financial asset are not separated from the host contract. Instead, the hybrid financial instrument as a whole is assessed for classification. The financial asset is carried at fair value through profit or loss if the instrument's cash flows are not solely payments of principal and interest. Changes in the fair value of such hybrid financial asset are recognized in profit or loss when they occur.

(h) Other non-derivative financial assets *(Note 8)* and liabilities *(Note 16)*

i. Key measurement terms

Amortised cost ("AC") is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses ("ECL"). Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the consolidated statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

ii. Other non-derivative financial assets

The Group has additionaly the following non-derivative financial assets: trade receivables, other receivables and loans provided.

a. Classification

Trade and other receivables are initially recognized on the date when they are originated and measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, less any impairment losses, if they are held to collect the cash flows and not expected to be sold.

b. Derecognition

The Group derecognizes trade receivables, other receivables and loans provided when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

c. *Offsetting of financial assets and liabilities*

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when the Group has a legal right to offset the amounts and intends to settle the transaction on a net basis or realise the asset and the liability simultaneously.

iii. Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: trade and other payables, interest-bearing loans and borrowings, and finance lease liabilities. Financial liabilities, other than financial liabilities at fair value through profit or loss, are classified as subsequently measured at amortised cost using the effective interest method.

The Group classifies as current any part of non-current loans and borrowings that is due within one year after the end of the reporting period.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

(i) Impairment and expected credit loss model

i. Non-financial assets and investments in subsidiaries, joint-ventures and associates

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, joint-ventures and associates are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at least annually at the same time.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU"). For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes, but is not larger than operating segment. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the business combination.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is subsequently not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

ii. Financial assets (including trade and other receivables)

IFRS 9, *Financial Instruments*, established an expected credit loss ("ECL") model for recognition and measurement of impairments of financial instruments and contract assets that are measured at Amortized Cost or FVOCI.

Measurement of ECLs

Trade receivables – simplified approach

For trade receivables against the POS, the Group generally uses the Provisioning Matrix approach. In the provisioning matrix approach, impairment is calculated as a current amount of receivables in a predetermined Days Past Due bucket, multiplied by the historical loss rate associated with that time bucket and adjusted for forward looking information.

Significant receivables are assessed individually using expected discounted cash-flows method and an expert-based approach.

Significant increase in credit risk is not assessed for trade receivables subject to provisioning matrix approach as they are always measured at Lifetime ECL.

Other financial assets – Standard ECL model

The Group assesses, on a forward-looking basis, the ECL for the exposures arising from loan commitments, contract assets abd other financial assets subject to Standard ECL model. The Group measures ECL and recogniserecognizes Net impairment losses on financial and contract assets at the end of each reporting period. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Contract assets and other financil assets subject to Standard ECL model are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognized as a liability in the consolidated statement of financial position.

The Standard ECL model developed by the Group applies a three stage approach for impairment, based on changes in credit quality since initial recognition as required by IFRS 9. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained below. For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL.

Current accounts and term deposits which are placed in strong and stable credit institutions meeting all capital and liquidity requirements as set out by Basel III are considered by the Group to bear a "low credit risk". In these cases the Group applies a "low credit risk" exemption from Standard ECL model and consequently does not assess the significant increase in credit risk for these financial assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Significant increase in credit risk is considered to have occurred if the asset is at least 30 days past due, if the external rating grade has decreased by 2 notches since initial recognition, i or if asset-specific qualitative information or forward-looking information that suggest that a significant increase in credit risk has occurred is available.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

For purposes of disclosure, the Group fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Group.

The input parametrs into the ECL model calculations are based on two approaches:

1. External rating based approach
2. Internal rating based approach

External rating based approach is used for loans to and deposits with counterparties with an external credit rating from one of the Big Three rating agencies. Internal rating approach is used for loans to and deposits with counterparties without such external credit rating; the credit spread for the individual ratings are calibrated on regular basis.

The forward-looking information considered by the Group in the Standard ECL model has been derived from the correlation analysis. The information considered are publicly available information about the expected year-to-year changes of GDP in the Czech Republic and expected evolution of the annual rates of change of the Overall Consumer Price Index in Greece.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss. The revaluation reserve represents the difference between amortised cost, net of ECL, and fair value of the asset.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities.

(j) Other non-current investments

Other non-current investments are not consolidated and are stated at cost less any impairment loss.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories includes the purchase price, import duties and other taxes (except for those that the Group subsequently reclaims from the tax authorities), freight, handling costs and other expenses directly attributable to the acquisition of finished goods, materials and services. Cost is reduced by trade discounts, rebates and other similar items.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Short-term financial assets

Restricted cash is also included in Short-term financial assets. Restricted cash is cash not available for immediate use. Such cash cannot be used by a Group until a certain point or event in the future.

Restricted cash consist of cash on bank accounts for purpose of guarantees given by game license and for debt service based on facility agreement.

(m) Cash and cash equivalents *(Note 10)*

Cash is cash on hand and deposits on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition.

(n) Share capital *(Note 12)*

The issued share capital comprises fully paid shares. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

(o) Short-term and long-term loans *(Note 14)*

Short-term and long-term loans are initially recognized at fair value and subsequently are stated at amortised cost. Any part of a long-term loan which is due within one year from the end of the reporting period is considered as a short-term loan.

(p) Provisions *(Note 15)*

A provision is recognized in the consolidated statement of financial position if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are recognized at the expected settlement amount. Long-term liabilities are recognized as liabilities at the present value of the expenditures expected to be required to settle the liability. Where the effect of discounting is material, the discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any additions and the effects of changes in interest rates are recognized as finance income or costs in profit or loss.

Changes in estimated provisions may arise in particular due to variances from the originally estimated expenditures or due to a change in the date of settlement, or in the extent, of the liability. Changes in estimates are generally recognized in the consolidated statement of comprehensive income as at the date that the estimate is changed. Provisions are reviewed on an ongoing basis.

i. Establishment and use of provisions

Additions to provisions are charged to the relevant expense accounts corresponding to the nature of the provision. Unwinding of the discounting of provisions is charged to financial costs as interest expense. The release of provisions is recognized as a decrease in the relevant expense accounts.

ii. Jackpot provision

Jackpot games are games with fixed odds where unpaid winnings are transferred to next draw as a bonus. In next draw there are normal, regular winnings from amounts staked in current draw and bonuses transferred from previous draw. This obligation to transfer the unpaid winnings is determined by the Licence granted by the regulater, specifically in relation to the Gaming Rules („Herní plán loterií SAZKA“) which are an integral part of the Licence. The licence is granted for a limited period of time. At the end of the Licence, if the jackpot is not won in the last draw and the licence is not extended, the jackpot will be paid to a winner or winners from the last draw. The same jackpot pay-out mechanism is also applied if the game is cancelled for any other reason during the licenced period.

iii. Scratch card provision

In this kind of game, there is predetermined payout (in form of % of total card – no matter whether the cards have been sold or not) and the difference between actual and predetermined payouts (which is usually favorable for the Group) is recognized as revenues. Since there is no liability for the undistributed portion of wins, the entity is using historical experience to calculate an approximate payout in order to recognize a provision for wins in relation to cards that were already distributed.

iv. Warranty provision

A warranty provision is recognized upon the sale of a particular product or the provision of a service. The provision is determined based on historical records of warranty provisions costs, taking into account all possible development scenarios and their probability.

(q) Revenue recognition and accounting for winnings *(Note 19)*

Revenue is shown net of value added tax and estimated discounts.

i. Revenues from lottery, betting and VLTs

Gaming revenues are reported net after deduction for player winnings as gross gaming revenue (GGR).

Received stakes relating to future lottery periods are recorded as prepaid stakes ("Numerical lottery subscription") measured at fair value.

Lottery tax, assessed as a percentage (according to specific country legislation) of revenue from stakes less wins in the period, is recognized based on recognized gross gaming revenue in the period.

Prize claims are recognized in the lottery period based on the date of lottery draw and presented as other current payables at the end of reporting period.

Unclaimed prizes (expired winnings that the winners failed to claim) are recognized as revenue after the relevant period to claim the wins expires, otherwise it is reported as a payout obligation to winners in the statement of financial position. In OPAP S.A. Group unclaimed prizes are attributed to the State after the given relevant claim period expires.

ii. Draw based games (numerical lotteries)

There are two types of draw based games – Fixed odds and Pari mutuel (jackpot games).

For Fixed odds, the payout is a fixed amount.

For Pari mutuel games payout pool is created and in case there is no winner in the given draw and the prize is rolled to the next draw as a jackpot, the provision is recognized (on net basis) (Note 3.p) ii.).

Revenue is recognized in the period when bets are made by the customers, net of obligation to pay the game prizes in the future assessed at fair value.

iii. Instant lotteries

Revenues from lottery ticket sale are recognized in the period when the sale of the lottery ticket occurs. Instant lotteries payouts are recognized as the percentage from lottery tickets sales based on historical experience.

iv. Betting (odds bets)

Odds bets are organized, according to a gaming plan, via online (internet based) betting system connected to a central IT system.

Revenue is recognized when the bet event result occurs as amount staked less relevant payout. In case of series of bet events, revenue is recognized, when last bet event result is settled.

v. VLTs

Revenue is defined as the sum of all players' sessions within a period. A player's session begins when the player inserts his/her card in the machine and ends when he/she takes the card out. Revenue (GGR) is recognized at the net amount (receipts – winnings) of each player's game session.

vi. Revenue from sale of goods and sevices

Revenue from sale of goods and services which do not represent the main business includes:

- Mobile virtual network operator

  Revenue is recognized when the flow of voice or data services takes place, regardless of when the payment or collection is being made.

  Unused voice and data services from prepaid call cards are deferred and recognized as revenue when the prepaid period expires.

- Mobile phone (GSM) top-up service

  The company operates as an agent for mobile operator on a "net commission basis" presented as revenues.

  Revenues from GSM services are recognized on accrual basis when the transaction is complete (performed).

  Based on the terms and conditions agreed with mobile operators the revenue is equal to fixed percentage calculated from the GSM sales revenues. The billing period is once a week.

- Sale of tickets

  The company operates as an agent for various events ticket sales on a "net commission basis". Revenues from sale of tickets are recognized when customer prints or pick up the ticket at the terminal.

- Revenue from commissions

  The New Year's Eve Lottery is issued once a year and the draw is held on New Year's Eve. Net revenues from this Lottery are attributed to the Greek State. Hellenic Lotteries S.A. produces, operates, distributes, promotes and manages it and receives a 17% management fee on amounts wagered. The fee included all Company costs related to the organisation of the New Year's Eve Lottery. This commission is recognized once a year, during December.

- Revenue from other services

  For most of the other activities, the Group operates as an agent, with revenues being recognized in net amounts when the performance obligation is satisfied by transferring goods or services to the customer.

(r) Other operating income *(Note 32)*

Lease income

Income from the lease of non-residential premises, office space and movable assets is recognized in the statement of comprehensive income as other operating income on a straight-line basis over the term of the lease.

(s) Lease payments

Operating lease payments (Note 32)

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease expense.

Finance lease payments

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of future finance charges, are included in borrowings. The interest cost is charged to profit or loss over the lease period using the effective interest method.

(t) Interest income, finance income and finance costs *(Note 29)*

Interest income comprises interest income on funds invested (bank interest and interest on loans provided).

Finance income comprises interest income on funds invested (bank interest and interest on loans provided), dividend income, changes in the fair value of financial assets at fair value through profit or loss, fair value change that have been previously recognized in OCI from the disposal of fair value through other comprehensive income financial assets, foreign exchange gains, and gains on derivative instruments that are recognized in profit or loss.

Finance expenses comprise interest expense on loans and borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognized in profit or loss.

(u) Income tax expense *(Note 30)*

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference or tax loss carried forward can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, if there is an intention to settle current tax liabilities and assets on a net basis or tax assets and liabilities will be realised simultaneously.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

(v) Related parties *(Note 36)*

A related party is a person or entity that is related to the entity preparing the consolidated financial statements (the "reporting entity").

A) A person or a close member of that person's family is related to the reporting entity if that person:

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the key management personnel of the reporting entity or its parent.

B) An entity is related to the reporting entity if any of the following conditions is met:

(I) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(II) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(III) Both entities are joint ventures of the same third party.

(IV) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(V) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(VI) The entity is controlled or jointly controlled by a person identified in (A).

(VII) A person identified in (I) has significant influence over the entity or is a member of the key management personnel of the entity (or its parent).

(w) Operating segments *(Note 35)*

Segment information is presented based on the internal management reports and information provided to the Group management consisting of the chief executive officer and the chief financial officer, who examine the Group's performance both from a product and entity wide information perspective. The segments are defined by separate categories of games or other services offered by Group entities.

The operating segments are:

<u>Numerical lotteries:</u> "Classical lottery games" (draw based games (DBG) pari-mutuel games (lotto) and fixed odds games (keno type). Numerical lotteries are lotteries where the player puts a stake on a combination of figures and the prize of the player is determined after numbers are drawn if he or she has the the winning figures. Depending on the type of the game, the payout ratio of numerical lotteries has a range approximately 50% to 70%.

<u>Instant lotteries: I</u>nstant lotteries are lotteries and instant win games where the prizes are pre-drawn and distributed among the winning tickets at the moment of printing and prize of the player is revealed immediately upon opening the game field of the lottery ticket. The Group regularly renews and enriches its offering of scratch cards. Scratch cards require the player to scratch off certain areas hiding numbers or symbols and if the correct items are revealed, it is a winning card. The payout ratio of scratch cards has a typical range approximately 50% to 70%.

<u>Digital games:</u> Digital games consist of games of chance developed specifically for and played via online platforms, either through internet websites or mobile apps. Digital products do not have any physical representation (such as a ticket or card).

<u>Sports Betting:</u> Sports betting business consists of pre-match and live betting on sporting events, both through the Group's POS and through its online sports-betting platform.

<u>VLTs & gaming machines:</u> VLTs are gaming products with demonstrated popularity in international gaming sectors and generally refer to interactive video displays which provide a wider range of

games compared with traditional slot machines. While VLTs are optically similar to the classic slot machines found in casinos, they differ in their gaming mechanism.

Information about all other segments which are not reportable is disclosed in „All other segments“ category.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

4. Intangible assets and goodwill

2018	Note	Licences & property rights	Brands and trademarks	Software	Intangible assets not yet available for use	Other intangible assets	Goodwill	Total
Acquisition cost								
Balance at 1/1/2018		**1 220 706**	**797 658**	**45 730**	**487**	**10 426**	**620 195**	**2 695 202**
Business combinations	3(c),11	22	55 268		--	94	292 167	347 551
Additions		50	--	32 981	311	6	--	33 348
Transfers		-4 380	--	4 587	-209	2	--	--
Disposals		--	--	-501	-24	--	--	-525
Effect of currency translation		-35	-442	-84	-4	-17	-2 713	-3 295
Balance at 31/12/2018		**1 216 363**	**852 484**	**82 713**	**561**	**10 511**	**909 649**	**3 072 281**
Accumulated amortisation								
Balance at 1/1/2018		**-77 627**	**--**	**-15 795**	**--**	**-1 013**	**--**	**-94 435**
Amortisation expense		-67 219	--	-11 046	--	-675	--	-78 940
Transfers		103	--	-105	--	2	--	--
Disposals		--	--	481	--	--	--	481
Impairment		--	--	-41	--	--	-17 500	-17 541
Effect of currency translation		-19	--	32	--	4	--	17
Balance at 31/12/2018		**-144 762**	**--**	**-26 474**	**--**	**-1 682**	**-17 500**	**-190 418**
Net book value at 1/1/2018		**1 143 079**	**797 658**	**29 935**	**487**	**9 413**	**620 195**	**2 600 767**
Net book value at 31/12/2018		**1 071 601**	**852 484**	**56 239**	**561**	**8 829**	**892 149**	**2 881 863**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

2017	**Note**	**Licences & property rights**	**Brands and trademarks**	**Software**	**Intangible assets not yet available for use**	**Other intangible assets**	**Goodwill**	**Total**
Acquisition cost								
Balance at 1/1/2017		**1 216 205**	**793 644**	**21 646**	**--**	**7 286**	**561 937**	**2 600 718**
Business combinations	3(c),11	4	--	4 210	--	6 033	37 592	47 839
Additions		4 227	--	16 495	348	3	--	21 073
Transfers		--	--	3 680	124	-3 094	--	710
Disposals		--	--	-751	--	--	--	-751
Effect of currency translation		270	4 014	450	15	198	20 666	25 613
Restated balance at 31/12/2017*		**1 220 706**	**797 658**	**45 730**	**487**	**10 426**	**620 195**	**2 695 202**
Accumulated amortisation								
Balance at 1/1/2017		**-8 384**	**--**	**-8 295**	**--**	**-493**	**--**	**-17 172**
Amortisation expense		-69 225	--	-8 046	--	-493	--	-77 764
Disposals		--	--	751	--	--	--	751
Effect of currency translation		-18	--	-205	--	-27	--	-250
Restated balance at 31/12/2017 *		**-77 627**	**--**	**-15 795**	**--**	**-1 013**	**--**	**-94 435**
Net book value at 1/1/2017		**1 207 821**	**793 644**	**13 351**	**--**	**6 793**	**561 937**	**2 583 546**
Net book value at 31/12/2017		**1 143 079**	**797 658**	**29 935**	**487**	**9 413**	**620 195**	**2 600 767**

* The Group used post-acquisition accounting within 12 months period as allowed by IFRS to finalize purchase price allocation related to acquisition of NEUROSOFT S.A. For more details see 2 (i).

Intangible assets primarily comprise intellectual property rights (mainly licenses), brands and trademarks, software and goodwill.

As at 31 December 2018 and 31 December 2017 trademarks with carrying value of EUR 72 768 thousand (as at 31 December 2017: EUR 73 294 thousand) were pledged as collateral. Refer to Note 33.

The most significant additions to intangible assets in 2018 and 2017 were acquisitions of new software for draw based games and sports betting.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

2016	Note	Licences & property rights	Brands and trademarks	Software	Other intangible assets	Goodwill	Total
Acquisition cost							
Balance at 1/1/2016		**4 434**	**69 267**	**2 225**	**3 602**	**356 564**	**436 092**
Business combinations	3(c),11	1 211 631	724 364	16 772	2 189	205 309	2 160 265
Additions		139	--	2 482	1 717	--	4 338
Transfers		--	--	166	-166	--	--
Disposals		--	--	--	-59	--	-59
Effect of currency translation		1	13	1	3	64	82
Balance at 31/12/2016		**1 216 205**	**793 644**	**21 646**	**7 286**	**561 937**	**2 600 718**
Accumulated amortisation							
Balance at 1/1/2016		**-159**	**--**	**-4 429**	**-321**	**--**	**-4 909**
Amortisation expense		-8 225	--	-3 865	-172	--	-12 262
Effect of currency translation		--	--	-1	--	--	-1
Balance at 31/12/2016		**-8 384**	**--**	**-8 295**	**-493**	**--**	**-17 172**
Net book value at 1/1/2016		**4 275**	**69 267**	**-2 204**	**3 281**	**356 564**	**431 183**
Net book value at 31/12/2016		**1 207 821**	**793 644**	**13 351**	**6 793**	**561 937**	**2 583 546**

Intangible assets primarily comprise intellectual property rights (mainly licenses), brands and trademarks, software and goodwill.

As at 31 December 2016 trademarks were pledged as collateral. As at 31 December 2016, the value of pledged trademarks was EUR 69 280 thousand, see Note 33.

The most significant additions to intangible assets in 2016 were acquisitions of softwares for contact centre and sports betting and expenses on project Digital Entertainment Hub.

The Effect of new acquisitions balance for Licenses and Property Rights includes an amount of EUR 300 000 thousand which constitutes a prepayment against the GGR contribution to the Hellenic Republic for the period from 12/10/2020 to 12/10/2030. The future value of this prepayment, as prescribed in the relevant 2013 amendment to the supplementary Act of 12/12/2011 between the Hellenic State and Opap S.A., amounts to EUR 1 831 200 thousand.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Brands and trademarks

	31/12/2018	31/12/2017	31/12/2016
SAZKA	72 768	73 294	69 280
OPAP	724 364	724 364	724 364
SUPER SPORT	55 352	--	--
Total	**852 484**	**797 658**	**793 644**

* For more details see Note 2 (i).

Goodwill

	31/12/2018	31/12/2017 Restated*	31/12/2016
SAZKA a.s.	374 581	377 294	356 628
Emma Delta Management Ltd sub-group	205 309	205 309	205 309
NEUROSOFT S.A.* (1)	20 092	37 592	--
SUPER SPORT d.o.o. sub-group	291 495	--	--
Minus5 d.o.o.	672	--	--
Total	**892 149**	**620 195**	**561 937**

* The Group finalised business combination accounting for NEUROSOFT S.A.. For more details see 2 (i).

(1) The recoverable amount of NEUROSOFT S.A. was determined using fair value less costs to sell. For the determination of fair value (Level 2 in terms of fair value hierarchy) a number of companies listed on international stock markets that are relatively comparable to NEUROSOFT S.A. (software development and ICT sector), were identified through the Reuters database.

To derive the fair value, the following valuation multiples were calculated, based on comparable companies forward parameters as of 31 December 2019 and 31 December 2020, on which different weights were applied:

- Enterprise Value (EV) / Sales multiple;
- Enterprise Value (EV) / EBIT (Earnings before Interest and Tax) multiple, and;
- Enterprise Value (EV) / EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) multiple.

Moreover, on the valuation results derived from the utilisation of the above mentioned multiples, selling costs of 1% were applied to the derived valuation, as selling expenses, in order to estimate the Fair Value Less Costs to Sell.

The recoverable amount of NEUROSOFT S.A. shares according to the method above using the EV/EBITDA multiple amounting to 11.30 is estimated to be EUR 28 400 thousand. Since its net assets value is of EUR 45 900 thousand, an impairment amount of EUR 17 500 thousand is recognized.

The sensitivity analysis of the calculation was performed with results that in the event of 10% decrease of EV/EBITDA multiple, the recoverable amount would decrease to EUR 25 600 thousand resulting in imparment increase of EUR 2 800 thousand.

The Group recorded an impairment loss of equivalent amount based on the above study:

Goodwill of NEUROSOFT S.A. at acquisition	37 592
Impairment loss (see Note 35 a)	-17 500
Goodwill of NEUROSOFT S.A. at 31 December 2018	**20 092**

Indefinite-lived intangible assets, goodwill, and impairment testing

Impairment is determined by estimating the recoverable amount of the cash-generating unit to which goodwill and other non-depreciable assets relate.

In accordance with IAS 36, the Group tested the goodwill and indefinite-lived intangible assets (i.e. trademarks and the lottery licence) for impairment in 2018.

Goodwill

The impairment testing is performed on annual basis as at 31 December. The recoverable amount is estimated using the higher of:

1. Value in Use "VIU" - VIU is derived from forecasts of future cash flows. The forecasts are prepared and updated by the management. Pre tax weighted average cost of capital (WACC) is applied as the appropriate discount rate to estimate net present value of future cash flows attributable to each cash-generating unit. The cash flow forecast is always prepared based on specific expected operating results and a business plan covering a period of at least three years. To reflect continuity of the business beyond the explicit forecasting period a terminal value model (Gordon growth model) is applied.
2. Fair Value Less Costs of Disposal (FVLCD) – i.e. the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The estimate of FVLCD is based either on:
   a. market price of the asset/cash-generating unit derived from its trading in an active market. Costs of disposal are considered as immaterial.

      Market price is used for valuation of goodwill related to Emma Delta Management Ltd sub-group with OPAP being primary cash generating unit. OPAP shares are publicly traded on Athens Stock Exchange.
   b. market multiples method – i.e. a comparison of the tested company with similar publicly traded companies. The Group relied on a peer based EV/EBITDA multiple benchmark to estimate the respective FVLCD. Costs of disposal are considered as immaterial. The Group used following assumptions for impairment testing: a common market participant, 12.12 EV/EBITDA market multiple (11.30 EV/EBITDA market multiple in respect of NEUROSOFT S.A.).

      Market multiple method is used for valuation of goodwill related to other cash generating units.

The resulting recoverable amount calculated based on FVLCD (market multiple) method exceeded the respective carrying amount, which led to the conclusion that no impairment of the tested assets had to be recognized as at 31 December 2018. In addition, the Group's management carried out a sensitivity analysis (possible movements in key assumptions and factors) influencing calculation of the recoverable amount. Expectable movements in the mentioned factors do not indicate any impairment of goodwill since no material effects on the results in next year were identified.

Trademarks

Impairment testing of trademarks was carried out by applying the relief from royalty method. Similarly to the paragraphs above, an explicit cash flow forecast was prepared based on a business plan covering a period of at least three years. The budgets have been approved by the management and are valid when the impairment test is performed. These budgets are based on the past experience, as well as on future expectations and market trends. To reflect continuity of the trademarks beyond the explicit forecasting period a terminal value model (Gordon growth model) is applied. A terminal growth rate of 2% is applied (2017: 2%). Net royalties (using royalty rate of 5 %) after tax were discounted using the pre-tax weighted average cost of capital (WACC) with an uplift of 1%p. WACC ranges from 8.8 – 11.39%. Tax amortization benefit was reflected in the calculation as well.

Resulting recoverable amount exceeded the carrying amount of the trademarks, which led to the conclusion that no impairment of the trademarks had to be recognized as at 31 December 2018. In addition, the Group's management carried out a sensitivity analysis of factors influencing calculation of the recoverable amount. Expectable movements in the mentioned factors do not indicate any impairment of trademarks.

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5. Property, plant and equipment, investment property

2018	Note	Land – owned	Buildings – owned	Machinery and equipment – owned	Machinery and equipment – leased	Tangible assets under construction	Other tangible assets	Total
Acquisition cost								
Balance at 1/1/2018		**11 493**	**43 458**	**60 119**	**188**	**1 620**	**46 235**	**163 113**
Business combinations	11	--	--	2 161	--	--	8	2 169
Additions		--	1 504	8 995	--	1 048	13 743	25 290
Transfers		--	515	1 051	--	-1 566	--	--
Disposals		--	-3	-10 231	-41	-116	-3 215	-13 606
Effect of currency translation		-19	-157	-46	--	-10	-11	-243
Balance at 31/12/2018		**11 474**	**45 317**	**62 049**	**147**	**976**	**56 760**	**176 723**
Accumulated depreciation								
Balance at 1/1/2018		**--**	**-6 225**	**-5 968**	**-188**	**--**	**-12 550**	**-24 931**
Depreciation expense		--	-3 368	-8 221	--	--	-10 816	-22 405
Disposals		--		10 071	41	--	3 198	13 310
Effect of currency translation		--	14	21	--	--	--	35
Balance at 31/12/2018		**--**	**-9 579**	**-4 097**	**-147**	**--**	**-20 168**	**-33 991**
Net book value at 1/1/2018		**11 493**	**37 233**	**54 151**	**--**	**1 620**	**33 685**	**138 182**
Net book value at 31/12/2018		**11 474**	**35 738**	**57 952**	**--**	**976**	**36 592**	**142 732**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

2017	Note	Land – owned	Buildings – owned	Machinery and equipment – owned	Machinery and equipment – leased	Tangible assets under construction	Other tangible assets	Total
Acquisition cost								
Balance at 1/1/2017		**11 352**	**40 195**	**7 720**	**186**	**--**	**41 216**	**100 669**
Business combinations	11	--	288	1 281	--	--	257	1 826
Additions		--	1 697	47 932	--	1 553	9 622	60 804
Transfers		--	147	3 580	--	19	-4 456	-710
Disposals		--	--	-783	--	--	-499	-1 282
Effect of currency translation		141	1 131	389	2	48	95	1 806
Balance at 31/12/2017		**11 493**	**43 458**	**60 119**	**188**	**1 620**	**46 235**	**163 113**
Accumulated depreciation								
Balance at 1/1/2017		**--**	**-3 094**	**-3 018**	**-186**	**--**	**-1 856**	**-8 154**
Depreciation expense		--	-3 039	-3 404	--	--	-11 074	-17 517
Disposals		--	--	640	--	--	380	1 020
Effect of currency translation		--	-92	-186	-2	--	--	-280
Balance at 31/12/2017		**--**	**-6 225**	**-5 968**	**-188**	**--**	**-12 550**	**-24 931**
Net book value at 1/1/2017		**11 352**	**37 101**	**4 702**	**--**	**--**	**39 360**	**92 515**
Net book value at 31/12/2017		**11 493**	**37 233**	**54 151**	**--**	**1 620**	**33 685**	**138 182**

The most significant additions to property, plant and equipment in 2018 mainly concern lottery terminals, printers and monitors as well telecommunication equipment for OPAP network.

The most significant additions to property, plant and equipment in 2017 mainly concern lottery terminals, printers and monitors.

As at 31 December 2018, the net book value of the building and the adjacent land, pledged as a collateral (see Note 33), totals EUR 21 820 thousand (2017: EUR 21 488 thousand).

Machinery and equipment - leased comprise primarily the draw equipment which the Group has acquired under finance lease.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

2016	Note	Land – owned	Buildings – owned	Machinery and equipment – owned	Machinery and equipment – leased	Other tangible assets, incl. tangible assets under construction	Total
Acquisition cost							
Balance at 1/1/2016		**2 423**	**18 844**	**4 715**	**186**	**5 718**	**31 886**
Business combinations	11	8 790	17 268	899	--	32 529	59 486
Additions		--	3 059	2 064	--	3 790	8 913
Transfers		139	1 020	41	--	-43	1 157
Disposals		--	--	--	--	-779	-779
Effect of currency translation		--	4	1	--	1	6
Balance at 31/12/2016		**11 352**	**40 195**	**7 720**	**186**	**41 216**	**100 669**
Accumulated depreciation							
Balance at 1/1/2016		**--**	**-1 353**	**-1 851**	**-186**	**--**	**-3 390**
Business combinations		--	-1 001	-1 165	--	-2 548	-4 714
Transfers		--	-740	--	--	--	-740
Disposals		--	--	--	--	692	692
Effect of currency translation		--	--	-2	--	--	-2
Balance at 31/12/2016		**--**	**-3 094**	**-3 018**	**-186**	**-1 856**	**-8 154**
Net book value at 1/1/2016		**2 423**	**17 491**	**2 864**	**--**	**5 718**	**28 496**
Net book value at 31/12/2016		**11 352**	**37 101**	**4 702**	**--**	**39 360**	**92 515**

The most significant additions to property, plant and equipment in 2016 mainly concern improvement works of owned and leased premises.

As at 31 December 2016, the net book value of the building and the adjacent land, pledged as a collateral (see Note 33), totals EUR 19 906 thousand.

As at 31 December 2016, the Group had non-capitalised items of property, plant and equipment or intangible assets (see Note 33) amounting to EUR 899 thousand.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

6. Equity method investees

		31/12/2018	31/12/2017	31/12/2016
Equity method investees	**Ownership interest (%)**	**670 729**	**498 579**	**386 082**
Medial Beteiligungs-GmbH (1)	29.63%	--	79 039	70 308
Casinos Austria AG (2)	38.29%	225 671	--	--
LTB Beteiligungs GmbH (3)	66.67%	46 739	46 798	50 786
CLS Beteiligungs GmbH (4)	66.67%	46 693	46 754	50 739
LOTTOITALIA S.r.l. (5)	32.50%	301 538	325 988	202 074
TCB Holdings Ltd (6)	36.75%	50 088	--	--
Neurosoft S.A. (7)	29.53%	--	--	12 175

The above stated percentages in companies reflect direct share acquired by its parent company.

Change in value of the investments accounted for using the equity method contains increase in the amount of an investment by the owner and the share of profit or loss, other comprehensive income of the equity accounted investments less paid dividends.

The following tables represent assets and liabilities, revenues, profit/loss and total comprehensive income related to significant equity accounted investments:

1) Medial Beteiligungs-GmbH is a company holding participations in Casinos Austria AG without any additional economic activities. Except investment in Casinos Austria AG, Medial Beteiligungs-GmbH does not have any other significant assets and liabilities. As at 31 December 2017 the company (including all its investments) was accounted for using the equity method as the Group held a share of 29.63% and did not control the entity.

On 15 January 2018 the Group acquired an additional 59.26% share and control of Medial Beteiligungs-GmbH and the company became to be fully consolidated (see Note 1.4). Non-controling interest was recognized in Consolidated statement of changes in equity - line Business combinations in the amount of EUR 5 933 thousand.

On 5 October 2018 the Group acquired an additional 10.77% share of Medial Beteiligungs-GmbH by purchase of non-controlling interest. The elimination of non-controlling interest resulting from this transaction was recognized in Consolidated statement of changes in equity - line Purchase of non-controlling interest in subsidiaries – in the amount of EUR -6 884 thousand.

Both acquisitions of Medial Beteiligungs-GmbH were representing an increase of indirect share in equity method investment of Casinos Austria AG. Therefore, the purchase price allocation was performed at the level of equity method investment in Casinos Austria AG. See point 2) below.

Medial Beteiligungs-GmbH	**31/12/2018**	**31/12/2017**	**31/12/2016**
Equity accounted investment in Casinos Austria AG	--	255 760	233 279
Current assets	--	10 999	4 021
Current liabilities	--	-4	-13
Net assets (100%)	--	266 755	237 287
Group´s share (29.63%) = carrying amount of interest in associate	**--**	**79 039**	**70 308**
Profit (100%)	--	29 000	26 287
Total comprehensive income (100%)	--	28 217	18 036
Group´s share of total comprehensive income	--	**8 361**	**5 344**
Dividends received	--	1 130	256

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2) Casinos Austria AG is a worldwide gaming and entertainment group based in Austria. As at 31 December 2018, Medial Beteiligungs-GmbH holds a share of 38.29%.

By acquiring an additional 70.03% share the Group gained control over Medial Beteiligungs-GmbH in 2018 (see point 1) above). Through control over Medial Beteiligungs-GmbH, Casinos Austria AG, has become a new associate of the Group. Medial Beteilligungs-GmbH is a holding company where the only significant asset is an investment in Casinos Austria AG thus consideration paid for Medial Beteilligungs-GmbH was included into the calculation of equity method investment in Casinos Austria AG.

Table below present consideration paid for economic share acquired in Casinos Austria AG 26.81% (70.03% * 38.29%) :

Acquisition of additional economic interest in Casinos Austria AG

Additional economic share (26.81%) acquired in the net identifiable assets	56 769
Goodwill	79 761
Consideration paid for additional economic share acquired (26.81%)	**136 530**
Initial economic share held as at 31 December 2017	79 039
Total carrying amount of equity method investee as at the date of acquisition	215 569

Casinos Austria AG	**31/12/2018**	**31/12/2017**
Non-current assets	813 264	--
Current assets	334 982	--
of which cash and cash equivalents	197 250	
Non-current liabilities	-399 770	--
of which financing loans	-224 816	
Current liabilities	-393 522	--
of which financing loans	-31 435	
Net assets	354 954	--
Non-controlling interest	-78 377	--
Net assets attributable to Casino Austria AG equity holders	276 577	--
Group's share (38.29%)	105 902	
Goodwill	119 769	--
of which Goodwill from initial economic share	40 008	--
of which Goodwill from additional economic share	79 761	--
Carrying amount of interest in associate	**225 671**	**--**

Casinos Austria AG	**31/12/2018**	**31/12/2017**
Amounts staked	4 487 945	**--**
Gross gaming revenues	1 338 014	**--**
Net gaming margin	705 115	--
EBITDA	192 377	--
Profit for the period	92 661	--
of which attributable to parent	70 244	--
Total comprehensive income (100%)	56 382	--
Group's share of total comprehensive income	**21 589**	**--**
Dividends received	11 486	**--**

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3) LTB Beteiligungs GmbH is a company holding participations in lottery and gaming business. The Group holds a total share of 66.67% through CAME Holding GmbH. The shares in the company were acquired on 7 December 2016. According to the company´s Articles of Association the company is able to make a decision only with 100% voting shares approval. Therefore the Group considers it as investment in associate and the company is accounted for using the equity method.

Company LTB Beteiligungs GmbH holds share in Lotto-Toto-Holding GmbH, which owns 32% of investors shares in Österreichische Lotterien GmbH "OLG" (rest is owned by Casinos Austria AG), SAZKA Group a.s. effective share is 11.55% Österreichische Lotterien GmbH.

LTB Beteiligungs GmbH *)	**31/12/2018**	**31/12/2017**	**31/12/2016**
Equity method investment in OLG	70 081	70 165	72 676
Current assets	33	3 472	3 509
Non-current liabilities	--	--	--
Current liabilities	-8	-3 443	-10
Net assets (100%)	70 106	70 194	76 175
Group's share (66.67%) = carrying amount of interest in associate	**46 739**	**46 798**	**50 786**
LTB Beteiligungs GmbH *)	**31/12/2018**	**31/12/2017**	**31/12/2016**
Profit for the period	6 133	5 727	394
of which share of profit of equity accounted method investments OLG	6 146	5 739	394
of which net profit of LTB	-13	-12	--
share of OCI of equity accounted method investments OLG	-176	--	--
Total comprehensive income (100%)	5 957	5 727	394
Group's share of total comprehensive income	**3 972**	**3 818**	**263**
Dividends received	4 032	7 807	--

*) The company does not prepare financial statements according to IFRS. Its preparation would require additional expenses that would not create any relevant benefit.

4) CLS Beteiligungs GmbH is a company holding participations in lottery and gaming business. The share of 66.67% is owned through CAME Holding GmbH and was acquired on 7 December 2016. According to the company´s Articles of Association the company is able to make a decision only with 75% shareholders approval. Therefore the Group considers it as investment in associate and the company is accounted for using the equity method.

Company LTB Beteiligungs GmbH holds share in Lotto-Toto-Holding GmbH, which owns 32% of investors shares in Österreichische Lotterien GmbH "OLG" (rest is owned by Casinos Austria AG) , SAZKA Group a.s. effective share is 11.55% Österreichische Lotterien GmbH.

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CLS Beteiligungs GmbH *)	**31/12/2018**	**31/12/2017**	**31/12/2016**
Equity method investment in OLG	69 998	70 079	72 590
Current assets	53	51	3 532
Non-current liabilities	--	--	--
Current liabilities	-15	-3	-17
Net assets (100%)	70 036	70 127	76 105
Group's share (66.67%) = carrying amount of interest in associate	**46 693**	**46 754**	**50 739**

CLS Beteiligungs GmbH *)	**31/12/2018**	**31/12/2017**	**31/12/2016**
Profit for the period	6 116	5 722	394
of which share of profit of equity accounted method investments OLG	6 146	5 739	394
of which net profit of CLS	-30	-17	--
of which share of OCI of equity accounted method investments OLG	-176	--	--
Total comprehensive income (100%)	5 940	5 722	394
Group's share of total comprehensive income	**3 960**	**3 815**	**263**
Dividends received	4 019	7 800	--

*) The company does not prepare financial statements according to IFRS. Its preparation would require additional expenses that would not create any relevant benefit.

5) LOTTOITALIA S.r.l. is a company that organizes and manages a lottery and gaming business in Italy. The Group holds a share of 32.5%, the share in the company was acquired on 5 May 2016. The company is accounted for using the equity method.

LOTTOITALIA S.r.l.	**31/12/2018**	**31/12/2017**	**31/12/2016**
Non-current assets	708 205	809 085	765 056
Current assets	259 469	279 346	56 046
Non-current liabilities	--	--	--
Current liabilities	-39 866	-85 391	-199 337
Net assets (100%)	927 808	1 003 040	621 765
Group´s share (32.50%)	301 538	325 988	202 074
Carrying amount of interest in associate	**301 538**	**325 988**	**202 074**
Revenues from contract with customers	481 008	448 877	44 568
“License Fee” amortization	-85 556	-85 556	-7 130
Net Revenues from contract with customers	395 453	363 321	37 438
Other Revenues from contract with customers	33	2	8
Total Revenue	395 486	363 323	37 446
EBITDA	380 675	341 500	35 264
Profit for the period (100 %)	203 524	177 845	21 767
Total comprehensive income (100%)	203 524	177 845	21 767
Group´s share of total comprehensive income	**66 145**	**57 800**	**7 074**
Dividends received	57 799	6 721	--

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

EUR 2 000 thousand out from the total consideration are recognized as contingent payment obligation according to the respective contract. The liability was settled in February 2019. The share of profit of the associate TCB HOLDINGS LTD recognized by the Group for the period 19 December 2018 - 31 December 2018 amounts to EUR 88 thousand.

TCB HOLDINGS LTD	**31/12/2018**	**31/12/2017**
Non-current assets	9 097	--
Current assets	53 361	--
Non-current liabilities	-559	--
Current liabilities	-37 752	--
Net assets (100%)	24 147	--
Group´s share (36.75%)	8 874	--
Goodwill	41 214	
Carrying amount of interest in associate	**50 088**	**--**
Revenues	6 164	**--**
Profit (100%)	241	--
Total comprehensive income (100%)	241	--
Group´s share of total comprehensive income	**88**	**--**
Dividends received	**--**	**--**

7) The company Neurosoft S.A. is part of OPAP S.A. sub-group. The Group owned 29.53% share in Neurosoft S.A. as at 31 December 2016. On 31 July 2017, the Group acquired additional stake of 38.19% in this company and from that date Neurosoft S.A. is fully consolidated (see Note 11).

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7. Deferred tax assets and liabilities

	31/12/2018	31/12/2017 Restated*	31/12/2016
Deferred tax asset	**2 046**	**3 716**	**12 158**
Deferred tax liability	**234 005**	**225 801**	**219 543**

Deferred tax assets and liabilities related to income taxes levied by the same taxation authority were offset in individual companies for the purposes of presentation in the consolidated financial statements.

In accordance with the accounting policy stated in note 3u), the deferred tax was calculated using tax rates applicable in individual companies.

Change in the deferred tax

The following tables show a change in deferred tax recognized in profit or loss and other comprehensive income and other changes that affected deferred tax asset or liability:

2018	Balance at 1/1/2018	Changes in 2018				Balance at 31/12/2018
	Deferred tax liability(-) /asset(+)	Recognized in profit or loss	Recognized in OCI	Arising from business combinations	Other changes	Deferred tax liability(-) /asset(+)
Deferred tax asset (+) /liability (-)	**-222 085**	**-2 079**	**1 679**	**-9 948**	**474**	**-231 959**
Tangible fixed assets (difference between carrying value and tax value)	2 238	-1 045	--	--	--	1 193
Intangible fixed assets (difference between carrying value and tax value)	-241 049	-2 614	--	-9 948	-3 001	-256 612
Financial assets	--	830	--	--	--	830
Receivables	-8 696	363	--	--	349	-7 984
Liabilities	14 058	6 087	25	--	1 662	21 832
Provisions	14 977	-5 662	--	--	1 458	10 773
Tax losses carried forward	148	-37	--	--	3	114
Hedging derivates	-3 761	--	1 654	--	3	-2 104

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2017 Restated*	Balance at 1/1/2017	Changes in 2017				Balance at 31/12/2017
	Deferred tax liability(-) /asset(+)	Recognized in profit or loss	Recognized in OCI	Arising from business combinations	Other changes	Deferred tax liability(-) /asset(+)
Deferred tax asset (+) /liability (-)	**-207 385**	**-7 271**	**-3 909**	**-2 862**	**-658**	**-222 085**
Tangible fixed assets (difference between carrying value and tax value)	1 350	901	--	--	--	2 238
Intangible fixed assets (difference between carrying value and tax value)	-230 889	-7 703	--	-2 862	391	-241 049
Financial assets	--	--	--	--	--	--
Receivables	-7 468	-1 231	--	--	3	-8 696
Liabilities	18 230	-1 328	-74	--	-2 770	14 058
Provisions	11 252	1 919	--	--	1 806	14 977
Tax losses carried forward	4	152	--	--	-8	148
Hedging derivates	136	18	-3 835	--	-80	-3 761

* The Group used post-acquisition accounting within 12 months period as allowed by IFRS to finalize purchase price allocation related to acquisition of NEUROSOFT S.A.. For more details see 2 (i).

2016	Balance at 1/1/2016	Changes in 2016				Balance at 31/12/2016
	Deferred tax liability(-) /asset(+)	Recognized in profit or loss	Recognized in OCI	Arising from business combinations	Other changes	Deferred tax liability(-) /asset(+)
Deferred tax asset (+) /liability (-)	**-8 180**	**491**	**250**	**-199 944**	**-2**	**-207 385**
Tangible and intangible fixed assets (difference between carrying value and tax value)	-9 642	-1 230	--	-199 944	-18 723	-229 539
Financial assets	--	--	--	--	--	--
Receivables	21	-783	--	--	-6 706	-7 468
Liabilities	--	3 095	73	--	15 062	18 230
Provisions	1 434	-591	--	--	10 409	11 252
Tax losses carried forward	--	--	--	--	4	4
Hedging derivates	7	--	177	--	-48	136

The Group has unrecognized deferred tax assets, in accordance with the accounting policy 3u), as it is uncertain whether sufficient future taxable profits will be available against which they could be utilised, shown in the table below.

	2018	**2017**	**2016**
Tax losses carried forward	62 631	50 436	**26 799**
Total unrecognized deferred tax asset	**17 650**	**13 880**	**2 874**

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Tax losses for which no deferred tax asset was recognized expire as follows:

	2018	2017	2016
Tax losses carried forward	**62 631**	**50 436**	**26 799**
Expiring within:			
Between 1 and 5 years	62 582	35 325	11 922
Between 5 and 10 years	--	15 111	14 877
Unlimited	49	--	--

8. Trade and other receivables

Long-term receivables comprise advances and deposits provided that are due in more than 12 months after the reporting date.

	31/12/2018	31/12/2017	31/12/2016
Long-term receivables and other non-current assets	**86 323**	**23 372**	**7 028**
Long-term advances and deposits provided	3 442	1 171	1 335
Advances for pension benefits	221	221	221
Long-term receivables from financial derivatives (Note 17)	72	455	347
Receivables from VLT vendors	25 223	17 928	10
Long-term loans provided	54 842	2 928	4 468
Other long-term receivables	2 523	669	647

Receivables from VLT vendors are not interest bearing and the discount is immaterial.

	31/12/2018	31/12/2017	31/12/2016
Short-term trade receivables and other current assets	**206 556**	**213 522**	**134 488**
Short-term receivables from agents	110 127	107 640	74 522
Short-term trade receivables	38 857	28 713	11 801
Receivables from VAT and other taxes	16 919	23 905	13 622
Short-term receivables from financial derivates (Note 17)	6 702	11 652	--
Short-term loans provided	3 458	8 928	9 280
Short-term prepaid expenses	20 553	14 780	13 792
Other short-term receivables	9 940	17 904	11 471

The short-term receivables from agents are collected on weekly basis (SAZKA) or semi-weekly (OPAP). The agents in order to qualify as a POS must deposit the cash on the Group account, deposit serves as a security, which might be ofsetted against company receivables. The Group uses also direct debit to transfer the money from agents to the Group's bank account.
Combination of above mentioned methods (very frequent payment of receivables, access to agents account and cash deposited as a security) unpaid receivables and then allowances based on ECL are immaterial.

Short-term prepaid expenses consist mainly of prepayments made to football clubs for advertising and sponsoring services according to the terms of separate contracts with each of those associations. Furthermore, it also includes prepaid consultancy fees, prepaid rent for casinos facilities and storages.

Short-term trade receivables comprise mainly trade receivables of non-gaming entities in the amount of EUR 26 696 thousand (31 December 2017: EUR 19 915 thousand).

The disclosures for impairment of trade and other receivables are presented in Note 34.

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9. Short-term financial assets

Short-term financial assets in the amount of EUR 15 010 thousand consist of restricted cash in the amount of EUR 13 801 thousand for the purpose of guarantees for debt services and receivable based on a cashpooling agreement EUR 1 209 thousand (31 December 2017: EUR 8 908 thousand; 31 December 2016: EUR 13 606 thousand).

The dislosures for impairment of short-term financial assets are presented in Note 34.

10. Cash and cash equivalents

	31/12/2018	31/12/2017	31/12/2016
Cash and cash equivalents	**312 678**	**410 288**	**365 999**
Bank accounts	217 503	267 624	281 589
Fixed-term deposits	90 489	131 281	81 168
Cash in hand	4 686	11 383	3 242

As at 31 December 2018, the Group has pledged bank accounts with a total balance of EUR 39 756 thousand (31 December 2017: EUR 31 538 thousand; 31 December 2016: EUR 29 183 thousand) under various borrowing facilities.

The dislosures for impairment of cash and cash equivalents are presented in Note 34.

11. New acquisitions

In 2018 the Group acquired interest in the following companies or group of companies:

Company	Ownership interest	Acquisition date	Purchase price in th. EUR
SUPER SPORT d.o.o. sub-group (1)	67%	26 April 2018	
Minus5 d.o.o.	51%	26 April 2018	
Total			**334 496**

(1) SUPER SPORT d.o.o. sub-group was acquired on 26 April 2018. On 26 April SUPER SPORT d.o.o. acquired Puni broj d.o.o. (see Note 1.4). Consideration paid for SUPER SPORT d.o.o. sub-group includes variable parts that can change in time.

As at 31 December 2017 the company Medial Beteiligungs-GmbH (including all its investments) was accounted for using the equity method. During 2018 the Group acquired additional share of 70.03% which was considered as a step-up acquisition without change of control (see Note 6).

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The acquisitions of investments had the following effect on the Group:

	Recognized values on acquisition		
	SUPER SPORT d.o.o. sub-group	Minus5 d.o.o.	Total
Tangible fixed assets	2 140	29	2 169
Brands	55 268	--	55 268
Licenses	18	4	22
Other intangible assets	93	--	93
Short-term receivables	4 201	145	4 346
Cash and cash equivalents	20 500	138	20 638
Other current assets	338	--	338
Deffered tax liability	-9 948	--	-9 948
Other current liabilities	-9 614	-75	-9 689
Net identifiable assets and liabilities	62 996	241	63 237
Goodwill (Note 4)*	291 494	672	292 166
Non-controlling interest acquired	-20 789	-118	-20 907
Consideration **	333 701	795	334 496
Consideration paid, satisfied in cash	220 758	795	221 553
Cash acquired	-20 500	-138	-20 638
Cash outflow in 2018	200 258	657	200 915

* subject to ongoing acquisition accounting
** Deferred consideration of EUR 92 444 thousand represents a fair value of a liability payable in 2021. The consideration of EUR 20 499 thousand represents the fair value of a contingent consideration payable also in 2021 which is subject to potential change based on a financial performance of the acquired entity. The fair value was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 4.35% and assumed probability-adjusted sales of SUPER SPORT d.o.o.

Given the fact that the acquisition accounting is considered incomplete, the Group recognized provisional goodwill due to the pending finalisation of the fair valuation of the acquired intangible assets.

The Group is presenting below the significant assumptions and judgements for each type of assets and liabilities and recognition of following assets and liabilities at fair value at the acquisition date:

- Newly identifiable intangible asset was recognized referring to an internally generated brand (SUPER SPORT). In order to determine the fair value of the brand, the income approach, i.e. relief from royalty method, was applied. This method assumes the fair value of brand is represented by present value of hypothetical royalty fee saved, which would otherwise be paid in the form of licence fee to the licensor. The royalty rate of 5% was applied. Financial projections were performed based on business plans covering a period of five years, followed by a perpetuity, which was used to calculate the terminal value. For the calculation of terminal value, terminal growth model was chosen. Net royalties after tax were discounted using the weighted average cost of capital (WACC) with an uplift of 1%p. The brand was valued at EUR 55 268 thousand.
  The brand was determined as intangible asset with indefinite useful life grounded by its establishment in the market and its significant contributions to the business. The Group will perform impairment testing of the brand annually in line with the Group’s policy (see also Note 4).
- Deferred tax liability of EUR 9 948 thousand resulting from the recognition of the brand was recognized. The corporate income tax rate of 18% valid in Croatia was used.
- All of SUPER SPORT’s licences were acquired in the past from the Croatia government at adetermined price and for a limited time, with pre-negotiated renewal. The licences are therefore amortised and regularly tested for impairment. As the value of the licences is regularly reviewed, the management considers the book values being approximate for the fair values at acquisition and therefore no revaluation of licences was performed at the acquisition date.
- The Group did not identify any other identifiable intangible assets or liabilities assumed to be recognized. Furthermore, all other acquired assets and liabilities were considered as adequate (the values are approximate to fair values) and are in line with the Group accounting policies and therefore no revaluation adjustment would be required.

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Goodwill which was recognized separately as a result of the acquisition is attributable mainly to synergies between operating business of the Group and the acquiree and the value of intangibles not meeting the criteria for recognition, subsumed in the goodwill. Goodwill from the acquisition is not deductible for tax purposes.

The Group revised the acquisitions accounting as at the date of the financial statements and no changes from Purchase Price Allocation analysis were identified.

The acquisition of SUPER SPORT supported the Group's long term expansion strategy. The acquisition will allow the Group to strengthen its market position and expand further in the lottery and betting industry.

For the period from April to December 2018 SUPER SPORT d.o.o. sub-group contributed consolidated NGR of EUR 70 099 thousand and consolidated profit for the period after tax of EUR 36 809 thousand to the Group's result. If the acquisition had occurred on 1 January 2018, management estimates that consolidated NGR would have been higher by EUR 30 719 thousand and consolidated profit for the period after tax would have been higher by EUR 20 063 thousand. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same as if the acquisition had occurred on 1 January 2018.

For the December 2018 period Minus5 d.o.o. contributed consolidated profit for the period after tax of EUR 128 thousand. If the acquisition had occurred on 1 January 2018, the Group assumes that the impact on consolidated profit would have been immaterial.

In 2017 the Group acquired interest in the following companies or group of companies:

Company	**Ownership interest**	**Acquisition date**	**Purchase price in th. EUR**
Fsázky a.s. (1)	100%	23 May 2017	
Sazka Distribution Vietnam Joint Stock Company	90%	28 June 2017	
Neurosoft S.A. (2)	38.19%	2 August 2017	
SAZKA Group Financing a.s	100%	18 October 2017	
SAZKA Group Russia LLC	100%	29 August 2017	
Total			**51 113**

(1) Fsázky a.s. was acquired on 23 May 2017. Effective from 1 December 2017 the company merged with Sazka a.s. (see Note 1.4).

(2) The Group owned 29.53% share in Neurosoft S.A. as at 31 December 2016. On 2 August 2017, the Group acquired additional stake of 38.19% in this company and from that date Neurosoft S.A. is fully consolidated (see Note 1.4). The share in the losses of the associate NEUROSOFT S.A. recognized by the Group for the period 01.01.2017-31.07.2017 amounted to EUR 267 thousand.

The acquisitions of investments had the following effect on the Group:

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	Recognized values on acquisition		
	Neurosoft S.A.*	Others (individually immaterial)	Total
Tangible fixed assets	537	1 289	1 826
Licenses	--	4	4
Other intangible assets	10 148	95	10 243
Other non-current assets	116	367	483
Short-term receivables	--	1 777	1 777
Cash and cash equivalents	2 613	3 384	5 997
Other current assets	4 443	65	4 508
Deferred tax liability	-2 862	--	-2 862
Other non-current liabilities	-312	--	-312
Short-term loans and borrowings	-779	-265	-1 044
Other current liabilities	-1 335	-1 709	-3 044
Net identifiable assets and liabilities	12 569	5 007	17 576
Goodwill (Note 4)	37 592	--	37 592
Non-controlling interest aquired	-4 029	-26	-4 055
Consideration paid	46 132	4 981	51 113
Consideration paid, satisfied in cash	34 197	4 981	39 178
Fair value of previously held assets – part of consideration	11 908	--	11 908
Cash acquired	-2 613	-3 384	-5 997
Cash outflow in 2017	31 584	1 597	33 181

* The Group used post-acquisition accounting within 12 months period as allowed by IFRS to finalize purchase price allocation related to acquisition of NEUROSOFT S.A.. For more details see 2 (i).

In 2016 the Group acquired interest in the following companies or group of companies:

Company	**Ownership interest**	**Acquisition date**	**Purchase price in th. EUR**
BAIH Beteiligungsverwaltungs GmbH	100%	7 December 2016	
Emma Delta Management Ltd – group	66.7%	6 October 2016	
IGH Financing a.s.	100%	28 April 2016	
Italian Gaming Holding a.s.	100%	19 February 2016	
Kavárna štěstí s.r.o.	100%	30 May 2016	
SAZKA Asia a.s.	100%	27 July 2016	
Sazka Asia Vietnam Company Limited	100%	29 November 2016	
Total			**408 412**

The most significant acquisition was acquisition of Emma Delta Management Ltd sub-group, including OPAP S.A. sub-group. The other acquisitions were aggregated because they are individually immaterial.

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The acquisitions of all companies had the following effect on the Group:

	Recognised values on acquisition		
	Emma Delta Management Ltd sub-group	Others (individually immaterial)	Total
Tangible fixed assets	60 801	--	60 801
Brands	724 364	--	724 364
Licenses	1 134 281	--	1 134 281
Other intangible assets	96 312	--	96 312
Other non-current assets	24 882	69 345	94 227
Short-term receivables	169 945	--	169 945
Cash and cash equivalents	218 161	312	218 473
Other current assets	2 854	--	2 854
Long-term loans and borrowings	-280 336	--	-280 336
Deferred tax liability	-210 066	--	-210 066
Other non-current liabilities	-45 363	--	-45 363
Short-term loans and borrowings	-397 183	--	-397 183
Payables	-232 368	-2	-232 370
Net identifiable assets and liabilities	1 266 284	69 655	1 335 939
Goodwill (Note 4)	205 309	--	205 309
Non-controlling interest acquired	-1 132 836	--	-1 132 836
Consideration paid	338 757	69 655	408 412
Consideration paid, satisfied in cash	107 250	67 274	174 524
Consideration – part settled in 2017	--	2 381	2 381
Fair value of previously held assets – part of consideration	231 507	--	231 507
Cash acquired	-218 161	-312	-218 473
Net cash inflow (-) /outflow (+)	-110 911	66 962	-43 949

The values of assets and liabilities recognized on acquisition are their fair values (see accounting policy 3a). Emma Delta Management Ltd sub-group contributed from October to December 2016 EUR 420 407 thousand to Group's consolidated revenues and EUR 31 431 thousand to Group's total profit for the period.

12. Equity

Share capital

The Group's share capital consists of 20 ordinary shares in certificated form with a nominal value of TCZK 100 per share. The share capital is fully paid-up. No changes were made in the share capital in the periods ended 31 December 2018, 31 December 2017 or in 31 December 2016.

A right to vote is attached to each share. Each share of nominal value of CZK 100 000 bears 1 vote. The total number of votes in SAZKA Group a.s. is 20. There is no distinction of any classes of shares. Possible restrictions on transferability and dividend payments, or conditions under which these may be done, might arise, in general, from the applicable laws, articles of association, contractual arrangements or bonds. Each shareholder has the right to a share on profit that has been approved by the general meeting for distribution, corresponding to such shareholder´s participation on the share capital of the company. Similarly, in the event of company liquidation, each shareholder has the right to a share on the liquidation residue.

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

Capital contributions and other reserves

In 2018 there was no increase in Capital contributions and other reserves (31 December 2017: an increase of EUR 31 651 thousand as a cash contribution from company's shareholders - decided as at 31 May 2017; 31 December 2016: an increase of EUR 252 927 thousand as a contributions from company's shareholders).

13. Non-controlling interests

The Group´s non-controlling interests amount to EUR 961 960 thousand as of 31 December 2018 and relate mainly to OPAP S.A. sub-group with non-controlling interest 67% (including 33% non-controlling interest in its subsidiary HELLENIC LOTTERIES S.A. and 32.28% non-controlling interest in its subsidiary Neurosoft S.A.), where the Group has an economic interest of 33% on its equity.

Other non-controlling interests represent 28.13% on equity of the whole Emma Delta Management Ltd sub-group, 33% on equity of SUPER SPORT d.o.o. sub-group and 49% on equity of Minus5 d.o.o.

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

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

31/12/2018	*HELLENIC LOTTERIES S.A.*	*NEUROSOFT S.A.*	*OPAP S.A. sub-group*	**ED Management sub-group (incl. OPAP S.A. sub-group)***	**SUPER SPORT sub-group**	**Others (individually immaterial)****	**TOTAL**
Direct non-controlling interest percentage	*33.00%*	*32.28%*	*67.00%*	28.13%	33.00%		
Non-current assets	*127 792*	*10 910*	*2 093 068*	2 078 884	57 808		
Current assets	*125 641*	*7 800*	*381 218*	392 031	44 557		
Non-current liabilities	*-49 760*	*-3 243*	*-905 426*	-1 059 049	-9 963		
Current liabilities	*-104 415*	*-2 991*	*-295 024*	-298 696	-12 743		
Net assets	*99 258*	*12 477*	*1 273 836*	1 113 170	79 559		
Sub-group's non-controlling interest	*--*	*--*	*36 782*	865 609	--		
Net assets attributable to the Group	*99 258*	*12 477*	*1 237 054*	247 561	79 659		
Non-controlling interest calculation	***32 755***	***4 027***	***828 826***	**69 639**	**26 287**		
Sub-group's non-controlling interest entering into consolidation	*--*	*--*	*36 782*	865 608	**--**		
Carrying amount of non-controlling interest	*32 755*	*4 027*	*865 608*	**935 247**	**26 287**	**425**	**961 960**
Net assets excluding net assets of sub-group on lower level (Note 1.4)	*99 258*	12 477	1 162 101	-160 666	79 659		
Effective non-controlling interest share	84.11%	83.94%	76.28%	28.13%	33.00%		
Effective non-controlling interest	***83 485***	**10 472**	**886 486**	**-45 195**	**26 287**	**425**	**961 960**

* Carrying amount of non-controlling interest is mainly derived from Emma Delta Management sub-group which holds shares in OPAP S.A. and acquisition margin loan. As a result, net assets of Emma Delta Management sub-group consist mainly of further diluted net assets from OPAP S.A. and respective margin loan.
** Others individually immaterial sub-groups in terms of NCI consist of Medial Beteiligungs sub-group and Minus 5 sub-group.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

2018	*HELLENIC LOTTERIES S.A.*	*NEUROSOFT S.A.*	*OPAP S.A. sub-group*	**ED Management sub-group (incl. OPAP S.A. subgroup)***	**SUPER SPORT sub-group**	**Others (individually immaterial)****	**TOTAL**
Direct non-controlling interest percentage	*33.00%*	*32.28%*	*67.00%*	28.13%	33.00%		
Summarized information from SOCI for the year							
Net gaming revenue	*106 518*	*--*	*1 039 935*	1 039 935	70 099		
Profit	*6 315*	*-295*	*143 251*	36 507	36 809		
Other comprehensive income	*8*	*3*	*-873*	-288	95		
Total comprehensive income	*6 322*	*-292*	*142 378*	36 219	36 904		
Profit allocated to non-controlling interest	*2 084*	*-96*	*95 978*	**10 269**	**12 147**		
OCI allocated to non-controlling interest	*3*	*1*	*-585*	**-80**	**32**		
Share of profit of sub-group's non-controlling interest entering into consolidation	--	--	*1 988*	97 966	**--**		
Share of other comprehensive income of sub-group's non-controlling interest entering into consolidation	--	--	*4*	-581	**--**		
Total comprehensive income attributable to non-controlling interest	*2 087*	*-95*	*97 385*	**107 574**	**12 179**	**1 932**	**121 685**
Summarized cash flow information for the year							
Net cash from operating activities	*17 194*	*1 094*	253 109	185 500	60 740		
Cash flows used in investing activities	*118*	*-867*	-109 315	-95 141	-915		
Net cash from financing activities	*-20 511*	*62*	-198 441	-140 376	**-20 241**		
Net inflow / outflow (-) of cash and cash equivalents for the year	*-3 198*	*289*	-54 647	**-50 018**	**39 584**		**-10 434**
Dividends paid to NCI	--	--	*-88 621*	***-88 621***	**-6 680**	**-676**	**-95 977**

The Group´s non-controlling interests amount to EUR 929 072 thousand as of 31 December 2017 and relate mainly to OPAP S.A. sub-group and represent 71.86% on its equity (including 33% non-controlling interest in its subsidiary HELLENIC LOTTERIES S.A. i.e. EUR 40 630 thousand and 32.28% non-controlling interest in its subsidiary Neurosoft S.A. i.e. EUR 4,122 thousand*). Further non-controlling interests represent 28.14% on equity of the whole Emma Delta Management Ltd sub-group.

The restated comparatives upon completion of acquisition accounting for NEUROSOFT S.A. (Note 2 (i)).The reconciliation of non-controlling interest is presented in table below:

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31/12/2017	*HELLENIC LOTTERIES S.A.*	*NEUROSOFT S.A.*	*OPAP S.A. sub-group*	**ED Management sub-group (incl. OPAP S.A. subgroup)***	**Others (individually immaterial)****	**TOTAL**
Direct non-controlling interest percentage	*33.00%*	*32.28%*	*67.00%*	28.13%		
Non-current assets	*142 568*	*11 788*	*2 082 248*	2 068 064		
Current assets	*110 277*	*6 860*	*440 383*	446 539		
Non-current liabilities	*-40 414*	*-3 960*	*-767 001*	-947 368		
Current liabilities	*-89 310*	*-1 919*	*-481 807*	-485 418		
Net assets	*123 121*	*12 768*	*1 273 823*	1 081 816		
Sub-group's non-controlling interest	--	--	*44 752*	868 271		
Net assets attributable to the Group	*123 121*	*12 768*	*1 229 071*	213 546		
Non-controlling interest calculation	***40 630***	***4 122***	***823 478***	**60 070**		
Sub-group's non-controlling interest entering into consolidation	--	--	*44 752*	868 230		
Carrying amount of non-controlling interest	*40 630*	*4 122*	*868 230*	**928 300**	**772**	**929 072**
Net assets excluding net assets of sub-group on lower level (Note 1.4)	*123 121*	*12 768*	*1 137 934*	**-192 007**		
Effective non-controlling interest share	*84.11%*	*83.94%*	*76.28%*	28.13%		
Effective non-controlling interest	***103 557***	***10 717***	***868 038***	**-54 012**	**772**	**929 072**

* Carrying amount of non-controlling interest is mainly derived from Emma Delta Management sub-group which holds shares in OPAP S.A. and acquisition margin loan. As a result, net assets of Emma Delta Management sub-group consist mainly of further diluted net assets from OPAP S.A. and respective margin loan.
** Others individually immaterial sub-groups in terms of NCI consist of Sazka Distribution Vietnam Joint Stock Company.

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2017	*HELLENIC LOTTERIES S.A.*	*NEUROSOFT S.A.*	*OPAP S.A. sub-group*	**ED Management sub-group (incl. OPAP S.A. subgroup)***	**Others (individually immaterial)****	**TOTAL**
Direct non-controlling interest percentage	*33.00%*	*32.28%*	*67.00%*	28.13%		
Summarized information from SOCI for the year						
Net gaming revenue			***972 936***	972 936		
Profit	*16 284*	*42*	*126 162*	21 422		
Other comprehensive income	*2*	*157*	*-22*	-7		
Total comprehensive income	*16 285*	*199*	*126 140*	21 415		
Profit allocated to non-controlling interest	*5 374*	*14*	*84 529*	6 026		
OCI allocated to non-controlling interest	*1*	*50*	*-15*	**-2**		
Share of profit of sub-group's non-controlling interest entering into consolidation	--	--	*5 387*	89 916		
Share of other comprehensive income of sub-group's non-controlling interest entering into consolidation	--	--	*36*	21		
Total comprehensive income attributable to non-controlling interest	*5 375*	*64*	*89 952*	**95 961**	**614**	**96 575**
Summarized cash flow information for the year						
Net cash from operating activities	*9 852*	*1 409*	244 892	198 028		
Cash flows used in investing activities	*105*	*-1 502*	-123 769	-99 990		
Net cash from financing activities	*-15 146*	*-23*	-148 545	-158 248		
Net inflow / outflow (-) of cash and cash equivalents for the year	*-5 188*	*-116*	-27 422	**-60 210**	**157**	**-60 053**
Dividends paid to NCI	--	--	-299 265	**-299 265**	--	**-299 265**

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The Group´s non-controlling interests amount to EUR 1 139 164 thousand as of 31 December 2016 and relate mainly to OPAP S.A. sub-group and represent 67% on its equity (including 33% non-controlling interest in its subsidiary HELLENIC LOTTERIES S.A.). Further non-controlling interests represent 33.3% on equity of the whole Emma Delta Management Ltd sub-group.

31/12/2016	*HELLENIC LOTTERIES S.A.*	*OPAP S.A. sub-group*	**ED Management sub-group (incl. OPAP S.A. subgroup)***	**TOTAL**
Direct non-controlling interest percentage	*33.00%*	*67.00%*	*33.30%*	
Non-current assets	*148 546*	*2 054 651*	*2 040 468*	
Current assets	*102 036*	*437 251*	476 632	
Non-current liabilities	*-50 346*	*-515 319*	-848 272	
Current liabilities	*-88 254*	*-390 055*	-401 480	
Net assets	*111 982*	*1 586 528*	1 267 348	
Sub-group's non-controlling interest	--	*36 954*	1 075 168	
Net assets attributable to the Group	*111 982*	*1 549 574*	192 180	
Non-controlling interest calculation	***36 954***	*1 038 214*	**63 996**	
Sub-group's non-controlling interest entering into consolidation	--	*36 954*	1 075 168	
Carrying amount of non-controlling interest	*36 954*	*1 075 168*	**1 139 164**	**1 139 164**
Net assets excluding net assets of sub-group on lower level (Note 1.4)	*111 982*	*1 474 546*	**-319 180**	
Effective non-controlling interest share	*85,25%*	*77,99%*	33,30%	
Effective non-controlling interest	*95 468*	***1 149 983***	**-106 286**	**1 139 164**

* Carrying amount of non-controlling interest is mainly derived from Emma Delta Management sub-group which holds shares in OPAP S.A. and acquisition margin loan. As a result, net assets of Emma Delta Management sub-group consist mainly of further diluted net assets from OPAP S.A. and respective margin loan.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

2016	*HELLENIC LOTTERIES S.A.*	*OPAP S.A. sub-group*	**ED Management sub-group (incl. OPAP S.A. subgroup)***	**TOTAL**
Direct non-controlling interest percentage	*33.00%*	*67.00%*	*33.30%*	
Summarized information from SOCI for the year				
Net gaming revenue	*34 549*	264 335	264 335	
Profit	*2 608*	*55 115*	-6 357	
Other comprehensive income	*1*	*-180*	*-59*	
Total comprehensive income	*2 609*	54 935	-6 416	
Profit allocated to non-controlling interest	**861**	**36 927**	**-2 117**	
OCI allocated to non-controlling interest	**--**	**-121**	**-20**	
Share of profit of sub-group's non-controlling interest entering into consolidation	--	*861*	37 788	
Share of other comprehensive income of sub-group's non-controlling interest entering into consolidation	--	--	-120	
Total comprehensive income attributable to non-controlling interest	*861*	*37 667*	35 531	**35 531**
Summarized cash flow information for the year				
Net cash from operating activities	*17 966*	*41 118*	63 093	
Cash flows used in investing activities	*20*	*60 734*	-51 243	
Net cash from financing activities	--	*-14 981*	300 608	
Net inflow / outflow (-) of cash and cash equivalents for the year	*17 986*	*86 871*	**312 458**	**312 458**
Dividends paid to NCI	--	-25 599	**-25 599**	**-25 599**

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14. Loans and borrowings

	31/12/2018	31/12/2017	31/12/2016
Bank loans and other borrowings – non-current portion	**1 653 740**	**1 338 235**	**990 296**
Long-term bank loans	798 688	659 267	727 296
Long-term loans from companies outside the Group	8 622	10 365	--
Long-term liabilities arising from debt securities (bonds)	846 430	668 603	263 000

	31/12/2018	31/12/2017	31/12/2016
Bank loans and other borrowings – current portion	**113 172**	**261 429**	**292 052**
Current portion of long-term bank loans and borrowings	109 176	91 920	35 949
Short-term bank loans and borrowings received	3 383	--	80 271
Short-term loans and borrowings received from related parties	--	--	56 118
Short-term liabilities arising from debt securities (bonds)	422	169 338	101 025
Overdrafts	191	171	18 689

Decrease in short-term liabilities arising from debt securities is related to several bond loans in OPAP S.A. sub-group reaching maturity in 2018. New bond loans were raised in 2018 with maturity exceeding 1 year.

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

	2018	2017
Balance 1 January	**1 611 576**	**1 290 899**
Cash flows		
Loans and borrowings received	996 345	696 696
Repayment of loans and borowings	-806; 885	-399 413
Non-cash changes		
Effect of business combinations	112 943	--
Unpaid interest	6 017	23 077
Change in unpaid interest	-21 060	-7 417
Effect of FX differences recognized in profit or loss	1 174	-20 844
Effect of FX differences recognized in other comprehensive income	-3 714	28 578
Balance 31 December	**1 896 396**	**1 611 576**

Long-term bank loans ageing

Long-term bank loans are payable as follows:	31/12/2018	31/12/2017	31/12/2016
Maturity within one year	109 176	91 920	35 950
Maturity within 1 -5 years	597 922	645 919	528 737
Maturity more than 5 years	200 766	13 348	198 558
Long-term bank loans balance 31 December	**907 864**	**751 187**	**763 245**

Loans received from related parties

As at 31 December 2018 and 31 December 2017, the Group had no loans from related parties.

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As at 31 December 2016, the Group had the following loans that were received from related parties:

31/12/2016	Year of maturity	Principal at 31/12/2016	Principal due within 1 year	Principal due in 1 to 5 years
KKCG AG	2019	38 859	--	38 859
EMMA GAMMA LIMITED	2019	12 953	--	12 953
Total		**51 812**	**--**	**51 812**

15. Provisions

Short-term provisions	Note	Short-term provision for jackpots and scratch cards	Other short-term provisions	Total
Balance at 1/1/2016		**4 760**	**1 900**	**6 660**
Additions		7 602	2 223	9 825
Utilisation		-4 759	-1 899	-6 658
Effect of currency translation		2	1	3
Balance at 31/12/2016		**7 605**	**2 225**	**9 830**
Balance at 1/1/2017		**7 605**	**2 225**	**9 830**
Business combinations	11	866	63	929
Additions		7 105	2 293	9 398
Utilisation		-7 805	-2 283	-10 088
Release		-866	-63	-929
Effect of currency translation		419	130	549
Balance at 31/12/2017		**7 324**	**2 365**	**9 689**
Balance at 1/1/2018		**7 324**	**2 365**	**9 689**
Additions		8 762	3 917	12 679
Utilisation		-7 296	-2 355	-9 651
Effect of currency translation		-56	-23	-79
Balance at 31/12/2018		**8 734**	**3 904**	**12 638**

The provision for jackpots is generated cumulatively till the jackpot is won as described in (Note 3 p).

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Long-term provisions	**Note**	**Litigation provision**	**Other long-term provisions**	**Total**
Balance at 1/1/2016		**--**	**813**	**813**
Business combinations		35 822	1 854	37 676
Additions		645	812	1 457
Utilisation		-45	--	-45
Release		-4 228	--	-4 228
Effect of currency translation		--	1	1
Balance at 31/12/2016		**32 194**	**3 480**	**35 674**
Balance at 1/1/2017		**32 194**	**3 480**	**35 674**
Additions		17 978	834	18 812
Utilisation		-817	-160	-977
Release		-19 862	--	-19 862
Effect of currency translation		--	120	120
Balance at 31/12/2017		**29 493**	**4 274**	**33 767**
Balance at 1/1/2018		**29 493**	**4 274**	**33 767**
Additions		1 776	856	2 632
Utilisation		-1 161	--	-1 161
Release		-3 529	--	-3 529
Effect of currency translation		--	-21	-21
Balance at 31/12/2018		**26 579**	**5 109**	**31 688**

Release of litigation provision as of 31 December 2018 in the amount of EUR 3 529 thousand (31 December 2017: EUR 19 862 thousand; 31 December 2016: EUR 4 228 thousand) was driven by the change of estimation due to the positive outcome of similar cases (see Note 33).

In 2015 a long term bonus programme in Sazka a.s. was approved. The aim of the long-term bonus programme (other long-term provisions) is to motivate the management to meet the long-term growth target of the Group. Long-term provision totalling EUR 3 415 thousand (31 December 2017: EUR 2 579 thousand; 31 December 2016: EUR 1 625 thousand) was recognized in this respect.

16. Trade and other payables

	31/12/2018	**31/12/2017**	**31/12/2106**
Long-term trade and other payables	**129 484**	**11 912**	**8 551**
Deferred consideration to purchase SUPER SPORT d.o.o. (Note 11)	112 943	--	--
Obligation to purchase IGT Czech Republic LLC	2 011	1 993	--
Guarantee deposits from lottery agents	9 771	8 968	6 275
Long-term payables from financial derivatives (Note 17)	3 306	212	1 852
Other payables	1 453	739	424

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	31/12/2018	31/12/2017	31/12/2016
Short-term trade and other payables	**363 379**	**370 268**	**327 418**
Liabilities arising from unclaimed prizes	121 793	105 051	81 726
Short-term trade payables	86 060	98 186	82 980
Lottery tax liabilities	74 534	66 280	54 070
Payables to state (social and health insurance liabilities, other taxes)	11 758	34 535	8 307
Payables to employees	10 796	7 869	7 575
Short-term payables from financial derivatives (Note 17)	81	284	1 353
Prepaid stakes	9 593	8 972	9 936
Contract liabilities	1 388	1 199	--
Other payables	47 376	47 892	81 471

Lottery tax is due, when cash for stakes is accepted. Lottery tax is calculated as tax base multiplied by rate, which varies based on type of game and country by country. Lottery base is a difference between amounts staked (cash IN) and prize paid (cash OUT).

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

As at 31 December 2018, 31 December 2017 and 31 December 2016, trade and other payables were not secured.

The Group’s exposure to currency and liquidity risk related to trade and other payables is described in Note 34 to the consolidated financial statements – Risk management and disclosure methods.

17. Derivatives

As at 31 December 2018, the Group had the following financial derivatives for hedging:

The Group uses interest rate derivatives (IRS) to mitigate the risk of negative impact on future cash flow due to increase in interest rates. The future cashflow is determined by loan agreements with interest payments. Interest payments are based on floating rates (EURIBOR, PRIBOR), which might have negativel effect the cashflow of the Group. The hedge accounting requirements are fulfilled for these derivatives, consequnetly the interest rate derivatives are designated and recognized as hedging derivatives. The changes in fair value of hedging derivatives are recognized through equity and other comprehensive income.

The Group also uses currency derivatives (FX forwards, FX swaps and FX Options) to mitigate the currency risk. Although the currency derivatives economically ofsets the currency risk, the hedge accounting criterias are not fulfiled for them. Consequently the currency derivatives are recognized as trading derivatives classified as financial instruments at fair value through profit or loss.

The Group held following hedging derivatives:

Hedging derivatives	Due date	Fixed rate	Nominal value as at 31/12/2018	Average fixed rate 31/12/2018	Fair value as at 31/12/2018
Interest rate swap	2020	3M PRIBOR	17 493	0,310	577
Interest rate swaps	2024	3M PRIBOR	115 610	1,783	187
Interest rate swaps	2025	3M PRIBOR	126 336	1,922	-2 067
Interest rate swap	2022	3M EURIBOR	79 203	-0,248	60
Interest rate swap	2023	3M EURIBOR	100 000	0,004	-1 271
Total hedging derivatives			**438 641**	**--**	**-2 514**

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Hedging derivatives	Due date	Fixed rate	Nominal value as at 31/12/2017	Average fixed rate 31/12/2017	Fair value as at 31/12/2017
Interest rate swap	2020	3M PRIBOR	119 421	0,448	2 852
Interest rate swap	2022	3M EURIBOR	82 135	-0,248	453
Interest rate swap	2023	3M EURIBOR	100 000	0,004	-214
Total hedging derivatives			**301 556**	**--**	**3 091**

Hedging derivatives	Due date	Fixed rate	Nominal value as at 31/12/2016	Average fixed rate 31/12/2016	Fair value as at 31/12/2016
Interest rate swap	2017	3M PRIBOR	162 842	0,480	-1 353
Interest rate swap	2022	3M EURIBOR	82 135	-0,248	346
Total hedging derivatives			**244 977**	**--**	**-1 007**

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

Cash flow hedges	2018	2017
1. January	16 462	-754
Hedging gains / losses recognized in OCI	-24 845	17 236
Cash flow hedge effects recognized in profit of loss	1 664	-20
31. December	-6 719	16 462

Effects of cash flow hedge are recognized in other comprehensive income under the line item "Remeasurement of hedging derivatives" and in profit or loss under the line item "Finance cost".

The hedged cash flows are represented by interest payments from the principal of bank loans provided by consorcium of banks in 2014 in actual amount as 31 December 2018 of EUR 657 060 thousand (2017: EUR 507 161 thousand). The IRSes designated as hedging instruments perfectly matches the critical terms of the loan, which ensures high effectivity of the hedge relationship for the life-time of the hedge. Subsequently the Group applies a Dollar offset method to measure the effectivness of the hedge relationship. The effectiveness of hedging as of 31 December 2018 and 2017 was meeting IFRS criteria.

The summary of fair values of trading derivatives held by the Group :

Trading derivatives	Due date	Nominal value as at 31/12/2018	Fair value as at 31/12/2018	Nominal value as at 31/12/2017	Fair value as at 31/12/2017
FX swaps	2018	--	--	59 000	-284
FX forwards	2019	50 000	-81	--	--
FX options	2019	8 800	6 702	8 800	8 800
FX swaps	2021	197 681	-553	--	--
FX swaps	2022	41 068	-167	20 534	2
Total trading financial derivatives		**297 548**	**5 901**	**88 334**	**8 518**

As at 31 December 2016 The Group had no trading derivatives.

All financial derivatives at fair value as at 31 December 2018 and 2017 were categorised to Level 2 in the fair value hierarchy.

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18. Employee benefits

Long-term incentive scheme OPAP S.A. subgroup

The Board of Directors of OPAP S.A. subgroup, following a recommendation of the Remuneration and Nomination Committee, on 28 March 2017, approved a long term incentive scheme with distribution of part of the net profits to Executive Members of the board of directors and other key management personnel, excluding CEO. The program's duration is 3 years, for the period 2017-2019.

The targets relate to:
- the profitability of the Company for the 3 year period mentioned above and
- increasing share price in Athens Exchange.

Finally, the scheme defines that the maximum amount to be distributed to up to 30 beneficiaries is EUR 7 000 thousand.

As of 31 December 2018 the liability related to the above scheme amounts to EUR 2 305 thousand (2017: EUR 1 113 thousand) for the Group.

Long-term bonus programme in Sazka a.s.

In 2015 a long term bonus programme in Sazka a.s. was approved. The aim of the long-term bonus programme (other long-term provisions) is to motivate the management in Sazka a.s. to meet the long-term growth target of the Sazka a.s company. Long-term provision totalling EUR 3 415 thousand (31 December 2017: EUR 2 579 thousand, 31 December 2016: 1 625) was recognized in this respect see also Note 15.

Defined Benefit Plan

Under Greek labor law, employees are entitled to termination payments in the event of retirement with the amount of payment varying in relation to the employee's compensation and length of service. The liability arising from the above obligation is actuarially valued by an independent firm of actuaries. The last actuarial valuation was undertaken in December 2018.

The analysis of the plans in Consolidated Statement of Financial Position is as follows:

	31/12/2018	31/12/2017	31/12/2016
Opening balance as at 1 January	**3 084**	**1 507**	**--**
Effect of new acquisitions	--	312	1 206
Current service costs	1 573	1 509	59
Interest costs	67	36	5
Settlement cost (result)	710	217	1 076
Total cost recognized in Statement of Comprehensive Income	**2 349**	**2 074**	**1 140**
Actuarial (gain)/loss arising from financial assumptions	--	-28	101
Actuarial (gain)/loss arising from experience adjustment	101	-227	152
Total actuarial (gain)/loss recognized in Equity	**101**	**-255**	**253**
Payments	-727	-242	-1 091
Closing balance as at 31 December	**4 807**	**3 084**	**1 507**

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The principal actuarial assumptions used in the actuarial valuations as at 31 December 2018 and 31 December 2017 and 31 December 2016 are the following:

Acturial assumptions used:	**31/12/2018**	**31/12/2017**	**31/12/2016**
Discount rate (in %)	1.40%	1.40%	1.40%
Rate of increase in salaries (in %)	2.00%	2.00%	2.00%
Average service in the company	from 7 to 30 years	from 8 to 30 years	from 8 to 30 years
Inflation rate (in %)	2.00%	2.00%	2.00%

The following table shows the change in actuarial liability of the Group if the discount rate was 0.5% higher or lower than that which has been used and the corresponding change if the expected rate of salary increase was 0.5% higher or lower than the one used:

Sensitivity analysis	**Increase in discount rate by 0.5%**	**Decrease in discount rate by 0.5%**	**Increase of the expected wages´ increase by 0.5%**	**Decrease of the expected wages´ increase by 0.5%**
Actuarial liability	2 247	2 791	2 753	2 270
Percentage change	-10%	12%	10%	-9%

19. Revenues and Revenue from sale of goods and services

	31/12/2018	**31/12/2017**	**31/12/2016**
Amount staked	5 501 500	4 967 155	1 613 330
Payouts to the lottery and betting winners	-3 615 794	-3 303 128	-1 022 084
Gross gaming revenues (GGR)	**1 885 706**	**1 664 027**	591 246
Lottery Tax	-582 658	-530 436	-182 291
Net gaming margin*	**1 303 048**	**1 133 591**	**408 955**

Revenue from sale of goods and services	**130 874**	**99 818**	**36 949**
Sales of goods	94 934	78 758	167
Sales of services	35 694	20 747	36 594
Revenues from lease of real estates	246	313	188

*Also related to within the industry as Net gaming revenue (NGR)

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

In the following table Total revenue is diasaggregated by major product/services lines and timing of revenue recognition. The table also includes a reconciliation of disaggregated revenue with the Group's operating segments (see Note 35).

31 December 2018 **Gross Gaming Revenues (GGR) and Revenue from sale of goods and services according to major products/service lines**	**Numerical Lotteries**	**Instant lotteries**	**Sports Betting**	**Digital games**	**VLTs & gaming machines**	**Other**	**Total**
Draw based games	966 684	--	--	--	--	--	**966 684**
Passive lotteries	56 527	--	--	--	--	--	**56 527**
Instant lotteries	--	146 211	--	4 511	--	--	**150 722**
Sports Betting	--	--	471 417	--	--	--	**471 417**
VLT & gaming machines revenues	--	--	--	27 105	213 331	--	**240 436**
Mobile virtual network operator (MVNO)	--	--	--	--	--	10 122	**10 122**
Mobile phone top-up service	--	--	--	--	--	92 877	**92 877**
Ticket sale	--	--	--	--	--	151	**151**
Other	--	--	--	--	--	27 724	**27 644**
Total Gross Gaming Revenues (GGR) and Revenue from sale of goods and services	**1 023 211**	**146 211**	**471 417**	**31 616**	**213 331**	**130 874**	**2 016 580**
Lottery tax							-582 658
Total Net gaming revenues (NGR) and Revenue from sale of goods and services							**1 433 922**

31 December 2017 **Gross gaming revenues (GGR) and Revenue from sale of goods and services according to major products/service lines**	**Numerical Lotteries**	**Instant lotteries**	**Sports Betting**	**Digital games**	**VLTs & gaming machines**	**Other**	**Total**
Draw based games	975 417	--	--	7 501	--	--	**982 918**
Passive lotteries	55 089	--	--	--	--	--	**55 089**
Instant lotteries	--	139 157	--	3 246	--	--	**142 403**
Sports Betting	--	--	425 133	--	--	--	**425 133**
VLT & gaming machines revenues	--	--	--	--	57 549	--	**57 549**
Mobile virtual network operator (MVNO)	--	--	--	--	--	10 138	**10 138**
Mobile phone top-up service	--	--	--	--	--	82 248	**82 248**
Ticket sale	--	--	--	--	--	127	**127**
Other	--	--	--	--	--	8 240	**8 240**
Total Gross gaming revenues (GGR) and Revenue from sale of goods and services	**1 030 506**	**139 157**	**425 133**	**10 747**	**57 549**	**100 753**	**1 763 845**
Lottery Tax							-530 436
Total Net gaming revenue (NGR) and Revenue from sale of goods and services							**1 233 409**

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31 December 2016 **Gross gaming revenues (GGR) and Revenue from sale of goods and services according to major products/service lines**	**Numerical Lotteries**	**Instant lotteries**	**Sports Betting**	**Digital games**	**Telecommunication services**	**Other**	**Total**
Draw based games	404 018	--	--	--	--	--	**404 018**
Passive lotteries	17 383	--	--	--	--	--	**17 383**
Instant lotteries	--	58 500	--	--	--	--	**58 500**
Sports Betting	--	--	111 019	--	--	--	**111 019**
Mobile virtual network operator (MVNO)	--	--	--	--	8 593	--	**8 593**
Mobile phone top-up service	--	--	--	--	23 667	--	**23 667**
Ticket sale	--	--	--	--	--	146	**146**
Other	--	--	--	--	--	4 869	**4 869**
Total Gross gaming revenues (GGR) and Revenue from sale of goods and services Total	**421 401**	**58 500**	**111 019**	--	**32 260**	**5 015**	**628 195**
Lottery Tax							-182 291
Total Net gaming revenue (NGR) and Revenue from sale of goods and services							**445 904**

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Disaggregation of revenues according to timing of revenue recognition:

	At a point in time	Over time	Total
Mobile virtual network operator (MVNO)	10 122	--	**10 122**
Mobile phone top-up service	92 877	--	**92 877**
Other	27 875	--	**27 875**
Total revenues from contracts with customers	**130 874**	**--**	**130 874**
Gross gaming revenues			**1 885 706**
Total revenues			**2 016 580**

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

	31/12/2018	31/12/2017
Current contract liabilities relating to MVNO contracts	1 388	1 199

20. Other operating income

	31/12/2018	31/12/2017	31/12/2016
Other operating income	**15 191**	**36 585**	**8 998**
Revenue from the operating leases	3 640	2 111	174
Income from subsidies	522	264	157
Penalties and default interests	7	185	83
Proceeds from the sale of material	9	3	481
The remaining portion of operating income	11 013	34 022	8 103

The most significant amount of The remaining portion of operating income of EUR 8 660 thousand relates to income from OPAP S.A. sub-group (2017: EUR 33 208 thousand). The biggest category in 2018 is Construction of VLTs area in OPAP Stores of EUR 2 188 thousand (2017: EUR 4 762 thousand). In 2017 the most significant income was Sale of gaming halls of EUR 15 950 thousand.

21. Agents' commissions

In general agent's commissions are commissions accrued to the agents for their services and they are accounted as a portion of amounts staked, GGR or NGR (depending on operating segment).

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22. Materials, consumables and services

	31/12/2018	31/12/2017	31/12/2016
Materials, consumables and services	**-337 720**	**-288 069**	**-100 745**
Cost of goods sold	-97 599	-76 754	-97
Cost of IT and software services	-46 099	-58 904	-15 083
Advisory and other professional services	-61 359	-49 636	-23 646
Fees to system providers	-76 310	-35 766	-18 444
Materials and consumables	-3 373	-23 329	-25 611
Telecommunication services	-10 903	-10 968	-7 264
Cost of operating leases	-14 827	-9 731	-2 429
Scratch card production cost	-6 939	-6 862	--
Other services	-20 311	-16 119	-8 171

The majority of expenses is directly related to revenue from lottery and betting activities.

An increase in materials, consumables and services is attributable to acquisition of SAZKA Group Adriatic sub-group and general increase in Fees to system providers. These represent mainly providers of software, data transfer and processing and technical support for gaming entities.

Due to introduction of new account used for scratch card production cost in 2018 as a result of improvement in mapping, total of materials, consumables and services in 2017 was increased by EUR 4 632 thousand which were reclassified from previously used Other operating expenses caption.

23. Marketing services

	31/12/2018	31/12/2017	31/12/2016
Marketing services	**-90 957**	**-95 404**	**-39 134**
Advertising	-68 324	-66 701	-29 319
Sponsorship and donations	-22 633	-28 703	-9 815

24. Personnel expenses

	31/12/2018	31/12/2017	31/12/2016
Personnel expenses	**-107 209**	**-81 564**	**-28 039**
Wages and salaries	-84 558	-63 980	-21 942
Social security and health insurance	-17 641	-13 851	-5 354
Other social expenses	-2 727	-2 007	-653
Retirement benefit costs - Defined Benefit Plan	-2 283	-1 726	-90

Average number of employees in 2018 was 3 110 employees (2017: 1 660).

Overall increase in number of employees and personnel expenses in 2018 is mainly related to acquisition of SUPER SPORT d.o.o. and Minus5 d.o.o. as of 26 April 2018.

The social security and health insurance expense includes amount of EUR 11 008 thousand (2017: EUR 9 039 thousand) related to contribution to pension state fund. The Group's legal and constructive obligation for these pension state plans is limited to the contributions.

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25. Other operating expenses

	31/12/2018	31/12/2017	31/12/2016
Other operating expenses	**-50 131**	**-54 984**	**-22 910**
Other taxes	-13 964	-11 585	-13 585
Travel expenses	-4 347	-3 362	-1 039
Repair and maintenance	-2 342	-2 160	-1 167
Fees	-1 364	-1 355	-790
Insurance premiums	-1 088	-754	-162
Loss from the sale of non-current assets	-66	-71	--
The remaining portion of operating expenses	-26 960	-35 697	-6 167

The remaining portion of operating expenses primary comprises expenses related to OPAP sub-group amounting to EUR 19 560 thousand (2017: EUR 30 873 thousand). These contain mainly construction costs related to VLTs in stores, coupons for OPAP stores and bad debts totally amounting to EUR 11 790 thousand (2017: EUR 11 371 thousand). Other items include subscriptions for international organizations of EUR 1 993 thousand (2017: EUR 1 346 thousand) and prizes for horse races of EUR 946 thousand (2017: EUR 1 202 thousand). Other items are individually immaterial.

Due to introduction of new account used for scratch card production cost in 2018 as a result of improvement in mapping, total of materials, consumables and services in 2017 was increased by EUR 4 632 thousand which were reclassified from previously used Other operating expenses caption.

26. Share of profit equity method investees

	31/12/2018	31/12/2017	31/12/2016
Share of profit equity method investees (net of tax)	**101 297**	**73 758**	**15 890**

As at 31 December 2018 the Group has significant influence in associated companies Casinos Austria AG, LTB Beteiligungs GmbH, CLS Beteiligungs GmbH, and LOTTOITALIA S.r.l., as described in Note 6. None of these companies is publicly traded.

27. Operating EBITDA

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

Operating EBITDA is calculated as profit for the period before income tax expense, other financial costs/income, interest expense, interest income and depreciation and amortization.

28. Depreciation and amortization

	31/12/2018	31/12/2017 Restated*	31/12/2016
Depreciation and amortization	**-118 905**	**-95 300**	**-16 934**
Depreciation of property, plant and equipment incl. investment property	-22 424	-16 339	-4 672
Amortisation of intangible assets	-78 940	-77 764	-12 262
Impairment of property, plant and equipment	--	-1 197	--
Impairment of intangible assets	-41	--	--
Impairment of goodwill	-17 500	--	--

* The Group used post-acquisition accounting within 12 months period as allowed by IFRS to finalize purchase price allocation related to acquisition of NEUROSOFT S.A.. For more details see 2 (i).

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

29. Interest income, finance income and finance costs

	31/12/2018	31/12/2017	31/12/2016
Interest income	**3 155**	**2 937**	**5 733**
Interest income from loans	2 230	2 931	1 115
Income from bonds	925	6	4 618
Finance income	**2 016**	**184**	**23 866**
Income from ownership of securities	44	34	40
Other finance income	1 811	150	90
Foreign exchange gains	161	--	365
Gain (+) on revaluation of financial assets at fair value through profit or loss *	--	--	23 371
Finance cost	**-86 134**	**-76 000**	**-50 517**
Interest expense	-43 475	-46 579	-38 913
Bond-related interest and expense	-32 576	-22 831	-10 373
Impairment of other assets	-95	--	--
Foreign exchange losses	--	-346	--
Other finance expenses	-9 988	-6 244	-1 231
Finance costs, net	**-80 963**	**-72 879**	**-20 918**

* Gain (+) on revalution of finacial assets at fair value through profit or loss represents the change in fair value of financial assets until 6 October 2016 when these assets entered into purchase price allocation.

30. Income tax expense

	31/12/2018	31/12/2017 Restated*	31/12/2016
Income tax expense	**-90 293**	**-69 525**	**-18 962**
Current income tax	-88 214	-62 254	-19 453
Deferred income tax	-2 079	-7 271	491

* The Group used post-acquisition accounting within 12 months period as allowed by IFRS to finalize purchase price allocation related to acquisition of NEUROSOFT S.A.. For more details see 2 (i).

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

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

Current tax comprises the tax estimate for 2018 and adjustment to the tax estimate for 2017.

Corporate income tax by country/region	**Tax rate**		
	2018	**2017**	**2016**
Austria	25.00%	25.00%	25.00%
Croatia	18.00%	18.00%	20.00%
Cyprus	12.50%	12.50%	12.50%
Czech Republic	19.00%	19.00%	19.00%
Greece	29.00%	29.00%	29.00%
Russia	20.00%	20.00%	20.00%
Slovakia	21.00%	21.00%	22.00%
Vietnam	20.00%	20.00%	20.00%

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Reconciliation of effective tax rate

		2018		2017 Restated*		2016
Profit before income tax		**352 807**		**258 987**		**111 237**
Income tax using the valid tax rate (a)	19.00%	67 033	19.00%	49 208	19.00%	21 135
Effect of non-deductible expenses	4.72%	16 653	5.25%	13 618	4.13%	3 704
Effect of non-taxable income	-1.28%	-4 499	-1.26%	-3 255	-2.59%	-2 876
Effect of certain income subject to a special tax rate	0.00%	-7	-0.01%	-24	0.08%	24
Tax credits	0.03%	103	0.00%	--	0.00%	--
Tax relating to prior periods	0.00%	--	0.10%	251	0.06%	64
Effect of accumul. tax loss claimed in the current period	0.08%	270	0.17%	446	-0.02%	-17
Effect of not recognized deferred tax assets relating to tax losses of current period	1.26%	4 453	1.69%	4 377	-2.10%	-2 338
Effect of profit or loss of equity method investees	-6.02%	-21 242	-5.77%	-14 961	-3.20%	-3 558
Effect of adjustments that do not result in deferred tax	1.84%	6 478	-2.50%	-6 479	-2.58%	- 2 866
Effect of different tax rate in comp. within the Group	5.97%	21 051	10.14%	26 344	5.12%	5 690
Income tax expense presented in the consolidated statement of comprehensive income	**25.59%**	**90 293**	**26.82%**	**69 525**	**17.05%**	**18 962**

* The Group used post-acquisition accounting within 12 months period as allowed by IFRS to finalize purchase price allocation related to acquisition of NEUROSOFT S.A.. For more details see 2 (i).

(a) 19% income tax rate was used for reconciliation since it is a domestic tax rate of parent Company.

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31. Other comprehensive income/loss for the year

	31/12/2018	31/12/2017	31/12/2016
Items that are or may be reclassified to profit or loss:			
Foreign currency translation differences for foreign operations	2 651	-4 724	31
Foreign currency translation differences for foreign operations total	**2 651**	**-4 724**	**31**
Share of OCI of equity method investments	-5 542	-232	-2 445
Share of OCI of equity method investments	**-5 542**	**-232**	**-2 445**
Effective portion of changes in fair value of cash flow hedges, before tax	-8 373	20 297	-931
Deferred tax	1 654	-3 835	177
Effective portion of changes in fair value of cash flow hedges, net of tax	**-6 719**	**16 462**	**-754**
Items that will not be reclassified to profit or loss:			
Actuarial gain/loss - before tax	-101	255	-252
Actuarial gain/loss - deferred tax	25	-74	73
Actuarial gain/loss, net of tax	**-76**	**181**	**-179**
Other comprehensive income/(loss) for the period, net of income tax	**-9 686**	**11 687**	**-3 347**

32. Operating leases

Income

The Group leases non-residential premises and movable assets under operating leases - see note 3(s). The lease contracts have been concluded either for a fixed term or for an indefinite period with a possibility to give a notice. In 2018, an amount of EUR 3 640 thousand (2017: EUR 2 111 thousand) was recognized as income from operating leases in the statement of comprehensive income. The income is included in Other operating income in Note 20.

The Group will receive the following income from operating lease instalments (long-term contracts only):

	2018	2017	2016
Within one year	453	729	632
From one to five years	2 257	2 112	1 025
In more than five years	--	2 615	1 848
TOTAL	**2 710**	**5 456**	**3 505**

Expense

In 2018, an amount of EUR 14 827 thousand (2017: EUR 9 731 thousand; 2016: EUR 2 429 thousand) was recognized as an expense on operating leases in the statement of comprehensive income. The expenses are included in Materials, consumables and services in Note 22.

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The Group is obliged to pay operating lease instalments as follows (long-term contracts only):

	2018	2017	2016
Within one year	10 607	6 442	5 112
From one to five years	22 600	19 201	16 831
In more than five years	32 341	31 151	33 583
TOTAL	**65 548**	**56 794**	**55 526**

33. Contingencies

Legal matters

The Group estimates legal claims against OPAP S.A., for which a negative outcome is likely and therefore results in a provision, including interest, amounting to EUR 26 579 thousand (2017: EUR 29 493 thousand; 2016: TEUR 32 195). Total cummulative provision is analysed below:

	31/12/2018	31/12/2017
Labor disputes	5 481	7 110
Lawsuites from individuals or legal entities	21 064	22 315
Total provisions	**26 544**	**29 425**

On 24 April 2015, HORSE RACES S.A. signed a concession agreement with the Hellenic Republic Asset Development Fund (HRADF) for the 20-year exclusive license to organise and conduct horse races mutual betting. The final approval was provided by the Greek Parliament on 23 October 2015 and the operations commenced on 8 January 2016.
On May 2017, the Hellenic Republic Asset Development Fund (HRADF) filed a Request for Arbitration against HORSE RACES S.A. before the London Court of International Arbitration. The HRADF alleged that HORSE RACES S.A. had an obligation to pay 10% interest (equal to EUR 2 025 thousand) on the last instalment of the
financial consideration (EUR 20 250 thousand) provided for in the Concession Agreement dated 24 April April 2015.
The hearing took place on 23-24 April 2018 and the arbitral award was issued on 20 September 2018. The Tribunal ruled in favor of HORSE RACES S.A. and dismissed HRADF's claim for an allegedly additional financial consideration of approx. EUR 2,000 thousand. HRADF was also ordered to pay all HORSE RACES S.A.'s legal costs (circa EUR 400 thousand). Since positive outcome of this claim was anticipated, no provision was booked for this claim.

OPAP S.A. has also appealed to the administrative courts, awaiting the hearing, for the imposition in 2014 of additional taxes and surcharges for the fiscal year 2010 of a total amount of EUR 29 568 thousand and at the same time OPAP SERVICES S.A. has also exercised legal right against the imposition of additional taxes and surcharges totaling EUR 2 773 thousand resulting from the tax audit conducted in 2016 for the fiscal year 2012.

According to the Greek Legal Counsel, third party lawsuits against the OPAP S.A. subgroup have been filed of a total claim of EUR 138 459 thousand (2017: EUR 79 135 thousand), for which the outcome is estimated as positive for the subgroup and consequently, no provision is required.

The subsidiary SAZKA a.s. has lodged a claim against its competitor TIPSPORT a.s. for suspicion of unfair competiton practices due to resemblance of issued scratch cards to those of a subsidiary. The directors believe the general clause of unfair competition was breached, particularly the merits of risk of confusion and unfair advantage being taken of the distinctive character or repute of the subsidiary. However, the contingent asset has not been recognized as a receivable at 31 December 2018 as receipt of the amount is dependant on the outcome of the claim.

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Off balance sheet items and pledged assets

Off-balance sheet assets	31/12/2018	31/12/2017	31/12/2016
Guarantees received (bank and other guarantees)	39 666	40 947	45 470
Other	--	3 500	1 083
Total	**39 666**	**44 447**	**46 553**

Pledged assets for the loans received by the company	31/12/2018	31/12/2017	31/12/2016
Tangible and intangible fixed assets	94 588	94 782	89 186
Securities, shares	1 612 431	1 264 425	206 210
Bank accounts	39 756	31 538	33 285

The highest portion of pledged tangible and intangible assets represent trademarks with carrying value of EUR 72 767 thousand (2017: EUR 73 294 thousand).

The pledged securities and shares are mainly represented by (all numbers are book values):

- pledge of OPAP shares – as OPAP S.A. is a listed company on stock exchange, disclosed value of pledged shares represents of the Group's stake in OPAP S.A. amounting to EUR 799 526 thousand (2017: EUR 794 789 thousand);
- pledge of LOTTOITALIA shares and enterprise pledge – pledged value of equity method investees represents the share on equity attributable to the Group of EUR 301 538 thousand (2017: EUR 325 988 thousand);
- pledge of Medial Beteiligungs-GmbH shares (company holding participations in Casinos Austria AG without any additional economic activities – for further detail see Note 6.1) – pledged value of its equity method investees represents the share on equity attributable to the Group of EUR 225 670 thousand (2017: EUR 79 040 thousand);
- pledge of SUPER SPORT d.o.o. and Minus5 d.o.o. shares and enterprise pledge – value of pledged shares of EUR 221 554 thousand;
- pledge of SAZKA a.s. shares – value of pledged shares represents book value of the Group's stake of EUR 64 144 thousand (2017: EUR 64 608 thousand).

34. Risk management and disclosure methods

This section elaborates in detail on the financial and operational risks the Group is exposed to and on its risk management methods. The key financial risks the Group faces comprise credit risk and liquidity risk. Since the Group is burdened with loans, interest rate risk exposure may also be deemed significant.

(a) Credit risk

i. Credit risk exposure

Credit risk represents the risk of loss that the Group companies would incur if the trading counterparty or business customer is unable to fulfil its obligation resulting from payment obligation, obligation to off-take a commodity or service at a certain price and non-delivery of contracted commodity or service.

The Group carries out business predominantly with international financial institutions. The Group follows the principle that all customers willing to carry out business under credit terms are subject to procedures for credit risk assessment. In addition, the balances of receivables are continuously monitored on individual and aggregated level.

The Group is exposed to credit risk primarily as a result of its operating (namely in relation to its trade receivables) and financing activities, including deposits with banks and financial institutions, loans provided to third parties and other financial instruments.

The maximum credit risk exposure regarding financial assets is their carrying amount (if the counterparties fail to meet all their contractual obligations and, at the same time, the guarantees and pledges provided are found to be worthless). As for cash and cash equivalents, the Group has accounts with prestigious banks, which represents minimum risk exposure.

One of key measures to mitigate the credit risk in ordinary business activities are deposits received from partners (intermediaries) see Note 8. Receivables from the partners are monitored by management on regular basis.

The maximum exposure to credit risks at the reporting date by type of counterparty and geographical region is provided in the tables below.

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Credit risk by type of counterparty

At 31 December 2018	Companies (non-financial institutions)	State, government	Financial institutions	Individuals	Total
Assets					
Long-term trade receivables and other non-current assets	37 136	--	2 221	46 966	86 323
Short-term trade receivables and other current assets	163 046	17 381	2 885	23 244	206 556
Short-term financial assets	4 861	--	10 149	--	15 010
Current tax asset	--	288	--	--	288
Cash and cash equivalents	11 390	--	301 288	--	312 678
Total	**216 433**	**17 669**	**316 543**	**70 210**	**620 855**

At 31 December 2017	Companies (non-financial institutions)	State, government	Financial institutions	Individuals	Total
Assets					
Long-term trade receivables and other non-current assets	22 385	--	530	457	23 372
Short-term trade receivables and other current assets	90 515	27 450	1 050	94 507	213 522
Short-term financial assets	8 908	--	--	--	8 908
Current tax asset	--	893	--	--	893
Cash and cash equivalents	1 249	--	409 039	--	410 288
Total	**123 057**	**28 343**	**410 619**	**94 964**	**656 983**

At 31 December 2016	Companies (non-financial institutions)	State, government	Financial institutions	Individuals	Total
Assets					
Long-term trade receivables and other non-current assets	6 435	--	77	516	7 028
Short-term trade receivables and other current assets	59 303	12 516	9	62 660	134 488
Short-term financial assets	13 606	--	--	--	13 606
Current tax asset	--	31 414	--	--	31 414
Cash and cash equivalents	367	--	365 632	--	365 999
Total	**79 711**	**43 930**	**365 718**	**63 176**	**552 535**

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ii. Credit risk by region

Long-term and short-term receivables, Short-term financial assets, Current tax asset and Cash and cash equivalents	**31/12/2018**	**31/12/2017**	**31/12/2016**
Czech Republic	106 582	244 241	248 623
Greece	350 063	323 406	196 866
Croatia	47 347	--	--
Cyprus	83 786	49 508	46 226
Austria	11 209	26 182	790
Switzerland	1 061	11 868	22 788
United Kingdom	20 009	--	--
Other countries	798	1 778	37 242
Total	**620 855**	**656 983**	**552 535**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

iii. Ageing structure of financial assets

Ageing structure

At 31 December 2018	Current	Past due 0-90 days	Past due 91-180 days	Past due 181-365 days	More than one year	Impair-ment	Total
Long-term trade receivables and other non-current assets	***86 306***	**--**	**--**	**--**	**--**	***- 55***	***86 251***
- Long-term deposits	3 443	--	--	--	--	-1	3 442
- Advances for pension benefits	221	--	--	--	--	--	221
- Receivables from VLT vendors	25 242	--	--	--	--	-19	25 223
- Long-term loans provided	54 877	--	--	--	--	-35	54 842
- Other long-term receivables	2 523	--	--	--	--	--	2 523
Short-term trade receivables and other current assets	***173 339***	***8 631***	***690***	***1 577***	***37 342***	***-38 644***	***182 935***
- Short-term receivables from agents	100 936	8 510	284	1 409	37 329	-38 341	110 127
- Short-term trade receivables	38 388	121	406	168	13	-239	38 857
- Short-term loans provided	3 461	--	--	--	--	-3	3 458
- Short-term prepaid expenses	20 594	--	--	--	--	-41	20 553
- Other short-term receivables	9 960	--	--	--	--	-20	9 940
Cash and cash equivalents	***312 678***	**--**	**--**	**--**	**--**	**--**	**312 678**
- Cash in hand	4 686	--	--	--	--	--	4 686
- Bank accounts	217 503	--	--	--	--	--	217 503
- Term deposits	90 489	--	--	--	--	--	90 489
Total	**572 323**	**8 631**	**690**	**1 577**	**37 342**	**-38 699**	**581 864**
Short-term financial assets	***15 010***	**--**	**--**	**--**	**--**	**--**	***15 010***
Restricted cash	13 801	--	--	--	--	--	**13 801**
Cashpooling	1 209	--	--	--	--	--	**1 209**

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Ageing structure

At 31 December 2017	Current	Past due 0-90 days	Past due 91-180 days	Past due 181-365 days	More than one year	Impair-ment	Total
Long-term trade receivables and other non-current assets	**22 933**	**--**	**--**	**--**	**--**	**-16**	**22 917**
- Long-term deposits	1 172	--	--	--	--	-1	1 171
- Advances for pension benefits	221	--	--	--	--	--	221
- Receivables from VLT vendors	17 941	--	--	--	--	-13	17 928
- Long-term loans provided	2 930	--	--	--	--	-2	2 928
- Other long-term receivables	669	--	--	--	--	--	669
Short-term trade receivables and other current assets	**168 315**	**5 845**	**6 998**	**573**	**34 963**	**-38 729**	**177 965**
- Short-term receivables from agents	103 618	4 371	592	548	34 498	-35 987	107 640
- Short-term trade receivables	27 372	1 474	47	25	465	-670	28 713
- Short-term loans provided	8 935	--	--	--	--	-7	8 928
- Short-term prepaid expenses	14 870	--	--	--	--	-90	14 780
- Other short-term receivables	13 520	--	6 359	--	--	-1 975	17 904
Cash and cash equivalents	410 288	--	--	--	--	--	410 288
- Cash in hand	11 383	--	--	--	--	--	11 383
- Bank accounts	267 624	--	--	--	--	--	267 624
- Term deposits	131 281	--	--	--	--	--	131 281
Total	**601 536**	**5 845**	**6 998**	**573**	**34 963**	**-38 745**	**611 170**
Short-term financial assets	***8 908***	**--**	**--**	**--**	**--**	**--**	***8 908***
Restricted cash	--	--	--	--	--	--	**--**
Cashpooling	8 908	--	--	--	--	--	**8 908**

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customer´s credit ratings if they are available.

iv. Credit quality of financial assets at amortized cost

The Group classifies the financial assets into the credit quality classes. Class 1 is represented by high quality financial assets that, do not have any indicators of impairment and fulfills the definition for "low credit risk" excemption and own cash in hand. In Class 2 the Group classifies all other financial assets.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

At 31 December 2018	Stage 1	Stage 2	Stage 3	Provision matrix	ECL	Net carrying amount
Class 1						
Cash and cash equivalents	**312 678**	--	--	--	--	**312 678**
- Bank accounts in banks:	217 503	--	--	--	--	217 503
- Term deposits in banks:	90 489	--	--	--	--	90 489
- Cash in hand	4 686	--	--	--	--	4 686
Short-term financial assets	**15 010**	--	--	--	--	**15 010**
- Restricted cash in bank	13 801	--	--	--	--	13 801
- Cashpooling in bank	1 209	--	--	--	--	1 209
Class 2						
Short-term receivables	**3 461**	--	--	**218 118**	**-38 644**	**182 935**
- Short-term receivables from agents	--	--	--	148 468	-38 341	110 127
- Short-term trade receivables	--	--	--	39 096	-239	38 857
- Short-term loans provided	3 461	--	--	--	-3	3 458
- Short-term prepaid expenses	--	--	--	20 594	-41	20 553
- Other short-term receivables	--	--	--	9 960	-20	9 940
Long-term receivables	**86 306**	--	--	--	**-55**	**86 251**
- Long-term deposits	3 443	--	--	--	-1	3 442
- Advances for pension benefits	221	--	--	--	--	221
- Receivables from VLT vendors	25 242	--	--	--	-19	25 223
- Long-term loans provided	54 877	--	--	--	-35	54 842
- Other long-term receivables	2 523	--	--	--	--	2 523
Total	**417 455**	--	--	**218 118**	**-38 699**	**596 874**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

At 31 December 2017	Stage 1	Stage 2	Stage 3	Provision matrix	ECL	Total
Class 1						
Cash and cash equivalents	**410 288**	**--**	**--**	**--**	**--**	**410 288**
- Bank accounts in banks:	267 624	--	--	--	--	267 624
- Term deposits in banks:	131 281	--	--	--	--	131 281
- Cash in hand	11 383	--	--	--	--	11 383
Short-term financial assets	**8 908**	**--**	**--**	**--**	**--**	**8 908**
- Cashpooling in bank	8 908	--	--	--	--	8 908
Class 2						
Short-term receivables	**9 247**	**--**	**--**	**207 447**	**-38 729**	**177 965**
- Short-term receivables from agents	-	--	--	143 627	-35 987	107 640
- Short-term trade receivables	-	--	--	29 383	-670	28 713
- Short-term loans provided	8 935	--	--	--	-7	8 928
- Short-term prepaid expenses	-	--	--	14 870	-90	14 780
- Other short-term receivables	312	--	--	19 567	-1 975	17 904
Long-term receivables	**22 933**	**--**	**--**	**--**	**-16**	**22 917**
- Long-term deposits	1 172	--	--	--	-1	1 171
- Advances for pension benefits	221	--	--	--	--	221
- Receivables from VLT vendors	17 941	--	--	--	-13	17 928
- Long-term loans provided	2 930	--	--	--	-2	2 928
- Other long-term receivables	669	--	--	--	--	669
Total	**451 376**	**--**	**--**	**207 447**	**-38 745**	**620 078**

Movement of impairment allowances created were as follows:

	Stage 1	Stage 2	Stage 3	Provision matrix	Total
Balance at 1 January 2017	**--**	**--**	**--**	**-36 472**	**-36 472**
Additions – increase in allowance recognized in profit or loss during the year	-23	--	--	-5 071	-5 094
Reversals – amounts unused	--	--	--	--	--
Write-offs – recevables written off during the year as uncollectible	--	--	--	2 821	2 821
Effect of currency translation	--	--	--	--	--
Balance at 31 December 2017	**-23**	**--**	**--**	**-38 722**	**-38 745**
Additions – increase in allowance recognized in profit or loss during the year	-35	--	--	--	-35
Reversals – amounts unused	--	--	--	8	8
Write-offs – recevables written off during the year as uncollectible	--	--	--	75	75
Effect of currency translation	--	--	--	-2	-2
Balance at 31 December 2018	**-58**	**--**	**--**	**-38 641**	**-38 699**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Impairment matrix for shor-term trade receivables as of 31 December 2018:

	Gross carrying amount	Expected credit loss rate	ECL allowance	Net carrying amount
Due	**169 878**	**0.23%**	**-392**	**169 486**
- Short-term receivables from agents	100 936	0.25%	-254	100 682
- Short-term trade receivables	38 388	0.20%	-77	38 311
- Short-term prepaid expenses	20 594	0.20%	-41	20 553
- Other short-term receivables	9 960	0.20%	-20	9 940
Past due < 90 days	**8 631**	**1.60%**	**-138**	**8 493**
- Short-term receivables from agents	8 510	1.61%	-137	8 373
- Short-term trade receivables	121	1.00%	-1	120
- Short-term prepaid expenses	--	--	--	--
- Other short-term receivables	--	--	--	--
Past due 91-180 days	**690**	**20.00%**	**-138**	**552**
- Short-term receivables from agents	284	20.00%	-57	227
- Short-term trade receivables	406	20.00%	-81	325
- Short-term prepaid expenses	--	--	--	--
- Other short-term receivables	--	--	--	--
Past due 181-365 days	**1 577**	**40.00%**	**-631**	**946**
- Short-term receivables from agents	1 409	40.00%	-564	846
- Short-term trade receivables	168	40.00%	-67	101
- Short-term prepaid expenses	--	--	--	--
- Other short-term receivables	--	--	--	--
Past due >365 days	**37 342**	**100.00%**	**-37 342**	**--**
- Short-term receivables from agents	37 329	100.00%	-37 329	--
- Short-term trade receivables	13	100.00%	-13	--
- Short-term prepaid expenses	--	--	--	--
- Other short-term receivables	--	--	--	--
Total	**218 118**	**15.75%**	**-38 641**	**179 477**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Impairment matrix for shor-term trade receivables as of 31 December 2017:

	Gross carrying amount	Expected credit loss rate	ECL allowance	Net carrying amount
Due	***159 380***	**0.76%**	**-1 206**	**158 174**
- Short-term receivables from agents	103 618	0.86%	-889	102 729
- Short-term trade receivables	27 372	0.58%	-160	27 212
- Short-term prepaid expenses	14 870	0.60%	-90	14 780
- Other short-term receivables	13 520	0.60%	-67	13 453
Past due < 90 days	***5 845***	**1.39%**	**-81**	**5 764**
- Short-term receivables from agents	4 371	1.51%	-66	4 305
- Short-term trade receivables	1 474	1.00%	-15	1 459
- Short-term prepaid expenses	--	--	--	--
- Other short-term receivables	--	--	--	--
Past due 91-180 days	***6 998***	***30.00%***	**-2 100**	***4 898***
- Short-term receivables from agents	592	30.00%	-178	414
- Short-term trade receivables	47	30.00%	-14	33
- Short-term prepaid expenses	--	--	--	--
- Other short-term receivables	6 359	30.00%	-1 908	4 451
Past due 181-365 days	***573***	***65.00%***	**-372**	***201***
- Short-term receivables from agents	548	65.00%	-356	192
- Short-term trade receivables	25	65.00%	-16	9
- Short-term prepaid expenses	--	65.00%	--	--
- Other short-term receivables	--	65.00%	--	--
Past due >365 days	***34 963***	***100.00%***	**-34 963**	**--**
- Short-term receivables from agents	34 498	100.00%	-34 498	--
- Short-term trade receivables	465	100.00%	-465	--
- Short-term prepaid expenses	--	100.00%	--	--
- Other short-term receivables	--	100.00%	--	--
Total	**207 759**	**15.50%**	**-38 722**	**169 037**

(b) Liquidity risk

Liquidity risk represents the possibility that the company might not be able to fulfil its payment obligations, primarily in respect of covering the amounts due to providers of bank loans and borrowings. Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors the risk of having insufficient funds by continuously monitoring the liquidity and maturity of investments, other financial assets, projected cash flows from its activities in individual currencies and fulfilment of bank covenants (see Note 8).

The Group maintains free liquidity sources that consist of cash and equivalents and a portfolio in currencies in which the future financial needs are expected.

The Group aims to balance its continuous financing facility requirements using bank overdrafts, cashpooling, bank loans and finance leases.

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The Group uses proprietary IT tools for liquidity management, market management, valuation of financial instruments and for trading and risk management purposes.

The Group's management minimises liquidity risk (i.e. the risk of inappropriate funds to cover liabilities) through ongoing future cash flow management and planning. The key cash flow planning tool is an annual medium term plan prepared for the period of the following three years. The cash flows for the immediately following years are broken down in detail into individual months, and consequently updated on an ongoing basis.

As part of its liquidity risk management strategy, the Group ensures that a portion of its assets is highly liquid.

The table below presents an analysis of Group's financial assets and liabilities classified by maturity, namely by the period remaining from the reporting date till the contractual maturity. Where earlier repayment is possible, the Group makes the most prudent assessment possible, therefore expecting the earliest possible repayment of liabilities and the latest possible repayment of receivables. Assets and liabilities whose maturity is not contractually specified are grouped under the "due on demand" category.

Liquidity risk analysis (by maturity)

At 31 December 2018	Carrying amount	Con-tractual cash flows (1)	1 year or less	1-5 years	More than 5 years	Due on demand
Assets						
Other non-current investments	2 201	2 201	--	--	--	2 201
Long-term trade receivables and other non-current assets	86 323	86 323	--	76 153	10 170	--
Short-term trade receivables and other current assets	206 556	206 556	206 556	--	--	--
Short-term financial assets	15 010	15 010	15 010	--	--	--
Total	**310 090**	**310 090**	**221 566**	**76 153**	**10 170**	**2 201**
Cash	**312 678**	**--**	**--**	**--**	**--**	**--**
Liabilities						
Bank loans and other borrowings – non-current portion	-1 653 740	-1 883 536	--	-1 670 727	-212 809	--
Other long-term liabilities	-129 484	-129 484	--	-129 484	--	--
Bank loans and other borrowings – current portion	-113 172	-140 733	-140 733	--	--	--
Short-term trade and other payables	-266 291	-266 291	-266 291	--	--	--
Total	**-2 162 687**	**-2 420 044**	**-407 024**	**-1 800 211**	**-212 809**	**--**
Net balance - liquidity risk	**-1 539 919**	**-2 109 954**	**-185 458**	**-1 724 058**	**-202 639**	**2 201**

(1) Contractual cash flows are not discounted to net present value and include interest, if applicable.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

At 31 December 2017	Carrying amount	Con-tractual cash flows (1)	1 year or less	1-5 years	More than 5 years	Due on demand
Assets						
Other non-current investments	918	918	--	--	--	918
Long-term trade receivables and other non-current assets	23 372	23 372	--	13 642	9 730	--
Short-term trade receivables and other current assets	213 522	213 522	213 522	--	--	--
Short-term financial assets	8 908	8 908	8 908	--	--	--
Total	**246 720**	**246 720**	**222 430**	**13 642**	**9 730**	**918**
Cash	**410 288**	**--**	**--**	**--**	**--**	**--**
Liabilities						
Bank loans and other borrowings – non-current portion	-1 338 235	-1 445 650	--	-1 428 933	-16 717	--
Other long-term liabilities	-11 912	-11 912	--	-11 771	-141	--
Bank loans and other borrowings – current portion	-261 429	-320 887	-320 887	--	--	--
Short-term trade and other payables	-261 584	-261 584	-261 584	--	--	--
Total	**-1 873 160**	**-2 040 033**	**-582 471**	**-1 440 704**	**-16 858**	**--**
Net balance - liquidity risk	**-1 216 152**	**-1 793 313**	**-360 041**	**-1 427 062**	**-7 128**	**918**

(1) Contractual cash flows are not discounted to net present value and include interest, if applicable.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

At 31 December 2016	Carrying amount	Con-tractual cash flows (1)	1 year or less	1-5 years	More than 5 years	Un-defined maturity
Assets						
Other non-current investments	1 701	1 701	--	--	--	1 701
Long-term trade receivables and other non-current assets	7 028	7 028	--	--	--	7 028
Short-term trade receivables and other current assets	134 488	134 488	133 154	1 334	--	--
Short-term financial assets	13 606	13 606	13 606	--	--	--
Total	**156 823**	**156 823**	**146 760**	**1 334**	**--**	**8 729**
Cash	**365 999**	**--**	**--**	**--**	**--**	**--**
Liabilities						
Bank loans and other borrowings – non-current portion	-990 296	-1 069 050	-	-1 019 447	-49 603	--
Other long-term liabilities	-8 551	-8 551	-	-8 551	-	--
Bank loans and other borrowings – current portion	-292 052	-343 101	-343 101	-	-	--
Short-term trade and other payables	-327 418	-327 418	-327 418	-	-	--
Total	**-1 618 317**	**-1 748 120**	**-670 519**	**-1 027 998**	**-49 603**	**--**
Net balance - liquidity risk	**-1 095 495**	**-1 591 297**	**-523 759**	**-1 026 664**	**-49 603**	**8 729**

(1) Contractual cash flows are not discounted to net present value and include interest, if applicable.

The Group management does not expect that the cash flows included in the maturity analysis will be settled earlier or in significantly larger volumes.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

(c) Offsetting arrangements

Effects of offsetting on the balance sheet 2018

	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to potential netting arrangements	Financial instruments collateral	Net amounts
Assets						
Long-term receivables and other non-current assets	86 323	--	86 323	-1 303	--	85 020
Short-term trade receivables and other current assets	207 380	-824	206 556	-9 656	--	196 900
Short-term financial assets	15 010	--	15 010	-13 801	--	1 209
Cash and cash equivalents	312 678	--	312 678	--	-39 756	272 922
Total	**621 391**	**-824**	**620 567**	**-24 760**	**-39 756**	**556 051**
Liabilities						
Bank loans and other borrowings - non-current portion	1 653 740	--	1 653 740	--	--	1 653 740
Bank loans and other borrowings - current portion	113 172	--	113 172	-13 801	-39 756	59 615
Other long-term liabilities	129 484	--	129 484	-9 771	--	119 713
Short-term trade and other payables	364 203	-824	363 379	-1 187	--	362 192
Total	**2 260 599**	**-824**	**2 259 775**	**-24 760**	**-39 756**	**2 195 259**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Effects of offsetting on the balance sheet 2017

	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to potential netting arrangements	Financial instruments collateral	Net amounts
Assets						
Long-term receivables and other non-current assets	23 372	--	23 372	-1 172	--	22 200
Short-term trade receivables and other current assets	206 556	--	206 556	-8 519	--	198 037
Short-term financial assets	15 010	--	15 010	--	--	15 010
Cash and cash equivalents	312 678	--	312 678	--	-31 538	281 140
Total	**557 616**	**--**	**557 616**	**-9 692**	**-31 538**	**516 386**
Liabilities						
Bank loans and other borrowings - non-current portion	1 653 740	--	1 653 740	--	--	1 653 740
Bank loans and other borrowings - current portion	113 172	--	113 172	--	-31 538	81 634
Other long-term liabilities	11 912	--	11 912	-8 968	--	2 944
Short-term trade and other payables	363 379	--	363 379	-724	--	362 655
Total	**2 142 203**	**--**	**2 142 203**	**-9 692**	**-31 538**	**2 100 973**

Gross amounts offset in the balance sheet

Payables arising from agents' commissions are offset against receivables from agents and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet.

Amounts subject to potential netting arrangements

Deposits received from agents could be offset against the Company's trade receivables.

Cash withheld on bank accounts for purposes of interest payments relating to bank loans could be offset against liabilities from bank loans.

Guarantees to various suppliers relating to rentals of leased cars and buildings, electricity etc. could be offset against trade liabilities.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Financial instruments collateral

Bank accounts pledged to financing banks as collateral for bank loans provided to the Group could be offset against liabilities from bank loans.

(d) Interest rate risk

In its business activities, the Group is exposed to the risk of interest rate fluctuation as the interest-bearing assets and liabilities have various maturities or remeasurement dates, or are due or remeasured in different amounts.

The risk to the Group relating to changes in market interest rates is primarily attributable to the Group's bank loans with floating interest rates. The Group continuously monitors developments in financial markets and, based on the current situation, decides whether loans will be drawn either with a floating or fixed interest rate. During the credit relationship the risk of an increase in interest rates is continuously monitored and the use of standard instruments and hedge accounting to eliminate the risk (interest rate swaps) is considered (see Note 17).

Interest rate risk of long-term loans of the Group concluded with floating interest rates is mainly hedged by interest rate swap contracts.

The table below shows the Group's exposure to interest rate risk classified by contractual maturity of financial instruments. Non-interest-bearing assets and liabilities or those without specified contractual maturity are grouped under the "undefined maturity" category.

Financial information on interest-bearing and non-interest-bearing assets and liabilities and related contractual maturities at 31 December 2018:

Interest rate risk analysis (by maturity)

At 31 December 2018	Due on demand	1 year or less	1-5 years	More than 5 years	Total
Assets					
Long-term trade receivables and other non-current assets	--	--	76 153	10 170	86 323
Short-term trade receivables and other current assets	--	206 556	--	--	206 556
Short-term financial assets	--	15 010	--	--	15 010
Current tax asset	--	288	--	--	288
Cash and cash equivalents	312 678	--	--	--	312 678
Total	**312 678**	**221 854**	**76 153**	**10 170**	**620 855**
Liabilities					
Bank loans and other borrowings – non-current portion	--	--	-1 452 310	-201 430	-1 653 740
Other long-term liabilities	--	--	-129 484	--	-129 484
Bank loans and other borrowings – current portion	--	-113 172	--	--	-113 172
Short-term payables from financial instruments	--	-81	--	--	-81
Short-term trade and other payables	--	-363 298	--	--	-363 298
Current tax liability	--	-16 600	--	--	-16 600
Total	**--**	**-493 151**	**-1 581 794**	**-201 430**	**-2 276 375**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Financial information on interest-bearing and non-interest-bearing assets and liabilities and related contractual maturities at 31 December 2017:

Interest rate risk analysis (by maturity)

At 31 December 2017	Due on demand	1 year or less	1-5 years	More than 5 years	Total
Assets					
Long-term trade receivables and other non-current assets	--	--	13 642	9 730	23 372
Short-term trade receivables and other current assets	--	213 522	--	--	213 522
Short-term financial assets	--	8 908	--	--	8 908
Current tax asset	--	893	--	--	893
Cash and cash equivalents	410 288	--	--	--	410 288
Total	**410 288**	**223 323**	**13 642**	**9 730**	**656 983**

Liabilities					
Bank loans and other borrowings – non-current portion	--	--	-1 324 887	-13 348	-1 338 235
Other long-term liabilities	--	--	-11 771	-141	-11 912
Bank loans and other borrowings – current portion	--	-261 429	--	--	-261 429
Short-term payables from financial instruments	--	-284	--	--	-284
Short-term trade and other payables	--	-369 984	--	--	-369 984
Current tax liability	--	-2 148	--	--	-2 148
Total	**--**	**-633 845**	**-1 336 658**	**-13 489**	**-1 983 992**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Financial information on interest-bearing and non-interest-bearing assets and liabilities and related contractual maturities at 31 December 2016:

Interest rate risk analysis (by maturity)

At 31 December 2016	1 year or less	1-5 years	More than 5 years	Undefined maturity (or non-interest-bearing)	Total
Assets					
Long-term trade receivables and other non-current assets	--	--	--	7 028	7 028
Short-term trade receivables and other current assets	134 488	--	--	--	134 488
Short-term financial assets	13 606	--	--	--	13 606
Current tax asset	31 414	--	--	--	31 414
Cash and cash equivalents	--	--	--	365 999	365 999
Total	**179 508**	**--**	**--**	**373 027**	**552 535**
Liabilities					
Bank loans and other borrowings – non-current portion	--	-990 296	--	--	-990 296
Other long-term liabilities	--	--	-8 551	--	-8 551
Bank loans and other borrowings – current portion	-292 052	--	--	--	-292 052
Short-term payables from financial instruments	-1 353	--	--	--	-1 353
Short-term trade and other payables	-326 065	--	--	--	-326 065
Current tax liability	-5 121	--	--	--	-5 121
Total	**-624 591**	**-990 296**	**-8 551**	**--**	**-1 623 438**

Major interest rate costs are either hedged by interest rate swaps or have fixed interest rate. In relation to unhedged loans increase/decrease in interest rates (EURIBOR, LIBOR and PRIBOR) by 1 percentage point would cause an increase/decrase of interest cost by EUR 4 044 thousand (2017: EUR 9 883 thousand, 2016: EUR 8 675 thousand).

Effect in thousands of Euro	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	+ profit/ - loss	+ profit/ - loss	+ increase/ - decrease	+ increase/ - decrease
31/12/2018				
Variable rate instruments	-9 091	9 091	--	--
Interest rate swaps	661	-661	4 386	-4 386
Cash flow sensitivity (net)	**-8 430**	**8 430**	**4 386**	**-4 386**
31/12/2017				
Variable rate instruments	-12 329	12 329	--	--
Interest rate swaps	411	-411	2 035	-2 035
Cash flow sensitivity (net)	**-11 918**	**11 918**	**2 035**	**-2 035**
31/12/2016				
Variable rate instruments	-10 714	10 714	**--**	**--**
Interest rate swaps	411	-411	1 628	-1 628
Cash flow sensitivity (net)	**-10 303**	**10 303**	**1 628**	**-1 628**

(e) Currency risk

The Group is exposed to significant risks arising from foreign currency transactions. These risks arise from sales or purchases in currencies other than the functional currency.

Companies in the Group continuously monitor currency risks and evaluate the potential impact of fluctuations in the currency exchange rates on the Group’s operations. Significant part of the foreign exchange exposure is hedged either by natural hedging, e.g. using financing in the same currency as the revenues generated and also incurring revenues and expenses in the same currency, or by using hedge accounting through FX forward and swap contracts.

The management also regularly monitors potential currency risks prior to the conclusion of significant contracts or business transactions.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

At 31 December 2018	EUR	CZK	USD	Other	Total
Long-term trade receivables and other current assets	82 343	3 980	--	--	86 323
Short-term financial assets	14 084	777	--	149	15 010
Short-term trade receivables and other current assets	188 390	13 530	3	4 921	206 844
Cash and cash equivalents	230 290	40 829	225	41 334	312 678
Total assets	**515 107**	**59 116**	**228**	**46 404**	**620 855**
Bank loans and other borrowings – non-current portion	-1 336 437	-253 927	--	-63 376	-1 653 740
Other long-term liabilities	-125 820	-1 653	-2 011	--	-129 484
Bank loans and other borrowings – current portion	-78 520	-23 945	--	-10 707	-113 172
Short-term trade and other payables	-299 551	-62 682	-3 099	-14 647	-379 979
Total liabilities	**-1 840 328**	**-342 207**	**-5 110**	**-88 730**	**-2 276 375**
Total	**-1 325 221**	**-283 091**	**-4 882**	**-42 326**	**-1 655 520**

At 31 December 2017	EUR	CZK	USD	Other	Total
Long-term trade receivables and other current assets	23 016	356	--	--	23 372
Short-term financial assets	297	8 611	--	--	8 908
Short-term trade receivables and other current assets	198 719	15 104	36	556	214 415
Cash and cash equivalents	315 188	94 652	84	364	410 288
Total assets	**537 220**	**118 723**	**120**	**920**	**656 983**
Bank loans and other borrowings – non-current portion	-1 161 357	-176 878	--	--	-1 338 235
Other long-term liabilities	-9 567	-352	-1 993	--	-11 912
Bank loans and other borrowings – current portion	-229 873	-31 556	--	--	-261 429
Short-term trade and other payables	-316 288	-53 159	-2 924	-45	-372 416
Total liabilities	**-1 717 085**	**-261 945**	**-4 917**	**-45**	**-1 983 992**
Total	**-1 179 865**	**-143 222**	**-4 797**	**875**	**-1 327 009**

At 31 December 2016	EUR	CZK	USD	Other	Total
Long-term trade receivables and other current assets	6 741	287	--	--	7 028
Short-term financial assets	18	13 588	--	--	13 606
Short-term trade receivables and other current assets	151 776	13 485	309	332	165 902
Cash and cash equivalents	329 774	31 454	4 761	10	365 999
Total assets	**488 309**	**58 814**	**5 070**	**342**	**552 535**
Bank loans and other borrowings – non-current portion	-794 512	-195 784	--	--	-990 296
Other long-term liabilities	-6 699	--	-1 852	--	-8 551
Bank loans and other borrowings – current portion	-206 039	-86 013	--	--	-292 052
Short-term trade and other payables	-281 498	-47 893	-2 837	-311	-332 539
Total liabilities	**-1 288 748**	**-329 690**	**-4 689**	**-311**	**-1 623 438**
Total	**-800 439**	**-270 876**	**381**	**31**	**-1 070 903**

A reasonably possible strengthening (weakening) of EUR, CZK and USD against all other currencies as at 31 December 2018 would have affected the measurement of financial instruments denominated in a foreign currency and affected the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss		**Equity, net of tax**	
Effect in thousands of Euro	10% Euro strengthening	10% Euro weakening	10% Euro strengthening	10% Euro weakening
	+ profit/ - loss	+ profit/ - loss	+ increase/ - decrease	+ increase/ - decrease
31/12/2018				
EUR	-12	12	--	--
CZK	-12 812	12 812	-22 519	22 519
USD	488	-488	--	--
31/12/2017				
EUR	-9	9	--	--
CZK	-15 163	15 163	-19 738	19 738
USD	490	-490	--	--
31/12/2016				
EUR	-18	18	--	--
CZK	-6 943	6 943	-16 061	16 061
USD	-38	38	--	--

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

(f) Capital management

The Group's aim is to maintain a strong capital base so as to maintain ultimate shareholder, creditor and market confidence and to sustain future development of own business.

Through capital management and debt-to-equity ratio optimisation, the Group aims to ensure the going concern principle prerequisites and to maximise the level of dividends to shareholders.

At the reporting date, the Group recorded the following debt-to-equity ratio:

	31/12/2018	31/12/2017	31/12/2016
Total Bank loans and other borrowings	1 766 912	1 599 664	1 282 348
Less: cash and cash equivalents and short-term financial assets	327 688	419 196	379 605
Net debt	**1 439 224**	**1 180 468**	**902 743**
Total equity	**1 773 082**	**1 652 134**	**1 752 368**
Debt to equity ratio	**0.812**	**0.715**	**0.515**

(g) Regulatory risk

The gaming sector is intensively regulated by state authorities. The authorities have the right to unilaterally alter the legislative and regulatory framework that governs the manner and modus operandi of the games that the Group offers.

The developments drive evolving regulatory challenges for the Group. Changes in the regulatory environment may have a substantial impact, through restricting betting activities or changing compliance costs and taxes. The Group consistently complies with regulatory standards, while understands and addresses changing regulatory requirements in an efficient and effective manner. Additionally, a potential failure on the Group's part to comply with the governing rules and the regulatory framework, as well as the enactment of new laws or/and further regulatory enforcement could have a negative impact on the Group's business activities.

Risk of additional charges for OPAP CYPRUS LTD

In October 2017, the Attorney General delivered to the Auditor General and following his request, an opinion by which OPAP CYPRUS LTD supposedly does not pay to the Republic of Cyprus the amounts due under the Bilateral Treaty by making a new interpretation of the Bilateral Treaty, totally different from the interpretation given by the Republic of Cyprus throughout the duration of the Bilateral Treaty since 2003. The General Accountant of the Republic of Cyprus, who is authorized under the Bilateral Treaty to audit the accounts of OPAP CYPRUS LTD, took a different position from the Attorney General supporting the way OPAP CYPRUS LTD calculated its contributions to Republic of Cyprus. No claim has been made to-date against OPAP CYPRUS LTD and OPAP S.A. is convinced, that the interpretation of the Attorney General is unfounded.

No official claim and/or calculation was ever submitted to OPAP CYPRUS LTD.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

(h) Financial instruments and fair values

Financial instruments – categories

The Group's financial assets comprise long-term and short-term loans and borrowings, trade receivables and other receivables, short-term financial assets, other non-current investments and investments accounted for using the equity method, long-term receivables from financial instruments, and cash and cash equivalents, which are all classified as loans and receivables.

Financial liabilities comprise interest-bearing loans and borrowings, bank loans and trade and other payables, derivatives (liabilities from financial instruments), and short-term tax liabilities.

The Group considers that all carrying amounts are a reasonable approximations of fair values.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

Fair values and carrying amounts of financial assets and liabilities	**Carrying amount**			**Fair value**		
	31/12/2018	**31/12/2017**	**31/12/2016**	**31/12/2018**	**31/12/2017**	**31/12/2016**
Assets						
Other non-current investments	2 201	918	1 701	2 201	918	1 701
Long-term trade receivables and other non-current assets	86 323	23 372	7 028	86 323	23 372	7 028
Short-term trade receivables and other current assets	206 556	213 522	134 488	206 556	213 522	134 488
Short-term financial assets	15 010	8 908	13 606	15 010	8 908	13 606
Cash and cash equivalents	312 678	410 288	365 999	312 678	410 288	365 999
Total	**622 768**	**657 008**	**522 822**	**622 768**	**657 008**	**522 822**
Liabilities						
Bank loans and other borrowings – non-current portion	-1 653 740	-1 338 235	-990 296	-1 653 740	-1 338 235	-990 296
Other long-term liabilities	-129 484	-11 912	-8 551	-129 484	-11 912	-8 551
Bank loans and other borrowings – current portion	-113 172	-261 429	-292 052	-113 172	-261 429	-292 052
Short-term trade and other payables	-363 298	-369 984	-326 065	-363 298	-369 984	-326 065
Short-term liabilities from financial instruments	-81	-284	-1 353	-81	-284	-1 353
Total	**-2 259 775**	**-1 981 844**	**-1 618 317**	**-2 259 775**	**-1 981 844**	**-1 618 317**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Fair value hierarchy

The Group uses the following hierarchy of valuation techniques to determine and disclose the fair value of financial instruments:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: other techniques based on inputs that have a material impact on the reported fair value and that are observable, either directly or indirectly
- Level 3: techniques based on inputs that have a material impact on the reported fair value and that are not based on observable market data

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

	Carrying amount at 31/12/18		Fair value at 31/12/18		
	Held-for-trading	Fair value – hedging instruments	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Interest rate swaps	12	60	--	72	--
Call option	6 702	--	--	6 702	--
Financial liabilities measured at fair value					
Interest rate swaps	-167	-2 574	--	-2 741	--
Currency swap	-565	--	--	-565	--
Currency forward	-81	--	--	-81	--

	Carrying amount at 31/12/17		Fair value at 31/12/17		
	Held-for-trading	Fair value – hedging instruments	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Interest rate swaps	2	3 305	--	3 307	--
Call option	8 800	--	--	8 800	--
Financial liabilities measured at fair value					
Interest rate swaps	-284	-214	--	-498	--

	Carrying amount at 31/12/16		Fair value at 31/12/16		
	Held-for-trading	Fair value – hedging instruments	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Interest rate swaps	--	346	--	346	--
Financial liabilities measured at fair value					
Interest rate swaps	--	-1 353	--	-1 353	--

Fair values as shown in the tables were obtained from financial institutions in which the interest rate swaps are contracted. The Group considers that the carrying amount of the purchase option is reasonable approximation of fair value and therefore not revaluated.

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

35. Operating segments

(a) Product segments

2018 FINANCIAL PRODUCT SEGMENTS	**Numerical Lotteries**	**Instant lotteries**	**Sports Betting**	**Digital games**	**VLTs & gaming machines**	**Total reportable segments**	**All other segments**	**Total**
Amounts Staked	2 839 214	415 178	1 985 057	47 236	214 815	**5 501 500**	--	**5 501 500**
Gross Gaming Revenue	1 023 211	146 211	471 417	31 616	213 251	**1 885 706**	--	**1 885 706**
Net gaming revenue	**704 596**	**105 580**	**316 524**	**25 695**	**150 653**	**1 303 048**	**--**	**1 303 048**
Revenue from sale of goods and services and other operating income	28	47	1 152	--	80	**1 307**	144 758	**146 065**
Agents´ commission	-226 014	-31 969	-98 842	-71	-50 135	**-407 031**	-4 687	**-411 718**
Operating expenses	-200 468	-35 643	-118 371	-3 963	-65 580	**-424 025**	-161 992	**-586 017**
Share on profit of equity method investees	86 982	-1 319	9 152	660	1 098	**96 573**	4 724	**101 297**
Operating EBITDA	**365 124**	**36 696**	**109 615**	**22 321**	**36 116**	**569 872**	**-17 197**	**552 675**
Depreciation and amortization	-32 403	-11 655	-16 033	-687	-33 993	**-94 771**	-6 593	**-101 364**
Impairment of intangible assets and goodwill	--	--	--	--	--	**0**	-17 541	**-17 541**
Profit/loss from operating activities	**332 721**	**25 041**	**93 582**	**21 634**	**2 123**	**475 101**	**-41 331**	**433 770**

2017 FINANCIAL PRODUCT SEGMENTS Restated*	**Numerical Lotteries**	**Instant lotteries**	**Sports Betting**	**Digital games**	**VLTs & gaming machines**	**Total reportable segments**	**All other segments**	**Total**
Amounts staked	2 902 891	393 289	1 599 739	13 687	57 549	**4 967 155**	--	**4 967 155**
Gross gaming revenue	1 038 413	139 607	425 133	3 325	57 549	**1 664 027**	--	**1 664 027**
Net gaming revenue	**711 390**	**100 600**	**278 741**	**2 575**	**40 285**	**1 133 591**	**--**	**1 133 591**
Revenue from sale of goods and services and other operating income	12	6	699	--	--	**717**	135 686	**136 403**
Agents´ commission	-238 802	-32 698	-106 296	--	-13 792	**-391 588**	-4 977	**-396 565**
Operating expenses	-210 379	-36 508	-110 025	-2 500	-18 440	**-377 852**	-142 169	**-520 021**
Share on profit of equity method investees	66 237	--	325	3 407	--	**69 969**	3 789	**73 758**
Operating EBITDA	**328 458**	**31 400**	**63 444**	**3 482**	**8 053**	**434 837**	**-7 671**	**427 166**
Depreciation and amortization	-22 828	-2 863	-29 315	-432	-33 744	**-89 182**	-6 118	**-95 300**
Profit/loss from operating activities	**305 630**	**28 537**	**34 129**	**3 050**	**-25 691**	**345 655**	**-13 789**	**331 866**

* The Group used post-acquisition accounting within 12 months period as allowed by IFRS to finalize purchase price allocation related to acquisition of NEUROSOFT S.A. For more details see 2 (i).

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

2016 FINANCIAL OPERATING SEGMENTS	Numerical Lotteries	Instant lotteries	Sports Betting	Digital games	Telecommunication services	Total reportable segments	All other segments	Total
Amounts staked	1 067 228	158 859	387 243	--	--	**1 613 330**	--	**1 613 330**
Gross gaming revenue	421 727	58 500	111 019	--	--	**591 246**	--	**591 246**
Net gaming revenue	**295 283**	**42 637**	**71 035**	**--**	**--**	**408 955**	**--**	**408 955**
Revenue from sale of goods and services and other operating income	--	--	--	--	31 936	**31 936**	14 011	**45 947**
Agents´ commission	-84 074	-12 888	-30 129	--	-3 188	**-130 279**	-596	**-130 875**
Operating expenses	-96 115	-16 103	-23 242	--	-30 494	**-165 954**	-24 874	**-190 828**
Share on profit of equity-accounted investees	10 650	--	83	1 746	--	12 479	3 411	**15 890**
Operating EBITDA	**125 744**	**13 646**	**17 747**	**1 746**	**-1 746**	**157 137**	**-8 048**	**149 089**
Depreciation and amortization	-8 354	-2 593	-3 586	--	-100	**-14 633**	-2 301	**-16 934**
Profit/loss from operating activities	**117 390**	**11 053**	**14 161**	**1 746**	**-1 846**	**142 504**	**-10 349**	**132 155**

(b) Entity wide information

As at 31 December 2018, the Group´s operations were in the Czech Republic, Greece, Cyprus, Austria, Italy, Croatia and Other. Other includes Russia, Slovakia, Vietnam, and overheads.

Entity wide information	Czech Republic	Greece	Cyprus	Austria	Italy	Croatia	Other	Total
Net gaming revenue	193 015	964 356	75 579	--	--	70 098	--	**1 303 048**
Share of profit of equity method investees	--	89	--	35 063	66 145	--	--	**101 297**
Operating EBITDA	**79 008**	**342 641**	**9 507**	**30 307**	**66 145**	**45 019**	**-19 952**	**552 675**
Segment Assets	549 384	2 143 652	327 685	330 309	301 538	102 938	577 089	**4 332 595**
Segment Liabilities	371 347	1 165 418	192 327	108 721	--	22 814	698 886	**2 559 513**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

In 2017 Group´s operations were in Czech Republic, Greece, Cyprus, Austria, Italy and Other. Other includes Russia, Slovakia, Vietnam and overheads.

Entity wide information Restated *	Czech Republic	Greece	Cyprus	Austria	Italy	Croatia	Other	Total
Net gaming revenue	160 655	903 165	69 771	--	--	**--**	--	**1 133 591**
Share of profit equity method investees	--	--	-267	16 225	57 800	**--**	--	**73 758**
Operating EBITDA	**59 738**	**291 436**	**13 136**	**14 585**	**57 800**	**--**	**-9 529**	**427 166**
Segment Assets	548 661	2 213 032	302 008	195 320	325 988	**--**	323 458	**3 908 467**
Segment Liabilities	348 203	1 227 204	205 584	83 148	--	**--**	392 194	**2 256 333**

* The Group used post-acquisition accounting within 12 months period as allowed by IFRS to finalize purchase price allocation related to acquisition of NEUROSOFT S.A.. For more details see 2 (i).

In 2016 Group´s operations were in Czech Republic, Greece, Cyprus, Austria, Italy and Other. Other includes overheads.

Entity wide information	Czech Republic	Greece	Cyprus	Austria	Italy	Other	Total
Net gaming revenue	144 620	251 859	12 476	--	--	--	**408 955**
Share of profit of equity-accounted investees	--	--	500	8 316	7 074	--	**15 890**
Operating EBITDA	**60 535**	**74 309**	**8 280**	**7 913**	**7 074**	**-9 022**	**149 089**
Segment Assets	518 154	2 203 157	314 551	140 775	202 074	263 649	**3 642 360**
Segment Liabilities	352 872	880 184	370 749	9	--	286 178	**1 889 992**

(c) Financial Statements of the most material subsidiaries

OPAP Statement of Profit or Loss and other Comprehensive Income

	OPAP GROUP		
(Amounts in thousands of euro except for per share amounts)	**01.01-31.12.2018**	**01.01-31.12.2017 Restated***	**01.01-31.12.2016**
Amounts wagered	4 390 861	4 422 902	4 229 974
Revenue (GGR)	**1 547 015**	**1 455 514**	**1 397 565**
GGR contribution and other levies and duties	-507 080	-482 578	-466 743
Net gaming revenue (NGR)	**1 039 935**	**972 936**	**930 822**
Agents' commission	-381 090	-369 924	-358 375
Other NGR related commission	-52 954	-38 270	-26 273
Other operating income	128 788	119 636	108 462
Other operating cost	-91 940	-91 731	-84 586
	642 738	**592 647**	**570 051**
Operating expenses	**-289 138**	**-286 192**	**-262 511**
Payroll expenses	-76 052	-63 781	-56 199
Marketing expenses	-65 839	-67 431	-65 921
Other operating expenses	-147 247	-154 980	-140 391
Profit before interest, tax, depreciation, amortization and impairment (EBITDA)	**353 600**	**306 455**	**307 540**
Depreciation, amortization and impairment	-114 308	-92 008	-58 286
Results from operating activities	**239 292**	**214 447**	**249 254**
Finance income	2 887	2 934	3 641
Finance costs	-26 368	-23 998	-16 928
Other finance income / (cost)	89	-267	950
Profit before tax	**215 900**	**193 115**	**236 916**
Income tax expense	-70 599	-61 578	-64 060
Profit for the period	**145 301**	**131 538**	**172,856**
Profit attributable to:			
Owners of the Company	143 312	126 151	170 236
Non-controlling interests	1 988	5 387	2 620
Profit after tax	**145 301**	**131 538**	**172 856**
Basic and diluted earnings (after tax) per share in €	**0.4511**	**0.3969**	**0.5344**

* The figures of fiscal year 2017 are the ones that resulted after the reform of the Financial Statements according to IFRS 3 regarding the finalization of the amount of goodwill arising from the acquisition of the subsidiary NEUROSOFT S.A.

	OPAP GROUP		
(Amounts in thousands of euro except for per share amounts)	**01.01-31.12.2018**	**01.01-31.12.2017 Restated***	**01.01-31.12.2016**
Profit for the period	**145 301**	**131 538**	**172 856**
Actuarial gains/(losses)	-101	255	-253
Related tax	25	-74	73
Total items that will not be reclassified to profit or loss	**-77**	**181**	**-179**
Loss from valuation of hedging derivatives	-1 057	-214	--
Attributable income tax	264	62	--
Total items that may be reclassified to profit or loss	**-793**	**-152**	**--**
Other comprehensive income net of tax	**-870**	**29**	**-179**
Total comprehensive income net of tax	**144 431**	**131 567**	**172 677**
Total comprehensive income attributable to:			
Owners of the Company	142 439	126 129	170 057
Non-controlling interests	1 992	5 438	2 620
Total comprehensive income net of tax	**144 431**	**131 567**	**172 677**

* The figures of fiscal year 2017 are the ones that resulted after the reform of the Financial Statements according to IFRS 3 regarding the finalization of the amount of goodwill arising from the acquisition of the subsidiary NEUROSOFT S.A.

OPAP Statement of Financial Position

	GROUP		
(Amounts in thousands of euro)	**31.12.2018**	**31.12.2017 Restated***	**31.12.2016**
Non - current assets			
Intangible assets	1 122 920	1 169 776	1 216 858
Property, plant & equipment	111 467	109 298	67 583
Investment property	903	922	940
Goodwill	34 275	51 775	14 183
Investments in subsidiaries	--	--	--
Investments in associates	50 089	--	12 175
Long – term receivables	2	2	13
Other non - current assets	47 151	22 553	6 384
Deferred tax asset	1 897	3 495	12 154
Total non - current assets	**1 368 704**	**1 357 822**	**1 330 291**
Current assets			
Cash and cash equivalents	191 454	246 102	273 523
Inventories	10 662	7 920	12 469
Trade receivables	137 417	127 829	80 634
Other current assets	41 686	58 532	70 757
Total current assets	**381 220**	**440 383**	**437 384**
Total Assets	**1 749 923**	**1 798 205**	**1 767 675**
Equity			
Share capital	95 700	95 700	95 700
Reserves	33 156	33 034	32 417
Treasury shares	-14 497	-9 039	-7 454
Retained earnings	608 395	595 016	914 614
Equity attributable to owners of the Company	**722 754**	**714 711**	**1 035 277**
Non-controlling interests	36 782	44 752	36 954
Total equity	**759 536**	**759 462**	**1 072 231**
Non-current liabilities			
Loans	650 260	513 098	263 000
Deferred tax liability	--	--	--
Employee benefit plans	4 807	3 084	1 507
Provisions	28 273	31 187	34 049
Other non-current liabilities	12 021	9 567	6 699
Total non-current liabilities	**695 361**	**556 936**	**305 254**
Current liabilities			
Loans	191	169 171	118 689
Trade payables	176 685	173 860	149 283
Tax liabilities	73 136	89 771	55 495
Other current liabilities	45 015	49 004	66 722
Total current liabilities	**295 026**	**481 807**	**390 189**
Total liabilities	**990 387**	**1 038 743**	**695 443**
TOTAL Equity & Liabilities	**1 749 923**	**1 798 205**	**1 767 675**

* The figures of fiscal year 2017 are the ones that resulted after the reform of the Financial Statements according to IFRS 3 regarding the finalization of the amount of goodwill arising from the acquisition of the subsidiary NEUROSOFT S.A.

SAZKA a.s. Statement of Profit or Loss and other Comprehensive Income

(Amounts in thousands of CZK)	For 2018	For 2017	For 2016
Amount staked	**15 279 219**	**12 699 408**	**11 632 018**
Statement of profit or loss and other comprehensive income is as follows:			
Gross gaming revenue	**6 442 455**	**5 420 945**	**5 181 991**
Lottery tax	-1 493 297	-1 260 082	-1 272 507
Net margin from lottery and betting activities	4 949 158	4 160 863	3 909 484
Revenue from goods and services	412 699	387 376	364 240
Other operating revenues	32 265	5 559	19 159
Partner fees	-785 384	-691 394	-695 520
Materials and consumables	-1 218 658	-1 053 177	-967 373
Marketing expenses	-598 022	-544 005	-384 436
Personnel expenses	-476 133	-372 326	-360 201
Other operating expenses	-286 892	-289 503	-252 990
Profit/loss from operating activities before interest, tax, depreciation and amortisation (EBITDA)	**2 029 033**	**1 603 393**	**1 632 363**
Depreciation and amortization	-93 056	-106 446	-59 682
Profit/loss from operating activities	**1 935 977**	**1 496 947**	**1 572 681**
Interest revenue	1 332	547	1 127
Interest expense	-319 558	-314 176	-346 381
Other profit (+)/loss (-) relating to financial activity	-512	177	7 670
Profit/loss from financial operations	**-318 738**	**-313 452**	**-337 584**
Profit/loss before tax	**1 617 239**	**1 183 495**	**1 235 097**
Income tax	-316 691	-211 182	-235 415
Profit/loss for the accounting period	**1 300 548**	**972 313**	**999 682**
Items that are or may be reclassified to profit or loss:			
Remeasurement of hedging derivatives	-106 367	109 414	-35 606
Deferred tax from remeasurement of hedging derivatives	20 209	-20 789	6 765
Other comprehensive income for the accounting period (after tax)	**-86 158**	**88 625**	**-28 841**
Comprehensive income for the accounting period	**1 214 390**	**1 060 938**	**970 841**

SAZKA a.s. Statement of Financial Position

(Amounts in thousands of CZK)	31/12/2018	31/12/2017	31/12/2016
ASSETS			
Intangible assets	2 228 452	2 196 876	2 168 137
Goodwill	9 636 122	9 636 122	9 636 122
Property, plant and equipment	723 162	717 910	669 058
Other non-current investments	19 656	19 656	42 199
Blocked accounts	55 000	--	--
Non-current trade receivables and other non-current assets	47 370	9 075	7 733
Total non-current assets	**12 709 762**	**12 579 639**	**12 523 249**
Inventories	6 510	11 969	11 094
Current trade receivables and other current assets	335 853	283 747	310 681
Current receivables from financial instruments	--	272 851	300 324
Cash and cash equivalents	966 615	735 903	770 869
Current income tax asset	--	22 574	--
Total current assets	**1 308 978**	**1 327 044**	**1 392 968**
Total assets	**14 018 740**	**13 906 683**	**13 916 217**
LIABILITIES AND EQUITY			
Equity			
Share capital	450 000	450 000	450 000
Capital contributions and other reserves	1 426 690	1 512 848	1 424 223
Retained earnings and profit/loss for the current period	2 619 241	3 086 557	2 553 488
Total equity	**4 495 931**	**5 049 405**	**4 427 711**
Liabilities			
Bank loans and other loans - non-current portion	6 532 266	4 517 471	5 290 094
Non-current payables from financial instruments	85 255	50 892	50 046
Deferred tax liability	285 541	309 657	245 874
Non-current provisions	87 839	65 879	43 920
Total non-current liabilities	**6 990 901**	**4 943 899**	**5 629 934**
Bank loans and other loans - current portion	627 684	2 287 364	2 324 587
Current trade and other payables	1 462 673	1 378 556	1 158 244
Current income tax liability	116 442	--	73 573
Short-term liabilities from financial instruments	--	--	36 564
Current provisions	325 109	247 459	265 604
Total current liabilities	**2 531 908**	**3 913 379**	**3 858 572**
Total liabilities	**9 522 809**	**8 857 278**	**9 488 506**
Total equity and liabilities	**14 018 740**	**13 906 683**	**13 916 217**

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36. Related parties

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

All the transactions disclosed below are related to the Group due to their relationships within KKCG AG group and Emma Gamma Limited group in the reported periods.

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

There were no material transactions with the shareholders of the Group (Note 1.5) neither in current year nor in prior year periods, except for dividends paid in the amount of EUR 40 338 thousand in 2018 (2017: EUR 0 thousand; 2016: EUR 0 thousand).

There were no material transactions with equity method investees (Note 6) neither in current year nor in prior year periods, except for dividends received in the amount of EUR 77 380 thousand in 2018 (2017: EUR 23 492 thousand; 2016: EUR 40 thousand) and distribution from other funds of equity method investee in the amount of EUR 32 796 thousand (2017: EUR 27 330 thousand; 2016: EUR 44 668 thousand).

(a) Outstanding related party balances as at 31 December 2018, 31 December 2017 and 31 December 2016:

The following table presents outstanding receivables and payables from related parties of the Group as at 31 December 2018 and 31 December 2017:

	31/12/2018	**31/12/2017**	**31/12/2016**
ASSETS			
Long-term trade receivables and other non-current assets	1 360	--	--
Short-term financial assets	1 061	*8 908	**13 606
Short term trade receivables and other current assets	250	312	2 428
LIABILITIES			
Bank loans and other borrowings - current portion	**--**	--	***55 038
Short-term trade and other payables	3 073	2 897	4 878

* The major items of receivables as at 31 December 2017 were receivables from KKCG Structured Finance AG amounting to EUR 8 908 thousand. In 2018 the loan receivable was repaid.

** The major items of receivables as at 31 December 2016 were receivables from KKCG Structured Finance AG amounting to EUR 13 606 thousand.

*** The major item of liabilities as at 31 December 2016 was a loan received from KKCG AG amounting to EUR 42 263 thousand.

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(b) Transactions with related parties for the year ended 31 December 2018, 31 December 2017 and 31 December 2016:

The following table presents transactions with related parties of the Group with effect in Consolidated statement of comprehensive income for the periods ended 31 December 2018 and 31 December 2017:

	2018	2017	2016
Other revenues	--	--	2 328
Revenue from sale of goods and services	300	697	--
Other operating income	39	46	32
Materials, consumables and services	7 350	4 817	7 410
Personnel expenses	21	7	
Other operating expenses	1 479	1 101	285
Finance cost	--	3 344	*7 135
Finance income	62	2	9

*Finance cost in 2016 represent mainly interest expenses from loans received from KKCG AG and KKCG Structured Finance AG which were repaid in 2017, described in detail in Note 14.

(c) Transactions with members of the Group's bodies for the period ended 31 December 2018, 31 December 2017 and 31 December 2016:

In 2018, the Group paid out bonuses to members of the Group entities' bodies amounting to EUR 895 thousand (2017: EUR 898 thousand; 2016: EUR 411 thousand).

Bonuses, remuneration and other personal expenses incurred in respect of members of the board of directors, supervisory board and executive management of the consolidated entities:

	2018		2017		2016	
	Board of directors and supervisory board	Executive management	Board of directors and supervisory board	Executive management	Board of directors and supervisory board	Executive management
Wages and salaries	--	10 042	--	13 548	--	6 978
Social and health insurance	107	666	52	2 526	--	1 006
Retirement benefit costs	--	1 152	--	--	--	--
Remuneration of members of statutory bodies	895	--	898	--	411	--
Total	**1 002**	**11 860**	**950**	**16 074**	**411**	**7 984**

On top of remuneration expenses, OPAP S.A. sub-group paid-out bonuses amounting to EUR 1 538 thousand directly from retained earnings.

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37. Subsequent events

Description of significant subsequent events that occurred after 31 December 2018:

1. KKCG AG and EMMA GAMMA LIMITED have agreed on the split of the assets in the Company. KKCG became the sole owner of the Company, including all its assets, except for the Croatian SuperSport business. Transaction closed on 11 July 2019 after regulatory approvals were granted.

   Following the transaction, the Company changed its members in the board of directors. As of 11 July 2019, Jiří Šmejc and Pavel Horák were replaced by Robert Chvátal. Jakub Sokol and Radka Blažková left the Supervisory board with Tomáš Porupka remaining as the sole member of the supervisory board.

2. Croatian Super Sport business (SAZKA Group Adriatic d.o.o. and all of its subsidiaries, including SUPER SPORT d.o.o., PUNI BROJ d.o.o., and Minus5 d.o.o.) were sold to EMMA GAMMA LIMITED with regulatory approvals being granted on 25 April 2019.

   Cash consideration for the sale of the Croatian SuperSport business was EUR 302 607 thousand.

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

   Summary financial information for SAZKA Group Adriatic d.o.o. subgroup as of 31 December 2018 and for the year then ended (for the period of 8 months since acquisition of SuperSport business on 26 April 2018):

	Sazka Group Adriatic sub-group
Non-current assets	350 026
Current assets	47 669
Non-current liabilities	-324 058
Current liabilities	-28 127
Sub-group's non-controlling interest	26 514
Net assets attributable to the Group	**18 986**
Net gaming revenue*	70 099
Profit	28 738
Other comprehensive income	2 533
Total comprehensive income	31 271
Profit allocated to non-controlling interest	**12 256**
OCI allocated to non-controlling interest	**32**
Total comprehensive income attributable to non-controlling interest	**12 288**
Summarized cash flow information for the year	
Net cash from operating activities	36 991
Cash flows used in investing activities	-201 934
Net cash from financing activities	207 273
Net inflow / outflow (-) of cash and cash equivalents for the year	**42 330**

Consolidated financial statements for the year ended 31 December 2018 (in thousands of Euro)

Breakdown of NGR to operating segments:

FINANCIAL PRODUCT SEGMENTS	**Sports Betting**	**Digital games**	**VLTs & gaming machines**	**Total**
Net gaming revenue	45 614	19 892	4 592	70 099

3. The Company provided Financial Assistance on 2 May 2019 in the form of a loan in the amount of EUR 420 000 thousand to parent company KKCG AG. On 30 July 2019 the Company distributed its other capital fund in the amount of CZK 10 778 327 thousand (in EUR equivalent using FX as of 30 July 2019 EUR 420 208 thousand), this liability was offset against receivable arising from the loan provided as Financial assistance.

4. The Group, through EMMA DELTA HELLENIC HOLDINGS LIMITED, signed a new loan agreement on 14 January 2019 with J.P. MORGAN SECURITIES PLC as Arranger. The new loan in the amount of EUR 250 000 thousand refinanced the previous loan with an outstanding balance of EUR 145 000 thousand.

5. Osterreichische Lotterien GmbH paid a dividend on 21 March 2019 for the financial year 2018 in the amount of EUR 120 000 thousand. The group had an effective share of 11.55% in Osterreichische Lotterien GmbH through companiess CLS beteiligungs GmbH and LTB Beteiligungs GmbH (excluding stake held in Osterreichische Lotterien GmbH through Casinos Austria AG) at the time of this dividend.

6. Casinos Austria AG paid a dividend on 26 March 2019 for the financial year 2018 in the amount of EUR 15 000 thousand. The group received its share in the amount of EUR 5 743 thousand through Medial Beteiligungs GmbH.

7. LOTOITALIA S.r.l. paid a dividend on 2 April 2019 for the financial year 2018 and made a distribution to shareholders via a decrease to its share premium on 2 April 2019 and 24 April 2019. The group received its share of these proceeds in the total amount of EUR 98 793 thousand through Italian Gaming Holding a.s.

8. OPAP INVESTMENT LTD, on 3 January 2019, following the conclusion of its due diligence exercise, agreed to acquire a 51% stake of Stoiximan Group’s Greek and Cypriot operations under GML Interactive Ltd, a 100% subsidiary of TCB Holdings Ltd (“TCB”), for a total consideration of EUR 94 860 thousand, plus net cash as of the closing date.

   The conclusion of this transaction will give OPAP joint control together with two shareholders of TCB in Stoiximan Group’s Greek and Cypriot operations and is subject to clearance by the competent gaming regulatory and anti-trust authorities.

9. OPAP S.A. on 22 January 2019 fully repaid a long term loan of EUR 6 041 thousand in the subsidiary OPAP INVESTMENT.

10. The Group announced on 8 July 2019 the submission of a voluntary tender offer (the “VTO”) to all holders of shares in OPAP S.A., for the acquisition of all of their shares. The tender offer Price is €9.12 per share and the aggregate consideration for VTO, assuming all shareholders (except for the shares held by the Group) accept the VTO, is estimated to be approximately €2.06 billion.

11. OPAP S.A. paid a dividend per OPAP share of €0.60 on 15 July 2019 to shareholders of record on 26 June 2019, providing shareholders the option of receiving cash or OPAP S.A. shares via new scrip program. The Group elected to receive cash. As a result of the scrip program, shareholding in OPAP was diluted to 32.73% (with effective ownership of 24.71%).

12. EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD paid a dividend in the amout of EUR 25 000 thousand on 9 August 2019 (amount paid to non-controlling interest was EUR 6 130 thousand).

13. The Group, through Rubidium Holding limited increased its shareholding in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD by 3.6% on 24 May 2019. The Group currently owns 75.46% of investors shares in EMMA DELTA VARIABLE CAPITAL INVESTMENT COMPANY LTD.

Except for the above, no other subsequent events that would have a material impact on the consolidated financial statements as at 31 December 2018 occured.

Date:	Signature of the authorised representative:	
20 August 2019	Pavel Šaroch Member of the Board of Directors	Robert Chvátal Member of the Board of Directors