

Allwyn Financing Czech Republic 2 a.s.

Financial Report  
For The Six Months Ended 30 June 2023

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## Allwyn Financing Czech Republic 2 a.s.

### GENERAL INFORMATION ABOUT THE COMPANY

Company name:	Allwyn Financing Czech Republic 2 a.s. [formerly SAZKA Group Financing (Czech Republic) 2, a.s.]
Registered office:	Evropská 866/71, Praha 6 – Vokovice, 160 00, Czech Republic
Registered number:	097 71 522
VAT registration number:	N/A
LEI (Legal Entity Identifier):	3157007PIKBBYIDV4842
Register:	Commercial Register administered by the Municipal Court in Prague, File number B 25942
Date of Establishment:	10 December 2020
Date of Incorporation:	22 December 2020
Legal form:	joint-stock company
Web:	<a href="https://www.allwynentertainment.com/">https://www.allwynentertainment.com/</a>
Investor's Hub:	<a href="https://www.allwynentertainment.com/investors/sazka-group-debt-investor-hub">https://www.allwynentertainment.com/investors/sazka-group-debt-investor-hub</a>

### DESCRIPTION OF COMPANY'S LINE OF BUSINESS

Pursuant to Article 3 of the Articles of Association, Allwyn Financing Czech Republic 2 a.s. (the "Company") was established to hold shares and interests in domestic and foreign companies, enterprises and other entities operating in various fields, including gaming and lotteries. The Company was also established to carry on the business of renting real estate. The Company did not conduct any business in 2021 and 2022.

The Company is a special purpose financing company (SPV) of the parent Group (as defined below) held by Allwyn International a.s. which is the guarantor of the Czech bonds SAZKA SG 5.20/24 (ISIN: CZ0003522930) ("Czech Bonds") which have been transferred (the debt arising from them) from Allwyn International a.s. to the Company on 24 March 2023. Therefore, the Company became the issuer of Czech bonds on 24 March 2023 instead of Allwyn International.

## **GENERAL INFORMATION ABOUT THE PARENT COMPANY AND THE GROUP**

Company's ability to repay the bonds in the future depends on the solvency of the parent company Group, which is inherently linked to parent Group's financial and operating performance. This part of the financial report therefore contains basic information about the Group, including information about the main operating companies, their businesses and a selection of the Group's consolidated financial information.

Allwyn International a.s. ("Allwyn International" and, together with its subsidiaries, the "Group"), a joint stock company, was incorporated 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 Evropská 866/71, 160 00 Prague 6, Czech Republic and its Identification Number is 242 87 814. Allwyn International's domicile is the Czech Republic.

Allwyn International carries out management, strategic business development and financing activities for the Group and holds interests in Group companies. A significant part of the business of the Group and its business strategy is realised through its participation in its joint ventures and associates.

Allwyn International is wholly owned and directly controlled by Allwyn AG, a company organized and existing under the laws of Switzerland, having its registered office at Weinmarkt 9, 6004 Lucerne, Switzerland, registered number CHE-366.705.452.

Neither the Company, Allwyn International nor Allwyn AG are licensed to conduct business in the gaming and lottery market on their own.

Allwyn AG is a part of KKCG group under KKCG AG, a company established and existing under the laws of Switzerland, having its registered office at Kapelgasse 21, 6004 Lucerne, Switzerland, registration number CHE-326.367.231. On 9 June 2023, KKCG AG reacquired a 12.35% stake in Allwyn AG from Primrose Holdings S. à r.l. and became a sole shareholder of Allwyn AG.

KKCG AG is wholly owned by KKCG Holding AG, a company organized and existing under the laws of Switzerland and having its registered office in Switzerland. The sole shareholder of KKCG Holding AG is Valea Holding AG, a company organized and existing under the laws of Liechtenstein and having its registered office in Liechtenstein. The sole shareholder of Valea Holding AG is Valea Foundation, existing under the laws of Liechtenstein. Valea Foundation per se is not controlled by any other person, nor does any other person hold shares in it. The designated sole beneficiary of Valea Foundation is Mr. Karel Komárek.

The following persons are registered in Czech register of beneficial owners in relation to the Company:

Mr. Karel Komárek, born in March 1969, the nature of the beneficial owner's position: indirect beneficial owner; beneficial owner pursuant to Section 4 of Act No. 37/2021 Coll. Details of the facts establishing beneficial ownership: decisive influence in relation to the corporation(s) with direct shareholding, size of shareholding: 100%; and

Mr. Igor Rusek, born July 1959, the nature of the beneficial owner's position: indirect beneficial owner; beneficial owner pursuant to Section 4 of Act No. 37/2021 Coll., details of the facts constituting beneficial ownership: decisive influence over corporation(s) with direct shareholding, size of shareholding: 100%.

## PRINCIPAL ACTIVITY OF THE GROUP

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

In addition to lottery and other gaming activities, the Group also engages in certain non-lottery business activities through its points of sale and terminals (e.g. telecommunication and payment services).

## COMPOSITION OF THE GROUP

The Group comprises several major operating entities and subgroups, as well as a number of entities whose contribution to the consolidation is negligible.

The following table presents Allwyn International's effective ownership interest in major operating components of the Group as of 30 June 2023 and 31 December 2022.

				Economic interest	
	Note	Country of incorporation		30/6/2023	31/12/2022
<b>Major operating entities:</b>					
Allwyn Entertainment Ltd ("Allwyn UK")	(a)	United Kingdom	subsidiary	100.00%	100.00%
Allwyn North America Inc. (formerly "Global Lottery Services (North America) Inc.")	(b)	United States	subsidiary	100.00%	--
Casinos Austria AG ("CASAG") subgroup	(c)	Austria	subsidiary	59.70%	59.70%
including Österreichische Lotterien GmbH ("Austrian Lotteries") subgroup	(d)	Austria	subsidiary	53.52%	53.52%
Camelot Global Lottery Solutions Limited	(b)	United Kingdom	subsidiary	100.00%	--
Camelot UK Lotteries Limited ("Camelot UK")	(e)	United Kingdom	subsidiary	100.00%	--
OPAP S.A. ("OPAP") subgroup <sup>(1)</sup>	(f)	Greece and Cyprus	subsidiary	50.18%	49.84%
including Stoiximan Ltd ("Stoiximan")	(g)	Malta	subsidiary	42.39%	42.11%
SAZKA a.s. ("SAZKA")	(h)	Czech Republic	subsidiary	100.00%	100.00%
LottoItalia S.r.l. ("LottoItalia")	(i)	Italy	associate	32.50%	32.50%
Kaizen Gaming Limited ("Kaizen")	(j)	Malta	associate	36.75%	36.75%

(1) Interest is not adjusted for OPAP's treasury shares. Excluding OPAP's treasury shares from the share count, this represents an economic interest of 50.43% as of 30 June 2023.

(a) Allwyn Entertainment Ltd ("Allwyn UK") is the future operator of the UK National Lottery for the 10 years beginning February 2024.

- (b) Allwyn North America Inc. and Camelot Global Lottery Solution Ltd are together referred to as "Allwyn LS Group" (formerly "Camelot LS Group"). The Allwyn LS Group operates the Illinois Lottery under a private management agreement through its operating company, Allwyn Illinois LLC (formerly "Camelot Illinois LLC"), and partners with the Arkansas Scholarship Lottery to enhance its lottery operations. Furthermore, the group includes a technology arm that provides products and services to lotteries and their players throughout Europe and North America.
- (c) Casinos Austria AG ("CASAG") subgroup is the exclusive operator of lotteries, onshore online gaming and land-based casinos in Austria. Its subsidiaries also operate casinos outside Austria.
- (d) Österreichische Lotterien GmbH ("Austrian Lotteries") subgroup holds exclusive licences to provide draw-based lottery games, instant lotteries, onshore online gaming, football pools and VLT<sup>1</sup>s in Austria.
- (e) Camelot UK Lotteries Limited ("Camelot UK") is the current operator of UK National Lottery ("UKNL") until the end of its licence in January 2024.
- (f) OPAP S.A. ("OPAP") subgroup is the exclusive operator of numerical lotteries, instant lotteries, land-based sports betting, VLTs and horse racing in Greece and also operates in Cyprus.
- (g) Stoiximan Ltd ("Stoiximan") operates an online gaming business in Greece and Cyprus.
- (h) SAZKA a.s. ("SAZKA") is the market leader in the Czech Republic for numerical lotteries and instant lotteries.
- (i) LottoItalia S.r.l. ("LottoItalia") is the exclusive operator of fixed odds numerical lotteries in Italy.
- (j) Kaizen Gaming Limited ("Kaizen") operates online sports betting and iGaming in multiple countries under the "Betano" brand.

## **ACCESS TO INFORMATION ABOUT THE GROUP**

Allwyn International issues and publicly presents its annual and quarterly consolidated financial statements including management discussion and analysis of the results on <https://www.allwynentertainment.com/investors/sazka-group-debt-investor-hub>.

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<sup>1</sup> Video lottery terminals.

## Non-Audited Financial Statements

### Condensed Balance Sheet

Company name: Allwyn Financing Czech Republic 2 a.s.  
Identification number: 09771522  
Legal form: Joint stock company  
Primary business: bond issuer and lender  
Balance sheet date: 30 June 2023  
Date of preparation of the financial statements: 21 September 2023

## BALANCE SHEET

(in thousand Czech crowns)

Ref.	ASSETS	Row	30.06.2023			31.12.2022
a	b	c	Gross 1	Provision 2	Net 3	Net 4
	<b>TOTAL ASSETS</b>	<b>001</b>	<b>2,980,844</b>	<b>-</b>	<b>2,980,844</b>	<b>1,959</b>
<b>B.</b>	<b>Fixed assets</b>	<b>003</b>	<b>2,978,913</b>	<b>-</b>	<b>2,978,913</b>	<b>-</b>
<b>B. III.</b>	<b>Financial assets</b>	<b>027</b>	<b>2,978,913</b>	<b>-</b>	<b>2,978,913</b>	<b>-</b>
B. III. 2	Loans and borrowings - subsidiary or parent company	029	<b>2,978,913</b>	<b>-</b>	<b>2,978,913</b>	<b>-</b>
<b>C.</b>	<b>Current assets</b>	<b>037</b>	<b>1,931</b>	<b>-</b>	<b>1,931</b>	<b>1,959</b>
<b>C. II.</b>	<b>Receivables</b>	<b>046</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>10</b>
<b>C. II. 1.</b>	<b>Long-term receivables</b>	<b>047</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>10</b>
C. II. 1. 4.	Deferred tax asset	051	10	-	10	10
<b>C. IV.</b>	<b>Cash</b>	<b>075</b>	<b>1,921</b>	<b>-</b>	<b>1,921</b>	<b>1,949</b>
C. IV. 2.	Cash at bank	077	1,921	-	1,921	1,949

Ref.	LIABILITIES AND EQUITY	Row	30.06.2023	31.12.2022
a	b	c	5	6
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>082</b>	<b>2,980,844</b>	<b>1,959</b>
<b>A.</b>	<b>Equity</b>	<b>083</b>	<b>3,161</b>	<b>1,950</b>
<b>A. I.</b>	<b>Share capital</b>	<b>084</b>	<b>2,000</b>	<b>2,000</b>
A. I. 1	Share capital	085	2,000	2,000
<b>A. IV.</b>	<b>Retained earnings / Accumulated losses</b>	<b>099</b>	<b>(50)</b>	<b>(6)</b>
A. IV. 1	Retained earnings or (accumulated losses)	100	(50)	(6)
<b>A. V.</b>	<b>Profit / (loss) for the current period</b>	<b>102</b>	<b>1,211</b>	<b>(44)</b>
<b>B. + C.</b>	<b>Liabilities</b>	<b>104</b>	<b>2,977,683</b>	<b>9</b>
<b>B.</b>	<b>Provisions</b>	<b>105</b>	<b>22</b>	<b>-</b>
B. 2.	Provision for income tax	107	22	-
<b>C.</b>	<b>Payables</b>	<b>110</b>	<b>2,977,661</b>	<b>9</b>
<b>C. I. 1</b>	<b>Bonds issued</b>	<b>112</b>	<b>2,936,090</b>	<b>-</b>
C. I. 1 .2	Other bonds	114	2,936,090	-
<b>C. II.</b>	<b>Short-term payables</b>	<b>126</b>	<b>41,571</b>	<b>9</b>
<b>C. II. 1</b>	<b>Bonds issued</b>	<b>127</b>	<b>41,562</b>	<b>-</b>
C. II. 1 .2	Other bonds	129	41,562	-
<b>C. II. 4</b>	<b>Trade payables</b>	<b>132</b>	<b>9</b>	<b>9</b>



## Condensed Profit and Loss Statement

Company name: Allwyn Financing Czech Republic 2 a.s.  
Identification number: 09771522  
Legal form: Joint stock company  
Primary business: bond issuer and lender  
Balance sheet date: 30 June 2023  
Date of preparation of the financial statements: 21 September 2023

### INCOME STATEMENT

(in thousand Czech crowns)

Ref. a	TEXT b	Row c	Accounting period	
			30.06.2023	30.06.2022
			1	2
<b>A.</b>	<b>Cost of sales</b>	<b>03</b>	<b>19</b>	<b>4</b>
A. 3.	Services	06	19	4
<b>F.</b>	<b>Operating expenses - other</b>	<b>24</b>	<b>2</b>	-
F. 3.	Taxes and charges	27	-	-
F. 5.	Other operating expenses	29	2	-
<b>*</b>	<b>Operating result</b>	<b>30</b>	<b>(21)</b>	<b>(4)</b>
<b>VI.</b>	<b>Interest income and similar income</b>	<b>39</b>	<b>(42,823)</b>	-
VI. 1.	Interest income and similar income - subsidiaries or parent company	40	(42,823)	-
<b>J.</b>	<b>Interest expense and similar expenses</b>	<b>43</b>	<b>41,562</b>	-
J. 2.	Other interest expense and similar expenses	45	41,562	-
<b>K.</b>	<b>Other financial expenses</b>	<b>47</b>	<b>6</b>	-
<b>*</b>	<b>Financial result</b>	<b>48</b>	<b>1,255</b>	-
<b>**</b>	<b>Net profit / (loss) before tax</b>	<b>49</b>	<b>1,234</b>	<b>(4)</b>
L.	Income tax	50	23	-
L. 2.	Deferred income tax (+/-)	52	-	-
<b>**</b>	<b>Net profit / (loss) after tax</b>	<b>53</b>	<b>1,211</b>	<b>(4)</b>
<b>***</b>	<b>Net profit / (loss) for the financial period</b>	<b>55</b>	<b>1,211</b>	<b>(4)</b>
<b>*</b>	<b>Net turnover for the financial period</b>	<b>56</b>	<b>(42,823)</b>	-

## Explanatory Notes to the Financial Statements

### 1. GENERAL INFORMATION ABOUT THE COMPANY

#### Introductory information about the Company

Allwyn Financing Czech Republic 2 a.s. (formerly SAZKA Group Financing (Czech Republic) 2, a.s.) ("the Company") was incorporated on 22 December 2020 by the Municipal Court in Prague, Section B, Insert 25942 and has its registered office at Evropská 866/71, Vokovice, 160 00 Praha 6.

In 2022 the Company have not performed any economic activity.

### 2. ACCOUNTING POLICIES

#### Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic relevant for large sized companies (this designation is automatic after company became a Public Interest Entity on 24 March 2023) and have been prepared under the historical cost convention.

### 3. LOANS PROVIDED

The Company has a loan receivable from Allwyn International a.s., arising from an assignment of CZK bond issued (see Note 5 below) to the Company, with the principal amount of CZK 2,936,090 thousand, repayable in September 2024, with a fixed interest rate. Accrued unpaid interest as of 30 June 2023 was CZK 42,823 thousand.

### 4. EQUITY

Share capital of the Company consist of 20 fully paid ordinary shares at par value CZK 100 thousand each. All shares have same rights and no restrictions. The Company is fully owned by Allwyn International a.s., incorporated in the Czech Republic.

Allwyn International a.s. with its registered office at Evropská 866/71, Vokovice, 160 00 Praha 6 prepares the consolidated financial statements of the smallest group of entities of which the Company forms a part as a subsidiary. These consolidated financial statements are publicly available on <https://www.allwynentertainment.com/investors/>.

KKCG AG with its registered office at Kapellgasse 21, 6004 Luzern, Switzerland, prepares the consolidated financial statements of the largest group of entities of which the Company forms a part as a subsidiary.

The sole shareholder approved the financial statements for 2021 and decided about the loss incurred in 2021 of CZK 6 thousand on 30 June 2022.

Up to the date of preparation of these financial statements, the Company has not proposed allocation of the loss incurred in 2022.

## Explanatory Notes to the Financial Statements Continued

### 5. BONDS ISSUED

In January 2023, the holders of these bonds approved their transfer from Allwyn International a.s. to Allwyn Financing Czech Republic 2 a.s. at a bondholders' meeting. Bondholders who either voted against the transfer or abstained were given an early repayment option, which was exercised by 51.1% of the total bondholders; during February and March, the Allwyn International a.s. repaid CZK 3,063,910 thousand.

On 24 March 2023, Allwyn International a.s. transferred the remaining bonds (CZK 2,936,090 thousand) to Allwyn Financing Czech Republic 2 a.s. Accrued unpaid interest as of 30 June 2023 was CZK 41,562 thousand.

### 6. PAYABLES, COMMITMENTS AND CONTINGENT LIABILITIES

Trade and other payables have not been secured against any assets of the Company and are not due after more than 5 years.

On 9 November 2021 the Company entered into an Agreement to establish the registered office of the Company ("Smlouva o zřízení sídla"). The monthly fee is CZK 2,500 excluding VAT, the agreement is concluded for an indefinite period and the notice period is 3 months.

The Company does not have any liabilities or commitments that are not recognised in the balance sheet.

The management of the Company is not aware of any contingent liabilities as at 30 June 2023.

### 7. RELATED PARTY TRANSACTIONS

In parts of year 2023 and 2022, the Company incurred costs and liabilities in connection with parent entity relating to loan provided.

<b>(CZK'000)</b>	<b>2023</b>	<b>2022</b>
Other loans and borrowings	2,978,913	-
<b>Total</b>	<b>2,978,913</b>	<b>-</b>

<b>(CZK'000)</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
Interest income and similar income - subsidiaries or parent company	(42,823)	-
<b>Total</b>	<b>(42,823)</b>	<b>-</b>

### 8. INCOME TAX

The income tax expense analysis:

<b>(CZK'000)</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
Current tax expense (19%)	23	-
Deferred tax expense (+) / income (-)	-	-
<b>Total income tax expense</b>	<b>23</b>	<b>-</b>

The deferred tax analysis:

<b>(CZK'000)</b>	<b>30.6.2023</b>	<b>31.12.2022</b>
<b>Deferred tax asset arising from</b>		
Tax losses carried forward	10	10
<b>Net deferred tax asset</b>	<b>10</b>	<b>10</b>

The Company have accumulated tax losses of CZK 50 thousand, of which CZK 6 thousand can be utilised up to 2026 and CZK 44 thousand which can be utilised up to 2027.

## **9. SUBSEQUENT EVENTS**

On 21 September 2023, the Company has received interest of CZK 78,141 thousand from the loan provided to Allwyn International a.s.

On 25 September 2023, the Company has paid coupon of CZK 76,338 thousand to its bondholders from issued CZK bonds (SAZKA GR. 5,20/24).

## Description of Significant Events During the Six Months Ended 30 June 2023

This part of this financial report contains a description of significant events that occurred in the first 6 months of the financial year and their impact on the condensed set of financial statements.

### **FINANCIAL PERFORMANCE OF THE COMPANY AND SIGNIFICANT EVENTS DURING THE SIX MONTHS ENDED 30 JUNE 2023**

In January 2023, the bondholders of Czech Bonds approved the transfer of debt arising from the issue of the bonds from the Allwyn International to the Company at a bondholders' meeting. Bondholders who either voted against the transfer or abstained were eligible to exercise an early repayment option, which was exercised by 51.1% of the total bondholders, representing a nominal value of CZK 3.1 billion (equivalent of €130.4 million).

The Company, as a special purpose vehicle, became an issuer of the Czech Bonds instead of Allwyn International on 24 March 2023. Simultaneously, Allwyn International became a guarantor of Company's obligations arising from Czech bonds.

Being the issuer of Czech bonds and a lender are currently the only roles of the Company in the Group. Only transactions and significant events in the period other than the bond transfer itself are therefore limited to accruing interest on the bonds and on the corresponding intragroup loan receivable.

### **FINANCIAL PERFORMANCE OF ALLWYN INTERNATIONAL AND THE GROUP, SIGNIFICANT TRANSACTIONS, DEVELOPMENTS AND SIGNIFICANT EVENTS DURING THE SIX MONTHS ENDED 30 JUNE 2023**

Company's ability to repay the bonds in the future depends on the solvency of the parent company Group, which is inherently linked to parent Group's financial and operating performance. This part of the financial report is therefore dedicated to the financial performance of Allwyn International and the Group and significant events that occurred in the first 6 months of the financial year and their impact. Please note that Allwyn International issued and published its financial report for the six months ended 30 June 2023 on 14 September 2023. It is available on following website link: <https://www.allwynentertainment.com/investors/sazka-group-debt-investor-hub/financial-reports>.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

	Six months ended 30 June:	
Selected information from the consolidated statement of comprehensive income and key non-IFRS metrics monitored by the management	2023	2022
Revenue from gaming activities ("GGR")	3,549.0	1,786.0
Revenue from non-gaming activities	144.3	81.1
<b>Total Revenue</b>	<b>3,693.3</b>	<b>1,867.1</b>
<b>Net Revenue*</b>	<b>1,717.9</b>	<b>1,181.4</b>
<b>Operating EBITDA*</b>	<b>686.6</b>	<b>543.7</b>
<b>Adjusted EBITDA*</b>	<b>727.7</b>	<b>552.9</b>
<b>Profit from operating activities</b>	<b>570.7</b>	<b>404.3</b>
<b>Finance costs, net</b>	<b>(102.1)</b>	<b>(84.3)</b>
<b>Profit before tax</b>	<b>468.6</b>	<b>320.0</b>
<b>Profit after tax</b>	<b>358.6</b>	<b>248.0</b>
Attributable to:		
- Owners of the Company	207.0	125.9
- Non-controlling interests	151.6	122.1

\*Net Revenue, Operating EBITDA and Adjusted EBITDA are non-IFRS metrics monitored by the management.

Selected information from the Consolidated statement of financial position	30/6/2023	31/12/2022
<b>ASSETS</b>		
Total non-current assets	5,212.9	4,577.9
Total current assets	2,597.9	1,647.2
<b>Total assets</b>	<b>7,810.8</b>	<b>6,225.1</b>
<b>LIABILITIES</b>		
Total non-current liabilities	4,727.5	3,259.0
Total current liabilities	2,126.0	1,506.1
<b>Total liabilities</b>	<b>6,853.5</b>	<b>4,765.1</b>
<b>EQUITY</b>		
<b>Total equity attributable to owners</b>	<b>(168.6)</b>	<b>251.2</b>
Non-controlling interest	1,125.9	1,208.8
<b>Total equity</b>	<b>957.3</b>	<b>1,460.0</b>

Consolidated Net Debt	30/6/2023	31/12/2022
Cash and cash equivalents	1,555.6	1,208.3
External loans and borrowings	4,092.4	2,903.4
<b>Net debt</b>	<b>2,536.8</b>	<b>1,695.1</b>
Lease liabilities	162.0	130.4
<b>Net debt + leases</b>	<b>2,698.8</b>	<b>1,825.5</b>

Selected information from the consolidated statement of Cash Flows	Six months ended 30 June:	
	2023	2022
Cash generated from (+) / used in (-) operations	469.4	479.3
Net cash generated from (+) / used in (-) operating activities	307.6	382.8
Net cash generated from (+) / used in (-) investing activities	(236.6)	(135.9)
Net cash generated from (+) / used in (-) financing activities	278.7	(339.5)
<b>Net decrease (-) / increase (+) in cash and cash equivalents</b>	<b>349.7</b>	<b>(92.6)</b>

## H1 2023 FINANCIAL PERFORMANCE OF THE GROUP

For the six months ended 30 June 2023, consolidated Total Revenue increased by 98% year-on-year to €3,693.3 million. This reflected organic growth across all our existing markets and product lines, in addition to the contribution from Camelot UK and Allwyn LS Group, the acquisitions of which were completed during the period.

The business models of the recent acquisitions differ from those of our existing markets; hence, consolidated metrics and margins of this year's quarters are not directly comparable to prior periods.

Excluding the effect of the Camelot Acquisitions (i.e., on a comparable basis), consolidated Total Revenue increased by 12% to €2,086.5 million, driven by strong growth in digital channels and our focus on the customer proposition in physical retail, supported by ongoing product and technology innovation, and consolidated Adjusted EBITDA increased by 18% to €649.8 million.

We note that general consumer sentiment has been impacted by inflationary pressures. However, our business saw only a limited impact, with revenues remaining resilient due to the low price point of our products and low average spend per customer, as well as our large number of regular players.

Our profitability was also supported by the fact that a significant portion of our costs is directly linked to revenues and the low proportion of energy in our cost base.

## **H1 2023 KEY STRATEGIC DEVELOPMENTS**

### **Camelot UK and Allwyn LS Group acquisitions**

In February, the Group acquired and started to consolidate Camelot UK Lotteries Limited ("Camelot UK"), the current operator of the UK National Lottery. Camelot UK is reported as the "United Kingdom" operating segment.

In March, the Group acquired and started to consolidate Allwyn LS Group (formerly referred to as "Camelot LS Group"). Allwyn LS Group operates the Illinois Lottery under a private management agreement through its operating company, Allwyn Illinois LLC (formerly Camelot Illinois LLC), partners with the Arkansas Scholarship Lottery to enhance its lottery operations, and includes a technology arm that provides products and services to lotteries and their players in Europe and North America.

These acquisitions, together referred to as the "Camelot Acquisitions", have a significant impact on the majority of line items in the Group's consolidated P&L and consequently on the comparability of the financial information with the comparative period.

### **OPAP**

In June 2023, Allwyn International a.s. increased its direct shareholding in OPAP by 0.34% through participation in OPAP'S scrip dividend programme.

As a result of this transaction, the Group's effective interest in OPAP (without adjustment for its treasury shares) increased from 49.84% to 50.18%. Excluding OPAP's treasury shares from the share count, this represents an economic interest of 50.43%.

### **Distributions to parent**

In June 2023, Allwyn International a.s. distributed a €600.0 million dividend and provided a €51.5 million loan to its parent company Allwyn AG for the purposes of repaying in full the preferred shares issued by Allwyn AG and held by funds advised by Apollo Global Management Inc.

Allwyn International a.s. provided an additional €200 million loan to Allwyn AG for further distribution to its shareholder.

## **ALLWYN FINANCING ARRANGEMENTS IN H1 2023**

### **Partial repayment of Czech Bonds**

In January 2023, the bondholders of Czech bonds approved the transfer of the debt arising from them from Allwyn International to the Company at a bondholders' meeting. Bondholders who either voted against the transfer or abstained were eligible to exercise an early repayment option, which was exercised by 51.1% of the total bondholders, representing a nominal value of CZK 3.1 billion (equivalent of €130.4 million).



**€1.3 billion bond issuance**

In April 2023, the Group issued €665.0 million in aggregate principal amount of 7.250% senior secured notes due 2030, and \$700.0 million in aggregate principal amount of 7.875% senior secured notes due 2029.

The proceeds from the bond offering were used to (i) redeem in full the €300.0 million in aggregate principal amount outstanding under the 4.125% senior secured notes due 2024 issued by Allwyn International a.s., (ii) to repay the preferred shares issued by Allwyn International's parent Allwyn AG, (iii) to repay all outstanding drawings of €180.0 million in aggregate principal amount under the revolving credit facility of the Group, (iv) to pay costs, fees and expenses incurred in connection with the bond offering, and (v) for general corporate purposes.

Out of the \$700.0 million senior secured notes due 2029, \$600.0 million was swapped to Euro at an interest rate of 7.01% plus credit charges.

**Redemption of senior secured notes due 2024**

In May 2023, Allwyn International a.s. redeemed the full principal amount of €300.0 million of 4.125% senior secured notes due 2024 at a redemption price of 101.03125% plus accrued interest.

**Syndicated bank loan**

In February 2023, Allwyn International a.s. drew €160.0 million under its €300.0 million revolving credit facility.

In February and March 2023, Allwyn International a.s. and its subsidiary Allwyn Entertainment Financing (UK) plc drew €132.5 million from a €303.1 million facility available under the syndicated bank loan for refinancing of its 2024 maturities. Proceeds were used to repay holders of the Czech Bonds who exercised their put option. The remainder of the €303.1 million facility remains available.

In March 2023, Allwyn International a.s. and its subsidiary Allwyn Entertainment Financing (UK) plc drew £23.7 million (equivalent to €27.7 million) from a £380.0 million facility available under the syndicated bank loan for business development in the United Kingdom.

In February and March 2023, Allwyn International a.s. increased the size of its syndicate bank loan with accordion facilities of €335.0 million, due 2029. In March 2023, Allwyn International a.s. drew €250.0 million under these facilities. In June 2023, Allwyn International a.s. drew an additional €42.5 million. As of 30 June 2023, €42.5 million remained undrawn.

In May 2023, Allwyn International a.s. repaid all outstanding drawings of €180.0 million in aggregate principal amount under its €300.0 million revolving credit facility. The entire amount of the facility remains available.

### **CASAG financing arrangements**

In June 2023, Casinos Austria AG made a scheduled repayment of €6.0 million of its syndicated loan.

### **OPAP financing arrangements**

In February 2023, OPAP made an early repayment of a €100.0 million bank loan due 2024.

### **SUBSEQUENT EVENTS**

In August 2023, Allwyn International a.s. drew the remaining €42.5 million available under an accordion facility due in 2029.

In September, OPAP's Board of Directors resolved to conduct a share buyback programme of up to €150m by the end of 2024, subject to market and general economic conditions. The programme is intended to expand OPAP shareholders' remuneration.

The introduction of the buyback follows the successful implementation of a 5-year dividend reinvestment programme, which is expiring.

### **INFLUENCE OF RUSSIAN INVASION IN UKRAINE**

Neither the Company nor the Group have experienced any direct financial impact from the Russian invasion of Ukraine on the business of Allwyn or its subsidiaries or on the Company itself because the Group does not conduct business in the relevant territories.

## Forward-looking Statements

This financial report contains “forward-looking statements” under the caption “*Risk Factors*” and in other sections. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will,” “plans,” “continue,” “ongoing,” “potential,” “predict,” “project,” “target,” “seek” or “should” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.

Any forward-looking statements are only made as of the date of this financial report and we do not intend, and does not assume any obligation, to update forward-looking statements set forth in this report.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we operate to differ materially from those expressed or implied by the forward-looking statements contained in this report.

These factors include, among others:

- Regulatory risks, risk of potential loss of licences or exclusive rights to operate our business activities
- Risk associated with changes in taxation and fees for licences, tax audits and penalties
- Risks associated with changing consumer preferences, changes in technologies and brand loyalty
- Competitive risks
- Political and macroeconomic risks
- Risks associated with new acquisitions and tenders
- Risks associated with our ownership interest in certain subsidiaries and other shareholders
- Risks associated with our corporate structure
- Risks arising from dependence on agents and technology suppliers
- Technological risks
- Risks relating to customer data
- Risk of inadequate compliance procedures and policies

- Risks associated with negative perceptions and publicity about the lottery and gaming industry
- Risks associated with online gaming
- Risks from legal, administrative and arbitration proceedings
- Risks associated with our indebtedness
- Risks associated with outbreak of communicable diseases
- The impact of Russian invasion of Ukraine
- Other financial risks

These risks and others described under the section entitled “*Risk Factors*” are not exhaustive. Other sections of this report may describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industry in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

## Risk Factors

This part of this financial report contains a description of the principal risks and uncertainties for the remaining 6 months of the financial year.

Allwyn Financing Czech Republic 2 a.s. is exposed only to the risk of default on the intragroup loan (see details in Explanatory Notes to the Financial Statements – Note 3).

As to the risk of the Group to which Allwyn Financing Czech Republic 2 a.s. belongs, please refer to the description under the section captioned “Risk Factors” in the Annual Report and Accounts 2022 of Allwyn International a.s. available at [https://allwynentertainment-com.s3.eu-west-2.amazonaws.com/pdf\\_9ab4fd1bfc.pdf](https://allwynentertainment-com.s3.eu-west-2.amazonaws.com/pdf_9ab4fd1bfc.pdf), pages 46 *et seq.* The occurrence of any of the risks and uncertainties described therein, individually or in aggregate, could have a material adverse effect on our business, prospects, results of operations and financial condition.

## Further Information

The financial statements have been prepared in accordance with Czech accounting standards. The financial statements have been prepared as condensed.

Please note that this financial report has not been verified by an auditor.

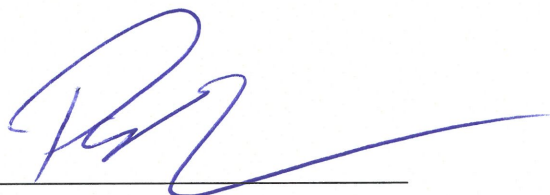
## Statement by the Board of Directors

We hereby declare that to the best of our knowledge, the condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and results of operations of the Company and includes a fair summary of significant events that occurred in the first 6 months of the financial year and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining 6 months of the financial year.

In Prague on 29 September 2023



Pavel Šaroč  
Chairman of the Board of Directors



Tomáš Rybáček  
Member of the Board of Directors