ANNUAL FINANCIAL REPORT 2018

FROM JANUARY 1ST TO DECEMBER 31ST 2018
ACCORDING TO ARTICLE 4 OF L. 3556/2007

TABLE OF CONTENTS

I. Representation of the Members of the Board of Directors

(according to article 4, par. 2 of L. 3556/2007)

The members of the Board of Directors of ORGANIZATION OF FOOTBALL PROGNOSTICS S.A., of parent company (the “Company”):

1. Kamil Ziegler, Chairman,
2. Damian Cope, Board Member and Chief Executive Officer,
3. Michal Houst, Board Member, Deputy Chief Executive Officer and Chief Financial Officer

notify and certify that as far as we know:

a) the attached Financial Statements (consolidated and separate) of the Group of OPAP S.A. (the “Group”) for the period 01.01.2018 to 31.12.2018, which have been prepared in accordance with the applicable International Financial Reporting Standards, provide a true and fair view of the assets and liabilities, the equity and the results of the Group and the Company, as defined on paragraphs 3 to 6 of article 4 of the L. 3556/30.4.2007 and from authorization decisions by the Board of Directors of the Hellenic Capital Market Commission.

b) the Board of Directors’ report provides a true and fair view of the financial position and the performance of the Group and the Company, including a description of the main risks and uncertainties, as defined on paragraphs 3 to 6 of article 4 of the L. 3556/30.4.2007 and from authorization decisions by the Board of Directors of the Hellenic Capital Market Commission.

Athens, 26 March 2019

Chairman	Board Member and Chief Executive Officer	Board Member, Deputy Chief Executive Officer and Chief Financial Officer
Kamil Ziegler	**Damian Cope**	**Michal Houst**

II. Board of Directors' Report for the period 1.1.2018 - 31.12.2018

(according to article 4 of L. 3556/2007)

The report of the Board of Directors of the Company concerns the year 2018 and was prepared in accordance with the articles 43a, 43bb, 107a and 136 of Law 2190/1920 as such have been replaced as of 01.01.2019 by the articles 150-154 of L.4548/2018. According to the article 4 of Law 3556/2007 and the Hellenic Capital Market Commission Decision 8/754/14.04.2016 article 2 and the Company's Articles of Association, we submit you for the period 01.01.2018 - 31.12.2018, the annual Board of Directors report, which includes audited Consolidated and Separate Financial Statements, notes to the Financial Statements and audit report by the certified auditor.

The report describes the financial outcome of the Group respectively for the period 01.01.2018 to 31.12.2018 as well as significant events which took place in 2018, as well as the most significant events after the year end. The report also contains a description of the main risks and uncertainties and the expected course and development of the Group. Finally, the corporate governance, the dividend policy, the number and the nominal value of shares as well as the material transactions with the Company's and the Group's related parties are mentioned.

1. Financial progress and performances of year 2018

Financial Performance

Basic Group financials are presented below:

(Amounts in thousands of euro)	01.01-31.12.2018	01.01-31.12.2017	Δ %
Revenue (GGR)	1,547,015	1,455,514	6.3%
GGR contribution and other levies and duties	507,080	482,578	5.1%
Net gaming revenue (NGR)	1,039,935	972,936	6.9%
Profit before interest, tax, depreciation, amortization and impairment (EBITDA)	353,600	306,455	15.4%
Profit before tax	215,900	193,115	11.8%
Profit for the period	145,301	131,538	10.5%
Net increase/(decrease) in cash and cash equivalents			
Cash inflows from operating activities	253,110	244,925	3.3%
Cash outflows used in investing activities	(109,316)	(123,769)	(11.7%)
Cash outflows used in financing activities	(198,442)	(148,578)	33.6%

Basic Company financials are presented below:

(Amounts in thousands of euro)	01.01-31.12.2018	01.01-31.12.2017	Δ %
Revenue (GGR)	1,294,097	1,201,589	7.7%
GGR contribution and other levies and duties	442,800	416,874	6.2%
Net gaming revenue (NGR)	851,297	784,715	8.5%
Profit before interest, tax, depreciation, amortization and impairment (EBITDA)	288,942	259,971	11.1%
Profit before tax	200,008	180,687	10.7%
Profit for the period	135,190	125,563	7.7%
Net increase/(decrease) in cash and cash equivalents			
Cash inflows from operating activities	236,071	245,120	(3.7%)
Cash outflows used in investing activities	(50,835)	(79,590)	(36.1%)
Cash outflows used in financing activities	(177,943)	(136,691)	30.2%

2. Significant events during the year 2018 and their effect on the Financial Statements

VLTS

Operating activities

The first Gaming Halls commenced their operating activities on 11.01.2017. As at 31.12.2018, 18,944 VLT machines were operating in 351 Gaming Halls and in 1,915 Opap Stores. The main target of the Company's Management is to satisfy its obligation to implement 25,000 VLT machines according to the concession agreement up to 31.12.2019 in Greece.

Financing

Loan restructuring of OPAP S.A.

In order to achieve more favourable borrowing terms, the Company proceeded within the period March-April 2018 with its loan portfolio restructuring. More specifically, it repaid, earlier and without extra cost, loans of an amount of € 290,500 th. which at the time bore an interest rate of 3.9% (floating) and at the same time issued a new 5-year duration bond loan of € 250,000 th. which bears fixed interest of 3.1%.

In addition, with the additional act dated 15.11.2018, the Company decreased the interest rate of its bond loan of € 50,000 th. to 3% fixed from 3.9% floating.

Bond loan of HORSE RACES S.A.

HORSE RACES S.A. according to the meeting of its Board of Directors dated 26.07.2018, resolved on the issuance of a common bond loan of € 5,000 th., divided in 5,000 bonds of € 1,000 each. OPAP INVESTMENT LTD subscribed for the amount of € 4,950 th. and OPAP S.A. for the amount of € 50 th., on 07.09.2018, while the respective loan agreements were signed on 03.09.2018.

Loan restructuring of HELLENIC LOTTERIES S.A.

On 09.03.2018, HELLENIC LOTTERIES S.A. proceeded with the restructuring of its bond loan and disbursed a total of € 10,000 th., forming a bond loan balance of € 50,000 th. as at 31.12.2018. Furthermore, on 05.12.2018, the bond loan terms were renegotiated leading to a decrease of the interest rate from 3.9% floating to 3.0% fixed and maturity date extension to 01.09.2020.

Share capital

Share Capital Increase of TORA DIRECT S.A.

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

Share capital increase of HORSE RACES S.A.

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

HELLENIC LOTTERIES S.A. share capital return

During the extraordinary General Meeting of HELLENIC LOTTERIES S.A. which took place on 10.04.2018, a share capital increase was approved which amounted to € 18,972 th. through capitalizing part of share premium without issuing new shares and with simultaneous share nominal value increase. This amount was subsequently returned to the shareholders through an equal reduction in the nominal value of the shares.

OPAP INVESTMENT LTD share capital return

During the annual General Meeting of OPAP INVESTMENT LTD which took place on 02.05.2018, a share capital decrease was approved which amounted to € 19,017 th. through shares cancellation. This amount was subsequently returned to the sole shareholder (OPAP S.A.).

Share capital increase of OPAP SERVICES S.A.

On 13.07.2018 the extraordinary General Meeting of OPAP SERVICES S.A. decided to increase the company's share capital by € 5,000 th. through the issuance of 5,000,000 new ordinary shares of € 1 nominal price each. The share capital increase was paid up on 21.08.2018.

Share capital increase of OPAP INVESTMENT LTD

The sole shareholder of OPAP INVESTMENT LTD, OPAP S.A., approved on 05.10.2018 the increase of the company's share capital by € 30,000 th. through the issuance of 30,000 new ordinary shares of € 1 nominal price and € 999 share premium each as per Board of Directors decision dated 05.10.2018. The share capital increase was paid up on 11.10.2018.

Share capital increase of TORA WALLET S.A.

On 05.10.2018 the extraordinary General Meeting of TORA WALLET S.A. decided to increase the company's share capital by € 3,600 th. through the issuance of 3,600,000 new ordinary shares of € 1 nominal price each. The share capital increase was paid up on 17.10.2018.

Dividends

Dividend distribution for the year 2017

OPAP S.A. according to the 18th Annual Ordinary Shareholders General Meeting, held on April 25th, 2018 decided upon the distribution of a total dividend for the fiscal year 2017 of € 0.40 per share. It is noted that the Company's Board of Directors had decided the distribution of a gross amount of € 0.10 per share as interim dividend. The remaining dividend of the amount of € 0.30 per share which has been distributed, is subject to 15% withholding tax in accordance to articles 36 & 64 of L. 4172/2013, as this has been amended by L. 4387/2016.

Payment of interim dividend for the fiscal year 2018

The Company's Board of Directors decided during its meeting on 11.09.2018 to distribute a gross amount of € 31,782 th. or € 0.10 per share excluding treasury shares, as interim dividend for the fiscal year 2018. The interim dividend of the amount of € 0.10 per share is subject to 15% withholding tax in accordance with L.4387/2016, i.e. € 0.015 per share. Therefore the net payable amount to the shareholders following the abovementioned withholding tax amounted to € 0.085 per share.

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

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

Arbitral award of HORSE RACES S.A.

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 € 2,025 th.) on the last instalment of the financial consideration (€ 20,250 th.) provided for in the Concession Agreement dated 24.04.2015.

The hearing took place on 23-24.04.2018 and the arbitral award was issued on 20.09.2018. The Tribunal ruled in favor of HORSE RACES S.A. and dismissed HRADF's claim for an allegedly additional financial consideration of approx. € 2,000 th.. HRADF was also ordered to pay all HORSE RACES S.A.'s legal costs (circa € 400 th.).

Amendment of Income Tax Code

The L.4579/2018 (Government's Gazette A' 201/03.12.2018), amended the Income Tax Code (L. 4172/2013) regarding the corporate income tax, resulting in a gradual reduction of the corporate income tax rates as follows:

- 28% for the 2019 fiscal year
- 27% for the 2020 fiscal year
- 26% for the 2021 fiscal year
- 25% for the fiscal years from 2022 onwards.

This amendment affected the calculation of deferred tax of the Group and the Company. Specifically, the impact in profit or loss was a deferred tax income of € 1,605 th. and € 2,508 th. for the Group and Company respectively while, the deferred tax expense recognized in other comprehensive income amounted to € 47 th. for both the Group and the Company.

Investment in Stoiximan Group

On 18.12.2018 OPAP INVESTMENT LTD completed the acquisition of a 36.75% stake in the mother company of Stoiximan Group, TCB Holdings Ltd ('TCB'), for a consideration of € 50,000 th.. The Company has also reached pre-agreement with TCB to make an additional investment to acquire joint control with TCB in Stoiximan Group's Greek and Cypriot operations. The latter is subject to the satisfaction of various conditions precedent, including clearance by the competent gaming regulatory and anti-trust authorities.

3. Main risks and uncertainties

We present the main risks and uncertainties to which Group may be exposed.

Risk related to political and economic conditions, as well as market conditions and developments in Greece

On a macroeconomic level, Greek economy demonstrates signs of moderation in both its fiscal and trade balances, while it continuous its expansion at a growth rate in the era of 2%.

At the same time, robust improvement in labor market contributed to a further decline in unemployment in 2018, especially for the tourism and retail sector, as a result of the strong performance of consumer confidence and the relaxation of capital controls.

Nevertheless, the third adjustment program of the Greek economy was completed at a time where both the European and the global economies seem to enter a period of slowing growth, while there are also concerns for a mild recession.

The progress of the Greek economy this year largely depends on the regaining of confidence and competitiveness that will set the basis for sustainable growth.

The Group's activity is significantly affected by the disposable income, private consumption, which in turn are affected by the current economic conditions in Greece, such as the unemployment rate, interest rates, inflation rate, tax rate and the increase in GDP rate. Moreover, the economic recession, financial uncertainty and a number of the Group's customers potential interpretation that the economic conditions are deteriorating, could result in a decrease of the usage of the various gaming services that the Group offers to the public.

The return to economic stability depends greatly on the actions and decisions of the institutions both in the country and abroad, as well as from the assessment of the Greek economy from international creditors in the context of the adjustment programs.

Any further negative development in the economy would affect the normal operations. However, Management is continually adjusted to the situation and ensures that all necessary actions are taken, to maintain undisturbed activities.

Change in regulatory requirements

The gaming sector in Greece is intensively regulated by the Hellenic Gaming Commission. The Greek authorities have the right to unilaterally, respecting obligations coming from valid concession agreements, alter the legislative and regulatory framework that governs the manner and modus operandi of the games that the Group offers.

The developments in the Greek regulatory framework, 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.

OPAP 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. Additionally, restrictions on advertising can reduce the ability to reach new customers, thus impacting the implementation of the strategic objectives to focus on sustainable value increase.

OPAP is actively engaging and maintaining dialogue with authorities, regulators and other key stake holders, to continually monitor the changing regulatory/legal landscape and through appropriate policies, processes and controls for a rational and balanced gaming regulation.

Tax Change risk

The Group's business activities and the sector in which it operates are subject to various taxes and charges, such as the special contribution regarding the games which is calculated based on the gross gaming revenue, the tax on players' winnings and the income tax of legal entities.

The Company is exposed to the risk of changes to the existing gaming taxation status or the gaming tax rates, creating unexpected increased costs for the business and impacting the implementation of Group's strategic objectives for sustainable revenues and additional investments. The Company is seeking to promptly respond to any potential tax changes, by maintaining the required tax planning resources and developing contingency plans so as to implement the required mitigating actions and to minimize the overall impact.

Market risk

Market risk arises from the possibility that changes in market prices such as exchange rates and interest rates affect the results of the Group and the Company or the value of financial instruments held. The management of market risk consists in the effort of the Group and the Company to control their exposure to acceptable limits.

Currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. Group operates in Greece and Cyprus, and there are not any agreements with suppliers in currencies other than in euro. All revenues from games are in euro, transactions and costs are denominated or based in euro, subsequently, there is not any substantial foreign exchange risk. Additionally, the vast majority of Group's cost base is, either proportional to our revenues (i.e. payout to winners, agents commission) or to transactions with domestic companies (i.e. IT, marketing).

Interest rate risk

The Group is exposed to interest rate risk principally, in relation to the outstanding debt. The existing debt facilities, as of 31.12.2018, stand at € 650,450 th. and € 621,361 th. for the Group and the Company respectively. The Group follows all market developments with regards to the Interest rate environment and acts accordingly. On 31.12.2018 the Group is exposed to Interest rate risk on € 5,855 th. of debt as the remaining €99,513 th. are hedged via an interest rate swap and € 545,082 th. are with fixed interest rate (bond loan).

Capital Management

The primary objective of the Group and the Company, relating to capital management is to ensure and maintain strong credit ability and healthy capital ratios to support the business plans and maximize value for the benefit of shareholders. The Group has improved materially its capital structure, and maintains a healthy Net Debt/EBITDA ratio of 1.3x as of 31/12/2018. In addition, it retains an efficient cash conversion cycle thus optimizing the operating cash required in order to secure its daily operations, while diversifying its cash reserves so as to achieve flexible working capital management within the domestic capital control environment.

The Group manages the capital structure and makes the necessary adjustments to conform to changes in business and economic environment in which they operate. The Group and the Company in order to optimize the capital structure, may adjust the dividend paid to shareholders, return capital to shareholders or issue new shares.

Credit risk

The Group's exposure to credit risk arises mainly from agents' bad debts as well as from the debts of agents for which arrangements have been made also adjusted for forward-looking factors specific to the agents and the economic environment. The main credit risk management policy is the establishment of credit limits per agent. Additionally, the Group is taking all necessary steps to mitigate credit risk exposure towards financial institutions. The Group is also exposed towards credit risk in respect of entities with which it has deposited funds or with which it has other contractual relationships.

The Group manages credit risk exposure to its agents through various practices. Each agent is required to provide the Group with a warranty deposit as a guarantee. These deposits are aggregated and are available in the event of a default in payment by any agent. In addition, a maximum amount that an agent may owe during each settlement period has been imposed. If the amounts owed by an agent exceed the relevant limit during any settlement period, the agent's terminal is automatically blocked from accepting wagers.

Impairment of financial assets

The Group and the Company hold two types of financial assets that are subject to credit loss risk:

- Trade receivables and
- Other current assets.

While cash and cash equivalents are also subject to the impairment under IFRS 9, the identified impairment loss was not significant due to the fact that the cash and cash equivalents of the Group and the Company are held in reliable financial institutions within the European Union.

The Group applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables and other current assets. It is mentioned that the expected credit losses are based on the difference between the cash inflows which are receivable and the actual cash inflows that the Group expects to receive. All cash inflows in delay are discounted.

Liquidity risk

The Group manages liquidity risk by managing betting games' payout ratio and the proper design of each game. With the exception of fixed-odds sports betting games, all of the remaining games have a theoretical payout (relating to prizes normally attributed to winners) based on each game's mathematics. As the theoretical payout is calculated on a very large number of draws, small deviations can occur in some of the numerical games in shorter time frames. For example, Kino is a fixed odds game that statistically distributes approximately 69.5% of net receivables to the winners, with deviations mostly around 1%. The Group manages liquidity risk by limiting the size of player winnings. For example, Kino has a maximum prize of € 1,000 th.. Maximum winnings/column are also defined for Stihima, a fixed odds betting game in which winning depends on correctly guessing the results of sporting events, and other events that by their nature allow for wagering. For Stihima game a comprehensive risk management methodology is implemented at different stages of the sport-betting cycle, setting different limits and odds per sport, league and game while treating each event differently. At any given time, bets placed are tracked, received and accepted or not accepted. In addition, the trading team can also monitor any high bets placed and negotiate with the bettor so that the bet is within the approval limits. Finally, proper software is used to find, in real-time, suspicious betting patterns and cases for sure bets or arbitrage opportunities.

Security risk

Reliability and transparency in relation to the operation of the games are ensured by several security measures designed to protect information technology system from breaches in security such as illegal retrieval and illegal storage of data and accidental or intentional destruction of data. Security measures cover data processing system, software applications, the integrity and availability of data and the operation of the on-line network. Additionally, all critical business applications that relate to game operation and availability are hosted in systems that guarantee high availability, including transferring to a Backup Computer System if deemed necessary. Moreover, a critical evaluation of all systems is conducted – whether they are directly related to game availability or not – so that they can be integrated into the

Disaster Recovery Plan, if deemed necessary. All applications are integrated in a security backup creation system according to their significance.

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.

New draft law for licensing of games of chance in Cyprus

OPAP CYPRUS LTD operates in Cyprus on the basis of the 2003 bilateral treaty ("BT") between the Republic of Cyprus and the Hellenic Republic. The BT can be terminated by either State by giving to the other State 12 months prior notice.

The Law 51(I) 2018 entitled "2018 Law on Certain Games of Chance" was voted by the Cypriot Parliament on 18 May 2018 and published in the Government Gazette. According to such law, a special committee will run the concession process and submit a proposal to the Minister of Finance for the selection of the appropriate operator to be granted with the exclusive license regarding the offer of certain numeric games of chance in the Republic of Cyprus. This Committee shall first proceed to a suitability assessment of the current operator, i.e. OPAP CYPRUS LTD. If the existing operator is not found suitable for being granted an exclusive license, the Committee shall ask expression of interest from up to five (5) interested parties. The prospective operator will sign a concession agreement with Republic of Cyprus and will be granted with an exclusive, non-transferable license. The games licensed, to be specified in the concession agreement, shall fall into the following categories: (a) numeric lotteries, which refer to the exact prediction of random numbers being the result of a draw; and (b) non-fixed odds games, based on the exact result of combination of results of sports events.

4. Company's strategy and Group's future prospects

Driven by our 2020 vision to establish OPAP as a world-class gaming entertainment company, we have continued working on our eight strategic priorities that will help us generate, capture and sustain value for the community, for the market and for our operation. Exactly these strategic priorities act as the framework underpinning the delivery of our 2020 vision.

1 Embedding **Customer** Obsession	2 Investing in our **Network**	3 Developing our **People**	4 Building a World class portfolio of **Products & Services**
5 Leveraging the latest **Digital & Technology** Capabilities	6 Committing to our **Communities**	7 Expanding the power of our **Brand**	8 Rebuilding healthy relationships with the **State, Regulator and other bodies**

1. Embedding Customer Obsession

The first strategic priority is all about the Customer. OPAP is a consumer-facing business serving millions of customers. The Customer is at the centre of everything that we do. So, we intensify our actions to understand our customer better, increase our internal focus and continuously respond to changing customer behavior.

2. Investing In Our Network

Our Network consists the basis of our business activities. OPAP aims to develop its agencies to be the customer's local entertainment destination through significant investments in the agencies themselves, introducing a number of products and services. The Company also puts emphasis on the alignment of its interests with those of its agents and on the increase of the level of support that is provided to them.

3. Developing Our people

Our people are one of the key assets of the Company. OPAP aims to build high-performing teams, attracting at the same time new talents to the Group, developing the existing people further through the expanded OPAP Academy program and creating stronger bonds between the Company and its people through a number of initiatives, including more regular two-way internal communications.

4. Building a World-class Portfolio of Products & Services

Our aim is to offer a broad range of attractive, new and improved products and services for our customers and our network, researching ideas from around the global gaming world.

5. Leveraging the latest Digital & Technology Capabilities

The transformation of the role of Digital & Technology within the Group consists one of our objectives; we continue to invest in modern solutions, which will provide an improved level of control and flexibility to the ongoing delivery and improvement of OPAP's products for the customers, setting at the same time the basis for future strategy.

6. Committing to Our Communities

This strategic priority exists as an essential element of our overall Company strategy. OPAP understands that it has an important role within the communities in which it operates both in Greece and Cyprus, targeting to the creation of long-term, meaningful benefit so as the Company contributes to building a brighter future. OPAP displays strong commitment for health, sports and employment.

In addition, OPAP focuses on stakeholders' engagement. Specifically, our people and customers participate in the CSR programs creating stronger bonds to them, a fact which contributes to building stronger communication with customers on both national and local level.

Last but not least, the Company adopts and develops the highest standards of integrity and responsibility which are part of an integrated Responsible Gaming strategy. The continuous improvement of the policies and procedures Group-wide, the substantial investment in training to help ongoing player protection and into educational campaigns promoting responsible gaming, as well as the international recognition by following clear KPI's consist the framework of this strategic pillar's approach.

7. Expanding the Power of Our Brand

The OPAP brand has a remarkable level of recognition both in Greece and Cyprus consisting one of our most important assets. By re-establishing our brand's identity and making the most of our powerful 'anthropaki' logo, the Company can further extend the reach and impact of its brand, as well as strengthens its dedication to maintain a strong and consistent emotional connection with its customers.

8. Enhancing healthy relationships with the State, Regulator and other bodies

OPAP intends to an ongoing and effective cooperation with the Regulator and other significant public sectors in local and international level, maintaining an open dialogue and establishing a better mutual understanding for items of common interest.

Benefiting from the foundations that have been set the previous two years, the Company, along with its 8 strategic priorities, is further focusing in 2019 and beyond on certain initiatives within the following 5 pillars:

Entertainment: OPAP team is working on offering ever-improving customer entertainment aiming to cement OPAP's position as true entertainment brand. Core of this initiative consist the offering of more engaging products and content, the continuation of REX 2020 in order to create outstanding customer experience, as well as the Company's brand further development to an entertainment brand.

Online: We focus on accelerating online customer engagement and additional revenue generation through changing the game online, offering superior digital experience and accelerating delivery capabilities.

New ventures: We aim to develop and introduce new services complementing gaming and attracting new customer by finalizing implementation of mainly TORA DIRECT S.A. and TORA WALLET S.A. related projects, by fully leveraging the OPAP network and by winning the customers.

Information: Building registered customer databases and maximizing value by data analysis and insights generation consists the meaning of this pillar.

High Performance: We are seeking further improvements both internally and across the various operating channels by further improving our network operations, enhancing the way we work internally and digitalizing our operations.

5. Related Parties significant transactions

The amounts of expenses and income undertaken in 2018, and the balances of payables and receivables as at 31.12.2018 for the Group and the Company, arising from transactions between related parties are presented in the following tables:

Company's transactions with related parties (eliminated for consolidation purposes)

Company	Expenses	Income	Assets' Purchase	Payables	Receivables
	(Amounts in thousands euro)				
OPAP SERVICES S.A.	5,174	112	-	408	14,677
OPAP SPORTS LTD	-	836	-	-	-
OPAP CYPRUS LTD	157	28,487	-	20,549	7,107
OPAP INVESTMENT LTD	208	-	-	6,249	-
HELLENIC LOTTERIES S.A.	-	6,238	-	11	3,487
HORSE RACES S.A.	3	481	-	-	688
TORA DIRECT S.A.	297	233	-	87	3,542
TORA WALLET S.A.	66	76	-	79	65
NEUROSOFT S.A.	6,741	-	1,992	1,653	-

Group's companies transactions with related companies (not eliminated for consolidation purposes)

Company	Expenses	Payables
	(Amounts in thousands euro)	
Related companies	3,620	380

Transaction and balances with Board of Directors members and management personnel

(Amounts in thousands euro)		GROUP	COMPANY
Category	Description	01.01-31.12.2018	01.01-31.12.2018
MANAGEMENT PERSONNEL	Salaries	4,222	4,222
	Other compensations	135	135
	Cost of social insurance	239	239
Total		4,596	4,596

(Amounts in thousands euro)		GROUP	COMPANY
Category	Description	01.01-31.12.2018	01.01-31.12.2018
BOARD OF DIRECTORS	Salaries	893	371
	Cost of social insurance	107	66
Total		1,000	436

(Amounts in thousands euro)	GROUP	COMPANY
Liabilities from BoD' compensation & remuneration	31.12.2018	31.12.2018
BoD and key management personnel	278	186
Total	278	186

From the above, the transactions and balances with the subsidiaries have been eliminated from the consolidated Financial Statements of Group.

6. Corporate Governance Statement

Chairman's Statement on Corporate Governance

The Hellenic Corporate Governance Code (Code) issued by the Hellenic Council of Corporate Governance (ESED) in October 2013, which was adopted by the Company in 2014, continued to apply throughout the financial years 2015, 2016, 2017 and 2018. The Board takes seriously its responsibility for effective corporate governance and delivery of long-term shareholder and stakeholder reward and its decisions are taken in light of these considerations. I am pleased to report to you directly on OPAP's governance activities.

OPAP and Governance

The Board believes that implementing and maintaining high governance standards underpin our business objectives and our drive to create and maximize shareholder value whilst managing the business effectively, responsibly and with integrity, so that we demonstrate accountability and maintain the trust of all our stakeholders. We are constantly seeking to develop our practices and governance framework to ensure that transparency and good governance permeate through the Group at all levels. In addition to compliance with the best practice advice from regulatory and governance bodies, the Board wishes to ensure that high ethical standards are reflected in business behavior and culture through OPAP's Group Code of Conduct, which was approved by the BoD in 2015 and amended in 2016. The Company's management and employees have acknowledged in writing that they have read and understood the Code and that they will adhere to and comply with its principles and provisions, as amended from time to time.

The Company updated its Code of Conduct in 2018. The updated Code, which establishes a structured framework applicable to OPAP S.A. and its subsidiaries and which proves that OPAP is a transparent organization acting in accordance with the principles and rules of the Code of Conduct, as well as its legal and regulatory obligations, was approved under the Resolution of the Meeting of the Board of Directors of OPAP S.A. which was held the 13th of December 2018.

In May 2016, the Board of Directors approved the new Internal Rules and Regulations of the Company, which aim at regulating the organization and functioning of the Company to secure:

a) business integrity;
b) transparency of business activity;
c) control over management and how management decisions are made;
d) compliance with the legislation and the obligations deriving from the Concession Agreement.

It should be noted that the Internal Rules and Regulations, the Articles of Association and many of the Company's Policies and Processes are under review in order to comply with the current legal framework. The Company has established a structured framework of policies, processes, principles and roles to ensure that OPAP S.A. and its subsidiaries comply with the applicable legal, regulatory and contractual framework and take preventive measures to limit possible risks before they materialize.

In this respect, OPAP S.A. applies a Whistleblowing Policy, under the responsibility of the OPAP Group Regulatory and Compliance Officer, which applies in case of violation of the Code of Conduct or other serious violation of the applicable framework. The Company has therefore established the Whistleblowing Complaints Policy by which employees can and should report to the Company valid allegations of known or suspected alleged Improper Activities.

Furthermore, the Company established an Audit Committee which, among other things, monitors the effectiveness and adequacy of the risk management framework, the policies and systems of the Company and the Group. It also monitors the effectiveness of the system which monitors compliance with the laws and regulations and the results of the administration's research and follows up on disciplinary measures of non-compliance complaints.

We are committed as a Team to achieve our Company's 2020 Vision and a key step in that direction is to shape one shared OPAP culture. We successfully identified, with the active involvement of people from across our Group, our 4 core values: Fun, Dynamic, Passionate and Fair.
This process generated a dynamic communication and action plan of proposed activities to ensure that our values live and breathe throughout OPAP.

Composition of the Board

The current and future composition of the Board remains an issue to which I and the rest of the Board give our full attention. We remain mindful of the recommendations of the Code and it is our aim to comply with these recommendations without compromising the culture that drives the success of our business. In this context the Board has separated the role of the Chairman from that of the Chief Executive Officer. Furthermore, to ensure transparency and responsiveness to its shareholders, there are two non-executive Vice Chairmen.

Risk Assessment and Management

The Board monitors the level of risk through the Group's major risk assessment process which is facilitated by the Internal Audit with the cooperation of Risk Unit, presented to the Audit Committee and submitted to the Chairman of the Board and the CEO. We remain committed to building on and improving our understanding of the key risks facing the Group and its business operations and we constantly refine our tolerance of such risks.

Board Evaluation

The Code recommends that listed companies should undertake an evaluation of the Board at least once every two years based on a predefined process. The Board performs its annual evaluation internally.

Diversity

OPAP S.A. is an equal opportunities employer who promotes an inclusive and diverse culture, and is committed to the promotion of equality through our workforce, players, retailers and society. The Company operates under a corporate diversity and inclusion principle adopted. The Board reiterates its view that facilitating and promoting diversity in its broadest sense has helped propel the Company's success to date.

It remains its practice to ensure that the Company's Top executive roles, in particular, are open to fresh thinking and must include personnel from different global backgrounds who bring new ideas to the table. It is OPAP's policy to make decisions regarding recruitment and selection, remuneration, career development and training, transfers, promotion and succession planning based solely on merit – being the skills, experience, qualifications and potential of the individual connected to the job – without regard to gender, age, sexuality, family circumstances, marital status, disability, religion, political preference, trade unionism or any other classification protected by applicable law. Reference to the above policy is also made in the Code of Conduct of OPAP Group which is accessible in the Company site https://investors.opap.gr/~/media/Files/O/Opap-IR/documents/code-of-conduct/english/code-of-conduct.pdf.

As at 31 December 2018:

- the Board members are male and 77% are of the following nationalities: Italian, Czech, French, Swiss, Cypriot, British,
- the Top Management (Chairman, CEO, Chief Officers) is comprised by male and female (83.3% and 16.7%, respectively) and 66.7% are non-Greek nationals, and
- 30.1% of Team Directors & Team Heads are female.

Explanation on Non-conformities with the Code

The Board recognizes that the objective of the Code is to facilitate management's delivery of business success in a transparent and responsible manner. The Code does not impose a rigid set of rules and recognizes that certain actions and behaviors do not automatically imply poor organizational governance. The Board provides an explanation for the following areas:

- The BoD composition is considered satisfactory since it is comprised in its majority of non-executive directors from various industries, nationalities, and age groups. In addition, 3 independent members of the Board have been appointed, although Greek law requires a minimum of 2 independent Board of Directors, as these meet the requirements set out in the article 4 par. 1 of Law No. 3016/2002 and in the Hellenic Corporate Governance Code
- Two non-executive Vice Chairmen were appointed. The Audit Committee Chairman is independent non-executive member of recognized international standing in the area of auditing.
- The Remuneration & Nomination Committee is composed of Non-Executive Directors, who are independent from executive tasks, including the two Vice-Chairmen of the Board and is considered adequate to fulfill its purpose.

The Board has instructed me to confirm that, notwithstanding the foregoing disclosures, each Director's independence of thought and actions was assured and all decisions were taken to promote the success of OPAP as a whole.

Statement of Compliance with the Code

The Corporate Governance Report on the following pages contains a summary of the Company's governance arrangements and the regulatory assurances required under the Code. Except as explained above, the Company states that is complies with the Code (that is the current legal requirements and additional optional best practices) throughout the year ended 31 December 2018.

Athens, March 26 2019

Kamil Ziegler, Chairman of the BoD

Corporate Governance Report

Report of the Board

Company's shares are traded in the main market of Athens Exchange and is therefore required to produce a Corporate Governance Statement containing the information set out in this Report. This Report is prepared with reference to the Hellenic Corporate Governance Code (Code) in effect for the financial periods beginning on or after October 2013. This Report sets out how the Company has applied the main principles of the Code throughout the year ended 31 December 2018 and as at the date of this Report.

A: Leadership

A.1: THE ROLE OF THE BOARD

The Board of Directors is the supreme administrative body of the Company that mainly formulates the Company's strategy and growth policy, while supervising and controlling its management and administration of corporate affairs and the pursue of its corporate purpose.

The Board of Directors is competent to decide on every issue concerning the Company's assets management, administration, representation and its operations in general, taking all appropriate measures and decisions that assist the Company in achieving its objectives. Those issues which, according to the provisions of the law or the Articles of Association, fall within the exclusive competence of the General Meeting shall be outside the competence of the Board of Directors. The Board of Directors shall specifically have the authority to decide on the issuance of any kind of bonds, with the exception of those that by law fall under the exclusive competence of the General Meeting of shareholders. The Board of Directors can also decide on the issuance of bonds convertible into shares following decision of the General Meeting of the shareholders and the provision of authorization to the Board of Directors in accordance with the provisions of applicable law.

The schedule of 2018 matters for the Board's decision included the following:

- Significant business projects;
- Interest and capital expenditure projects;
- Final approval of annual budgets, business plans, organizational structure, advertising and sponsorships program;
- Approval of Financial Statements and shareholder communications;
- Treasury policies and changes to borrowing facilities or currency transactions ;
- Regulatory compliance issues and related policies;
- Significant transactions with related parties ;
- Review and approval of recommendations from the Committees of the Board;
- Protection of legal interests of the Company.

Meetings

Board meetings are structured to allow open discussion. The Board meets regularly, in principle once per month and constitutes additional meetings (including by telephone, video-teleconference or written resolution) to consider specific matters which it has reserved to itself for decision. In 2018, there were thirteen regular Board meetings (plus twelve additional meetings via rotation). There were ten Audit Committee meetings and five Remuneration Committee meetings.

The table below sets out the attendance by individual Directors at scheduled Board and Committee meetings during 2018.

BoD member name	Position	BoD Presence	BoD Representation	Audit Committee	Remuneration & Nomination Committee
Kamil Ziegler	Executive Chairman	13	-	-	-
Damian Cope	Member – Executive, Chief Executive Officer	13	-	-	-
Spyridon Fokas	A' Vice-Chairman –Non Executive	13	-	-	5
Pavel Horak	B' Vice-Chairman– Non Executive (*)	12	1	-	5
Michal Houst	Member – Executive, CFO	13	-	-	-
Pavel Saroch	Member – Non Executive (**)	10	3	-	5
Robert Chvátal	Member – Non Executive	13	-	-	-
Christos Kopelouzos	Member – Non Executive	12	1	-	-
Dimitrakis Potamitis	Member – Independent Non Executive	12	1	10	-
Rudolf Jurcik	Member – Independent Non Executive	10	3	10	-
Igor Rusek	Member – Independent Non Executive	9	4	8	-
Marco Sala	Member – Non Executive	-	13	-	-
Stylianos Kostopoulos	Member – Non Executive (***)	7	2	-	-
Georgios Melisanidis	Member– Non Executive (****)	-	4	-	-

Notes:
In the year 2018, twelve (12) additional Meetings were held per rotation, in which all members participated.
(*) Starting from 25.04.2018, Mr. Pavel Horak was replaced by Mr. Pavel Saroch as B' Vice-Chairman.
(**) Mr. Pavel Saroch was/served as B' Vice-Chairman until 25.04.2018.
(***) Starting from 25.04.2018, Mr. Stylianos Kostopoulos nominated as Non-Executive Member.
(****) Mr. Georgios Melisanidis was/served as Non-Executive Member until 25.04.2018

Directors' Insurance and Indemnities

The Directors benefit from the indemnity provision in the Company's Articles of Association. Each individual, who is an Officer of the Company and/or of any company within OPAP at any time on or after October 2013, benefits from a deed poll of indemnity in respect of the costs of defending claims against him or her and third party liabilities. Additionally, Directors' and Officers' liability insurance cover was maintained throughout the year at the Company's expense.

A.2: THE CHAIRMAN ROLE

There is a clear division of responsibilities between the Chairman and the CEO in the Company's Articles of Association and Internal Rules and Regulations. Both roles were entrusted initially by the Board and the General Assembly to one person, but on 01.07.2016 the position and duties of the CEO were undertaken by Mr. Damian Cope, while Mr. Kamil Ziegler remained Executive Chairman of the Board of Directors.

The Chairman presides over meetings of the Board of Directors, organizes and directs its work, and reports on it to the ordinary Shareholders Assembly Meeting.

The Chairman's competences are indicatively outlined below:

- Chairing and ensuring that Board meetings constitute a forum where open debate and effective contribution from individual Directors are encouraged, with sufficient time allocated to key issues;
- Encouraging dialogue between the Company and its Shareholders and other stakeholders, and facilitating the Board's understanding of Shareholders' and other stakeholders' concerns;
- Overseeing the induction, information and support provided to directors; and
- Leading the annual performance evaluation of the Board and its Committees;
- Determining the items of the agenda (including items that may have been recommended by the Vice-Chairman or any other member of the BoD), scheduling meetings in a way that ensures that the majority of BoD members are present, and sending members the necessary material to assist debate and decision-making in due time;
- Ensuring that the BoD complies with its obligations towards Shareholders, the Company, the supervisory authorities, the law and the Articles of Association of the Company;
- Where a resolution of the BoD is issued, he may also represent and bind the Company.

A.3: THE CEO ROLE

The CEO, is vested with all powers necessary to act in all circumstances on behalf of the Company. He exercises these powers within the limits of the corporate purpose, in accordance with the rules set forth by the law and the Articles of Association of the Company, and subject to the relevant resolutions of the Shareholder Assembly and the Board of Directors.

The CEO, per his role, is also in charge of all Company departments, directs their work, makes the necessary decisions within the context of the framework governing the Company's operations, the approved projects and budgets, Board decisions as well as the Business and Strategic Plan.

The CEO's competences indicatively include:

- Supervising Company business and financial policy;
- Monitoring and assuming responsibility for the Company's financial results and profitability;
- Monitoring internal organization and taking appropriate measures to promote and make good use of the staff; proposing that the BoD approves the drafting of new regulations, organizational charts;
- Approving staff recruitment, as appropriate;
- Defining, in cooperation with the BoD and the Top Management, the strategic targets of the Company;
- Setting the targets and KPIs, and monitoring the performance of the Company's Management;
- Having the power to delegate the day-to-day management of the business of the Company to each of the Officers of the Executive Committee, acting individually, jointly or as sub-committee;
- Having the power to acquire and dispose of businesses and to approve unbudgeted capital expenditure projects, subject, in each case, to a limit per transaction defined by the BoD;
- Having the power to represent and bind the Company against third parties for the signing of payment orders, bank checks, payment of salaries, insurance contributions, payment of taxes and fees of any nature to the State; and
- Having the power to represent the Company judicially and extrajudicially, and to sign every document from or addressed to the Company, to instruct advisers and to instigate legal proceedings on behalf of the Company in respect of matters for which no further collective Board authority is required by the law or the Articles of Association;
- In general, the CEO checks the day-to-day operations of the Company and supervises how each Unit performs its tasks.

The Managing Director shall stand in for the Chairman of the Board of Directors when the latter is absent or unable to attend. The Chairman of the Board of Directors shall stand in for the Managing Director when the latter is absent or unable to attend.

A.4: NON-EXECUTIVE DIRECTORS

Non-executive members of the BoD do not perform executive or managerial duties, but contribute by helping the BoD as follows:

- Constructively challenging and helping in developing strategy proposals;

- If necessary, submitting reports individually or jointly, separately from the BoD reports, to the Shareholders' Assembly Meetings;
- When appointed by the BoD, participating in BoD Committees or any other working group or ad hoc committees formed from time to time, and performing the duties assigned to them in such committees;
- Providing international and operational experience, and knowledge and understanding of global financial issues, the sectors in which OPAP operates and challenges it faces;
- Managing conflicts of interest

Curricula Vitae of the members of the Board of Directors

Kamil Ziegler

Executive Chairman

Mr. Kamil Ziegler is the Executive Chairman of OPAP S.A.

Born in Ceska Lipa in the Czech Republic. In 1984 Mr. Ziegler graduated from the University of Economics, Faculty of Trade, in Prague. In 1996 he graduated from the Southern Graduate School of Banking at the Southern Methodist University in Dallas, Texas. He began his professional career at the State Bank of Czechoslovakia where he served in different managerial positions: he worked as an Executive Director for Finance at Komercni banka, Prague, and then as a deputy CEO and Board member at Czech Savings Bank. Thereafter, he was appointed Chairman of the Board and CEO in the Czech state-owned Consolidation Bank. After that he served as Chairman of the Board and CEO in Raiffeisenbank Czech Republic. He also held the position of Executive Director for Finance and Board Member in the PPF Group. His last executive appointment was as the CEO and proxy holder in SAZKA A.S., the largest Czech lottery organisation, where he is currently serving as a Board member. Mr. Ziegler has been also a member of the Board of Directors and member of Supervisory Boards of many companies in the Czech Republic, Netherlands and Cyprus.

Damian Cope

Chief Executive Officer

Mr. Cope was appointed Chief Executive and an Executive Board Member of OPAP S.A. with effect from July 2016.

Mr. Cope has over twenty years' experience in the gaming industry having held a number of senior roles across both retail and digital operations. Prior to joining OPAP Mr. Cope was Managing Director, International and Group Strategy Director of the leading UK bookmaker Ladbrokes (now part of GVC Group). At Ladbrokes Mr. Cope had responsibility for all non-UK, betting & gaming activities, across both retail and digital channels. This included regulated businesses in Spain, Belgium, Denmark, Ireland and Australia.

Mr. Cope was also a Board Director of Sportium Apuestas Deportivas, the Spanish sports betting JV with Cirsa Group. Previously Damian was Group Chief Information Officer and Managing Director, Ecommerce for the Gala Coral Group, the leading UK operator of betting, bingo and casino activities. He also held senior management positions at Rank Group Plc and Blue Square. Mr. Cope has a law degree from Bristol University, England.

Spiridon Fokas

A' Vice-Chairman, Non Executive Member

Born in Piraeus, where he completed his high school studies in Ionidios Exemplary High School.

In 1977 Mr. Fokas graduated from the Law School of the National and Kapodistrian University of Athens, whilst during 1977-1978 he undertook post-graduate studies in shipping law at the University College London.

As an Attorney-At-Law Mr. Fokas has been a member of the Piraeus Bar Association since 1980 and practices law specializing in the sectors of maritime and corporate law, whereas he is also a member of the Hellenic Maritime Law Association.

Mr. Fokas is a member of the General Council of Hellenic Federation of Enterprises (SEV) and since 2005 he is a member of the Board of Directors and General Counsel of Aegean Marine Petroleum Network Inc..

Pavel Horak

B' Vice-Chairman, Non Executive Member

Presently the Partner and the Chief Investment Officer of EMMA Capital. Mr. Pavel Horak is simultaneously representing EMMA Capital in the Board of Directors member of Sazka Group, a.s., the main investor in Emma Delta. Before joining EMMA Capital, Mr. Pavel Horak served in position of Chief Financial Officer of Home Credit Group since 2012 and previously Chief Financial Officer of PPF Group since 2006. Mr. Horak gained experience in financial management as an auditor at Deloitte & Touche, and later during his tenure as CFO of TV NOVA from 2001 to 2006. He is a graduate of the Faculty of Economics of the Masaryk University in Brno and the Faculty of Finance of the University of Economics in Prague.

Pavel Saroch

Non Executive Member

Mr. Šaroch graduated from the University of Economics, Prague. Having specialized in investment banking and economic management of corporations since 1995, he has served in management positions with securities trading firms such as Ballmaier & Schultz CZ and Prague Securities. From 1999 to 2001, he was Member of the Board of Directors at I.F.B., which focuses on organizational and economic consultancy, management of private investment projects. In 2001, he was appointed Deputy Chairman of the

Supervisory Board of ATLANTIK finanční trhy and subsequently became a member of the company's Board of Directors.

Mr. Šaroch is a member of the Boards of Directors of the parent company of KKCG investment group KKCG AG and of individual holding companies that belong to the Group. In KKCG a.s. he represents the position of the Chief Investment Officer.

Moreover he is a member of the board of directors of SAZKA Group a.s. and its subsidiaries.

Michal Houst

Executive Member

Mr. Houst began his professional career in JM Engineering as a financial manager, before moving to PPF Group as a financial analyst focusing on banking & consumer finance. In 2010 he became chief banking analyst at PPF Russia, with the focus of his responsibilities on Nomos Bank contributing to its successful IPO and responsible for the preparation of the whole financial section. He was later appointed as a project manager, responsible for various development & restructuring projects within the Bank.

In 2013 he joined EMMA Group as an Investment Director and a key individual for OPAP privatization. He joined the company later the same year as an Executive Director & CFO contributing to its efficient restructuring and growth ever since. In January 2019, he assumed the role of Deputy CEO, in addition to his CFO responsibilities, to further optimize business processes and deliver highest level of operational performance.

Christos Kopelouzos

Non Executive Member

Born in Athens, Mr. Kopelouzos is currently Co-CEO of Copelouzos Group with business activities in the area of Natural Gas, Renewable Energy, Electricity Production and Trading, Real Estate, Concessions, Airports and Gaming. In 2002 he completed his studies at the City University/City Business School in the field of Investment & Financial Risk Management.

Marco Sala

Non Executive Member

Mr. Sala is Chief Executive Officer of International Game Technology PLC ("IGT"), and serves on its Board of Directors. He is responsible for overseeing the strategic direction of the Company, which is publicly traded on the New York Stock Exchange (NYSE:IGT). He works directly with the board and other senior management to establish long-range goals, strategies, plans, and policies. Prior to April 2015, Mr. Sala served as Chief Executive Officer of GTECH S.p.A. (formerly known as Lottomatica Group) since April 2009, and was responsible for overseeing all of the Company's segments including the Americas, International, Italy, and Products and Services. He joined the Company as Co-General Manager in 2003, and since then, has served as a member of the Board of Directors.

In August 2006, he was appointed Managing Director with responsibility for the Company's Italian Operations and other European activities. Previously, he was Chief Executive Officer of Buffetti, Italy's leading office equipment and supply retail chain. Prior to Buffetti, Mr. Sala served as Head of the Italian Business Directories Division for SEAT Pagine Gialle. He was later promoted to Head of Business Directories with responsibility for a number of international companies such as Thomson (Great Britain), Euredit (France), and Kompass (Italy).

Earlier in his career, he worked as Head of the Spare Parts Divisions at Magneti Marelli (a Fiat Group company) and soon after, he became Head of the Lubricants Divisions. Additionally, he held various marketing positions at Kraft Foods. Mr. Sala graduated from Bocconi University in Milan, majoring in Business and Economics.

Robert Chvátal

Non Executive Member

Born in 1968, Mr. Chvatal graduated from Prague School of Economics studying Business Administration. He began his professional career in 1991 with Procter & Gamble and Benckiser before spending 15 years in mobile telecommunications as Chief Marketing Officer for T-Mobile Czech, and later as CEO of T-Mobile Slovakia and T-Mobile Austria.

Since 2013, he joined lottery sector by being appointed the CEO and a member of the BoD of Sazka a.s., which, following a turnaround, has become one of the fastest growing lottery companies globally.

In 2017 Mr. Chvatal was appointed as CEO of SAZKA Group, while since the same year he serves as an OPAP Board Director. Mr. Chvatal has also been elected since 2015 as the 1st Vice-President of the European Lotteries.

Stylianos Kostopoulos

Non Executive Member

Mr. Kostopoulos completed his high school studies in Anatolia College of Thessaloniki and graduated from Aristotle University of Thessaloniki, Faculty of Positive Sciences, holding a Degree in Applied Mathematics. Since 1989, he has held numerous managerial positions in the Financial and Banking sector, mostly in BNP Paribas and Omega/Proton Bank, being responsible for Wealth Management, Corporate & Investment Banking, Credit Analysis, Loan Administration and Customer Services.

Since 2006, he has joined Aegean Oil, heading the Family Office of the Founders and being BOD member, CFO, Financial Advisor and Treasurer in various companies. In parallel, since 2013, he has served as Member of the BoD of EMMA DELTA VCIC and its affiliates.

Rudolf Jurcik

Independent non Executive Member

Born in Prague, Czech Republic, Mr. Jurcik is a French citizen. He is married and has two children. Mr. Jurcik studied Ancient and Oriental Languages as well as History at Charles IV University in Prague. He is currently the Owner and Executive Director of the Prestige Oblige, Private Management & Consultants FZ LLC in Dubai. Previously, he served as the CEO of MAF Hospitality (Property) in Dubai and as President of the Oberoi International Group in New Delhi. He has also worked as a Special Advisor to the CEO of Air France Group in Paris and as Managing Director of Forte/Meridien Hotels in Paris.

Additionally, Mr. Jurcik has served as a Senior Vice President of Meridien, based in Athens. He has also worked as a French foreign trade Advisor and as a COO of the Casino Royal Evian in France.

Dimitrakis Potamitis

Independent Non Executive Member

Mr. Potamitis was born in Cyprus. He graduated from the Athens University of Economics and Business (former ASOEE).

His professional career began in 1968, as a junior auditor at PricewaterhouseCoopers International Limited (PwC). His main expertise was shipping and banking audits. Since 1982 and up until 2004, Mr. Potamitis was a PWC Partner in charge of Piraeus Office-Greece, while from 2004 up to 2008 he acted as a Consultant. From 2008 and up until today he is an Independent, Non-Executive Board Member of Aegean Baltic Bank S.A. and Chairman of the Audit Committee, as well as Member of the Remuneration Committee (from 2012) of the aforementioned bank.

Mr. Potamitis has also provided specialist consultancy and advisory services in matters related to the audit of the Financial Statements of companies in the shipping industry.

He is a Member of the Hellenic Institute of Public Accountants – Auditors.

In 2017, Mr. Potamitis was appointed as Chairman of the Audit Committee in Resolute Asset Management S.A., a specialist real estate asset management and non-performing loan servicing firm. Furthermore in 2018 Mr. Potamitis was appointed as a member of the Quality Review Council of Hellenic Accounting and Auditing Standards Oversight Board (HAASOB/ELTE), acting as a quality reviewer of the financial statements of non-listed companies.

Igor Rusek

Independent Non Executive Member

Dr. Igor Rusek graduated from the Faculty of Law at the University of Basel, Switzerland, where he undertook post-graduate studies in international private law. He has served for many years as a member of Boards of Directors of various international groups of companies and has managed for two decades in this capacity the organisation of internal audits, accounting standards and corporate governance under applicable international standards. From 1994 to 2001, he was Associate Attorney at ATAG Ernst & Young, auditing and consulting firm in Basel. In 2001 he was appointed Partner and Member of Executive Committee at ATAG Private & Corporate Services Ltd (ATAG PCS).

During his role as CEO of ATAG PCS from 2007 – 2018 Dr. Rusek also had the Chair of the Compliance Audit Team and was mainly responsible for Audit and Tax Audit Procedures in companies which are administrated by ATAG PCS, as well as their Corporate Governance. Meanwhile Dr. Rusek is the President of the Board of Directors and partner of ATAG Attorneys Ltd, a law firm which roots reach back to 1917 founded ATAG, a leading Swiss advisory company, whereas his responsibility for ATAG PCS's Audit and Tax Procedures remains unchanged.

Eleni Kourlimpini

Corporate Secretary

The current Corporate Secretary of the Company is Mrs. Eleni Kourlimpini, a Lawyer specialized in Corporate and Commercial Law. Prior to joining OPAP Mrs Kourlimpini has worked as an in house lawyer in MJMAILLIS GROUP and HCMC.

B: Effectiveness

B.1: BOARD COMPOSITION

The Board comprises of ten Non-Executive Directors and three Executive Directors, Kamil Ziegler, the Chairman of the Board, Damian Cope, CEO and Michal Houst, CFO. Information regarding the Directors and the Corporate Secretary serving at the date of this Report is set out on page 28.

B.2: COMMITMENT

All Non-Executive Directors confirm that they are able to allocate sufficient time to meet the expectations of the role and the requirement to disclose any actual or potential conflicts of interest.

Non-executive members of the BoD do not perform executive or managerial duties, but contribute by helping the BoD as follows:

- Constructively challenging and helping in developing strategy proposals;
- If necessary, submitting reports individually or jointly, separately from the BoD reports, to the Shareholders' Assembly Meetings;
- When appointed by the BoD, participating in BoD Committees or any other working group or ad hoc committees formed from time to time, and performing the duties assigned to them in such committees;
- Providing international and operational experience, and knowledge and understanding of global financial issues, the sectors in which OPAP operates and challenges it faces;

• Managing conflicts of interest;

Further restrictions related with non-executive members of the BoD may be found in the Internal Rules and Regulations.

B.3: INFORMATION AND SUPPORT

All members of the Board receive timely reports on items arising at meetings of the Board to enable due consideration of the items in advance of meetings. Directors unable to attend a particular meeting during the year had the opportunity to review and raise any issues on the relevant briefing papers.

Each Director has access to the advice and services of the Company Secretary and a procedure exists for Directors to take independent professional advice at the Company's expense in furtherance of their duties.

Company Secretary

The Corporate Secretary ensures that the correct Board procedures are followed and proper records are maintained. All Directors have access to the Corporate Secretary.

B.4: EVALUATION

Performance Evaluation

The Board maintains an ongoing review of its procedures and its effectiveness and those of its Committees throughout the year. The Board of Directors is performing a self-assessment in respect to the achievement of the action program it has drafted within the framework of the annual report for the previous year. The performance of each committee is self-assessed by each committee. The Company considers the introduction of both qualitative and quantitative criteria for the assessment of the performance of both the Board of Directors and its committees.

B.5: DIRECTORS' RE-ELECTION

In accordance with Code recommendations, all the Directors are subject to election by shareholders at intervals of no more than four years. Such term of office shall be extended ipso jure until the election of new directors from the next ordinary General Meeting of shareholders in accordance with the more specific provisions of the Articles of Association. The members of the Board of Directors are unconditionally re-eligible and may be freely removed. Members of the Board of Directors are removed by the General Meeting of shareholders. The General Meeting may replace any of the elected members of the Board of Directors even before their term of office expires.

The members of the Board of Directors (BoD) serve for four (4) years. According to article 11 of the Company's Articles of Association (AoA) such term of office is extended ipso jure until the election of new directors from the next Ordinary Shareholders' General Meeting, in accordance with the more specific provisions of paragraphs 1, 2 and 3 of the same article.

The term of office of the current BoD started on 25.04.2018 for four (4)-years, and shall be extended ipso jure until the election of new directors from the subsequent Ordinary General Meeting of shareholders in accordance with the provisions of article 11 of the Company's Articles of Association.

C: Accountability

C.1: FINANCIAL AND BUSINESS REPORTING

The Board is responsible for the integrity of OPAP's consolidated and the Company's Financial Statements and recognizes its responsibility to present a fair, balanced and understandable assessment of OPAP's position and prospects.

The Board is satisfied that the Financial Statements and reports to regulators present a fair, balanced and understandable assessment of OPAP's position and prospects.

To assist with financial reporting and the preparation of standalone and consolidated Financial Statements, the Finance function has in place a series of accounting and treasury policies, practices and controls which are designed to ensure the identification and communication of changes in accounting standards, and reconciliation of core financial systems. The function consists of consolidation and financial accounting teams, and technical support which comprises of Senior Finance personnel who review external technical developments and accounting policy issues.

Throughout the year OPAP has had in place an ongoing process for evaluating the financial reporting process and the preparation of consolidated accounts. The basis for the preparation of consolidated accounts is as set out on page 97 under Accounting Policies.

Following the Audit Committee recommendation, the Board agrees an engagement letter with the Auditors in respect of the full year audit and half-year review and the Auditors' statement on their work and reporting responsibilities.
Information on OPAP's business model and strategy for generating and preserving longer-term growth and delivering on the Company's stated objectives is set out in the Business Strategy section of the Annual Report on page 16.

An extra step involving an additional review of the Annual Report was added to the approval process so that the full Board, acting together, could confirm that the Annual Report was fair, balanced and understandable.

Furthermore, an analysis of the remuneration paid by OPAP Group to auditors for the offering of audit and other services is included on page 157 of the Annual Report.

All information provided for in article 10 (1) (c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, is included in the Annual Report and the Company's Articles of Association, to which we refer.

C.2: RISK MANAGEMENT AND INTERNAL CONTROL

The Board has established a risk and internal audit structure designed to manage the achievement of business objectives. It has overall responsibility for OPAP's system of internal control and for the effectiveness of such system.

The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit Team helps OPAP Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

The Internal Audit Function reports functionally to the Audit Committee of OPAP Board of Directors and administratively to the Chairman of the Board. The Head of the Internal Audit Function is a person with sufficient qualifications and experience and is appointed by OPAP Board of Directors.

The Internal Audit Function is administratively independent from other OPAP Units and is staffed by personnel that:

- is exclusively, full time employed, without having executive or operational duties relating with any other activity of OPAP or the Group; and
- is not member of the Board or a Director who has other responsibilities than those of Internal Audit or relatives of the above up to the second degree by blood or by marriage.

The Internal Audit Function has the responsibilities provided by law and the applicable regulatory framework and reports to the Company's Audit Committee and Board of Directors the results of the audits performed at least on a quarterly basis.

Internal Audit Function operates and organizes its works and responsibilities based on a risk based audit plan that is annually approved by the Audit Committee and pursuant to the International Standards for the Professional Practice of Internal Auditing. The three subsidiaries HELLENIC LOTTERIES S.A., TORA WALLET S.A., NEUROSOFT S.A. have respectively established structured Internal Audit Units.

OPAP's control environment is supported by the principles of Business Conduct which are included in the relevant corporate code and a range of ISO policies and procedures on corporate, social and environmental responsibility and information security. Other key elements within the internal control structure are summarized as follows:

- **The Board and Management** – the Board approves the strategy and performs an advisory and supervisory role, with the day-to-day management of the Company being undertaken by the CEO supported by the CFO and the Top Management. The CEO and other Executives have clearly communicated OPAP's vision, strategy, operating model, values and business objectives across the Group;
- **Organizational Structure** – during the year ended 31 December 2018, the Company presented the new structure of the Executive Committee and the new organizational chart. Throughout the organization, the achievement of business objectives and the establishment of appropriate risk management and internal control systems and processes are embedded in the responsibilities of managers of business units;
- **Budgeting** – there is an annual planning process whereby operating budgets (opex and capex) for the following financial year are prepared and reviewed by the Board. Long-term business plans are also prepared and reviewed by the Board on an annual basis;
- **Management Reporting** – there is a comprehensive system of management reporting. The financial performance of operating units and OPAP as a whole are monitored against budget on a monthly basis and are updated by periodic forecasts.
- **Risk Management** – as part of the ongoing risk and control process, the Executive Committee reviews and evaluates risks to the achievement of business objectives and the Audit Committee is informed of those significant risks which might impact on the achievement of corporate objectives. A summary of the most significant risks faced by OPAP is included in the Business Strategy section on page 16 and details of OPAP's relationships and principal risks are set out on pages 11 to 15.
- **Business Units' Controls** – each business unit maintains a system of internal control and risk management which is appropriate to its own business environment. Such controls must be in accordance with Group policies and include management authorization processes, to ensure that all commitments on behalf of OPAP are entered into only after appropriate approval.
- **Compliance Controls –** the Group maintains a compliance program that aims to demonstrate that the Company has the organizational structure, adequate people, policies, processes in place and technology to contribute to risk management and compliance enforcement. Indicatively, the Company monitors compliance with the principles of responsible gaming, with the Games Regulations and with the international security standards of Games (WLA-SCS/ISO 27001), takes action to combat illegal gambling, conducts annual audits specifically for the subsidiary Company HELLENIC LOTTERIES S.A. and for the certification of compliance with other ISO systems. The Code of Conduct of OPAP Group establishes a policy for whistleblowing complaints, through which any violation of the Code of Conduct can be reported to the Group Regulatory and Compliance Officer by formal written or verbal complaint or anonymously. Group Regulatory and Compliance Officer provides the Audit Committee with regular

updates on the compliance controls of the Group and recommendations for continuous improvement; and

- **Monitoring –** the effectiveness of the system of internal control and risk management is monitored regularly through a combination of management review, self-assessment, independent review through quality assurance, environment, health & safety and regulatory audits, as well as independent internal and external audit. The results of internal and external audit reviews are reported to and considered by the Audit Committee, and actions are taken to address any significant control matters identified. The Audit Committee also approves annual internal and external audit plans and is responsible for performing the ongoing review of the system of internal control and risk management on behalf of the Board.

The Board confirms that reviews the appropriateness and effectiveness of the system of internal control and risk management throughout the financial year and up to the date of approval of the Annual Report and Accounts have been satisfactorily completed.

Report of the Audit Committee

C.3: AUDIT COMMITTEE AND AUDITORS

General

The Audit Committee was created by the Board of Directors of OPAP S.A., in October 2013.

As an independent body, the Audit Committee is able to oversee the affairs of OPAP S.A. ethically and with responsibility. This duty is its main role at present and in the future. The activities undertaken by the Committee include activities in different fields such as review of the financial information subject to regulation, control of market risks, oversight of management model, monitoring the independence of the statutory auditor and appraising the business of the Internal Audit division.

Composition of Audit Committee

The Audit Committee consists of three independent and non-executive members. The Members of the Audit Committee were appointed to office for a term of four years, which was renewed for further four years term pursuant with decision taken by the Shareholders in April 2018, in the context of the Regular General Assembly.

The Audit Committee members are the following:

1. Dimitris J. Potamitis – Chairman
2. Dr. Igor Rusek – Member
3. Rudolf Jurcik – Member

Secretary of the Audit Committee

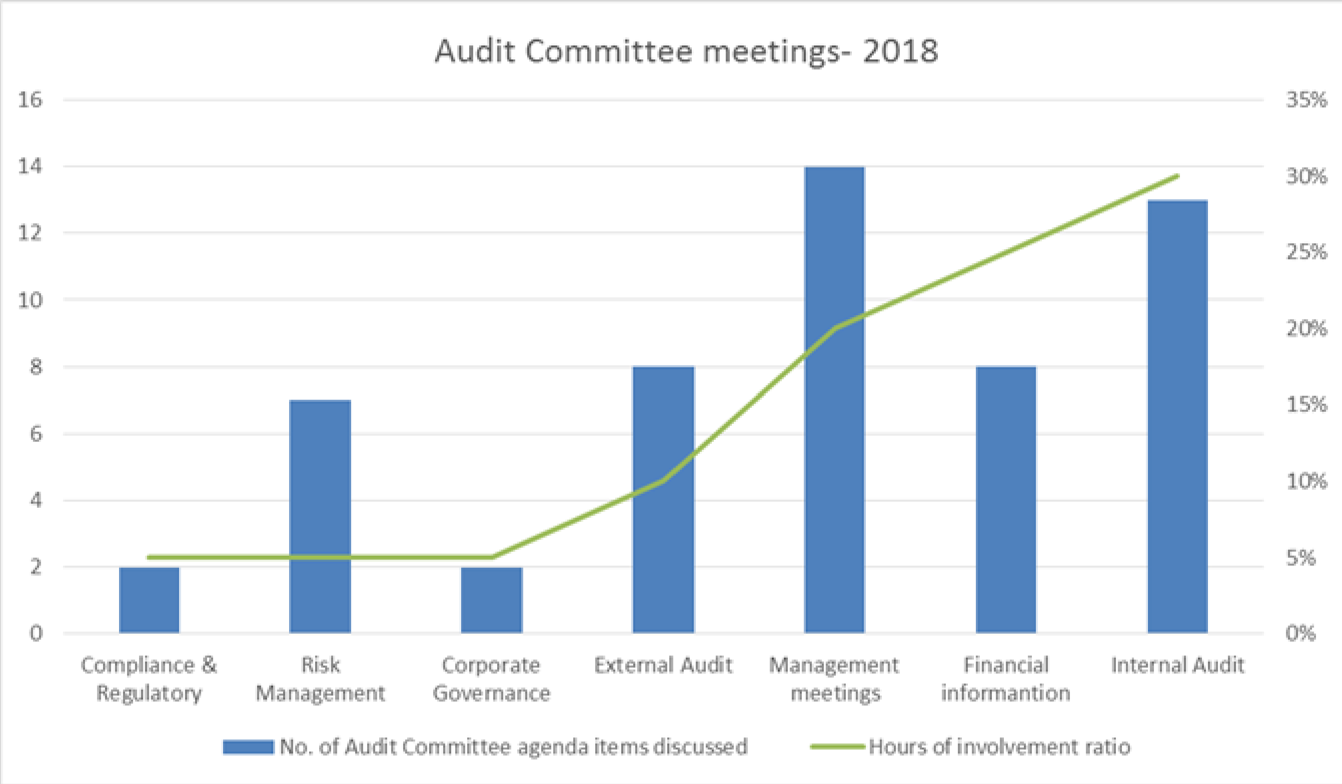
The Secretary of the Audit Committee is employee of Corporate Secretariat.

Major duties of the Audit Committee

- To monitor proper drafting of financial statements and to report on the annual, half-yearly and quarterly financial statements;
- To Inform the Board of Directors of the audited entity about the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of the financial information and what was the role of the audit committee in that process.
- To Monitor the financial reporting process and make recommendations or proposals to ensure its integrity.
- To report to the Board of Directors any change in accounting policies balance sheet risk and off balance sheet risk;
- To propose the appointment of statutory auditors to the Board of Directors, for subsequent referral to the General Meeting of Shareholders;
- To oversee internal audit services, to ensure the quality and risk management of the Company and, where applicable, its internal audit unit, with regard to the financial information of the audited entity without infringing the independence of that entity. Also the Audit Committee shall report on the process of selection, appointment, reappointment, removal and remuneration of the Internal Audit Head and on Internal Audit division budget;
- To be fully aware of the financial information reporting process and internal audit systems;
- To review and monitor the independence of statutory auditors or audit firms.
- To be responsible for the selection process of statutory auditors or audit firms
- To liaise with the external auditors so as to receive information on any matters that could jeopardize the latter independence and any other matters relating to the financial auditing process.

Audit Committee meetings in 2018

The Audit Committee met 10 times in 2018 at the premises of the Company. Notice of the meeting is given in writing including the agenda three days prior to the scheduled date.



Audit Committee activities in 2018

- Presentation of KPMG Audit Planning and independent confirmation.
- Audit fees confirmation and proposal to the BoD to approve auditing and non-auditing fees
- Internal Audit Plan approval
- Review of interim unaudited financial statements and quarterly accounts
- Monitoring of Internal Audit Plan and of reports of internal audit
- Meetings with Key Personnel (IT,Legal, Accounting and Financial Information, AML and Compliance, Data Protection, Digital Gaming and self-service terminals etc.)
- External Auditors work done on significant matters
- Attendance with the Chairman of the Board of Directors
- Meeting with the Head of Investors relations
- Meeting with External Audit Partner
- Monthly meeting with Head of Internal Audit

Conclusion

As a result of the above activities, we believe that the Audit Committee performed its role and responsibilities effectively. No unusual transaction, illegal payment, violation of law and regulation came to our attention that should affect the Consolidated Financial Statements. Furthermore, the Audit

Committee believes that the Company has policies and controls to prevent and detect fraud and maintains an adequate internal control including controls over financial reporting in accordance with the nature and size of its operations.

Dimitris Potamitis

Audit Committee Chairman

D: Remuneration

D.1: THE LEVEL AND COMPONENTS OF REMUNERATION

The Company's compensation plan is performance-driven and designed to promote OPAP's innovative and entrepreneurial culture. Since OPAP privatization, the Board set out to create a truly multinational Company and, as a result of this approach, people of various nationalities, skills and professional backgrounds cooperate in every sector in which OPAP operates.

The level and components of remuneration across OPAP is designed to facilitate global mobility and diversity. Salary ranges are based on domestic and sectorial benchmarking and OPAP's annual cash bonus structure, whereas long-term incentives and other benefits are offered.

Details on the Company's remuneration policy and the Board of Directors' compensation arrangements are set out below:

BOARD MEMBERS' REMUNERATION REPORT

The Remuneration and Nomination Committee, as it was renamed by the 26.05.2016 Board of Directors' decision, is responsible for deciding on the fees that encourage good customer service, are fair to all our employees and are aligned with the interests of all of our shareholders.

The primary objective of the Remuneration & Nomination Committee is to assist the Board of Directors in carrying out its duties in the following areas:

- Ensuring that there are adequate procedures for the evaluation of the Chairman's remuneration, of non-executive Board Members, of executive Board Members, of the ones that directly report to the CEO, of the Board Committees and of the Board as a whole,
- Ensuring that the Company adopts, monitors and implements appropriate policies and remuneration procedures,
- Ensuring that disclosures regarding remunerations meet the disclosure objectives of the Board of Directors and of all relevant legal requirements,
- Reviewing succession plans of Board executives and executive officers on a regular basis to maintain an appropriate balance of skills, experience, expertise and diversity in the management of the Company, and providing advice to the Board accordingly and

- Evaluating candidates and proposing new members for the Board of Directors.

Our management team is multinational and adaptable and thus the main principles of our philosophy regarding remuneration are the following:

- Transparency
- Alignment of interests between shareholders and management
- Alignment of interests between employees and management
- Attraction and retention of the right people
- Performance-based remuneration

Remuneration regime

- Bonus schemes were adopted that build incentives via specific KPIs. Established criteria include quantitative benchmarking based on the overall Company performance, taking into account key profitability metrics
- Qualitative criteria also apply, focusing on managerial skills, training & development of the working teams, project deliveries, external communication etc.

It is worth mentioning that bonuses and other variable remuneration arrangements is common practice for companies listed in the FTSE100 index. Research shows that 99% of executives working in index FTSE100 companies at the Executive Committee level and above has a ratio of variable to fixed remuneration in excess of 1:1, whereas that is not the case in our Company, where such levels is possible for very limited number of positions (currently only Chairman and CEO).

The Remuneration Policy of the company applies to the remuneration of all members of the Board of Directors. It is designed to reflect fairness in the context of pay conditions to all employees and align Board remuneration with the interests of our shareholders. The objective of the Remuneration Policy is therefore to meet market practice, to serve the Company's strategic vision, its shareholders, clients and wider stakeholders.

It is expected that the detailed remuneration policy will come for shareholders' approval at the 2019 Annual General Meeting.

Long-term incentive scheme

The Board of Directors of the Company, following a recommendation of the Remuneration and Nomination Committee, on 28.3.2017, approved a Long term incentive scheme with distribution of part of the Company's net profits to Executive Members of the BoD and other Key Management Personnel of the Company, excluding the CEO. The program's duration is 3 years, for the period 2017-2019. The targets relate to a. the profitability of the Company for the 3 year period mentioned above and b. the Company's share price increase in Athens Exchange. Finally, the scheme defines that the maximum amount to be distributed to up to 30 beneficiaries is € 7,000 th..

D.2: REMUNERATION COMMITTEE AND PROCEDURE

The Remuneration Committee is chaired by Pavel Saroch, and comprised by three members. All the committee members are non-executive and considered independent from executive tasks (Pavel Saroch, non-executive member, Spiridon Fokas, non-executive member and A' Vice-Chairman of the Board of Directors, and Pavel Horak, non-executive member of the Board of Directors and B' Vice Chairman of the Board of Directors), but not independent according to the full set of criteria of the Code. Their recommendations and reports were submitted to the Board for approval.

We hope that this report achieves the aim of improved transparency and clarity under the new reporting requirements and that we can count on your support at the forthcoming AGM for both our Remuneration policy and the decision we have taken as a committee during the year.

Pavel Saroch,

Chairman of the Remuneration Committee

E: Relations with Shareholders

E.1: RELATIONS WITH SHAREHOLDERS

The Board is committed so as the Company to effectively communicate with its Shareholders. The Executive Directors and executives from the Investor Relations team meet regularly with shareholders, institutional investors and financial analysts to discuss matters relating to the Company's business strategy and current performance. The Chairman, the CEO and the CFO receive by the Investor Relations Division monthly and annual updates on share price developments, major buyers and sellers of shares, peer group analysis, investors' views and analysts' reports on the industry and on the Company specifically . Feedback on presentations and roadshow meetings with institutional investors is presented to the Executive Directors of the BoD and any other specifically interested Non-Executive directors. The investor relations program includes:

- Formal presentations of full year and half year results and quarterly interim management statements;
- Regular meetings between institutional investors and senior management to ensure that the investor community receives a balanced and complete view of OPAP's performance, the issues faced by OPAP and any issues of concern to the investors;

- Response to enquiries from institutional and from retail Shareholders through the Company's investor relations team; and
- A section dedicated to Shareholders on the Company's website.

Overall, the Investor Relations Division's main responsibilities are to:

- develop strategies & implement Investor Relation initiatives to target & attract investors and increase shareholders value;
- Enable effective two-way communication between OPAP and financial community to contribute achieving fair valuation;
- Filter Market Feedback to Management.

In 2018 the Company participated in nine international investor events and roadshows related to either Gaming, Emerging Markets and/or Greece - South Eastern Europe. The frequency, duration and location of roadshow activity as well as the level of participation is determined in the beginning of the year. Additionally, in 2018 the first ever OPAP's Analyst Day was conducted, providing the analysts the opportunity to meet the Executive Committee, and allowing OPAP to communicate the strategy and the progress achieved, build confidence and showcase the ability to execute. The event was attended by 25 analysts & equity sales professionals from 18 international & domestic houses.

The Investor Relation Team is fully dedicated to communicate with investors community, while the top management including Chairman, CEO, CFO and key directors, are available to discuss governance and strategy with major Shareholders and Institutional Investors should such a dialogue is needed.

As a reflection of the best practices that IR Team follows, OPAP has been distinguished at the Athens Exchange "Best Investor Relations (IR) Team 2018" voting awards, achieving second place amongst all Greek listed companies following a survey addressed to institutional investors and Athex affiliated members.

E.2: THE ANNUAL GENERAL MEETING

The AGM provides all Shareholders with an opportunity to vote on the resolutions put to them. The AGM is used as the main opportunity for the Directors to meet directly with private investors. It is attended by the Directors and all Shareholders present are given the opportunity to ask questions to the Chairman, the Chairs of Board Committees and the Board as a unit.

The Company makes available to the public all information related to the AGM in a way as to ensure easy and equal access for all. More specifically, the Company posts timely on its website the invitation, the results of the voting and the decisions of the General Assembly. In addition, it informs about the minority rights of the shareholders, as provided by law.

The Company's Articles of Association explicitly define the competences of the General Meeting and the way it is convened, as well as the issues of standard and exceptional quorum and majority.

On voting, each share has one vote. The results of the poll are released to the Stock Exchange and published on the Company’s website shortly after the AGM. In the last years, quorum of close to 70% was achieved.

ST: Non-financial report – Sustainable development

We believe that corporate growth goes side by side with social growth and prosperity, a principle we have followed throughout the 60 years of our operation in Greece.

We adopt a holistic approach to Corporate Responsibility, where the accountability for responsible operation lies within each department and each employee, without being the sole responsibility of a specific department. Nevertheless, managing responsible operation issues overall, requires the creation of appropriate organizational structures.

Our Corporate Responsibility agenda is driven by the CEO, while at organizational level the Chief Corporate and Regulatory affairs Officer is responsible for identifying the strategic risks, setting standards and targets and reviewing the Company’s Corporate Responsibility performance.

- At operational level, the Director of the Corporate Responsibility and Public Relations Team, is responsible for cooperating with other departments in order to allocate responsibilities and disseminate policies and practices. She has established a close collaboration with the Quality Management Systems Team.
- We have appointed specific executives, responsible for key issues such as Compliance, who coordinate and implement relevant programs and activities.

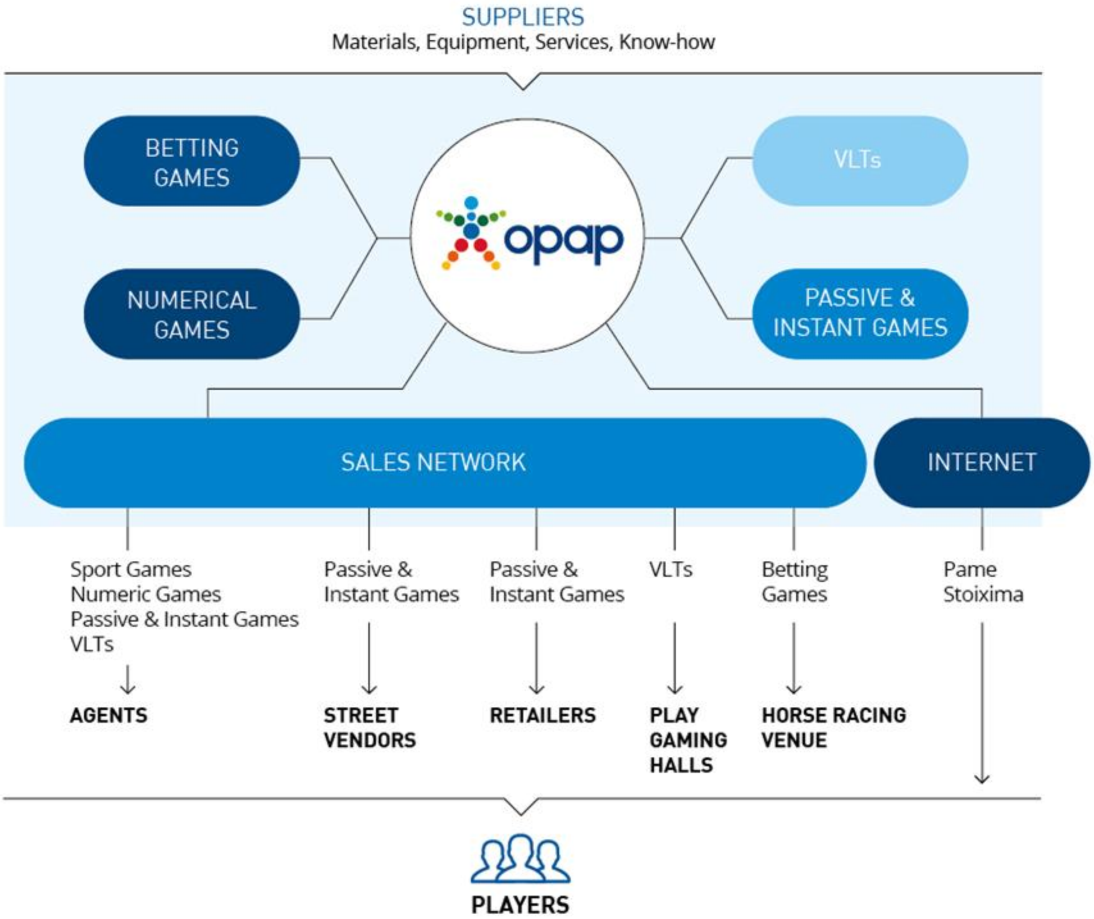
Our business

We offer numerical and betting games. Betting games have the final amount of winning revenues fixed and made known at the time of betting, while in numerical games, all bets of a particular type are collected and then the yield is calculated by distributing the concentrated bets to the winners.

To deliver our products and services, aside from our own operations, we utilize resources from our suppliers (materials, equipment, services and know-how), which are used to organize, operate and sustain our games of chance.

All our products and services are available through our sales network, which includes OPAP agencies (where we also provide the necessary equipment, IT systems and services such as training), street vendors and other various retailers (for selling SCRATCH tickets and passive lotteries) and PLAY Gaming Halls (for VLTs only), as well as the horseracing venue in Markopoulo.

Especially for PAME STOIXIMA, players can also place their bets through a specially designed online platform (www.pamestoixima.gr).



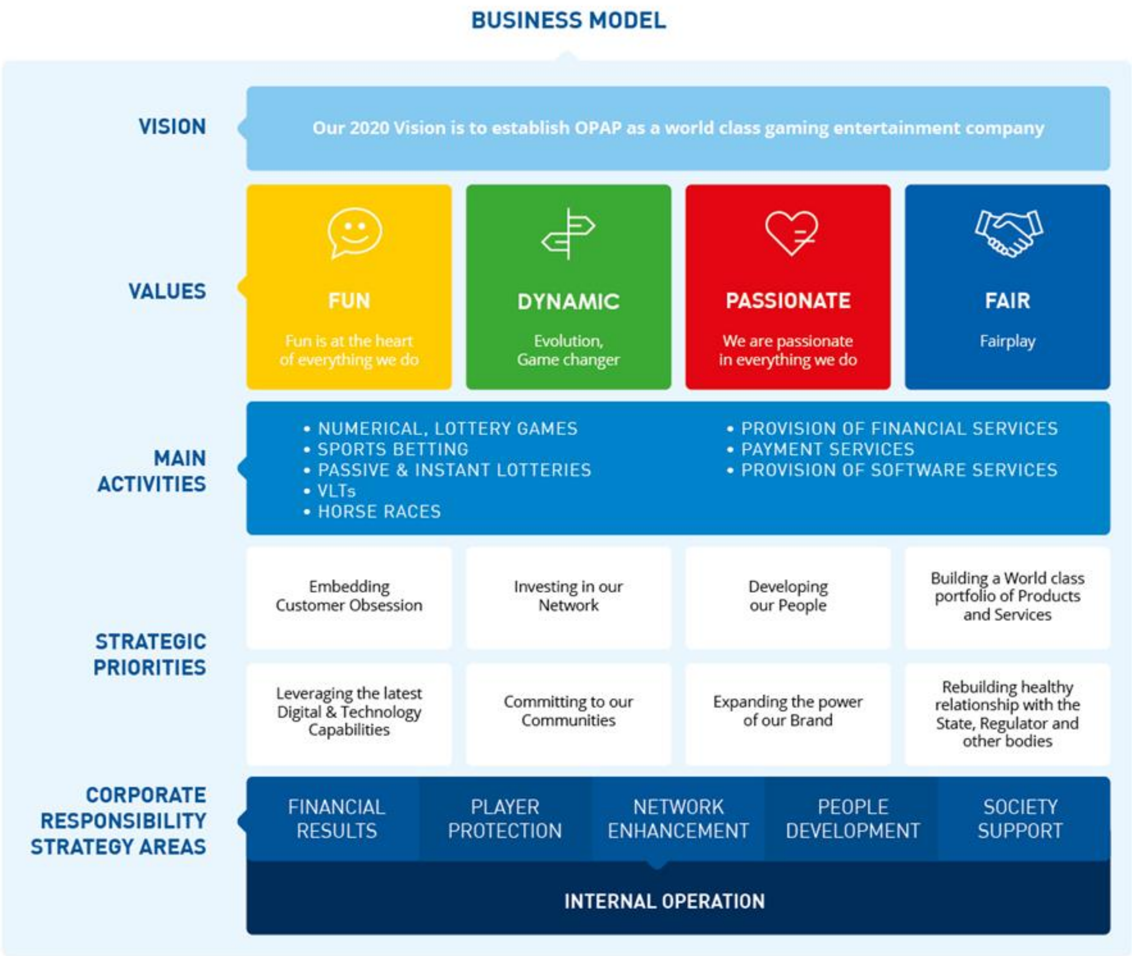
Our business model

Our business model lays out the key decision-making foundations that govern our actions and initiatives in order to achieve our business goals, delivering top-quality products and services, fostering employee training and development, maintaining strong communication channels with our agents and suppliers and fulfilling our corporate responsibility mandate.

Our vision is to establish OPAP as a world class gaming entertainment Company and ensure the Company's growth, expansion of operations and profit generation. The foundation of the 2020 vision is underpinned by our 4-core values (Fun, Dynamic, Passionate and Fair). These values sustain our work-friendly working environment and motivate our employees throughout the Group.

We have established a set of 8 strategic priorities that will help us generate, capture and sustain value for the Company and all our stakeholders, both in the short and long term, and at the same time safeguard OPAP's future success.

We operate under the World Lottery Associations (WLA) and responsible gaming standards and strive to transform our business excellence into social contribution through an integrated corporate responsibility strategy, as visualized in the model presented below.



Our Corporate Responsibility Strategy

We have built our corporate responsibility strategy around 6 areas, as outlined below.

Internal Operation

Our objective

We aim to operate in a responsible manner by embedding responsibility into our business, and at the same time, improve our competitiveness and create value for all our stakeholders.

Our approach

We have established a series of codes, policies and procedures, in the framework of our corporate governance, our compliance with the regulatory framework in which we operate and in the context of our Integrated Management System. Among the policies applied are the following:

- Hellenic Code of Corporate Governance (adopted by the Company)

- Code of Conduct
- Internal Rules and Regulations
- Anti-Money Laundering and Counter Terrorist Financing Policy
- Policy on Responsible Gaming
- Procurement Policy
- Environmental and Energy Policy
- Quality Policy
- Health and Safety Policy
- Social Accountability Policy
- Determination and Evaluation of Environmental Aspects
- Health and Safety Risk Identification and Evaluation
- Policy on CSR Strategy
- Policy on CSR Report Development
- Framework and Policy on Information Assets Security

Our corporate governance practices have been developed in line with the Hellenic Corporate Governance Code issued by the Hellenic Council of Corporate Governance (ESED). More information is provided in the Corporate Governance Statement.

Our Code of Conduct outlines the main principles and behavioral rules, as well as provides guidance to all stakeholders (i.e. Board of Directors, Chief Officers, managers and employees) on issues that may arise within OPAP. All employees are obliged to adhere to the Code of Conduct's principles and if they suspect that they are not followed, employees and the Board of Directors/ Chief Officers can report their concerns to their immediate manager and /or to the Group Regulatory and Compliance Officer respectively, through the established whistleblowing mechanism.

In addition, we have established a System of Internal Controls based on best international practices, designed to provide reasonable assurance on the efficiency and effectiveness of the work, the reliability and completeness of the financial and management reporting, as well as the compliance with the applicable legal and regulatory framework.

We have developed a systematic enterprise risk management approach, based on which, we identify, measure and prioritize key risks that may affect the achievement of our strategic objectives, on an annual basis. The Board monitors the level of risk through the Group's major risk assessment process.

OPAP has developed a Policy on the 'Prevention of the use of gaming products for the purpose of money laundering and terrorism financing' (Anti Money Laundering - AML Policy) for OPAP S.A. and HELLENIC LOTTERIES S.A., which applies to all employees, agents and salesmen of OPAP products, in order to comply with the Hellenic Gaming Commission's Decision no. 129/2/2014, as currently in force. We conduct regular AML audits to our network, in order to ensure their compliance with the Policy and the requirements of the regulatory framework. Furthermore, we conduct full AML background checks to all new candidates that have expressed interest to join our network.

It should be noted that our Code of Conduct also outlines that fraud, bribery and corruption in all forms are illegal and unacceptable. Stakeholders of OPAP Group should immediately report any concerns of fraud, bribery and corruption in accordance to the Whistleblowing Complaints Policy.

We are committed to pursuing operational effectiveness, customer satisfaction and continuous improvement, as well as maintaining our environmental and social responsibility. This is achieved through the effective implementation of an Integrated Management System for Quality, Environmental and Energy and Health and Safety management, certified according to:

- ISO 9001 Quality Management System, certified by Lloyd's Register Quality.
- ISO 14001 Environmental Management System, certified by Bureau Veritas.
- ISO 50001 Energy Management System, certified by Bureau Veritas
- OHSAS 18001 Occupational Health and Safety System, certified by Bureau Veritas

Financial Results

Our objective

We seek to align our continuous support to society with healthy and sustainable financial results, in order to facilitate a long-term sustainable business. Therefore, we built our long-term corporate strategy in a transparent way that satisfies the needs of shareholders and the investment community, creates value for all stakeholder groups, contributes to the country’s development and economic sustainability, while at the same time strengthens our presence in the gaming industry.

Our approach

As part of being transparent in our financial reporting process, we disclose significant transactions within OPAP Group of Companies and the related parties (as defined by IAS 24).

We are committed to utilizing the positive value generated by our business to benefit different stakeholders impacted by our operations. Therefore, through our turnover we ensure that we return significant financial resources back to society, to our players (through payout to lottery and betting winners), our network (through a commission-based agents’ agreement), our shareholders (through dividends), our suppliers (through purchases), our employees (through wages, benefits and insurance payments), providers of capital (through interest paid for loans), the Hellenic Republic (through its participation in Gross Gaming Revenue, corporate taxes and other taxes and duties) and investments.

Player Protection

Our objective

We understand that the responsible management of our business is imperative, due to the possible risks and consequences that might arise from excessive participation in games of chance. Therefore, we seek to establish an environment, in which a fair, reliable and safe gaming experience is provided to those who choose to use the products and services offered by our Company, for their own entertainment.

Our approach

According to our Code of Conduct and the Communication and Advertisement Policies included in the Responsible Gaming Policy, we ensure that all our advertisements and commercial communication announcements a) are legal, fair and truthful, b) comply with the relevant regulatory framework and c) respect the principles of Responsible Gaming. All commercial communication activities are being approved by the competent regulatory body (Hellenic Gaming Commission-HGC and/or the three-member Committee of article. 28, para. 3A of L. 4002/2011) and additionally are decent, fair to participants, do not cause disrepute, respect participants' personal data and conform to the current regulatory framework and the corporate policies in force.

Moreover, in order to ensure that our communications are responsible, we fully comply with HGC's Decision no. 163/4C/09.07.2015 'Regulating gaming commercial communication issues' (GG B' 1824) as currently in force, which defines the principles for gaming operators' communications, promotion, marketing and advertising activities and, generally, every aspect of commercial communication.

We have established an internal and external mechanism for advice on ethical and responsible player behavior, as well as for the reporting of illegal gaming sites, which endanger the industry's reputation and players' wellbeing. Our Responsible Gaming Framework which reflects the one adopted by the World Lottery Association, consists of activities that aim to ensure responsible and sustainable growth, protect the general public and especially vulnerable social groups from excessive gaming, as well as prevent minors from any participation in games of chance.

Recognizing our Responsible Gaming principles, two international associations rewarded us with the highest distinctions globally for our commitment in protecting consumers and ensuring a safe environment for our players. In particular, in 2018, the World Lottery Association (WLA) awarded us with the WLA Responsible Gaming Certificate Level 4, which is the highest level of Responsible Gaming Certifications globally, moving forward from the Level 3 certification we had been awarded in 2015. In addition, the European State Lotteries and Toto Association/ European Lotteries (EL) awarded us with the Statement of Alignment with the EL Responsible Gaming Standards for our true dedication to consistently build Responsible Gaming principles in our strategy and operation.

We inform, educate and engage with our employees about Responsible Gaming, in order to ensure their compliance with the respective principles and rules as defined by our policies and practices.

The credibility of our draw processes is the cornerstone of our reliability and the single most important driver of trust in our relationship with our players. We therefore place a proportionate importance on these processes in order to ensure that our draw processes are perceived as being indisputably credible and objective by all our customers. OPAP is in line with the Draw Regulation (Joint Ministerial Decision no. 7905/27.02.2009 GG B’ 430/10.03.2009), which describes in detail all procedures that must be followed during the draws, as well as all the necessary corrective actions to apply in case of malfunction.

The issue of personal data privacy is particularly important for serving the users of our products and services. For this reason, we created a Data Protection Office and appointed a Data Protection Officer, in view of entry into force of the General Data Protection Regulation (GDPR). We have adopted several new policies and procedures and revised all our privacy notices to ensure full transparency of our processing activities. We have implemented the appropriate technical and organizational measures. In addition, we conduct risk assessments and audits, on a regular basis, to identify and prioritize information security vulnerabilities and define appropriate risk treatment plans.

Finally, as part of our actions to improve our customer service, we continuously monitor our customer related performance through appropriate surveys.

Network Enhancement

Our objective

Recognizing that we operate in a highly challenging economic situation, we dedicate our efforts to the development of our sales network and the creation of more work positions. Our aim is to place out customers as our top priority and provide the resources to improve our network partners' operations at every level.

Our approach

Our distribution network is one of the largest exclusive commercial networks in Greece, where we offer our games and services through 3,910 dedicated and branded agencies throughout the country, 351 Gaming Halls, while a further 5,662 points of sale and 2,841 street vendors are utilized to distribute SCRATCH tickets and passive lotteries. In Cyprus, 201 branded agencies offer our games.

As part of our commitment to continuously invest and develop our network, we monitor each agent's performance on a daily basis, and suggest actions and initiatives to enhance our offering and achieve our common goals.

Following our efforts to establish a line of direct communication with our network partners, we operate the 'OPAPNET' and 'OPAPNET I PLAY' portals for our agents and PLAY Gaming Hall operators respectively.

We provide various training programs to our agents through our sales training team. It must be noted that, if deemed necessary, employees from agencies and Hellenic Lotteries sales channels can participate in training programs on games rules, responsible gaming, as well as standard operational procedures and policies.

Our agents are obliged to comply with 'The protection of the Greek society from addiction to games of chance, the protection of minors and the protection of the consumer'. Non-compliance with the principles and rules of responsible operation constitutes a reason to impose penalties (ranging from warning, to termination of agency's agreement). We inform our agents and PLAY Gaming Hall operators about their responsible operation and make sure that they comply with OPAP's principles and rules.

Through OPAP's Responsible Gaming training program, agents, PLAY stores venue managers and their employees are able to identify a player's problematic behavior, as well as provide advice to mitigate the consequences of excessive gaming and refer them to treatment providers.

Indicating our commitment to ensure proper compliance with the Responsible Gaming rules and principles, we monitor our agencies' compliance according to the basic rules of Responsible Gaming through on-site inspection visits. In case an agent is identified as being non-compliant with its obligations in the above areas, OPAP reserves the right to suspend its license and terminate their agreement.

People Development

Our objective

Our People are at the heart of everything we do, bringing value and contributing to the success of our long-term strategic objectives, which lead us towards our 2020 Vision. We are committed to create a unique experience for all OPAP People; one that reflects our high performing culture and our values. We focus on being a great place to work by placing our People at the center of our strategy.

Our approach

Aiming to foster OPAP Group's rapid development, business efficiency and customer service excellence, the Group welcomes talents and recruits outstanding professionals who will become part of our team.

We appreciate our People's dedication to OPAP and we systematically work to ensure that all employees are able to achieve a healthy work-life balance. As part of our commitment, we have launched the supportive OPAP Employee Assistance Program for our People and family members in collaboration with a specialized and experienced provider.

At the same time, by investing in the training and development of all employees through constant training courses, we safeguard the further developing and strengthening of talent to guarantee the achievement of our strategic objectives. In 2015, we launched the Opapacademy; an umbrella of all OPAP Group's training and development activities through which we design our training programs.

Health and safety of our People is of the outmost importance, as it is a non-negotiable prerequisite for the successful operation of our business. In this context, we have developed an Occupational Health and Safety Policy demonstrating our commitment in shaping a preventive culture regarding health and safety at work. The Policy has been communicated to all employees and outlines our activities to continuously improve our workplace. Additionally, we implement a Health and Safety Management System based on the OHSAS 18001:2007 standard for Occupational Health and Safety.

We have integrated fairness within our core values, as we believe it represents a fundamental requirement in establishing a positive work environment which facilitates a performance driven culture. Consequently, in our Code of Conduct we articulate our policy against discrimination based on race, gender, marital status, political beliefs, religion, origin, sexual orientation, age and disabilities, regarding work issues, such as recruitment and selection, salaries, promotions and career development. We strictly follow the internationally recognized human rights, as described within the UN Universal Declaration of Human Rights and the ten Principles of the UN Global Compact, while at the same time all our employees are covered by the Greek National Collective Bargaining Agreement.

At the begging of 2019, the new collective labour agreement, which covers all employees of OPAP S.A., was signed with a retroactive effect from 01.01.2018. The main elements of the agreement include basic salary, allowances, annual leave etc.. For the respective retroactive liabilities of the Company, € 651 th. were provided for at year end.

Society Support

Our objective

We believe that our role in society transcends our business activities and we have the responsibility to support social growth and prosperity. Thus, we are committed to support and benefit different stakeholders and underprivileged social groups, facilitate our supply chain's growth and responsible operation, as well as safeguard the environment and reduce our potential impact on climate change and resource use.

Our approach

Within the context of OPAP's integrated societal support strategy, we focus on large-scale initiatives in three main areas, namely Health, Sports and Employment. At the same time, we do not neglect to support sensitive social groups and communities, responding to stand alone needs of our society.

Driven by our objective to support entrepreneurship and enhance our overall positive impact on the Greek economy, we implemented the "OPAP Forward" program under the pillar of Employment. This program is designed to offer a unique opportunity to fast growing Small Medium Businesses by offering them specialized services (i.e. strategic guidance, training, access to investors etc.) to help them unleash their full potential, generate new jobs and contribute to their further development. OPAP collaborates with the global non-profit organization Endeavor, to ensure the program's effective implementation. Endeavor supports the most promising companies worldwide helping them capitalize on their potential through a unique network of seasoned business leaders. With Endeavor's support, the selected companies will be able to grow faster, create jobs and contribute to the growth of the economy. The program supports 40 Small and Medium Businesses, across Greece. The "OPAP Forward" curriculum has helped the participating companies create 417 new direct working positions and support 3,184 new indirect job positions through the establishment of new collaborations, while at the same time increase their total turnover by 20%

As part of our efforts to upgrade medical infrastructure, we continue the renovations of "Aghia Sophia" and "Panagioti and Aglaias Kyriakou" Children Hospitals. Our ambitious project is in full development and following its completion the two specialized Hospitals will be able to service the needs of children from all over Greece in a top-level environment. In 2018, both Hospital buildings had 50% of their renovation completed. The Daily Care Unit and the Central Sterile Service Department at "Aghia Sophia" Children Hospital and the 2nd Pediatric Nursing Unit in the "Panagioti and Aglaias Kyriakou" Children Hospital were delivered.

Having set as a priority to build solid foundations and create value for future generations, we continued the 'Sports Academies' program for the third year, to instill the values of fair play and team work in children.

OPAP seeks to cultivate the importance of volunteerism amongst its employees by promoting a series of volunteering events and facilitate employees' participation.

We fully acknowledge that our suppliers' activities and actions can influence our own responsible operation and therefore we strive to build a sustainable supply chain. We interact with our suppliers in a transparent and objective manner and offer equal opportunities to all. We utilize our outreach and size to support the local economy in the areas we operate, by collaborating with local suppliers and purchasing locally produced products and supplies.

We are conscious of global environmental issues and work systematically towards minimizing our potential negative impact throughout our operations, by complying with current environmental legislation and relevant provisions, as well as conducting all necessary environmental impact assessments. As part of our certified Environmental Management System according to ISO14001:2015, we apply appropriate practices to manage our operations in a way that prevents environmental pollution, regarding both our own operations, as well as our main suppliers' operations, through specific provisions in RFPs, awards and contracts. Furthermore, in November 2018, we implemented an Energy Management System certified according to ISO5001, complying with the legal obligations on energy management set out by L.4342/2015.

Identifying the most material issues for our sustainable operation

OPAP is continuously informed about the global economic, environmental and social issues that are surrounding the business community and strives to ensure that these global issues are taken into consideration during the development of our sustainability strategy. As the largest gaming Company in Greece we acknowledge the sheer size of our business operations and the subsequent impacts it can incur on the economy, the environment and society. Therefore, we identify the material issues that are most material for our sustainable development and our stakeholders. In 2017, we identified and prioritized these issues through a 4 phase methodology, as follows:

<u>Phase 1: Sustainability Context</u>

Potential material issues were identified by evaluating OPAP's operation and strategy, future trends and current global industrial practices. Through this process, we identified 38 issues.

<u>Phase 2: Materiality Analysis by OPAP Management</u>

Most of these issues had already been included in the risk register of OPAP, which comprises of the full list of risks identified and assessed by the Senior Management (i.e. Chief Officers). The CEO and the BoD monitor the process and its results.

For each issue, OPAP Senior Management had its potential impact and likelihood of occurrence assessed.

The new issues that had not been assessed during the formal risk management process, were assessed at a second phase by members of the Senior Management.

Phase 3: Stakeholder Engagement

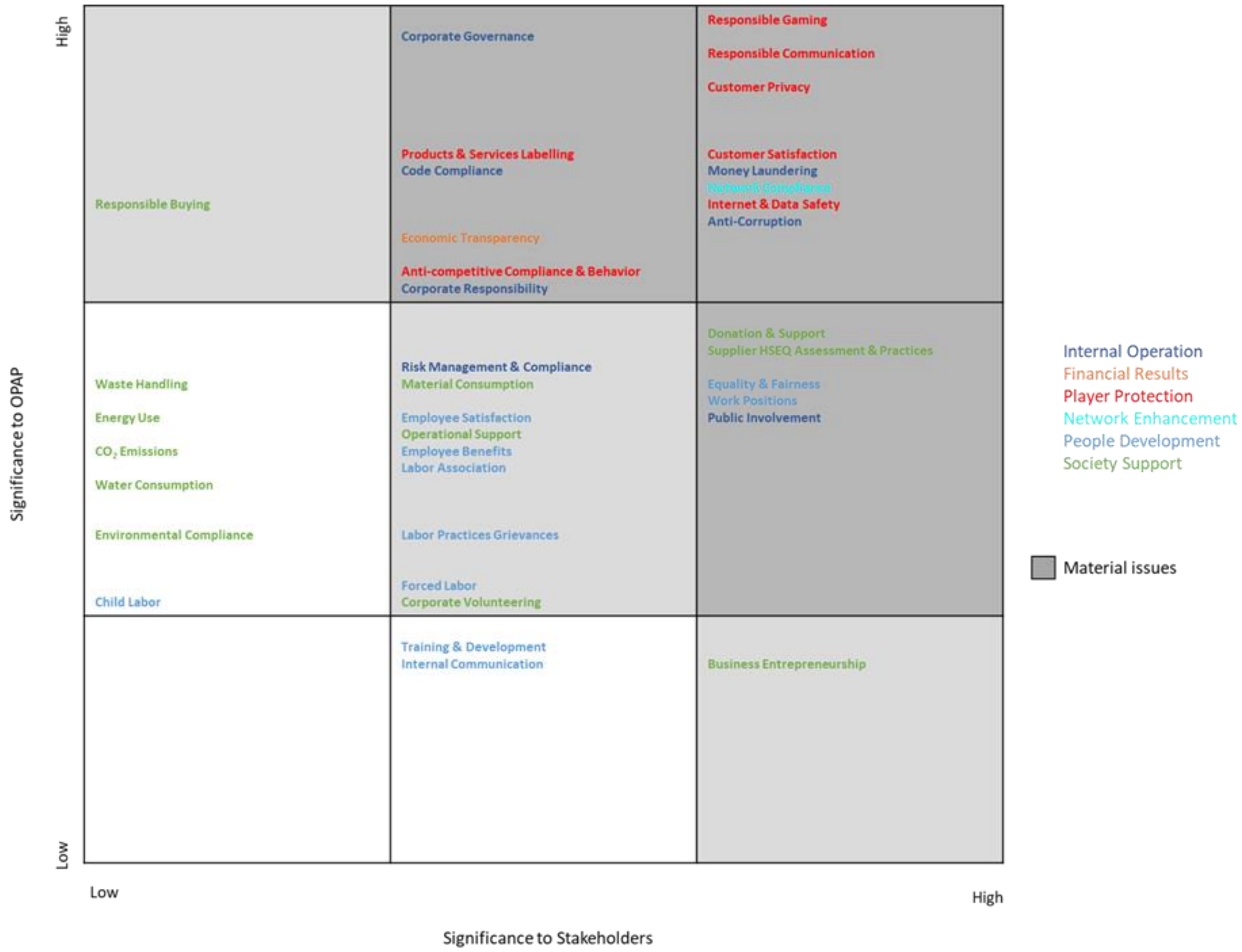
To assess stakeholders' expectations and interests, we used the feedback and messages that we had received from our stakeholders through our communication with them. We also used the findings of all available surveys conducted in the year. Information was retrieved from various sources, functions and units of our operation.

Phase 4: Prioritization

The outcomes from the above phases were combined to generate the materiality map (presented below), which depicts the significance of all issues to OPAP and its Stakeholders.

We acknowledge all issues as important for our sustainable development, focusing on the issues identified as material for OPAP and our stakeholders.

OPAP Materiality Map



Our results in 2018

A representative sample of key results is displayed below, which are part of the overall Corporate Responsibility results presented within the Integrated Report (financial and non-financial data), which will be issued by OPAP Group in 2019.

Indicator	Group[1]	Company
Internal Operation		
Court convictions for corruption or bribery against OPAP or its employees (number)	-	-
Monetary value of fines or penalties (i.e. even if appealed) for noncompliance with laws and regulations regarding incidents of corruption and bribery (€)	-	-
Player Protection		
Employees informed about Responsible Gaming (%)	100%	100%
Agents informed about Responsible Gaming (%)	100%	100%
Network Enhancement		
OPAP Stores (number)	3,910	3,910
Gaming Halls	351	351
Additional POS (points of sale) and street vendors for HELLENIC LOTTERIES products	8,503	0
People Development		
Employees (number)	1,262	1,108
Full-time employees (%)	97%	100%
Indefinite time contract employees (%)	97%	97%
Women in overall workforce (%)	43%	44%
Fatalities (number)	-	-
Grievances regarding human rights (including child, forced and compulsory labor), which were filed through formal grievance mechanisms (number)	-	-
Society Support		
Societal support activities (number)	366	364
Societal support spending (million €)	23.7	23.6
Significant suppliers[2] with contractual clauses on sustainability issues (e.g. labor practices, environmental issues, impacts on society, human rights such as child, forced and compulsory labor) (%)	100%	100%
Electricity consumption (MWh)[3]	3,975	3,975
Water consumption (m^3)[3]	10,102	10,102
Paper consumption (tn)	16	14

[1] Data refer to the companies OPAP S.A., HELLENIC LOTTERIES S.A., OPAP SERVICES S.A., TORA DIRECT S.A., HORSE RACES S.A. and TORA WALLET S.A..

[2] Significant suppliers refer to suppliers whose annual contract fees exceed € 50,000.

[3] Data refer to all our buildings in Athens and Thessaloniki; these buildings are commonly used by OPAP S.A., HELLENIC LOTTERIES S.A., OPAP SERVICES S.A., TORA DIRECT S.A. and TORA WALLET S.A. The data do not include the consumption of HORSE RACES S.A..

7. Dividend policy – Distribution of net profit

In relation to dividend distribution, the Company's Management, after taking into consideration the Company's performance, its prospects and its investment plans, proposes the distribution of dividend of € 0.70 per share before withholding taxes (according to the applicable tax legislation) versus € 0.40 per share for the year 2017.

Furthermore, it must be noted that the Company's Board of Directors, based on the results of the period ended on 30.06.2018, approved the distribution of interim dividend of € 0.10 per share. The record date was set for 15.10.2018.

Based on the aforementioned information, total dividend (versus 2017 total dividend) before applicable withholding taxes, will be as follows:

	2018	2017
Interim dividend	0.1000	0.1000
Special dividend	-	0.7000
Final dividend	0.6000	0.3000
Total dividend	**0.7000**	**1.1000**

8. Number and par value of shares

All the shares issued by the Company are common shares.

The total authorized number of common shares was 319,000,000 on 31.12.2018 with a par value of € 0.30 per share (€ 0.30 in 2017). All issued shares are fully paid.

There was no change in the share capital of the Company during the period that ended on 31.12.2018.

9. Subsequent events after the end of fiscal year 2018 and until the announcement of the annual financial report

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

OPAP INVESTMENT LTD, on 03.01.2019, following the conclusion of its due diligence exercise, agreed to acquire the 51% of Stoiximan Group's Greek and Cypriot operations under GML Interactive Ltd, 100% subsidiary of TCB Holdings Ltd ("TCB"), for a total consideration of € 94,860 th., plus net cash as of the closing date.

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

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

The Company, on 22.01.2019 repaid fully, long before its maturity date, i.e. on 31.12.2021, the long term loan of € 6,041 the subsidiary OPAP INVESTMENT LTD had granted within 2018.

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

In a joint announcement on 14.03.2019, KKCG and EMMA Capital announced their agreement in splitting assets of the SAZKA Group.

Following the completion of the transaction, which is subject to the approval of regulatory and competition authorities, KKCG will solely own 100% of SAZKA Group while the participation of EMMA Capital will be fully eliminated. Thus, in relation to OPAP Emma Delta Hellenic Holdings remains the strategic shareholder with 33% stake, jointly controlled by SAZKA Group and Georgiella Holdings.

10. Alternative Performance Indicators (API)

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

(Amounts in thousands of euro)	01.01-31.12.2018	01.01-31.12.2017	Δ %
Profit before interest, tax, depreciation, amortization and impairment (EBITDA) / Revenue (GGR)	22.9%	21.1%	8.6%
Profit attributable to owners of the Company / Revenue (GGR)	9.3%	8.7%	6.9%
Net debt	458,996	436,167	5.2%
Total debt / Total equity	85.6%	89.8%	(4.7%)
Net debt / Profit before interest, tax, depreciation, amortization and impairment (EBITDA) last twelve months	1.3	1.4	(8.8%)

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

Calculated as the ratio of earnings before tax, depreciation, amortization and impairment (EBITDA) over GGR in the year.

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

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

Net Debt

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

Total Debt / Equity

Calculated as the ratio of the sum of short-term loan plus the sum of Long-term loans at the end of the year over equity at the end of the year.

Net Debt / Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)

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

ANNEX

EXPLANATORY REPORT TO THE ORDINARY GENERAL MEETING OF OPAP S.A. SHAREHOLDERS PURSUANT TO ARTICLE 4 PAR. 7-8 OF LAW 3556/2007

The present explanatory report of the Company's Board of Directors to the Ordinary General Meeting of OPAP S.A. Shareholders consists of detailed information pursuant to the provisions of art. 4, par. 7 and 8 of L. 3556/2007.

1. Company's Share Capital Structure

The Company's Share Capital mounts up to the sum of ninety five million seven hundred thousand (€ 95,700,000), divided to three hundred and nineteen million (319,000,000) nominal common and outstanding voting shares, with nominal value of thirty cents of euro (€ 0.30) each.

The Company's Share Capital has not changed during the fiscal period from 1.1.2018 until 31.12.2018.

All shares are admitted to trading at the Athens Stock Exchange Market.

The rights of the Shareholders of OPAP S.A. which stem from the Company's share are equivalent to the percentage of their equity investment in the paid-up share capital.

Each share provides all rights and obligations required by the Law and the Statutes and more specifically:

- Participation and voting right to the General Meeting of OPAP S.A.
- The right of being entitled to receive dividend out of annual profits or out of Company liquidation, as well as the right on the Company's assets in the event of liquidation. Every shareholder listed in the Company's share register at the ex-dividend date is entitled to a dividend. The date and the way of the collection of the dividend's distribution are announced by the Company through the Media, pursuant to L. 3556/2007 and the relevant decisions of the Exchange Commission. Within five (5) years starting from the year when distribution is approved by the General Meeting, the right of the collection of the dividend is lapsed and the amount not collected is prescribed to the Hellenic Public Sector.
- The right of pre-emption to any share capital increase of the Company holding cash and the assumption of new shares.
- The General Meeting of the Company's Shareholders retains all the functions and authorities during the Company's liquidation (pursuant to article 46 of its Statutes). The liability of the Company's shareholders is limited to the nominal value of shares held.
- The right to receive copies of Financial Statements and reports of the auditors and the Board of Directors.

2. Restrictions on the transfer of shares of the Company

According to the Law, the Company transfers its shares and this transfer is not subject to restrictions by the Statute.

3. Significant direct and indirect holdings according the provisions of Law 3556/2007

The shareholders (natural persons or legal entities) that according to their notification made up until 31.12.2018 hold directly or indirectly a percentage of shares of more of 5% of its total shares with the respective voting rights, are listed below:

Name	Percentage
Emma Delta Hellenic Holdings Limited	33.00%
Investors	67.00%

4. Shareholders of any shares with special auditing rights

There are no shares offering to the shareholders special auditing rights in the Company.

5. Restrictions of voting rights

According to the provisions of the Company's Statutes, there are no restrictions of shareholders voting rights.

6. Agreements of shareholders, acknowledged by the Company, involving restrictions on transfer of shares or exercising of voting rights

The Company does not acknowledge the existence of agreements among its shareholders which conclude to restrictions on transfer of shares or exercising of voting rights.

7. Regulations concerning appointment or replacement of members of the Board of Directors and amendment of the Statutes

The regulations of the Company's statutes regarding the appointment and replacement of BoD members and the modification of provisions of Statutes do not differentiate from the ones provided in the Codified L. 2190/1920 as such has been replaced as of 01.01.2019 by L. 4548/2018.

8. Competence of the Board of Directors or some of its members regarding issue of new shares or purchase of own shares

According to the Article 8 of the Company's Statutes, upon decision of the General Assembly, which is subject to publicity formulations of Article 7b of the codified L. 2190/1920 as such has been replaced as of 01.01.2019 by Article 13 of L. 4548/2018, the Board of Directors can be given the right, upon the Board's decision taken by, at least, a majority of two third (2/3) of its members, to increase the share capital partially or totally by issuing new shares, up to the amount of the paid-up capital the date that the Board of Directors was granted the authority in question. The Board of Directors' authority can be renewed by the General Assembly for a period of time that will not exceed the six-year period for each renewal. No such decision has been made by the General Assembly of the Shareholders.

According to the same article of the Statutes, upon decision of the General Assembly, a program of shares disposal can be established for the members of the Board of Directors and the Company's personnel, as well as for the associated companies, in the form of optional right of shares acquisition, with the terms and conditions of paragraph 13, Article 13 of the codified law 2190/1920 as such has been replaced as of 01.01.2019 by Article 26 of L. 4548/2018. No such decision has been made by the General Assembly of the Shareholders.

According to the provisions of Article 16 of the codified L. 2190/1920 as such has been replaced as of 01.01.2019 by Articles 48-52 of L. 4548/2018, the companies listed on the Athens Exchange may acquire own shares, upon decision of the General Assembly of their shareholders, which provides the terms and the conditions of provided acquisitions and, in particular, the maximum number of shares that can be acquired and the duration of this approval. Their acquisition takes place under the Board of Directors responsibility, under the conditions mentioned in the law. No controversy provision exists in the Company's Statutes. The Annual Ordinary General Assembly of the Company's Shareholders that was held on 27.04.2017 decided and set the details for the acquisition by the Company of treasury shares, through the Athens Exchange, up to a percentage of 5% of the total paid up share capital of the Company, namely up to 15,950,000 shares. The acquisition of treasury shares shall be made provided that on a case by case basis are considered to be at the Company's own benefit, preferential to other available investment options and as long as the Company's cash flow allows for such acquisitions and for purposes provided for by Regulation 2273/2003 and Decision No. 1/503/13.03.2009 by the Capital Market Commission. The proposed program for the acquisition of treasury shares shall be completed within twenty four months as from the date of the decision of the General Assembly, namely the latest by 26.04.2019, and will be implemented at a maximum acquisition price of € 13.00 per share and a minimum acquisition price equal to the nominal value price of each share, i.e. € 0.30 per share. During 2015, 2016, 2017 and 2018 the Company acquired 406,542, 581,263, 194,696, and 647,123 treasury shares respectively.

9. Important agreements signed by the Company, that are put into force, modified or expire in case of change of Company control following a public offering and the results of these agreements

There are no agreements that are put into force, modified or expire in case of change of Company control following a public offering.

10. Each agreement signed among the Company and the members of the Board of Directors or its personnel, which provides for compensation in the event of resignation or dismissals without just cause or termination of service or employment due to public offering

The Company has not entered into any agreements with the members of the Board of Directors or its personnel to compensate these persons, in case they are forced to resign or dismissed unfairly or their services or employment are terminated due to public offer for the acquisition of its shares.

Athens, 26 March 2019

Kamil Ziegler

Chairman

III. Annual Financial Statements

The attached Financial Statements as at 31.12.2018 of the Group and the Company were approved by the Board of Directors of OPAP S.A. on 26.03.2019 and have been posted at the Company's website www.opap.gr as well as in the website of Athens Stock Exchange. The attached Financial Statements will remain at the disposal of investors at least five years from the date of their announcement.

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

The auditors of the consolidated and separate Financial Statements of OPAP S.A. for the years ended on 31.12.2018 and 31.12.2017 is the auditing firm KPMG Certified Auditors S.A..

Independent Auditor’s Report

(Translated from the original in Greek)

To the Shareholders of
GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying Separate and Consolidated Financial Statements of GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A. (the “Company”) which comprise the Separate and Consolidated Statement of Financial Position as at 31 December 2018, the Separate and Consolidated Statements of Profit or Loss and Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Separate and Consolidated Financial Statements present fairly, in all material respects, the financial position of GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A. and its subsidiaries (the “Group”) as at 31 December 2018 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants, as it has been incorporated into Greek legislation,* and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Separate and Consolidated Financial Statements of the current period. These matters and the relevant significant assessed risks of material misstatement were addressed in the context of our audit of the Separate and Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. **Revenue Recognition – Gross Gaming Revenue**

   Refer to significant accounting policies note 8.4 Revenue Recognition

Key audit matter	How the matter was addressed in our audit
The revenue streams of the Group and the Company are computed on highly complex IT systems, with a number of different bases for calculating revenue, which are largely based on automated processes in regulated environments. There is a huge number of transactions each year, all requiring a correct IT outcome which is dependent mainly on the service organizations which have developed specific IT platforms for this purpose. There is a risk that each system is not configured correctly from the outset such that revenue is calculated incorrectly, that the systems do not interface correctly from the customer facing systems through to the financial information systems and that unauthorized changes are made to any of these systems. Revenues are the basis for the calculations of commission expenses and various liabilities related to games. Due to the quantum of the revenue from each stream and associated systems and processes, the recognition of revenue for the games was deemed a key audit matter.	Our audit procedures in relation to this matter included, amongst others the receipt and review of ISAE 3402 Reports on the description, design and operating effectiveness of controls at the service organizations which have been issued by the auditors of the service organizations providing services to the Group and Company through certain IT platforms and the performance of complementary controls at the Group and Company in these service organizations. Furthermore, IT audit specialists assisted the Group audit team in assessing the effectiveness of the controls in place in relation to the IT systems and additionally performing audit procedures to test the accuracy of the revenue processed by these systems. We also performed substantive analytical procedures over the significant revenue streams and we tested the year end income cut off on a sample basis.

2. **Impairment on Intangible assets and goodwill**

Refer to significant accounting policies note 8.8 Impairment of non-financial assets and 12.1 Intangible assets and 12.4 Goodwill

Key audit matter	How the matter was addressed in our audit
The Group has intangible assets EUR 1 122 920 thousand and Goodwill of EUR 34 275 thousand. The Company has intangible assets of EUR 972 679. At the end of each reporting period, the Group and the Company assess whether there is any indication that an	Our audit procedures in relation to the impairment assessment of intangible assets and goodwill included, amongst others, the agreement of the future cash flows assumptions to Board-approved forecasts, the assessment of management’s historical budgeting accuracy and the

Key audit matter	How the matter was addressed in our audit
asset may be impaired. If any such indication exists, the Group and the Company perform an impairment test in order to estimate the asset's recoverable amount. If the asset's recoverable amount is less than its carrying amount, the asset is written down with the difference recorded to the income statement. In addition, irrespective of whether there is any indication of impairment, the Company and the Group perform an impairment test for intangible assets that are not yet available for use, as well as for goodwill. The impairment test is a complex process requiring significant management judgment and is based on key assumptions about future profitability and cash flows, selecting appropriate the discount and long-term growth rates. Due to the subjectivity involved in the key assumptions used by management in the impairment review, the inherent uncertainty of those assumptions, as well as the significant balances of these accounts, the ultimate recoverability of goodwill, and intangible assets was considered as a key audit matter.	challenge of short-term growth rates used in the forecasts by reference to current performance and plans. We used our internal valuation specialists to independently calculate appropriate discount rates for comparison with those used by management. We carried out sensitivity analysis on management's assumptions to challenge the key assumptions, as well as to reflect reasonably possible alternative future scenarios. In addition we assessed the adequacy of the relevant disclosures in the financial statements.

3. Impairment of investments in Subsidiaries

Refer to notes 8.8 Impairment of non-financial assets and 12.5 Investment in Subsidiaries

Key audit matter	How the matter was addressed in our audit
At 31 December 2018, the Company had investments in subsidiaries of EUR 270 725 thousand, which are accounted for at cost less impairment. If there is any indication that an asset may be impaired, the Company performs an impairment test in order to estimate the asset's recoverable amount. If the asset's recoverable amount is less than its carrying amount, the asset is written down with the difference recorded to the income statement. The impairment test is a complex process requiring significant management judgment and is based on key assumptions about future profitability and cash flows, taking into	Our audit procedures in relation to the impairment of investment in subsidiaries included, amongst others, the examination of whether there are indications of impairment for each investment in subsidiary. In the cases where an indication of impairment was required, when calculating the recoverable amount of the investments in subsidiaries, we tested the model used by the management for the calculation of the value in use and we agreed the future cash flows of the subsidiaries to Board-approved forecasts. We assessed management's historical budgeting accuracy and the challenge of short-term growth rates used in the

Key audit matter	How the matter was addressed in our audit
account the environment in which the Company's investments operate which are effected from the regulatory framework, selecting appropriate discount and long-term growth rates. Due to the subjectivity involved in the key assumptions used by management in the impairment review, and the inherent uncertainty of those assumptions, and the significant balance of the investment in subsidiaries in the Company's financial statements, the impairment of investments in subsidiaries was considered as a key audit matter.	forecasts of the Company by reference to current performance and plans. We used our internal valuation specialists to independently calculate appropriate discount rates for comparison with those used by management and compare with market. We carried out sensitivity analysis on management's assumptions to challenge the key assumptions, as well as to reflect reasonably possible alternative future scenarios. In addition we assessed the adequacy of the relevant disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, for which reference is made in the "Report on Other Legal and Regulatory Requirements" and the Declarations of the Members of the Board of Directors included in the Annual Report as required by the L. 3556/2007 but does not include the Separate and Consolidated Financial Statements and our Auditors' Report thereon.

Our opinion on the Separate and Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Separate and Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Separate and Consolidated Financial Statements or our knowledge obtained in the audit, or otherwises appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

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

In preparing the Separate and Consolidated Financial Statements, management is responsible for assessing the Company’s and 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 management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (article 44 of L.4449/2017) of the Company is responsible for overseeing the Company’s and the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Separate and Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 ISAs which have been incorporated in Greek legislation 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 Separate and Consolidated Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and 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 control.
- Obtain an understanding of internal control 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 Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's 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 Company's and 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 auditors' report to the related disclosures in the Separate and 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 auditors' report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Separate and Consolidated Financial Statements, including the disclosures, and whether the separate and 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 these 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Separate and Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement that is included in this report pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

(a) The Board of Directors' Report includes a Corporate Governance Statement which provides the information set by Article 152 of L. 4548/2018.

(b) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 150 and 153 and of paragraph 1 (cases c and d) of article 152 of L. 4548/2018 and its contents correspond with the accompanying Separate and Consolidated Financial Statements for the year ended 31 December 2018.

(c) Based on the knowledge acquired during our audit, relating to the Company and its environment, we have not identified any material misstatements in the Board of Directors' Report.

1. Additional Report to the Audit Committee

Our audit opinion on the Separate and Consolidated Financial Statements is consistent with the Additional Report to the Audit Committee of the Company dated 21 March 2019, pursuant to the requirements of article 11 of the Regulation 537/2014 of the European Union (EU).

2. Provision of non-Audit Services

We have not provided to the Company and its subsidiaries any prohibited non-audit services referred to in article 5 par. 1 of Regulation (EU) 537/2014.

The permissible non-audit services that we have provided to the Company and its subsidiaries during the year ended 31 December 2018 are disclosed in Note 12.40 of the accompanying Separate and Consolidated Financial Statements.

3. Appointment of Auditor

We were appointed for the first time as Certified Auditors of the Company based on the decision of the Annual General Shareholders' Meeting dated 11 May 2011. From then onwards we were reappointed as Certified Auditors of the Company based on the decision of the Annual General Shareholders' Meeting dated 22 May 2014 and our appointment has been renewed uninterruptedly for a total period of 5 years based on the annual decisions of the General Shareholders' Meeting.

Athens, 27 March 2019

KPMG Certified Auditors AE
AM SOEL 114

Nikolaos Vouniseas, Certified Auditor Accountant
AM SOEL 18701

1. Statement of Financial Position

As of 31 December 2018 and for the year then ended

(Amounts in thousands of euro)

		GROUP		COMPANY	
	Notes	31.12.2018	31.12.2017 Restated*	31.12.2018	31.12.2017
ASSETS					
Non - current assets					
Intangible assets	12.1	1,122,920	1,169,776	972,679	1,001,442
Property, plant & equipment	12.2	111,467	109,298	88,421	86,994
Investment property	12.3	903	922	903	922
Goodwill	12.4	34,275	51,775	-	-
Investments in subsidiaries	12.5	-	-	270,725	281,945
Investments in associates	12.6	50,089	-	-	-
Long – term receivables	12.11	2	2	2	2
Other non - current assets	12.7	47,151	22,553	47,464	40,225
Deferred tax asset	12.8	1,897	3,495	-	-
Total non - current assets		**1,368,704**	**1,357,822**	**1,380,194**	**1,411,530**
Current assets					
Cash and cash equivalents	12.9	191,454	246,102	101,563	94,270
Inventories	12.10	10,662	7,920	1,053	1,927
Trade receivables	12.11	137,417	127,829	43,512	54,360
Other current assets	12.12	41,686	58,532	17,898	29,896
Total current assets		**381,220**	**440,383**	**164,026**	**180,454**
Total Assets		**1,749,923**	**1,798,205**	**1,544,220**	**1,591,984**
EQUITY & LIABILITIES					
Equity					
Share capital	12.13	95,700	95,700	95,700	95,700
Reserves	12.14	33,156	33,034	31,900	31,900
Treasury shares	12.15	(14,497)	(9,039)	(14,497)	(9,039)
Retained earnings		608,395	595,016	604,126	598,462
Equity attributable to owners of the Company		**722,754**	**714,711**	**717,229**	**717,023**
Non-controlling interests	12.16	36,782	44,752	-	-
Total equity		**759,536**	**759,462**	**717,229**	**717,023**
Non-current liabilities					
Loans	12.17	650,260	513,098	601,351	467,342
Deferred tax liability	12.8	-	-	12,701	9,252
Employee benefit plans	12.18	4,807	3,084	4,409	2,735
Provisions	12.19	28,273	31,187	26,893	29,773
Other non-current liabilities	12.20	12,021	9,567	9,300	7,804
Total non-current liabilities		**695,361**	**556,936**	**654,654**	**516,907**
Current liabilities					
Loans	12.17	191	169,171	20,011	169,171
Trade payables	12.21	176,685	173,860	64,394	77,005
Tax liabilities	12.22	73,136	89,771	60,752	78,409
Other current liabilities	12.23	45,015	49,004	27,181	33,470
Total current liabilities		**295,026**	**481,807**	**172,337**	**358,054**
Total liabilities		**990,387**	**1,038,743**	**826,991**	**874,961**
TOTAL Equity & Liabilities		**1,749,923**	**1,798,205**	**1,544,220**	**1,591,984**

* 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. (refer to note 7.4).

The attached notes on pages 81 to 158 form an integral part of Financial Statements.

2. Income Statement

As of 31 December 2018 and for the year then ended

(Amounts in thousands of euro except for per share amounts)

		GROUP		COMPANY	
	Notes	01.01-31.12.2018	01.01-31.12.2017 Restated*	01.01-31.12.2018	01.01-31.12.2017
Amounts wagered		4,390,861	4,422,902	3,644,812	3,684,005
Income Statement is as follows:					
Revenue (GGR)		**1,547,015**	**1,455,514**	**1,294,097**	**1,201,589**
GGR contribution and other levies and duties	12.25	(507,080)	(482,578)	(442,800)	(416,874)
Net gaming revenue (NGR)		**1,039,935**	**972,936**	**851,297**	**784,715**
Agents' commission	12.26	(381,090)	(369,924)	(312,796)	(302,659)
Other NGR related commission	12.27	(52,954)	(38,270)	(36,403)	(21,740)
Other operating income	12.28	128,788	119,636	41,768	38,012
Other operating cost	12.29	(91,940)	(91,731)	-	-
		642,738	**592,647**	**543,866**	**498,328**
Operating expenses		**(289,138)**	**(286,192)**	**(254,924)**	**(238,358)**
Payroll expenses	12.30	(76,052)	(63,781)	(63,471)	(55,294)
Marketing expenses	12.31	(65,839)	(67,431)	(48,352)	(47,485)
Other operating expenses	12.32	(147,247)	(154,980)	(143,101)	(135,579)
Profit before interest, tax, depreciation, amortization and impairment (EBITDA)		**353,600**	**306,455**	**288,942**	**259,971**
Depreciation, amortization and impairment	12.1&12.2& 12.3&12.4	(114,308)	(92,008)	(71,149)	(66,631)
Results from operating activities		**239,292**	**214,447**	**217,793**	**193,339**
Finance income	12.33	2,887	2,934	1,091	1,412
Finance costs	12.33	(26,368)	(23,998)	(23,711)	(20,656)
Other finance income / (cost)	12.34 & 12.6	89	(267)	4,836	6,592
Profit before tax		**215,900**	**193,115**	**200,008**	**180,687**
Income tax expense	12.35	(70,599)	(61,578)	(64,818)	(55,125)
Profit for the period		**145,301**	**131,538**	**135,190**	**125,563**
Profit attributable to:					
Owners of the Company		143,312	126,151	135,190	125,563
Non-controlling interests	12.16	1,988	5,387	-	-
Profit after tax		**145,301**	**131,538**	**135,190**	**125,563**
Basic and diluted earnings (after tax) per share in €	**12.36**	**0.4511**	**0.3969**	**0.4256**	**0.3950**

* 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. (refer to note 7.4).

The attached notes on pages 81 to 158 form an integral part of Financial Statements.

3. Statement of Profit or Loss and other Comprehensive Income

As of 31 December 2018 and for the year then ended

(Amounts in thousands of euro except for per share amounts)

		GROUP		COMPANY	
	Notes	01.01-31.12.2018	01.01-31.12.2017 Restated*	01.01-31.12.2018	01.01-31.12.2017
Profit for the period		**145,301**	**131,538**	**135,190**	**125,563**
Other comprehensive income - items that will not be reclassified to profit or loss					
Actuarial gains/(losses)	12.18	(101)	255	(127)	29
Related tax		25	(74)	32	(8)
Total items that will not be reclassified to profit or loss		**(77)**	**181**	**(96)**	**20**
Other comprehensive income - items that are or may be reclassified subsequently to profit or loss					
Loss from valuation of hedging derivatives		(1,057)	(214)	(1,057)	(214)
Attributable income tax		264	62	264	62
Total items that may be reclassified to profit or loss		**(793)**	**(152)**	**(793)**	**(152)**
Other comprehensive income net of tax		**(870)**	**29**	**(889)**	**(131)**
Total comprehensive income net of tax		**144,431**	**131,567**	**134,301**	**125,431**
Total comprehensive income attributable to:					
Owners of the Company		142,439	126,129	134,301	125,431
Non-controlling interests		1,992	5,438	-	-
Total comprehensive income net of tax		**144,431**	**131,567**	**134,301**	**125,431**

* 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. (refer to note 7.4).

The attached notes on pages 81 to 158 form an integral part of Financial Statements.

4. Statement of Changes in Equity

4.1. Consolidated Statement of Changes in Equity

As of 31 December 2018 and for the year then ended

(Amounts in thousands of euro)

GROUP	Share capital	Reserves	Treasury shares	Retained earnings Restated*	Total	Non-controlling interests Restated*	Total equity
Balance as of 1 January 2017	**95,700**	**32,417**	**(7,454)**	**914,614**	**1,035,277**	**36,954**	**1,072,231**
Profit for the year	-	-	-	126,151	126,151	5,387	**131,538**
Other comprehensive loss	-	-	-	(22)	(22)	51	**29**
Total comprehensive income	**-**	**-**	**-**	**126,129**	**126,129**	**5,438**	**131,567**
Transactions with owners of the Company							
Acquisition of treasury shares	-	-	(1,585)	-	(1,585)	-	**(1,585)**
Share capital increase expenses of subsidiaries	-	-	-	(165)	(165)	-	**(165)**
Reserves of subsidiaries	-	617	-	(617)	-	-	**-**
Dividends paid	-	-	-	(444,944)	(444,944)	(1,698)	**(446,643)**
Total transactions with owners of the Company	**-**	**617**	**(1,585)**	**(445,727)**	**(446,695)**	**(1,698)**	**(448,393)**
Changes in ownership interests							
Acquisition of subsidiaries with non controlling interests	-	-	-	-	-	4,057	**4,057**
Total changes in ownership interests	**-**	**-**	**-**	**-**	**-**	**4,057**	**4,057**
Balance as of 31 December 2017 Restated*	**95,700**	**33,034**	**(9,039)**	**595,016**	**714,711**	**44,752**	**759,463**
Balance as of 1 January 2018	**95,700**	**33,034**	**(9,039)**	**595,016**	**714,711**	**44,752**	**759,463**
Profit for the year	-	-	-	143,312	143,312	1,988	**145,301**
Other comprehensive income/(loss)	-	-	-	(873)	(873)	4	**(870)**
Total comprehensive income	**-**	**-**	**-**	**142,439**	**142,439**	**1,992**	**144,431**
Transactions with owners of the Company							
Acquisition of treasury shares (Note 12.15)	-	-	(5,458)	-	(5,458)	-	**(5,458)**
Share capital increase expenses of subsidiaries	-	-	-	(301)	(301)	(69)	**(370)**
Share capital decrease of subsidiary	-	-	-	-	-	(6,261)	**(6,261)**
Other movements	-	-	-	(1,539)	(1,539)	-	**(1,539)**
Reserves of subsidiaries	-	122	-	(122)	-	-	**-**
Dividends paid	-	-	-	(127,098)	(127,098)	(3,632)	**(130,730)**
Total transactions with owners of the Company	**-**	**122**	**(5,458)**	**(129,060)**	**(134,396)**	**(9,961)**	**(144,357)**
Balance as of 31 December 2018	**95,700**	**33,156**	**(14,497)**	**608,395**	**722,754**	**36,782**	**759,536**

* 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. (refer to note 7.4).

4.2. Separate Statement of Changes in Equity

As of 31 December 2018 and for the year then ended

(Amounts in thousands of euro)

COMPANY	Share capital	Reserves	Treasury shares	Retained earnings	Total equity
Balance as of 1 January 2017	**95,700**	**31,900**	**(7,454)**	**917,975**	**1,038,121**
Profit for the year	-	-	-	125,563	**125,563**
Other comprehensive loss	-	-	-	(131)	**(131)**
Total comprehensive income	**-**	**-**	**-**	**125,431**	**125,431**
Acquisition of treasury shares	-	-	(1,585)	-	**(1,585)**
Dividends paid	-	-	-	(444,944)	**(444,944)**
Balance as of 31 December 2017	**95,700**	**31,900**	**(9,039)**	**598,462**	**717,023**
Balance as of 1 January 2018	**95,700**	**31,900**	**(9,039)**	**598,462**	**717,023**
Profit for the year	-	-	-	135,190	**135,190**
Other comprehensive loss	-	-	-	(889)	**(889)**
Total comprehensive income	**-**	**-**	**-**	**134,301**	**134,301**
Acquisition of treasury shares (Note 12.15)	-	-	(5,458)	-	**(5,458)**
Other movements	-	-	-	(1,539)	**(1,539)**
Dividends paid	-	-	-	(127,098)	**(127,098)**
Balance as of 31 December 2018	**95,700**	**31,900**	**(14,497)**	**604,126**	**717,229**

The attached notes on pages 81 to 158 form an integral part of Financial Statements.

5. Cash Flow Statement

As of 31 December 2018 and for the year then ended

(Amounts in thousand of euro)

		GROUP		COMPANY	
	Notes	01.01.-31.12.2018	01.01-31.12.2017 Restated*	01.01.-31.12.2018	01.01.-31.12.2017
OPERATING ACTIVITIES					
Profit before tax		215,900	193,115	200,008	180,687
Adjustments for:					
Depreciation & Amortization	12.1 & 12.2 & 12.3	96,767	89,266	71,149	66,631
Net finance costs		23,449	21,083	17,772	12,671
Employee benefit plans	12.18	1,573	1,516	1,501	1,413
Provisions for bad debts		2,990	1,554	1,751	1,162
Other provisions		(1,823)	(1,884)	(1,789)	(1,923)
Impairment losses on intangible assets & goodwill	12.1 & 12.4	17,541	2,742	-	-
Exchange differences		32	(19)	13	(19)
Impairment of investment in subsidiary	12.5	-	-	27,202	13,659
Share of (profit)/loss from associates	12.6	(89)	267	-	-
Profit from investing activities		(34)	(47)	(34)	(28)
Other non-cash items		-	-	2,755	2,755
Total		**356,307**	**307,593**	**320,327**	**277,008**
Changes in Working capital					
(Inrease) / decrease in inventories		(2,742)	5,155	875	423
(Increase) / decrease in receivables		(14,636)	(63,274)	7,766	(43,714)
Increase / (decrease) in payables (except banks)		2,658	14,994	(13,780)	20,857
Increase / (decrease) in taxes payable		(10,248)	33,861	(11,579)	34,650
Total		**331,338**	**298,330**	**303,608**	**289,225**
Interest paid		(26,555)	(21,992)	(23,813)	(18,440)
Income taxes paid		(51,674)	(31,412)	(43,724)	(25,665)
Net cash from operating activities		**253,110**	**244,925**	**236,071**	**245,120**
INVESTING ACTIVITIES					
Proceeds from sale of tangible & intangible assets		55	125	53	45
Acquisition of subsidiary/associate, net of cash acquired	12.4 & 12.6	(48,000)	(31,583)	-	-
Loan repayments from third parties		5,106	1,564	3,382	-
Loan repayments from subsidiaries		-	-	700	-
Share capital increase of subsidiaries	12.5	-	-	(15,982)	(15,000)
Loans granted to third parties		(16,290)	-	-	-
Loans granted to Group companies		-	-	(750)	(3,600)
Purchase of intangible assets	12.1	(30,154)	(38,667)	(28,263)	(15,560)
Purchase of property, plant and equipment & investment property	12.2 & 12.3	(21,968)	(57,614)	(15,551)	(53,219)
Dividends received	12.34	-	-	4,836	6,592
Interest received		1,935	2,406	740	1,151
Net cash used in investing activities		**(109,316)**	**(123,769)**	**(50,835)**	**(79,590)**
FINANCING ACTIVITIES					
Proceeds from loans & borrowings	12.17	260,180	350,000	270,000	350,000
Payments of loans & borrowings	12.17	(290,752)	(46,041)	(290,661)	(36,018)
Transaction costs related to loans & borrowings		(1,750)	(4,726)	(1,425)	(4,726)
Acquisition of treasury shares	12.15	(5,458)	(1,585)	(5,458)	(1,585)
Share capital increase expenses of subsidiaries		(370)	(165)	-	-
Share capital return of subsidiaries		(6,261)	-	-	-
Dividends paid		(130,731)	(446,060)	(127,099)	(444,362)
Tax on prior year dividends		(23,300)	-	(23,300)	-
Net cash used in financing activities		**(198,442)**	**(148,578)**	**(177,943)**	**(136,691)**
Net increase / (decrease) in cash and cash equivalents		**(54,648)**	**(27,421)**	**7,293**	**28,838**
Cash and cash equivalents at the beginning of the year	12.9	246,102	273,523	94,270	65,433
Cash and cash equivalents at the end of the year		**191,454**	**246,102**	**101,563**	**94,270**

* 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. (refer to note 7.4).

The attached notes on pages 81 to 158 form an integral part of Financial Statements.

6. Information about the Company and the Group

6.1. General information

OPAP S.A. was established as a private legal entity in 1958. It was reorganized as a société anonyme in 1999 domiciled in Greece and its accounting as such began in 2000. OPAP's registered offices and principal place of business, is 112 Athinon Avenue, 104 42 Athens, Greece. OPAP's shares are listed in the Athens Stock Exchange.

The Group, beyond the parent Company, includes the companies which OPAP S.A., either directly or indirectly controls (see note 9).

The Group's Financial Statements are consolidated by SAZKA Group a.s. The Financial Statements for the year that ended on 31.12.2018 (including the comparatives for the year that ended on 31 December 2017) were approved by the Board of Directors on 26.03.2019 and are subjected to approval by the General Meeting.

6.2. Nature of operations

On 13.10.2000, the Company acquired from the Hellenic Republic the 20-year exclusive right to conduct, manage, organise and operate by any appropriate means or measures provided by modern technology certain numerical lottery and sports betting games (and any variations of these games) and the Company paid € 322,817 th.. The Company also acquired the exclusive right to operate and manage any new sports betting games in Greece as well as a right of first refusal to operate any new games permitted by Law. The number of games was progressively increased over time and includes at present 13 games. The Company's exclusive right has been extended by a period of 10 years, i.e., until 12.10.2030.

Therefore, the Company currently holds the exclusive right to conduct, manage, organise and operate by any appropriate means six numerical lottery games (JOKER, LOTTO, PROTO, EXTRA 5, SUPER 3 and KINO) and three sports and other betting games (PROPO, PROPOGOAL and STIHIMA [which includes MONITOR GAMES and GO LUCKY]), two new lottery games (BINGO and SUPER 4) and "Prognostika Agonon Basket", "Prognostika Agonon Omadikon Athlimaton" (these last four games have not been launched yet).

The above numerical lotteries and sports betting games are also operated in Cyprus through Company's subsidiaries, OPAP CYPRUS and OPAP SPORTS LTD, respectively.

VLTs License

On November 2011, according to the ar. 39 of Law 4002/2011, was granted to OPAP S.A. permission to install and operate 35,000 VLT machines within the Greek territory. The duration of the license was set at 10 years and the total price paid by OPAP S.A. amounted to € 560,000 th..

On November 2017, according to an amendment of the above law published in Government Gazette issue number 176, the number of VLT machines gets limited to 25,000 while the duration of the license extends from 10 to 18 years and starts from the commencement of the commercial operation of the first VLT machine. Under the terms of the applicable law, OPAP S.A. shall be obliged to put all VLT machines into commercial operation until 31 December 2019. After the above deadline, the number of non-operating VLT machines shall be deducted from the total number of VLT machines, for the benefit of the Greek State, unless the delayed installation and operation of these is due to the responsibility of the Supervisory and Control Committee. A new concession agreement has also been signed following the aforementioned low amendment.

HELLENIC LOTTERIES S.A.

OPAP S.A., through a wholly-owned subsidiary, was the leader of a consortium consisting of OPAP INVESTMENT LTD, Lottomatica Giochi e Partecipazioni S.r.l., Intralot Lotteries Limited and Scientific Games Global Gaming S.a r.l. that was declared the provisional winner of the tender for an exclusive license to produce, operate, circulate and manage the state lotteries and Instant Scratch games in Greece from 30.07.2013 for a period of 12 years, which includes the National Ticket, the Popular Ticket, the European Ticket, the Instant State Ticket or Scratch Ticket, the State Housing Ticket and the New Year’s Eve Ticket. The Consortium has paid a € 190,000 th. fee. In addition, the Consortium will also pay 30% of the GGR generated from the Greek State Lotteries (with the exception of the New Year’s Lottery) to the Greek State; however such amount is not to be less than € 30,000 th. in the first year of operation and € 50,000 th. on per year for each of the following 11 years (for a total of € 580,000 th. for the duration of the Lottery Concession). OPAP INVESTMENT LTD holds 67% of the paid-up share capital of HELLENIC LOTTERIES S.A..

HORSE RACES S.A.

On 22.12.2014 HORSE RACES S.A was established. Its purpose of business is the exercise of the 20-year exclusive right to organize and conduct terrestrial and online mutual horseracing betting in Greece, according to the terms and conditions of the 24.04.2015 Concession Agreement with the Hellenic Republic Asset Development Fund, the general legislative and regulatory framework, as well as the general regulatory framework. The total cost of the aforementioned exclusive right amounted to € 40,501 th..

Other Group Operations

TORA DIRECT S.A.

On 19.11.2014, OPAP INVESTMENT LTD, a 100% subsidiary of OPAP S.A acquired the 90% of TORA DIRECT S.A (ex PAYZONE HELLAS S.A.) share capital and on 24.08.2015 proceeded to the acquisition of the remaining non-controlling 10% for a total consideration of € 9,135 th. TORA DIRECT S.A. provides transaction services via electronic means, intangible talk time selling services as well as bill payments services.

TORA WALLET S.A.

On 01.09.2016, the company TORA WALLET S.A. was established and its principal activity is the provision of electronic money services and payment services. TORA WALLET S.A. is a 100% subsidiary of OPAP INVESTMENT LTD (a 100% subsidiary of OPAP S.A.). The licencing procedure got completed on 12.02.2018. This development marks the official commencement of its activities.

NEUROSOFT S.A.

On 02.08.2017 was completed the acquisition of an additional percentage (28.19%) of NEUROSOFT S.A. by OPAP INVESTMENT LTD (100% subsidiary of OPAP S.A.), leading to a total participation percentage of 67.72%.

NEUROSOFT S.A. is a software company specializing in the design, production, adaptation and maintenance of integrated information systems and is listed in Milan Stock Exchange.

TCB HOLDINGS LTD

On 18.12.2018 OPAP INVESTMENT LTD completed the acquisition of a 36.75% stake in the mother company of Stoiximan Group, TCB Holdings Ltd, for a consideration of € 50,000 th..

This investment is aligned with one of OPAP's key strategic priorities - Leveraging the latest Digital and Technology Capabilities.

Distribution Network

OPAP Group activities are offered through a wide online and land-based sales' network. Within Greece, there are 12,413 points of sales, out of which 351 relate to Gaming Halls, for the distribution of OPAP S.A., HELLENIC LOTTERIES S.A. and HORSE RACES S.A. products. Scratch tickets and passive lotteries (products of HELLENIC LOTTERIES S.A.), apart from agents, are also distributed through street vendors, mini-markets and wholesalers. In Cyprus, there are 201 shops, consisting of OPAP CYPRUS LTD and OPAP SPORTS LTD shops.

Three-Member Supervisory Committee of OPAP S.A. (art. 28 par.3A, L.4002/2011)

The Three member Supervisory Committee of OPAP S.A., which is defined by article 28 par.3A of Law 4002/2001, is established by decision of the HGC. One of its members is among HGC's appointed members and the other two members are selected in accordance with the conditions, requirements and procedures provided for in the Regulation on the Conduct and Control of Games. The Three-member Supervisory Committee attends OPAP S.A's. board meetings to ensure that OPAP S.A. and its agents comply with the legislation in force and observe OPAP S.A's. contractual obligations towards the Greek State. The Three member Supervisory Committee specifically monitors OPAP S.A's. conduct to ensure compliance with the terms of the Gaming Concession, the exclusive right to conduct, manage, organise and operate the games specified therein, the VLT License and the gaming legislation, the protection of consumers against addiction and crime related to games of chance, the protection of minors and other vulnerable groups, the reliability of the games and the payment to players of their winnings, the protection of personal data and the payment of the taxes and contributions due to the Greek State. OPAP S.A's. Board of Directors (or the persons to whom the relevant decision-making powers have been delegated) makes available to the Three member Supervisory Committee any draft recommendations, decisions or other documents relevant to the Committee's responsibilities, prior to any decision being taken. OPAP S.A. is obliged to refrain from adopting any decision for which the Three member Supervisory Committee has expressed its disagreement. The Three member Supervisory Committee will immediately inform HGC, if it considers that OPAP S.A. is about to breach its contractual obligations towards the Greek State or the legislation in force. HGC is authorised to rule on any disagreement between OPAP and the Three Member Supervisory Committee.

7. Basis of preparation

The separate and consolidated Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee, as adopted by the European Union and are effective as of 1 January 2018.

The separate and consolidated Financial Statements have been prepared under the historical cost method and the going concern basis of accounting unless otherwise is stated in the accounting policies.

The preparation of Financial Statements, in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 7.2 "Important accounting decisions, estimations and assumptions".

The accounting policies adopted in preparing the Financial Statements for the year that ended on 31.12.2018 are the same as those followed in the preparation of financial statements for the year that ended on 31.12.2017 and described in these.

All amounts presented in the Financial Statements are in thousands of euro unless otherwise stated.

Any differences between the amounts included in the Financial Statements and the respective amounts included in the notes are attributed to roundings.

7.1. New Standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years.

Standards and Interpretations effective for the current financial period

Improvements to International Accounting Standards (Cycle 2014-2016) *(effective for annual periods beginning on or after January 1, 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 effect at the Financial Statements of the Group and the Company.

International Financial Reporting Standard 9 "Financial Instruments"*: (effective for annual periods beginning on or after January 1, 2018)*

IFRS 9 replaces the provisions of IAS 39 relating to classification and measurement of financial assets and financial liabilities and also includes an expected credit loss model which replaces the model on realized credit losses that is applied today. It also introduces an approach for hedge accounting based on principles and addresses inconsistencies and weaknesses in the current model of IAS 39.

Pursuant to the provisions of the new standard, financial instruments are classified and measured based on the context of the business model in which they are held and the characteristics of contractual cash flows. The effect to the Group from the application of this standard is described at note 7.3.

International Financial Reporting Standard 15 "Revenue from Contracts with Customers" *(effective for annual periods beginning on or after January 1, 2018)*

The purpose of the standard is to provide a single, comprehensible revenue recognition model to all contracts with customers in order to improve comparability between companies in the same industry, different sectors and different markets. It contains the principles to be applied by an entity to determine the amount of revenues and the timing of their recognition. The basic principle is that an entity would recognize revenue in a way that depicts the transfer of goods or services to customers at the amount that it expects to be entitled in exchange for these goods or services.

The effect to the Group from the application of this standard is described at note 7.3.

Amendment to International Financial Reporting Standard 2 "Share-based Payment": Classification and Measurement of Share-based Payment Transactions *(Effective for annual periods beginning on or after 1.1.2018)*

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 effect at the Financial Statements of the Group and the Company.

Amendment to International Financial Reporting Standard 4 "Insurance Contracts" *(Effective for annual periods beginning on or after 1.1.2018)*

On 12.9.2016 the International Accounting Standards Board issued an amendment to IFRS 4 with which:

• It provides insurers, whose activities are predominantly connected with insurance, with a temporary exemption from application of IFRS 9 and

•following full adoption of IFRS 9, it gives all entities with insurance contracts the option to present changes in fair value on qualifying designated financial assets in other comprehensive income instead of profit or loss.

The amendment above is not applicable to the Financial Statements of the Group and the Company.

International Accounting Standard 40 "Investment Property": Transfers of Investment Property *(Effective for annual periods beginning on or after 1.1.2018)*

The International Accounting Standards Board issued an amendment to IAS 40 with which it clarified that an entity shall reclass 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 effect at the Financial Statements of the Group and the Company.

***IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"** (Effective for annual periods beginning on or after 1.1.2018)*

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 effect at the Financial Statements of the Group and the Company.

Standards and Interpretations effective for subsequent periods

***IFRIC 23 "Uncertainty over income tax treatments"** (effective for annual periods beginning on or after 1 January 2019)*

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 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

The interpretation has not yet been adopted by the European Union. The adoption of the aforementioned interpretation is not expected to have impact on the Group's and Company's Financial Statements.

***International Financial Reporting Standard 16 "Leases"** (Effective for annual periods beginning on or after 1.1.2019)*

The new standard significantly differentiates the accounting of leases for lessees while essentially, maintaining the existing requirements of IAS 17 for the lessors. In particular, IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee and introduces a single lessee accounting model under which the lessee is required to recognize a right-of-use asset and a lease liability for all leases unless applying recognition exemption. Accordingly, the nature of the expenses connected with the aforementioned leases will change and the lessee will recognize depreciation for the right-of-use of and interest expense for the lease liabilities. Finally, it should be mentioned that the actual impact of adopting the standard on 01.01.2019 may change because:

- the Group has not finalized yet the testing and assessment of controls over its new IT systems, and
- the new accounting policies are subject to change until the Group presents the first financial statements that include the date of initial application.

Leases in which the Group is a lessee

The OPAP Group will apply the new standard, using the modified retrospective approach under which prior-year comparatives will not be restated. Instead, the Group will recognize the cumulative effect of initially applying the standard as an adjustment to equity. Short-term leases (lease within 1 year) and leases for which the underlying asset is of low value (lower than € 4,500) will not be treated under IFRS 16.

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 discounted using the lessee'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 lease payments mostly relate to leases of building rentals for administrative purposes, cars, and VLTs Stores (which are sub-leased to agents under operating lease). 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. Additionally, as far as the Income Statement is concerned, 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.

The actual impact of applying IFRS 16 will depend on Group's incremental borrowing rate as of 01.01.2019, the identification of lease contracts included in scope of the new standard at that date and the Group's latest assessment of the lease term, particularly in respect of exercising any lease extension or termination options. Based on the management latest assessment, the expected impact of the IFRS 16 adoption is as follows:

- **Statement of Financial position as of 01.01.2019 for the Group:**

Upon initial application of the new standard, the estimated impact is an increase in Group's total assets due to the capitalization of right-of-use assets by € 85,690 (excluding any adjustments for prepaid or accrued lease payments) and a respective increase of lease liabilities.

- **Statement of Financial position as of 01.01.2019 for the Company:**

Upon initial application of the new standard, the estimated impact is an increase in Company's total assets due to the capitalization of right-of-use assets by € 52,778 (excluding any adjustments for prepaid or accrued lease payments) and a respective increase of lease liabilities.

- **Income Statement for the Group 2019:**

In the Group's Consolidated Income Statement, it is expected that the 'Depreciation, amortization and impairment' will be increased approximately by € 6,576 due to the right-of-use assets depreciation, the 'Financial cost' will be increased approximately by € 3,069 due to the interest expense on lease liabilities and the 'Operating Expenses' will be decreased approximately by € 9,156, resulting in improvement of Group's EBITDA.

- **Income Statement for the Company 2019:**

In the Company's Income Statement, it is expected that the 'Depreciation, amortization and impairment' will be increased approximately by € 4,162 due to the right-of-use assets depreciation, the 'Financial cost' will be increased approximately by € 1,794 due to the interest expense on lease liabilities and the 'Operating Expenses' will be decreased approximately by € 5,874, resulting in improvement of Group's EBITDA.

Leases in which the Group is a Lessor

No significant impact is expected for leases in which the Group is a lessor.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" *(effective for annual periods beginning on or after January 1, 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 effect at the Financial Statements of the Group.

IAS 28 (Amendments) "Long term interests in associates and joint ventures" *(effective for annual periods beginning on or after January 1, 2019)*

These amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9. The Group and the Company are evaluating the impact of adoption of IFRS 9 at the financial statements.

The amendments are not expected to have an effect at the Financial Statements of the Group.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" *(effective for annual periods beginning on or after January 1, 2019)*

These amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

The amendments are not expected to have an effect at the Financial Statements of the Group.

Annual Improvements to IFRSs 2015 (2015 – 2017 Cycle) *(effective for annual periods beginning on or after January 1, 2019)*

The improvements set out below describe the key changes to certain IFRSs.

The improvements are not expected to have an effect at the Financial Statements of the Group

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"

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

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.

IFRS 3 (Amendments) "Definition of a business" (*effective for annual periods beginning on or after January 1, 2020)*

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.

The Group and the Company are evaluating the impact of adoption of these amendments at the Financial Statements. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) "Definition of a material" *(effective for annual periods beginning on or after January 1, 2020)*

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

The Group and the Company are evaluating the impact of adoption of these amendments at the Financial Statements. The amendments have not yet been endorsed by the EU.

International Financial Reporting Standard 17 "Insurance contracts" *(Effective for annual periods beginning on or after 1.1.2021)*

On 18 May 2017, the IASB finished its long-standing project to develop an accounting standard on insurance contracts and published IFRS 17, 'Insurance Contracts'. IFRS 17 replaces IFRS 4, which currently permits a

wide variety of practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
This standard is not applicable at the Financial Statements of the Group and the Company.

Amendment to International Financial Reporting Standard 10 "Consolidated Financial Statements" and to International Accounting Standard 28 "Investments in Associates and Joint Ventures" *(the date of compulsory application has not yet determined)*
Amendments settle in an inconsistency between the provisions of IFRS 10 and IAS 28 on the sale or contribution of assets between an investor and an associate or joint venture. The main effect of the changes is that it is recognized the entire gain or loss of a transaction that includes an activity (either in the form of a subsidiary or not). Partial profit or loss is recognized when the transaction includes assets that do not constitute an activity, even if these assets are in the form of a subsidiary.

7.2. Important accounting decisions, estimations and assumptions

The preparation of the Financial Statements requires management to make estimations and judgments that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Actual events could differ from those estimates.
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effect of a change in an accounting estimate or judgement shall be recognized prospectively.

7.2.1. Judgements

In the process of applying the Group's accounting policies, judgments, apart from those involving estimations, made by the Management that have the most significant effect on the amounts recognized in the Financial Statements. Mainly judgements relate to:

- **recoverability of accounts receivable**

Management examines at each period of Financial Statements preparation the recoverability of the amounts included in accounts receivable, in combination with external information (such as creditability databases, lawyers, etc.) in order to estimate the recoverability of accounts receivable.

7.2.2. Estimates and assumptions

Certain amounts included in or affecting our Financial Statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the Financial Statements are prepared. A ''critical accounting estimate'' is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The company evaluates such estimates and assumptions on ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future. Also at note 8, "Summary of Significant Accounting Policies", are mentioned the accounting policies that have been selected from acceptable alternatives and are included Management's estimates and assumptions.

Retirement benefit costs

(see note: 8.17)

Estimated impairment of goodwill and other intangible assets

(see notes: 8.7 and 8.8)

Income taxes

(see note: 8.14)

Provisions

(see note: 8.15)

Contingencies

(see note 8.15)

Useful life of depreciated assets

(see note: 8.5 and 8.6)

Impairment of investments

(see note: 8.1)

7.3. Changes in accounting policies

On 01.01.2018 the Group adopted and applied for the first time IFRS 15 "Revenue from Contracts with customers" and IFRS 9 "Financial Instruments" following the modified retrospective approach under which the cumulative impact of the adoption was recognized during the initial application i.e. 01.01.2018 while the information of 2017 were not restated but presented according to the previous standards and interpretations.

The impact of the two aforementioned standards for the Group and the Company are presented below.

IFRS 15 “Revenue from Contracts with customers”

IFRS 15 replaces IAS 11 “Construction Contracts”, IAS 18 “Revenue” and all related Interpretations which apply to revenues arising from contracts with customers, unless those contracts are under the scope of other standards.

Under IFRS 15 revenue is recognized and measured using the following five step model:

1. Identify the contract with a customer.

2. Identify the separate performance obligations.

3. Determine the transaction price.

4. Allocate the transaction price to the performance obligations.

5. Recognize revenue when (or as) a performance obligation is satisfied.

The main principle is that an entity would recognize revenue in a way that depicts the transfer of goods or services to customers at the amount that it expects to be entitled in exchange for these goods or services. It also contains the principles that an entity should apply in order to determine the measurement of revenues and the timing of their recognition. Thus, Under IFRS 15, revenue is recognized when the entity satisfies a performance obligation by transferring the control of a promised good or service to the customer at a point in time or over time.

The purpose of the standard is to provide a single, comprehensible revenue recognition model to all contracts with customers in order to improve comparability between companies in the same industry, different sectors and different markets.

On 1.1.2018, the Group and the Company adopted IFRS 15 by using the modified retrospective approach, meaning that the cumulative impact of the adoption was recognized in retained earnings without restatement of the comparative period. However, due to the fact that the Group’s core revenue arises from the gaming activity which is not related with contracts with customers, there was no impact on its profitability, liquidity or financial position during the first adoption and therefore, opening retained earnings were not adjusted.

Finally, as far as the future reporting periods are concerned, the impact that the Group expects from the IFRS 15 application is immaterial, it results from the subsidiaries which do not activate in gaming sector and also, it will concern contracts with customers which will have not been completed as at the reporting date.

IFRS 9 “Financial Instruments”

IFRS 9 replaces the guidance of IAS 39 which deals with the classification and the measurement of financial assets and financial liabilities and it also, includes an expected credit losses model which replaces the incurred loss impairment model. Moreover, IFRS 9 establishes a new more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the model in IAS 39.

a) Classification and measurement of financial assets and financial liabilities

The adoption of IFRS 9 had no effect on the Group's accounting policies relating to financial liabilities. However, as far as the classification and measurement of financial assets is concerned, it should be mentioned the following:

Except for the trade receivables that are initially measured at the transaction price, the Group measures a financial asset at fair value plus transaction costs with the exception of those financial assets which are measured at fair value through profit or loss.

Subsequently, Under IFRS 9 the financial instruments are measured at fair value through profit or loss (FVTPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria:

- The business model within which the financial asset is held, i.e. whether the entity's objective is to hold the financial asset in order to collect cash inflows or to collect cash inflows and sell it, and
- Whether the instruments' contractual cash inflows represent exclusively, payments of principal and interest on the outstanding principal amount (the 'SPPI criterion').

Under the IFRS 9 guidance, the new classification and measurement of the financial assets are as follows:

- **Financial assets at amortized cost.**

  The category includes the financial assets that are held within the business model with the objective to hold them and collect cash inflows that meet the SPPI criterion.

  All the financial assets of the Group and the Company are measured at amortized cost.
- **Financial assets at fair value through profit or loss (FVTPL).**

  The category includes financial assets which do not meet the criteria for measurement at amortized cost.

  The Group and the Company do not hold financial assets it this category.

It should be noted that as at 01.01.2018, there was no impact resulted from the aforementioned new classification.

b) Impairment

The Group holds two types of financial assets that are subject to IFRS 9 new expected credit loss model:

- Trade receivables and

- Other financial assets at amortized cost.

While cash and cash equivalents are also subject to the impairment under IFRS 9, the identified impairment loss was not significant due to the fact that the cash and cash equivalents of the Group are held in reliable financial institutions within the European Union.

Under IFRS 9 the Group should adopt the expected credit losses (ECL) model for both types of financial assets, trade receivables and other financial assets at amortized cost. It is mentioned that the ECL model is based on the difference between the cash inflows which are receivable and the actual cash inflows that the Group expects to receive. All cash inflows in delay are discounted.

Trade receivables

The Group applies the IFRS 9 simplified approach in order to measure the expected credit losses using a lifetime expected loss allowance for all trade receivables.

To measure the expected credit loss in relation to trade receivables, the Group has established a provision matrix relying on aging analysis, which is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

As at 01.01.2018, the Group and the Company had no impact from the adoption of the standard. However, the impact from the application of IFRS 9 during fiscal year 2018 relating the expected credit losses, amounts to € 549 for the Group and to € 305 for the Company.

Other financial assets at amortized cost

Relating to the other Group's financial assets at amortized cost, the general approach is applied. These assets are considered to have low credit risk and any loss allowance is therefore, limited to 12 months' expected losses.

It is noted that there was no impact for the both, Group and Company, as at 01.01.2018 relating to the other financial assets at amortized cost.

Finally, as far as the hedge accounting is concerned, the general hedge accounting mechanism of IAS 39 has been retained however, a greater flexibility has been introduced over the instruments eligible for hedge accounting and effectiveness testing.

The changes related to the hedge accounting had no impact for the Group and the Company.

7.4. Restatement of comparative financial information

On 02.08.2017 the Group, through its subsidiary OPAP INVESTMENT LTD, acquired 38.19% of NEUROSOFT S.A. with a purchase price of € 34,197. Upon transaction conclusion, the Group increased its participation from 29.53% to 67.72%.

Within 2018 the valuation of assets and liabilities of NEUROSOFT S.A. at the date of acquisition, was completed, leading to an adjustment (increase) at the fair value of the Company of amount € 4,283, which is attributed to a previously unrecognized intangible asset that met the identification and recognition criteria, i.e. customer relationships of amount € 6,033 and respective deferred tax liability of amount € 1,750.

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

Fair value of Net Assets (67.72%)	8,512
Fair value of previously held equity interest (29.53%)	11,908
Consideration transferred	34,197
Goodwill	**37,592**

In accordance with IFRS 3 "Business Combinations", during the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date, in order to reflect new information obtained about facts and circumstances that existed at the acquisition date and, If known, would have affected the measurement of the amounts recognized as of that date. Therefore, the adjustments of the above funds have retrospectively affected the consolidated Financial Statements of 31.12.2017 as follows:

GROUP			
	RESTATED	**PUBLISHED**	**DIFFERENCE**
ASSETS			
Intangible assets	1,169,776	1,163,867	5,909
Goodwill	51,775	54,676	(2,901)
Deferred tax asset	3,495	5,209	(1,714)
Total Assets	**1,798,205**	**1,796,910**	**1,295**
EQUITY & LIABILITIES			
Retained earnings	595,016	595,075	(59)
Non-controlling interests	44,752	43,397	1,354
Total Equity	**759,462**	**758,167**	**1,295**
Total Liabilities	**1,038,743**	**1,038,743**	**-**
TOTAL Equity & Liabilities	**1,798,205**	**1,796,910**	**1,295**

GROUP			
	RESTATED	PUBLISHED	DIFFERENCE
Depreciation, amortization and impairment	(92,008)	(91,885)	(123)
Results from operating activities	**214,447**	**214,570**	**(123)**
Profit before tax	**193,115**	**193,238**	**(123)**
Income tax expense	(61,578)	(61,613)	36
Profit for the period	**131,538**	**131,625**	**(87)**
Total comprehensive income net of tax	**131,567**	**131,655**	**(87)**

8. Summary of accounting policies

The significant accounting policies that have been used in the preparation of these consolidated Financial Statements are summarised below. It should be noted, as aforementioned in paragraph 7.2, that accounting estimates and assumptions are used in preparing the Financial Statements. Although these estimates are based on Management's best knowledge of current events and actions, actual events may ultimately differ from those estimates.

8.1. Basis of consolidation and investments in associates

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the full acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in the income statement. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date.
Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest and the fair value of any other participation previously held in the subsidiary acquired over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the amount recognized for non-controlling interest and the fair value of any other participation previously held in the subsidiary acquired the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Non-controlling interest reflects the portion of profit or loss and net assets attributable to equity interests that are not owned by the Group. If the loss of a subsidiary, that concern in non-controlling interest, exceeds the non-controlling interest in the equity of subsidiary, the excess sum is shared out in the shareholders of parent company apart from the sum for which the non-controlling has an obligation and it is capable to make up this loss.
In the Company's separate Financial Statements, investments in subsidiaries are account for at cost less impairment, if any.
All subsidiaries of Group have as balance date on 31 December.
Intra-group transactions, balances and unrealised gains/losses on transactions between group companies are eliminated.

Associates

Associates are those entities in which the Group has significant influence upon, but not control over their financial and operating strategy, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in which the Group has significant influence are accounted for using the equity method of accounting. Under this method the investment is initially recognized at cost, and is adjusted to recognize the investor's share of the profit or loss after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognized in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. Gains or losses from transactions with associates are eliminated to the extent of the interest in the associate. Dividends received from associates are eliminated against the carrying value of the investment. The associate's value is adjusted for any accumulated impairment loss. When the Group's share of losses exceeds the carrying amount of the investment, the carrying value of the investment is reduced to nil and recognition of further losses is discontinued, except to the extent the Group has created obligations or has made payments on behalf of the associate.

8.2. Foreign currency translation

OPAP's consolidated Financial Statements are presented in euro (€), which is also the functional currency of the parent company and the currency of presentation for the Company and all its subsidiaries.

Foreign currency transactions are translated into euro using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at year-end exchange rates are recognised in the income statement under financial income or finance costs except when deferred in other comprehensive income as qualifying net investment hedges.

8.3. Operating segments

Segment information is presented based on the internal management reports and information provided to the chief operating decision makers, as required by IFRS 8. An operating segment represents a separate category of games or other services offered by Group entities. Information for operating segments that do not constitute reportable segments is combined and disclosed in the "Other" category.

8.4. Income and expense recognition

The Group has initially applied IFRS 15 from 01.01.2018. Information about the Group's accounting policy relating to contracts with customers is provided in Note 7.3.

Revenues from games

Gaming revenue of the Group and the Company refers to commissions or fixed percentage on gains or similar revenue. Gaming revenue is reported net after the deduction of player winnings.

Revenue attributable to gaming transactions in which the Company assumes an open position against the player are reported net after deduction of player winnings which are calculated according to the outcome of the game. Income from betting activities represents the net gain or loss from betting activities in the period plus the gain or loss on the revaluation of open positions at the period end. Additionally, revenue which refers to events of future accounting periods is considered as deferred revenue and is recognized in the Income Statement of the period in which the event is completed.

Amounts wagered do not represent the Group's statutory revenue measure and comprise the gross takings received or are receivable by the end of the year in respect of all games apart from VLTs. The latter do not present amounts wagered but directly revenue (GGR).

Other operating income

Other operating income includes:

- **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 operations of the New Year's Eve Lottery. This commission is recognized once a year, during December.

- **Other revenues**

Other revenues include gain from sale of fixed assets, rental income and revenues from other services such as for example from prepaid phone and internet cards.

Interest income

Interest income is recognized using the effective interest method that is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When a receivable is impaired, the Group reduces the carrying amount to the amount expected to be recovered, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income:

Dividend income is recognized in the income statement at the date of distribution approval by the Annual General Meeting of shareholders.

Expenses:

Expenses are recognized in the income statement on accrual basis. Interest expenses are recognized on accrual basis.

8.5. Property, plant and equipment

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and any impairment in value. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Subsequently, they are valued at undepreciated cost less any impairment.

Subsequent expenditure is added to the carrying value of property, plant and equipment or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately and reliably measured. The repair and maintenance cost is presented in the Income Statement when such is realized.

Upon sale of property, plant and equipment, any difference between the proceeds and the book value is presented as profit or loss in the Income Statement. Expenditure on repairs and maintenance is presented as an expense in the period they occur.

Depreciation of property, plant and equipment (other than Land which is not depreciated) is calculated using the straight line method over their useful life, as follows:

Land	-
Buildings	20 years
Plant & Machinery	3-9 years
Vehicles	6.5 years
Furniture and other equipment	5 years

The residual values and useful economic life of property, plant and equipment are subject to reassessment at each reporting date. When there are objective indications that the book value of property, plant and equipment exceeds their recoverable amount, the difference (impairment) is immediately presented as expense in the Income Statement.

Assets up to a value of € 1.5 are amortized during the year. Property, plant and equipment is annually tested for impairment.

8.6. Intangible assets

Intangible assets include software and concession rights.

Software

Software licenses are recognized at historical and subsequently they are carried at cost less accumulated amortization. Depreciation is calculated using the straight line method during the assets' useful life that range from 1 to 3 years.

Rights

The exclusive rights granted by the Hellenic Republic to Group companies are initially recognized at cost or estimate and subsequently at amortized cost decreased with any impairment (Refer to Note 8.8, for the impairment test procedures).

Extensions to existing exclusive rights and new licenses of new video lotteries on an exclusive basis, are treated as separate assets and are amortized over on a straight line basis.

Intangible assets up to a value of € 1.5 are amortized during the year of acquisition.

8.7. Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and the acquisition date fair value of any previous equity interest held over the fair value of the identifiable net assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment (refer to Note 8.8, for a description of impairment testing procedures). The carrying amount of goodwill is compared to the recoverable amount which is the greatest between the value in use and the fair value less costs to sell. Any impairment is recognized as an expense and cannot be subsequently reversed.

8.8. Impairment of non-financial assets

The Group's goodwill, assets with an indefinite useful life and intangible assets that have not yet come in force are not depreciated and are tested for impairment, when there are facts and objective indications that their carrying amount is not recoverable. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. An impairment loss is recognized when the carrying amount of these assets (cash generating unit - CGU) is greater than its recoverable amount. Fair value less costs of disposal is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist and therefore the recognized impairment is reversed.

8.9. Leases

The Group enters into agreements that are not those of the legal type of a lease but pertain to the transfer of the right to use assets (property, plant and equipment) as against certain payments.

The consideration of whether an agreement contains an element of lease is made at the inception of the agreement, taking into account all the available data and particular circumstances. After the inception of the agreement, there is conducted its revaluation concerning whether it still contains an element of a lease in case any of the below mentioned happen:

a) there is a change in the conditions of the leases apart from cases when the leases is simply prolonged or renewed,

b) there is exercised the right to renew the leases or a prolongation of the leases is decided apart from the cases when the terms of prolongation and renewal were initially included in the leasing period,

c) there is a change in the extent to which the realization depends on the defined assets and

d) there is a material change in the assets.

The Group as the lessee

The ownership of a leased asset is transferred to the lessee in case all the risks and rewards of ownership of the leased assets have been transferred to the lessee irrespective of the legal type of the agreement. At the commencement of the lease term, lessees shall recognise finance leases as assets and liabilities in their balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent accounting treatment of assets acquired through finance leases is that the leased land and buildings are revalued at fair value. The leased assets are depreciated over the shorter period between the term of the lease and the useful life unless it is almost certain that the lessee will assume the property of the asset upon the termination of the contract. If the lease transfers the ownership of the asset upon the termination of the contract or if there is the option of purchase at a lower price, then the depreciable period is the asset's useful life. Lease payments are distinguished in the amount referring to interest repayment and capital repayment. The distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income statement.

All the remaining leases are treated as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

The Group as the lessor

The leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initially, the lease payment income less cost of services is charged to the income on a straight-line basis over the period of the lease. The costs, including depreciation, incurred for the acquisition of lease payments income, are charged to the expenses.

8.10. Financial assets

Financial assets include cash and other financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and subsequent measurement of financial assets

From January 1, 2018, the financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model within which the financial asset is held.

With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are initially measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI criterion and is performed at an instrument level.

For the purpose of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The fair values of quoted investments are based on quoted market bid prices. For investments where there is no quoted market price, fair value is determined using valuation techniques, unless the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, where the entity is precluded from measuring these investments at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the settlement date (i.e. the date that the asset is transferred or delivered to the Group or the Company).

Impairment of financial assets

The Group and the Company assess at each reporting date, whether a financial asset or group of financial assets is impaired as follows:

The Group and the Company recognise an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date.

Derecognition of financial assets

A financial asset (or, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group or the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group or the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

8.11. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the yearly weighted average cost formula. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. When there is any subsequent increase of the net realizable value of inventories that have been previously written-down, the amount of the write-down is reversed.

8.12. Cash and cash equivalents

Cash and cash equivalents include cash at bank accounts and in hand as well as short term highly liquid investments such as money market instruments and bank deposits with an original maturity of three months or less. Restricted cash is also included in Cash and Cash Equivalents. Restricted cash is cash not available for immediate use. Such cash cannot be used by a Company until a certain point or event in the future.

8.13. Equity

Share capital is determined using the nominal value of shares that have been issued. Ordinary shares are classified as equity.

Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as share premium in shareholders' equity. Share capital issuance costs, net of related tax, are reflected as a deduction from share premium.

Treasury shares consist of Company's own equity shares, which are reacquired and not cancelled. Treasury shares do not reduce the number of shares issued but reduce the number of shares in circulation. Treasury shares are recognized at cost as a deduction from equity.

No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Company's own share capital. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

8.14. Current and deferred income tax

Income tax for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is measured on the taxable income for the year using enacted or substantively enacted tax rates at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised in conjunction with goodwill.

No deferred tax is recognised from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss. No deferred taxes are recognised to temporary differences associated with shares in subsidiaries and joint ventures if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a part of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity. Deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. The Group recognises previously unrecognised deferred tax asset are reassessed at each balance sheet date to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

8.15. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Timing or amount of the outflow may still be uncertain. No provisions are recognized for future operating losses.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the entity settles the obligation and it is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision. The expense relating to a provision is presented in the income statement, net of the amount recognised for a reimbursement. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount pre-tax rate reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost in the income statement.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised unless assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. Contingent liabilities are not recognized in the Financial Statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is minimum.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets. Contingent assets are not recognized in the Financial Statements but are disclosed provided that the inflow of economic benefits is probable.

8.16. Financial liabilities

The Group’s financial liabilities include bank loans and overdrafts, trade and other payables and finance leasing liabilities.

Initial recognition and subsequent measurement of financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The measurement of financial liabilities depends on their classification.

Finance lease liabilities are measured at initial value less the capital element of lease repayments.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

The loans are divided into long term (mature in more than one year) and short term (mature in one year or less).

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Group or the Company has a legally enforceable right to set off the recognized amounts and intends either to settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

8.17. Retirement benefits costs

The parent company, its subsidiaries HELLENIC LOTTERIES S.A., OPAP SERVICES S.A., TORA DIRECT S.A., HORSE RACES S.A., TORA WALLET S.A. and NEUROSOFT S.A. in Greece, pay contributions to employee benefit plans after leaving the service in accordance with the laws and practices of the Group. These programs are separated into defined benefit plans and defined contribution plans.

Defined benefit plans

As defined benefit plan is a benefit plan to an employee after leaving the service, in which benefits are determined by certain parameters such as age, years of service or salary. At defined benefit plan, the value of the liability is equal to the present value of defined benefit payable at the balance sheet date less the fair value of plan assets and of past services cost. The defined benefit liability and the related expense is estimated annually by independent actuaries using the projected credit unit method. The present value of the liability is determined by discounting the estimated future cash flows to the interest rate of high quality corporate bonds or government bonds in the same currency as the liability with proportional liability duration, or interest rate that takes into account the risk and duration of the liability, where the market depth for such bonds is weak. The costs of liability are recognized in income during the rendering of insured services. The expenses for defined benefit plans, as estimated, are recognized in the income statement and are included in the account “Staff Costs”. Additionally, based on the requirements of IAS 19 (Amendment) the actuarial profits/(losses) are recognised in the statement of comprehensive income.

Defined contribution plans

A defined contribution plan is where the entity pays fixed contributions into a separate entity and no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Long-term incentive scheme

The Board of Directors of the Company, following a recommendation of the Remuneration and Nomination Committee, on 28.03.2017, approved a Long term incentive scheme with distribution of part of the Company’s net profits to Executive Members of the BoD and other Key Management Personnel of the Company, excluding the CEO. The program’s duration is 3 years, for the period 2017-2019. The targets relate to a. the profitability of the Company for the 3 year period mentioned above and b. the Company’s share price increase in Athens Exchange.

8.18. Investment property

In this category the Group classifies property held for long-term rental yields which is not occupied by the Group companies. These investments are initially recognized at their cost, increased by the expenses related to the acquisition transaction. After the initial recognition they are valued at their cost less the accumulated depreciation and the possible accumulated losses from the reduction of their value. Expenses for the maintenance and repairing of the invested upon property, plant and equipment, are recognized in the income statement. For the calculation of depreciation, their useful life has been defined equal to that of owned occupied property.

9. Structure of the Group

The structure of OPAP Group as of 31.12.2018 is the following:

Company's Name	% of investment	Country Of Incorporation	Consolidation Method	Principal Activities
OPAP S.A.	Parent company	Greece		Numerical lottery games and sports betting
HELLENIC LOTTERIES S.A.	67%	Greece	Full consolidation	Lotteries
OPAP CYPRUS LTD	100%	Cyprus	Full consolidation	Numerical lottery games
OPAP SPORTS LTD	100%	Cyprus	Full consolidation	Sports betting company
OPAP INTERNATIONAL LTD	100%	Cyprus	Full consolidation	Holding -Sports betting company
OPAP SERVICES S.A.	100%	Greece	Full consolidation	Sports events – Promotion – Services
OPAP INVESTMENT LTD	100%	Cyprus	Full consolidation	Holding company
TORA DIRECT S.A.	100%	Greece	Full consolidation	Services for electronic transactions - Mobile Top-ups - Utility and Bill Payments
HORSE RACES S.A.	100%	Greece	Full consolidation	Mutual Betting on Horse Races
TORA WALLET S.A.	100%	Greece	Full consolidation	eMoney Institution
NEUROSOFT S.A.	67.72%	Greece	Full consolidation	Software
TCB HOLDINGS LTD	36.75%	Malta	Equity method	Holding company

On 18.12.2018, OPAP INVESTMENT LTD, completed the acquisition of a 36.75% stake in TCB Holdings Ltd for a total consideration of € 50,000. Consequently, the latter is accounted for as an associate to the Group for the year ending on 31.12.2018. From total consideration, € 48,000 were paid on the same date and the remaining € 2,000 were accounted for as contingent payment obligation according to the respective contract. The liability got settled on February 19th 2019.

Other than that, there are no other changes in the structure of OPAP Group as at 31.12.2018 compared to 31.12.2017.

All subsidiaries report their Financial Statements on the same date as the Company does.

10. Dividend distribution

Dividend distribution to the shareholders of the parent Company and the Group is recognized as a liability named "Other current liabilities", at the date at which the distribution is approved of by the Shareholders' General Meeting.

11. Operating segments

For management information purposes and decision making, the Group is structured in operating segments as presented below:

As of 31 December 2018 and for the year then ended

GROUP 01.01-31.12.2018	Lotteries	Sports Betting	Instant & Passives	VLTs	Telecommunication & eMoney services	Other	Total
Revenue (GGR)	**779,944**	**406,244**	**152,168**	**208,659**	**-**	**-**	**1,547,015**
GGR contribution and other levies and duties	(259,123)	(139,710)	(45,651)	(62,598)	-	-	(507,080)
Net gaming revenue (NGR)	**520,821**	**266,535**	**106,518**	**146,061**	**-**	**-**	**1,039,935**
Agents' commission	(190,194)	(98,778)	(40,597)	(50,135)	-	(1,387)	(381,090)
Other NGR related commission	(308)	(8,520)	(14,413)	(29,713)	-	-	(52,954)
Other operating income	-	1,151	75	-	89,721	37,840	128,788
Other operating cost	-	-	-	-	(81,923)	(10,017)	(91,940)
	330,320	**160,388**	**51,583**	**66,213**	**7,798**	**26,436**	**642,738**
Operating expenses	**(129,883)**	**(76,543)**	**(17,009)**	**(34,738)**	**(8,879)**	**(22,086)**	**(289,138)**
Depreciation, amortization and impairment	(24,177)	(15,791)	(17,444)	(33,744)	(260)	(22,893)	(114,308)
Results from operating activities	**176,260**	**68,054**	**17,130**	**(2,268)**	**(1,342)**	**(18,542)**	**239,292**

GROUP 01.01-31.12.2017	Lotteries	Sports Betting	Instant & Passives	VLTs	Telecommunication & eMoney services	Other	Total
Revenue (GGR)	**817,989**	**421,058**	**158,916**	**57,550**	**-**	**-**	**1,455,514**
GGR contribution and other levies and duties	(272,085)	(145,395)	(47,833)	(17,265)	-	-	(482,578)
Net gaming revenue (NGR)	**545,904**	**275,663**	**111,083**	**40,285**	**-**	**-**	**972,936**
Agents' commission	(207,067)	(106,277)	(41,404)	(13,793)	-	(1,382)	(369,924)
Other NGR related commission	(1,107)	(14,210)	(14,894)	(8,059)	-	-	(38,270)
Other operating income	-	699	36	-	82,905	35,996	119,636
Other operating cost	-	-	-	-	(75,757)	(15,974)	(91,731)
	337,730	**155,876**	**54,820**	**18,433**	**7,148**	**18,640**	**592,647**
Operating expenses	**(146,720)**	**(87,501)**	**(19,577)**	**(10,381)**	**(7,850)**	**(14,163)**	**(286,192)**
Depreciation and amortization	(21,393)	(29,139)	(3,900)	(33,744)	(180)	(3,652)	(92,008)
Results from operating activities	**169,617**	**39,235**	**31,343**	**(25,691)**	**(882)**	**825**	**214,447**

Geographical Segments

Group's operations are in Greece and Cyprus. Greece is the country of incorporation of the Company and of the subsidiaries OPAP SERVICES S.A., HELLENIC LOTTERIES S.A., HORSE RACES S.A., TORA DIRECT S.A., TORA WALLET S.A. and NEUROSOFT S.A..

For the period that ended on 31 December 2018	Greece	Cyprus	Intercompany Transactions	Total
Amounts wagered	4,111,785	279,076	-	**4,390,861**
Revenue (GGR) and Other operating income	1,628,058	91,877	(44,132)	**1,675,803**
Net gaming revenue (NGR)	964,356	75,579	-	**1,039,935**
Segment Assets	1,892,475	316,450	(459,002)	**1,749,923**
Segment Liabilities	1,023,858	35,033	(68,503)	**990,387**

For the period that ended on 31 December 2017	Greece	Cyprus	Intercompany Transactions	Total
Amounts wagered	4,170,505	252,397	-	**4,422,902**
Revenue (GGR) and Other operating income	1,529,206	84,464	(38,520)	**1,575,150**
Net gaming revenue (NGR)	903,165	69,771	-	**972,936**
Segment Assets	1,944,875	301,295	(447,965)	**1,798,205**
Segment Liabilities	1,053,848	29,601	(44,706)	**1,038,743**

12. Notes on the Financial Statements

12.1. Intangible assets

Intangible assets refer to software, concession rights and customer relationships and are analyzed as follows:

GROUP	Software	Rights of games	Development costs	Customer relationships Restated	Other	Total
Year that ended on 31 December 2017						
Opening net book amount (1 January 2017)	**11,296**	**1,203,494**	**-**	**2,068**	**-**	**1,216,858**
Additions	16,429	-	1,988	6,033	-	24,450
Acquisitions through business combinations	78	-	4,037	-	-	4,115
Reclassification of assets to tangible assets	710	-	-	-	-	710
Amortization charge	(6,521)	(66,395)	(316)	(382)	-	(73,614)
Impairment	-	(14,856)	-	-	-	(14,856)
Impairment reversal	-	12,114	-	-	-	12,114
Net book amount (31 December 2017)	**21,991**	**1,134,357**	**5,709**	**7,719**	**-**	**1,169,776**
Year that ended on 31 December 2018						
Opening net book amount (1 January 2018)	**21,991**	**1,134,357**	**5,709**	**7,719**	**-**	**1,169,776**
Additions	28,903	-	1,190	-	60	30,154
Amortization charge	(7,917)	(67,143)	(1,356)	(554)	-	(76,970)
Amortization reclassification	(105)	105	-	-	-	-
Impairment reversal	-	-	(41)	-	-	(41)
Net book amount (31 December 2018)	**42,871**	**1,067,320**	**5,503**	**7,165**	**60**	**1,122,920**

COMPANY	Software	Rights of games	Other	Total
Year that ended on 31 December 2017				
Opening net book amount (1 January 2017)	**10,282**	**1,030,808**	**-**	**1,041,090**
Additions	15,560	-	-	15,560
Transfer from tangible assets	710	-	-	710
Amortization charge	(5,929)	(49,990)	-	(55,919)
Net book amount (31 December 2017)	**20,623**	**980,818**	**-**	**1,001,442**
Year that ended on 31 December 2018				
Opening net book amount (1 January 2018)	**20,623**	**980,818**	**-**	**1,001,442**
Additions	28,202	-	60	28,263
Amortization charge	(7,140)	(49,884)	-	(57,025)
Amortization reclassification	(105)	105	-	-
Net book amount (31 December 2018)	**41,580**	**931,039**	**60**	**972,679**

The opening balance for "rights of games" includes an amount of € 300,000 which constitutes a prepayment against the Company's 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 € 1,831,200.

The Group additions within the current year mainly include:

- Software and licences relating to pamestoixima.gr platform of € 13,574
- Software and licences relating to VLTs of € 8,395
- Software upgrading relating to SSBTs of € 2,529
- Software, licences and upgrading of several applications, websites, platforms, the OPAP's contact centre and portal used for internal communication with the agents, ERPs etc. of € 4,465.
- Capitalization of NEUROSOFT S.A. payroll costs of € 710 (2017: € 1,475) for the development and production of software available for sale and € 480 of Tora Wallet S.A. (2017: € 513) for the development and production of software for own use.

The Group additions within the comparative year 2017 mainly referred to software for Virtual Games of € 3,691 and software for VLTs of € 4,009. Additionally, an amount of € 608 concerned the upgrade of OPAP S.A. corporate website and the portal used for internal communication with the agents, € 2,460 was related to the cost for the pamestoixima.gr platform and finally, an amount of € 747 referred to the upgrade of HORSE RACES S.A. platform.

As far as the impairment and the impairment reversal presented in 2017 are concerned, the amount of € 14,856 referred to the HORSE RACES S.A. 20-year exclusive right to organize and conduct mutual race bet and the impairment resulted by discounting future free cash flows arising from the continuous use of it up to its expiration date at 2035. The amount of € 12,114 referred to HELLENIC LOTTERIES S.A. 12-year license which originally cost € 190,000. In 2015 it was impaired by € 15,021 and in 2017 the impairment reversal resulted by discounting future free cash flows arising from the continuous use of it up to its expiration date at 2026.

The intangible assets of the Group and the Company have not been pledged.

12.2. Property, plant and equipment

Tangible assets are analyzed as follows:

GROUP	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Total
Year that ended on 31 December 2017							
Opening net book amount (1 January 2017)	**8,929**	**19,615**	**1,746**	**166**	**36,236**	**892**	**67,583**
Additions	-	579	47,424	-	9,609	-	**57,612**
Acquisitions through business combinations	-	288	29	18	202	-	**537**
Reclassification of assets from intangible assets	-	-	2,976	-	(2,085)	(892)	**-**
Transfer to intangible assets	-	-	-	-	(710)	-	**(710)**
Disposals	-	-	(449)	(27)	(435)	-	**(911)**
Depreciation charge	-	(2,674)	(1,887)	(40)	(11,028)	-	**(15,630)**
Disposals depreciation	-	-	436	12	367	-	**816**
Net book amount (31 December 2017)	**8,929**	**17,808**	**50,275**	**129**	**32,157**	**-**	**109,298**
Year that ended on 31 December 2018							
Opening net book amount (1 January 2018)	**8,929**	**17,808**	**50,275**	**129**	**32,157**	**-**	**109,298**
Additions	-	641	7,503	23	13,727	74	**21,968**
Disposals	-	(3)	(6,564)	(33)	(3,182)	-	**(9,782)**
Depreciation charge	-	(2,965)	(6,004)	(39)	(10,771)	-	**(19,778)**
Disposals depreciation	-	-	6,563	23	3,174	-	**9,760**
Net book amount (31 December 2018)	**8,929**	**15,481**	**51,774**	**103**	**35,105**	**74**	**111,467**

COMPANY	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Total
Year that ended on 31 December 2017							
Opening net book amount (1 January 2017)	**8,929**	**19,228**	**1,336**	**100**	**14,712**	**892**	**45,196**
Additions	-	356	47,258	-	5,603	-	**53,217**
Transfer from construction in progress	-	-	2,976	-	(2,085)	(892)	**-**
Reclassification of assets from intangible assets (Note 11.5)	-	-	-	-	(710)	-	**(710)**
Disposals	-	-	(448)	-	(371)	-	**(820)**
Depreciation charge	-	(2,612)	(1,788)	(26)	(6,267)	-	**(10,693)**
Depreciation transfers from investment properties	-	-	-	-	-	-	**-**
Depreciation disposals	-	-	436	-	367	-	**803**
Net book amount (31 December 2017)	**8,929**	**16,972**	**49,770**	**75**	**11,248**	**-**	**86,994**
Year that ended on 31 December 2018							
Opening net book amount (1 January 2018)	**8,929**	**16,972**	**49,770**	**75**	**11,248**	**-**	**86,994**
Additions	-	175	7,025	-	8,351	-	**15,551**
Disposals	-	(3)	(6,563)	(12)	(3,168)	-	**(9,747)**
Depreciation charge	-	(2,847)	(5,804)	(24)	(5,429)	-	**(14,105)**
Depreciation disposals	-	-	6,563	3	3,162	-	**9,727**
Net book amount (31 December 2018)	**8,929**	**14,297**	**50,990**	**41**	**14,164**	**-**	**88,421**

The Group 'machinery' additions within the current year mainly include:

- expenses of € 5,259 relating to the purchase of i-links and the installation of the VLTs in OPAP's network
- expenses of € 893 related to SSBTs installation in OPAP's network
- betting terminals purchased by OPAP SPORTS LTD. of € 425.

The Group 'equipment' additions within the current year include, among others:

- peripherals for SSBTs (PC, tablets, printers, tables etc.) of € 3,882
- peripherals for VLTs (UPS, tablets etc.) and furniture for the Gaming Halls of € 1,210
- telecommunication and other equipment for the Opap Stores of 6,081

In 2017, the PPE additions referred mainly to the IT transformation project of the Company.

Property, plant & equipment of the Group and the Company have not been pledged.

12.3. Investment property

According to the demands of IAS 40, Investment property is shown below:

	GROUP		COMPANY	
	2018	2017	2018	2017
Balance 1 January	**922**	**940**	**922**	**940**
Depreciation for the period	(19)	(19)	(19)	(19)
Additions	-	1	-	1
Balance 31 December	**903**	**922**	**903**	**922**
Acquisition cost	2,014	2,014	2,014	2,014
Accumulated depreciation	(1,111)	(1,092)	(1,111)	(1,092)
Net book amount	**903**	**922**	**903**	**922**

The net book amount as of 31.12.2018 relates to property located on Panepistimiou 25 street (5th floor), Athens.

The income the Company received from leasing these investment properties amounted to € 249 for the year 2018.

The useful life of the buildings is estimated at 20 years and the straight-line method of depreciation is used.

According to the Company's estimates, the fair value of the property does not differ substantially from its book value.

12.4. Goodwill

Goodwill acquired through business combinations is analyzed as follows:

	GROUP		
	31.12.2018	31.12.2017 Restated	31.12.2017 Published
OPAP SPORTS LTD	8,435	8,435	8,435
TORA DIRECT S.A.	5,749	5,749	5,749
NEUROSOFT S.A.	20,092	37,592	40,493
Σύνολο	**34,275**	**51,775**	**54,676**

Goodwill is subject to impairment testing from independent valuators at each reporting date.
The recoverable amount of the Group companies OPAP SPORTS LTD and TORA DIRECT S.A. was determined using the value in use method. The value in use was determined based on the projected cash flows derived from up to five year business plan approved by management, which then were projected to infinity.

The basic assumptions used in determining the value in use from the independent valuators were as follows:

OPAP SPORTS LTD

Impairment study assumptions	31.12.2018	31.12.2017
WACC	10.43%	8.39%
% Increase of flows	2.40%	2.22%
Tax rate	12.50%	12.50%
Period of net cash flows	5 years	5 years

TORA DIRECT S.A.

Impairment study assumptions	31.12.2018	31.12.2017
WACC	10.54%	9.83%
% Increase of flows	1.86%	1.04%
Tax rate	28.00%	29.00%
Period of net cash flows	5 years	5 years

The sensitivity analysis on the above assumptions, notably to a change of one point in the discount interest rate (WACC) or the growth rate of cash flows, did not show deviations that would point the need to change the carrying value of the above subsidiaries’ goodwill.

NEUROSOFT S.A.

On 02.08.2017 the Group, through its subsidiary OPAP INVESTMENT LTD, acquired 38.19% of NEUROSOFT S.A.. Upon transaction conclusion, the Group increased its participation from 29.53% to 67.72% and consequently, since 02.08.2017, the consolidation method changes from equity method to full consolidation method.

NEUROSOFT S.A. is already providing the Group with a number of services that are directly supporting the delivery of its key technology transformation initiatives. This investment is of strategic nature and will further strengthen the relationship between the two companies providing additional benefits and efficiencies, together with a closer collaboration with NEUROSOFT S.A. experienced software development team.

During the period from 01.01.2018 to 31.12.2018, NEUROSOFT S.A. contributed to the group earnings before interest, tax, depreciation, amortization and impairment (EBITDA) € 869 (2017: € 687) and to losses before tax € 669 (2017: profit € 278).

Since the final amount of goodwill would be defined within 12 months from NEUROSOFT S.A. acquisition, below are presented the final key facts regarding the aforementioned acquisition.

Redemption fee

The purchase price of 38.19% stake amounted to € 34,197.

Acquisition costs

Acquisition costs are not significant, so they will not be analyzed.

Assets and liabilities at acquisition

As a result of the Purchase Price Allocation finalization, a previously unrecognized intangible asset that met the identification and recognition criteria was recognized, i.e. customer relationships. At the following table are presented the assets and liabilities of the acquired company at acquisition date before and after the aforementioned adjustment.

	Initial recogintion	Adjustment	Final recognition
Property, plant & equipment	537	-	537
Intangible assets	4,115	6,033	10,148
Other non - current assets	116	-	116
Inventories	674	-	674
Trade receivables	2,965	-	2,965
Cash and cash equivalents	2,613	-	2,613
Other current assets	804	-	804
Deferred tax liability	(1,112)	(1,749)	(2,862)
Employee benefit plans	(312)	-	(312)
Trade payables & other current liabilities	(982)	-	(982)
Tax liabilities	(353)	-	(353)
Loans	(779)	-	(779)
Net assets	**8,287**	**4,283**	**12,570**

The techniques used or to be used for the fair value valuation of the acquired significant assets and liabilities are the same as those used by the Group and are presented on pages 97 to 110 of the annual Financial Statements.

Goodwill

The goodwill from NEUROSOFT S.A. step acquisition has been finally recognized as follows:

Consideration transferred (for the 38.91% of the shares)	34,197
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of Neurosoft	4,057
Fair value of previously held equity interest (29.53%)	11,908
Fair Value of identifiable net assets	(12,570)
Goodwill	**37,592**

Year-end valuation

The recoverable amount of NEUROSOFT S.A. was determined using the method Fair Value less Cost to Sell for which the Comparable Multiples Method was used. The Fair Value method classified at Level 2 according to the used valuation technique.

For the determination of fair value a satisfying 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 31.12.2019 and 31.12.2020, on which different weights were applied:

• Enterprise Value (EV) / Sales multiple;

• Enterprise Value (EV) / EBIT (Earnings before Interest & Tax) multiple, and;

• Enterprise Value (EV) / EBITDA (Earnings before Interest, Tax, Depreciation & Amortization) multiple.

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

The recoverable amount of 67.72% of NEUROSOFT S.A. shares according to the method above, is estimated to be of the order of € 28,400. Since its carrying amount at the respective period is of € 45,900, an impairment amount of € 17,500 is indicated.

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

Goodwill at acquisition	37,592
Impairment loss	(17,500)
Goodwill at 31.12.2018	**20,092**

12.5 Investments in subsidiaries

The subsidiaries of the Company included in its Financial Statements are the following:

Consolidated subsidiary	% of investment	Acquisition cost 2018	Acquisition cost 2017	Country of incorporation	Principal activities	Consolidation basis
OPAP CYPRUS LTD	100%	1,704	1,704	Cyprus	Numerical lottery games	Full consolidation
OPAP INTERNATIONAL LTD	100%	11,499	11,499	Cyprus	Holding - Sports betting Company	Full consolidation
OPAP SERVICES S.A.	100%	48,000	43,000	Greece	Services	Full consolidation
OPAP SPORTS LTD	100%	16,900	16,900	Cyprus	Sports betting Company	Full consolidation
OPAP INVESTMENT LTD	100%	252,732	241,750	Cyprus	Holding Company	Full consolidation
Total		**330,836**	**314,854**			
Impairment		(60,111)	(32,909)			
Value on 31st December		**270,725**	**281,945**			

At the Company's separate Financial Statements, investments in subsidiaries are accounted for at cost less impairment loss.

The value of the investment in OPAP SPORTS LTD has been impaired by € 1,300 in the year 2005 and € 5,950 in the year 2007. For the years 2008 - 2018, no further impairment of its value was deemed necessary, according to the independent firm's valuation report (see Note 12.4).

The value of the investment in OPAP SERVICES S.A. has been impaired by € 12,000 in 2016 and by € 8,187 in 2017 due to the fact that Management estimates that the accumulated losses are not likely to be fully recovered.

Furthermore, in the year 2017, OPAP S.A. impaired its investment in OPAP INTERNATIONAL LTD and OPAP INVESTMENT LTD by € 1,326 and € 4,146 respectively.

Within 2018, OPAP S.A. investment in OPAP INVESTMENT LTD was further impaired by € 27,202.

Investments in subsidiaries movement is as follows:

	2018	2017
Investment in subsidiaries on 1st January	**281,945**	**280,604**
Share capital increase/(decrease)	15,982	15,000
Impairment losses	(27,202)	(13,659)
Investment in subsidiaries on 31st December	**270,725**	**281,945**

On 21.08.2018 the share capital of OPAP SERVICES S.A. was increased by € 5,000.

OPAP INVESTMENT LTD share capital was first reduced by € 19,017 (02.05.2018) and then increased by € 30,000 (11.10.2018) leading to a net effect of € 10,983 increase on a year-on-year basis.

12.6. Investments in associates

The report date of the Financial Statements of the associate companies, consolidated with the equity method, does not differ from the reporting date of the parent company.

Investments in associates are analyzed as follows:

	31.12.2018	31.12.2017
TCB HOLDINGS LTD	50,089	-
Total	**50,089**	**-**

On 07.06.2017 was signed a Share Purchase Agreement for the acquisition of a 38.19% stake in NEUROSOFT S.A. for a total consideration of € 34,197. Upon transaction conclusion, following the relevant clearance by the competent competition authorities of Cyprus and the payment of the agreed price on 02.08.2017, OPAP S.A. participates with 67.72% in NEUROSOFT S.A. share capital, takes the control of the company and

consequently, starting from 02.08.2017, the applicable consolidation method changes from equity method to full consolidation method (Note 12.4).

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 € 267.

On 18.12.2018 OPAP INVESTMENT LTD completed the acquisition of a 36.75% stake in the mother company of Stoiximan Group, TCB Holdings Ltd ("TCB"), for a consideration of € 50,000. From total consideration, € 48,000 were paid on the same date and the remaining € 2,000 were accounted for as contingent payment obligation according to the respective contract. The liability got settled on February 19th 2019.

Consequently, since December 2018, the latter is accounted for as an associate for OPAP Group.

The share in the profits of the associate TCB HOLDINGS LTD recognized by the Group for the period 19.12.2018-31.12.2018 amounts to € 89.

Based on the above, the value of investment in associates results as follows:

Net accounting balance 31.12.2016	**12,175**
Share of loss of the period 01.01.2017-01.08.2017	(267)
Reversal due to change in consolidation method	(11,908)
Net accounting balance 31.12.2017	**-**
Acquisition cost	50,000
Share of profit of the period 19.12.2018-31.12.2018	89
Net accounting balance 31.12.2018	**50,089**

12.7. Other non-current assets

Other non-current assets are analysed as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Guarantee deposits	1,303	1,172	1,068	921
Prepayments of retirement benefits & housing loans to personnel	391	457	391	457
Loans to third parties	19,894	2,928	2,659	-
Prepayments to suppliers	25,223	17,920	25,223	17,920
Other receivables	340	76	18,122	20,927
Total	**47,151**	**22,553**	**47,464**	**40,225**

At Group level, prepayments to suppliers of € 25,223 (€ 17,920 in 2017) represent the long-term portion of a VLTs vendor claim for an advance payment in accordance with a special clause in the respective contract. Loans to third parties refer to loans mainly the Company and the subsidiary OPAP INVESTMENT LTD have granted of amount € 2,659 and € 17,049 respectively.

At Company level, the amount of € 14,572 included in other receivables relates to the remaining amount of capital reserves to be allocated for the completion of the reformation of OPAP agencies' single corporate image from the subsidiary OPAP SERVICES S.A., on behalf of OPAP S.A.. These funds were transferred to the subsidiary during the years 2004-2007. Finally, the remaining amount of € 3,550 concerns intercompany loans (HORSE RACES S.A. € 50, TORA DIRECT S.A. € 3,500).

12.8. Deferred tax (assets) / liabilities

Deferred taxes are calculated in full on temporary differences under the balance sheet method using the principal tax rates that apply to the countries in which the companies of the Group operate.

The movement in deferred taxes is as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Opening balance, net deferred asset/(liability)	**3,495**	**12,154**	**(9,252)**	**(3,962)**
Charge recognised in profit or loss (Note 12.35)	(1,887)	(5,785)	(3,744)	(5,344)
Charge recognised in other comprehensive income (Note 12.35)	289	(12)	296	54
Acquired in business combinations (Note 12.4)	-	(2,862)	-	-
Closing balance, net deferred asset/(liability)	**1,897**	**3,495**	**(12,701)**	**(9,252)**

The movement of deferred tax assets and liabilities per category during the year is as follows:

GROUP	Net balance at 1 January 2018	Recognised in profit or loss (Note 12.35)	Recognised in Other Comprehensive Income (Note 12.35)	Balance at 31 December 2018
Property, plant and equipment	2,415	(808)	-	1,607
Intangible assets	(15,410)	(2,302)	-	(17,712)
Deferred expenses	(8,766)	40	-	(8,726)
Employee benefits	571	33	25	629
Provisions	12,695	(5,963)	-	6,732
Accrued liabilities	11,990	7,112	264	19,367
Deferred tax assets/(liabilities)	**3,495**	**(1,887)**	**289**	**1,897**

COMPANY	Net balance at 1 January 2018	Recognised in profit or loss (Note 12.35)	Recognised in Other Comprehensive Income (Note 12.35)	Balance at 31 December 2018
Property, plant and equipment	2,479	(983)	-	1,497
Intangible assets	(17,945)	(2,226)	-	(20,171)
Deferred expenses	(5,446)	1,422	-	(4,024)
Employee benefits	470	24	32	526
Provisions	8,508	(1,894)	-	6,614
Accrued liabilities	2,681	(89)	264	2,856
Deferred tax assets/(liabilities)	**(9,252)**	**(3,744)**	**296**	**(12,701)**

The movement in deferred tax assets and liabilities per category during the prior year is as follows:

GROUP	Net balance at 1 January 2017	Recognised in profit or loss (Note 12.35)	Recognised in Other Comprehensive Income (Note 12.35)	Acquired in business combinations (Note 12.4)	Balance at 31 December 2017
Property, plant and equipment	1,683	732	-	-	2,415
Intangible assets	(9,635)	(5,775)	-	-	(15,410)
Deferred expenses	(7,515)	(1,252)	-	-	(8,766)
Employee benefits	425	220	(74)	-	571
Provisions	10,845	1,850	-	-	12,695
Accrued liabilities	16,351	(1,560)	62	(2,862)	11,990
Deferred tax assets/(liabilities)	**12,154**	**(5,785)**	**(12)**	**(2,862)**	**3,495**

COMPANY	Net balance at 1 January 2017	Recognised in profit or loss (Note 12.35)	Recognised in Other Comprehensive Income (Note 12.35)	Balance at 31 December 2017
Property, plant and equipment	1,947	532	-	2,479
Intangible assets	(13,483)	(4,462)	-	(17,945)
Deferred expenses	(4,870)	(576)	-	(5,446)
Employee benefits	393	86	(8)	470
Provisions	9,303	(795)	-	8,508
Accrued liabilities	2,749	(130)	62	2,681
Deferred tax assets/(liabilities)	**(3,962)**	**(5,344)**	**54**	**(9,252)**

On 31.12.2018, certain Group entities had accumulated tax losses of € 57,907 (31.12.2017: € 41,910). For these accumulated tax losses, no deferred tax asset has been recognized due to the uncertainty of the timing of available taxable profits against which these losses could be offset.

12.9. Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Cash in hand	2,636	11,191	1,106	2,697
Short term bank deposits	188,818	234,911	100,457	91,574
Total	**191,454**	**246,102**	**101,563**	**94,270**

Short term bank deposits are comprised by current accounts and time deposits. The effective interest rates are based on floating rates and are negotiated on a case by case basis.

In short term bank deposits is included restricted cash of amount € 1,489 (€ 1,183 in 2017), mainly due to legal decisions and guarantees received from the agents, which is analysed as follows: OPAP S.A. € 152, OPAP SPORTS LTD € 355, OPAP CYPRUS LTD € 960, OPAP SERVICES S.A. € 20 and NEUROSOFT S.A. € 2.

In accordance with the latest amendment of 01.10.2018 relating to the capital controls which initially imposed on 28.06.2015, there are no more restrictions on cash withdrawal and working capital transfers within the country while the restrictions for the transaction outside the country have been gradually eased. Finally, the Group retains part of its deposits at European reputable financial institutions.

12.10. Inventories

In the Group's inventories are included:

- OPAP SERVICES S.A. inventories of € 6,406 (2017: € 4,221) related to Gaming Halls stores under construction that will be sold after their completion.
- TORA DIRECT S.A. inventories of € 2,350 (2017: € 1,173) related mainly to phone cards and Internet.
- NEUROSOFT S.A. inventories of € 808 (2017: € 559) related to production consumables.
- HORSE RACES S.A. inventories of € 46 (2017: € 39) related to veterinary clinic consumables.
- OPAP S.A. lottery and athletic events prognoses games tickets, coupons for PAME STIHIMA game etc. of € 1,053 (2017: € 1,927).

The Group and the Company have not pledged their inventories as collateral.

12.11. Trade receivables

The analysis of trade receivables is as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Receivables from debtors (revenues from games)	111,088	108,480	32,303	43,654
Receivables from debtors (accounts under arrangement from agencies)	134	133	35	35
Doubtful receivables from agents	36,690	34,292	35,331	33,716
Other receivables	27,759	20,189	11,550	10,911
Sub total short term trade receivables	**175,672**	**163,093**	**79,219**	**88,316**
Less provisions for bad and doubtful debts and for accounts under arrangement	(38,255)	(35,264)	(35,707)	(33,956)
Total short term trade receivables	**137,417**	**127,829**	**43,512**	**54,360**
Long term receivables from agencies (accounts under arrangement)	2	2	2	2
Total long term trade receivables	**2**	**2**	**2**	**2**
Total trade receivables	**137,419**	**127,831**	**43,514**	**54,362**

The expected inflow of the total trade receivables is presented below:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Expected inflow phases:				
< 3 months	135,758	127,803	43,042	54,334
3 - 6 months	447	14	255	14
6 - 12 months	1,212	11	214	11
Total short term receivables	**137,417**	**127,829**	**43,512**	**54,360**
> 12 months	2	2	2	2
Total	**137,419**	**127,831**	**43,514**	**54,362**

The ageing of doubtful receivables from agents for the Company is the following:

	COMPANY
	31.12.2018
< 1 year	1,266
1 - 5 years	3,392
> 5 years	30,673
Total doubtful receivables from agents	**35,331**

The Group and the Company have not pledged their receivables as collateral.

12.12. Other current assets

The analysis of other current assets is as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Income tax receivables	-	12,106	-	12,106
Housing loans to personnel	49	56	49	56
Other receivable - revenue receivable	12,864	22,920	8,504	9,486
Prepaid expenses	12,722	12,007	9,345	7,325
Intercompany transaction of winners profits with OPAP CYPRUS LTD	-	-	-	924
Receivables from taxes	16,051	11,443	-	-
Total	**41,686**	**58,532**	**17,898**	**29,896**

Income tax receivables at the comparative period include income tax receivable of the Company amounting to € 12,106 as the prepaid amount relating to income tax for the year 2017 recorded with the submission of the tax return for the year 2016 was higher compared to the income tax provision recorded for the year 2017.

Other receivable – revenue receivable of the Group as of 31.12.2018 include mainly loans granted to third parties from OPAP INVESTMENT LTD of € 3,458 (2017: € 8,680), receivable from leases of OPAP S.A. of 3,662 (2017: € 3,126) as well as income provisions of € 767 (2017: € 3,236).

Receivables from taxes include the prepaid contribution of 30% on gross gaming revenue (GGR) of subsequent periods of HELLENIC LOTTERIES S.A. by € 16,051 (2017: € 11,443).

12.13. Share capital

The total number of the authorized ordinary shares is:

	GROUP & COMPANY	
	31.12.2018	31.12.2017
Ordinary shares of € 0.30 each	319,000,000	319,000,000
	319,000,000	**319,000,000**

The shares issued and fully paid are as follows:

	Number of shares	Value
Balance at 31 December 2017	319,000,000	95,700
Balance at 31 December 2018	319,000,000	95,700

12.14. Reserves

Reserves are analyzed as follows:

GROUP	Statutory reserves
31.12.2017	33,034
Changes in the period	122
31.12.2018	33,156

COMPANY	Statutory reserves
31.12.2017	31,900
31.12.2018	31,900

Statutory reserves reflect the addition of a minimum of 5% of the annual net profit of parent company added each year, subject to a maximum balance of 1/3 of the outstanding share capital. This amount is not available for distribution. After the allocation of net profit of 2003 this reserve has reached for the Company the statutory amount and further addition is not obligatory.

Untaxed reserves came from untaxed earnings. Any portion of this reserve distributed to shareholders is subject to income tax.

At Group level, the increase in statutory reserves is attributed to the formation of statutory reserve from HELLENIC LOTTERIES S.A. of € 122 (€ 617 in 2017).

12.15. Treasury shares

The Annual Ordinary General Assembly of the Company's Shareholders that was held on 20.04.2015 and then the Annual Ordinary General Assembly on 27.04.2017 decided and set the details for the acquisition of treasury shares by the Company through the Athens Exchange, up to a percentage of 5% of the total paid up share capital of the Company, namely up to 15,950,000 shares. The acquisition of treasury shares shall be made provided that on a case by case basis are considered to be at the Company's own benefit, preferential to other available investment options and as long as the Company's cash flow allows for such acquisitions and for purposes provided for by Regulation 2273/2003 and Decision No. 1/503/13.03.2009 by the Capital Market Commission. The proposed program for the acquisition of treasury shares shall be completed within twenty four months as from the date of the decision of the 27.04.2017 General Assembly, namely the latest by 26.04.2019, and will be implemented at a maximum acquisition price of 13.00 euros per share and a minimum acquisition price equal to the nominal value price of each share, i.e. 0.30 euros per share.

Furthermore, the Company's Board of Directors was authorized to determine the specific terms and details for the implementation of the program for the acquisition of treasury shares.

Following the above decision, the Company proceeded to the following acquisition of treasury shares:

Treasury shares	No of shares	Acquisition cost	% of treasury shares on total shares
Balance at 1 January 2015	-	-	-
Acquisition of treasury shares	406,542	2,719	-
Balance at 31 December 2015	**406,542**	**2,719**	**0.1%**
Acquisition of treasury shares	581,263	4,735	-
Balance at 31 December 2016	**987,805**	**7,454**	**0.3%**
Acquisition of treasury shares	194,696	1,585	-
Balance at 31 December 2017	**1,182,501**	**9,039**	**0.4%**
Acquisition of treasury shares	647,123	5,458	-
Balance at 31 December 2018	**1,829,624**	**14,497**	**0.6%**

12.16. Non-controlling interests

The Group's non-controlling interests amount to € 36,783 as of December 31, 2018 (December 31, 2017: € 43,397), arising from HELLENIC LOTTERIES S.A. and NEUROSOFT S.A.. They represent the 33% of HELLENIC LOTTERIES S.A. equity, which is owned by INTRALOT LOTTERIES LIMITED (16.5%) and SCIENTIFIC GAMES GLOBAL GAMING S.R.L. (16.5%) and 32.28% of NEUROSOFT S.A..

The basic financial data of both of these companies are presented below:

Summarized statement of financial position as at December 31, 2018	HELLENIC LOTTERIES S.A.	NEUROSOFT S.A.	Total
NCI percentage	**33%**	**32.28%**	
Non-current assets	127,792	10,910	
Current assets	125,641	7,800	
Non-current liabilities	(49,760)	(3,243)	
Current liabilities	(104,415)	(2,991)	
Net assets	**99,258**	**12,477**	
Net assets attributable to NCI	**32,755**	**4,027**	**36,783**

Summarized statement of profit or loss and other comprehensive income for the year ended December 31, 2018	HELLENIC LOTTERIES S.A.	NEUROSOFT S.A.	Total
Revenue (GGR)	152,168	-	
Profit after tax	6,315	(295)	
Other comprehensive income, net of tax	8	3	
Total comprehensive income	**6,322**	**(292)**	
Profit attributable to NCI	**2,084**	**(95)**	**1,988**
Other comprehensive income attributable to NCI	**3**	**1**	**4**

Summarized cash flow information for the year ended December 31, 2018	HELLENIC LOTTERIES S.A.	NEUROSOFT S.A.
Net cash from operating activities	17,194	1,094
Cash flows (used in) / from investing activities	118	(867)
Cash flows used in financing activities	(20,511)	62
Net increase/(decrease) in cash and cash equivalents	**(3,198)**	**289**

Summarized statement of financial position as at December 31, 2017	HELLENIC LOTTERIES S.A.	NEUROSOFT S.A. published	Adjustments due to finalization of NEUROSOFT S.A. PPA	NEUROSOFT S.A. Restated	Total
NCI percentage	**33%**		**32.28%**		
Non-current assets	142,568	5,878	5,909	11,788	
Current assets	110,277	6,860	-	6,860	
Non-current liabilities	(40,414)	(2,247)	(1,714)	(3,960)	
Current liabilities	(89,310)	(1,919)	-	(1,919)	
Net assets	**123,121**	**8,573**	**4,196**	**12,768**	
Net assets attributable to NCI	**40,630**	**2,767**	**1,354**	**4,122**	**44,752**

Summarized statement of profit or loss and other comprehensive income for the year ended December 31, 2017	HELLENIC LOTTERIES S.A.	NEUROSOFT S.A. published	Adjustments due to finalization of NEUROSOFT S.A. PPA	NEUROSOFT S.A. Restated	Total
Revenue (GGR)	158,916	-	-	-	
Profit after tax	16,284	129	(87)	42	
Other comprehensive income, net of tax	2	157	-	157	
Total comprehensive income	**16,285**	**286**	**(87)**	**199**	
Profit attributable to NCI	**5,374**	**42**	**(28)**	**-**	**5,387**
Other comprehensive income attributable to NCI	**1**	**51**	**-**	**-**	**51**

Summarized cash flow information for the year ended December 31, 2017	HELLENIC LOTTERIES S.A.	NEUROSOFT S.A.
Net cash from operating activities	9,852	1,409
Cash flows from investing activities	105	(1,502)
Cash flows used in financing activities	(15,146)	(23)
Net decrease in cash and cash equivalents	**(5,188)**	**(116)**

12.17. Loans

The Group's and Company's borrowing is as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Total long-term loans (1 – 5 years)	**650,260**	**513,098**	**601,351**	**467,342**
Short-term loans				
Current portion of long term loans (Up to 1 year)	-	169,000	20,000	169,000
Short-term loans (overdraft accounts) (Up to 1 year)	191	171	11	171
Total short-term loans	**191**	**169,171**	**20,011**	**169,171**
Total loans	**650,450**	**682,269**	**621,361**	**636,513**

The Group's and the Company's borrowing movement is as follows:

GROUP	Year of maturity	31.12.2017				31.12.2018	
		Book value	New Loans	Repayments	Amortization of expenses	Outstanding nominal value	Book value
Loan, amount € 916	2026	756	-	(92)	-	664	664
Bond Loan, amount €250,000	2023	-	250,000	-	(1,196)	250,000	248,804
Bond Loan, amount €200,000	2022	196,798	-	-	713	200,000	197,510
Bond Loan, amount €100,000	2021	100,000	-	(100,000)	-	-	-
Bond Loan, amount €50,000	2020	40,000	10,000	-	(714)	50,000	49,286
Bond Loan, amount €45,000	2020	40,500	-	(40,500)	-	-	-
Bond Loan, amount €5,000	2020	5,000	-	-	-	5,000	5,000
Bond Loan, amount €50,000	2020	49,771	-	-	(289)	50,000	49,482
Bond Loan, amount €100,000	2020	99,273	-	-	240	100,000	99,513
Bond Loan, amount €75,000	2018	75,000	-	(75,000)	-	-	-
Bond Loan, amount €75,000	2018	75,000	-	(75,000)	-	-	-
Overdraft, amount € 500		-	180	-	-	180	180
Overdraft, amount € 15,000		171	-	(161)	-	11	11
Total		**682,269**	**260,180**	**(290,752)**	**(1,246)**	**655,855**	**650,450**

COMPANY	Year of maturity	31.12.2017				31.12.2018	
		Book value	New Loans	Repayments	Amortization of expenses	Outstanding nominal value	Book value
Bond Loan, amount €250,000	2023	-	250,000	-	(1,196)	250,000	248,804
Bond Loan, amount €200,000	2022	196,798	-	-	713	200,000	197,510
Bond Loan, amount €100,000	2021	100,000	-	(100,000)	-	-	-
Loan, amount €6,041	2021	-	6,041	-	-	6,041	6,041
Bond Loan, amount €45,000	2020	40,500	-	(40,500)	-	-	-
Bond Loan, amount €50,000	2020	49,771	-	-	(289)	50,000	49,482
Bond Loan, amount €100,000	2020	99,273	-	-	240	100,000	99,513
Loan, amount €20,000	2019	-	20,000	-	-	20,000	20,000
Bond Loan, amount €75,000	2018	75,000	-	(75,000)	-	-	-
Bond Loan, amount €75,000	2018	75,000	-	(75,000)	-	-	-
Overdraft, amount € 15,000		171	-	(161)	-	11	11
Total		**636,513**	**276,041**	**(290,661)**	**(532)**	**626,052**	**621,361**

The average interest rate of both the Group and the Company is 3.4% (2017: 3.9%).

The Company's loan of € 6,041 represents a non-cash item that relates to loan receivable which was transferred to OPAP S.A. during 2018.

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

12.18. Employee benefit plans

Long-term incentive scheme

The Board of Directors of the Company, following a recommendation of the Remuneration and Nomination Committee, on 28.3.2017, approved a Long term incentive scheme with distribution of part of the Company's net profits to Executive Members of the BoD and other Key Management Personnel of the Company, excluding CEO. The program's duration is 3 years, for the period 2017-2019. The targets relate to a. the profitability of the Company for the 3 year period mentioned above and b. the Company's share price increase in Athens Exchange. Finally, the scheme defines that the maximum amount to be distributed to up to 30 beneficiaries is € 7,000.

As of 31.12.2018 the liability related to the above scheme amounts to € 2,305 (2017: € 1,113)for both the Company and the Group.

Defined Benefit Plan

Under Greek labor law (L.2112/1920), 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:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Opening balance	**3,084**	**1,507**	**2,735**	**1,355**
Current service cost	1,573	1,509	1,501	1,413
Interest cost	67	36	62	18
Settlement cost (result)	710	217	684	157
Total cost recognized in Statement of Comprehensive Income	**2,349**	**1,763**	**2,247**	**1,589**
Actuarial (gain)/loss arising from financial assumptions	-	(28)	-	(24)
Actuarial (gain)/loss arising from experience adjustment	101	(227)	127	(5)
Total actuarial (gain)/loss recognized in Equity	**101**	**(255)**	**127**	**(29)**
Liability from the acquisition of Neurosoft S.A.	-	312	-	-
Payments	(727)	(243)	(700)	(180)
Closing balance	**4,807**	**3,084**	**4,409**	**2,735**

The principal actuarial assumptions used in the actuarial valuations as at 31.12.2018 and 31.12.2017 are the following:

	2018	2017
Discount rate	1.40%	1.40%
Expected salary increase percentage	2.00%	2.00%
Average service in the company	7,33 - 29,81	8,00 - 29,93
Inflation rate	2.00%	2.00%

The estimated service cost for the next fiscal year amounts to € 368 for the Company and € 456 for the Group.

The following table shows the change in actuarial liability of the Group and the Company 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 (Group)	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	2,247	-10%
Decrease in discount rate by 0.5%	2,791	12%
Increase of the expected wages' increase by 0.5%	2,753	10%
Decrease of the expected wages' increase by 0.5%	2,270	-9%

Sensitivity analysis (Company)	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	1,890	-10%
Decrease in discount rate by 0.5%	2,347	12%
Increase of the expected wages' increase by 0.5%	2,315	10%
Decrease of the expected wages' increase by 0.5%	1,909	-9%

12.19. Provisions

Group’s and Company’s provisions are analyzed as follows:

	GROUP	COMPANY
Balance as of 31.12.2016	**34,049**	**32,673**
Provisions of the period	17,978	17,910
Provision reversal	(19,862)	(19,833)
Used provision	(977)	(977)
Balance as of 31.12.2017	**31,187**	**29,773**
Provisions of the period	1,706	1,706
Provision reversal	(3,529)	(3,495)
Used provision	(1,091)	(1,091)
Balance as of 31.12.2018	**28,273**	**26,893**

Part of the amount of € 28,273 (2017: € 31,187), specifically € 26,893 (2017: €29,773), relates mainly to provisions recorded for probable losses from lawsuits by third parties, agents and employees against the Company, while an amount of € 1,258 (2017: € 1,258) relates to the cumulative provision for tax differences of OPAP SERVICES S.A. (Note 12.38).

12.20. Other non-current liabilities

Other non-current liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Guarantee deposits from agents	9,785	8,968	8,029	7,590
Derivative (interest rate swap)	1,271	214	1,271	214
Grants	965	386	-	-
Total	**12,021**	**9,567**	**9,300**	**7,804**

Guarantee deposits from agents represent:

- the amount placed on deposit to jointly secure agents' obligations (the guarantee is paid back when the agent returns the license to OPAP S.A.)
- the amount paid in order the credit limit to be raised

Grants relate to capital expenditure investments performed by HORSE RACES S.A. against operating lease payable to ODIE S.A. for the horse race course and its ancillary premises at Markopoulo, Attica. More specifically, it is agreed that the lessee (HORSE RACES S.A.) has the right to perform certain capital expenditures of total amount up to € 2,000, during the first three years of the lease agreement, for improvement of the leased property, under certain conditions. These expenditures will be paid by the lessee and will be offset against the lease payable.

Payables from financial instruments of the Group and the Company refer to liability arising from interest rate swap acquired to hedge the risk of floating rate the latter is exposed to. The valuation of the derivative resulted from the difference between the contractual interest rate swap (0.365%) versus the market interest rate of the same derivative as of 31.12.2018.

12.21. Trade payables

The analysis of trade payables is as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Suppliers (services, assets, etc.)	55,018	69,131	32,950	47,516
Payout to the winners and retained earnings	109,509	92,527	28,793	27,735
Other payables (salaries – subsidies)	2,565	3,230	732	90
Contracts' liabilities	9,593	8,972	1,919	1,664
Total	**176,685**	**173,860**	**64,394**	**77,005**

Trade payables are non-interest bearing and are normally settled within 60 days for the Group and the Company.

Contracts' liabilities refer to deferred revenues of OPAP S.A. and HELLENIC LOTTERIES S.A. (refer to 8.4).

12.22. Tax liabilities

The analysis of tax liabilities is as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Income tax liabilities	8,648	2,370	6,691	-
Contribution on the net revenues	56,750	53,022	44,734	43,524
Other taxes (withholding, VAT)	7,738	34,379	9,327	34,885
Total	**73,136**	**89,771**	**60,752**	**78,409**

As per L. 4389/2016, a 35% contribution is imposed on OPAP's net revenue (revenue minus players' winnings as per Greek GAAP) as of 01.01.2016, instead of 30% that was applicable since 01.01.2013 as per L. 4093/2012.

The amount of contribution on net revenues for the year ended on 31.12.2018 for the Company amounted to € 442,800 while the outstanding liability as at year ended on 31.12.2018 amounted to € 44,734. Respectively, for the year 2017, the amount of contribution on net revenue amounted to € 416,874 while the outstanding liability as at 31.12.2017 amounted to € 43,524. The amount payable to the Greek State as at 31.12.2018 relating to the contribution on the net revenues, increased as a result of the increased activities.

At other taxes of the Company at 31.12.2017 is included amount of € 23,300 that refers to tax on dividends, while there is no corresponding liability as of 31.12.2018.

12.23. Other current liabilities

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Donations	2,052	3,621	2,052	3,547
Sponsorships	8,678	9,181	710	707
Wages and salaries	8,593	6,717	8,108	6,087
Dividends and interim dividends payable	1,999	2,029	1,999	2,029
Insurance contributions payable	2,950	2,793	2,366	2,251
Other liabilities	20,742	24,663	11,945	18,848
Total	**45,015**	**49,004**	**27,181**	**33,470**

At Company level, the variation in other liabilities is mainly attributed to the decreased accrued expenses liability of € 5,223 versus € 10,819 as of 31.12.2018 and 31.12.2017 respectively. Additionally, the accrued bond loan interest expense liability reduced by € 1,303.

At Group level, the other liabilities include among others, accrued expenses liability of € 8,382 (2017: € 12,525), accrued bond loan interest expense of € 2,713 (2017: € 4,432), lease liabilities to Greek ministries of € 1,471 (2017: 1,464), liability to the Greek State relating to the New Year's Eve lottery conducted by HELLENIC LOTTERIES S.A. of € 3,397 (2017: € 3,537) and liabilities to winners arising from special draws of € 1,052 (2017: € 1,199).

12.24. Dividends

The Eighteenth (18th) Annual Ordinary Shareholders General Meeting of OPAP S.A. that took place on Wednesday, 25.04.2018, approved the distribution of earnings and decided upon the distribution of a total gross dividend of € 0.40 per share prior to the tax withhold for the fiscal year 2017. Since the amount of € 0.10 per share had already been distributed to the shareholders as interim dividend pursuant to the dated 11.09.2017 decision of the Company's Board of Directors, the remaining dividend for the fiscal year 2017 amounted to € 0.30 per share prior to the relevant tax withhold.

Furthermore, the Board of Directors of the Company, at its meeting on 11.09.2018 decided the distribution of interim dividend for the year 2018 of € 0.10 per share prior to the tax withhold excluding treasury shares.

12.25. GGR contribution and other levies and duties

As per L. 4389/2016, a 35% contribution is imposed on OPAP S.A. net revenue (revenue minus players' winnings as per Greek GAAP) as of 01.01.2016, instead of 30% that was applicable since 01.01.2013 as per L. 4093/2012. Moreover, based on the Betting Tax of Cyprus introduced in 2012, a betting tax of 13% is imposed on net revenues of OPAP SPORTS LTD. Finally, based on the interstate agreement between Greece and Cyprus, a special levy is paid to the Cypriot State from OPAP CYPRUS LTD.

The amount of contribution on net revenue from games for 2018 for the Group amounted to € 507,080 (€ 2017: € 482,578) and for the Company amounted to € 442,800 (2017: € 416,874).

12.26. Agents' commission

For the Company, agent commissions since April 2017, when the new contract with the agents came into force, are calculated as percentage on Net Gaming Revenue (NGR) and not as percentage on wagers that was due until then.

For the rest companies of the Group, agents' commissions are calculated as percentage on wagers depending on the game and especially for HELLENIC LOTTERIES S.A, the sales' channel. (wholesalers, mini markets, OPAP S.A. sales' network etc.).

12.27. Other NGR related commission

The relevant kind of commission refers to the entities of the Group which operate in gaming sector and their level is determined in line with the gaming activity as a percentage on wagers or on net gaming revenue (NGR). The variation compared to the previous year is attributed to the most recently launched games of the Group, namely VLTs and Virtual Games. Specifically,

- VLTs: The number of active machines increased by 8,937 pieces within the current year.
- Virtual Games: They were first launched on April 2017. So the previous period is not fully comparable.

12.28. Other operating income

The analysis of other operating income is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Commission on New Year's Eve Lottery revenues	2,171	2,197	-	-
Revenues from prepaid cards and mobile top-ups	89,051	82,322	-	-
Income from IT services	6,822	1,726	-	-
Management fees	-	-	31,091	29,842
Other income	30,744	33,391	10,677	8,170
Total	**128,788**	**119,636**	**41,768**	**38,012**

Income from IT services includes NEUROSOFT S.A. revenue and the variation between the years is attributed to the fact that the entity was fully consolidated to Opap Group on August 2017. Till that date, the applicable consolidation method was the equity method.

The Company's management fees mainly include SLA fees from its subsidiaries OPAP CYPRUS LTD, HELLENIC LOTTERIES S.A. and HORSE RACES S.A..

The Company's other income includes among other the net effect of litigation provision amounted to € 1,789 (2017: € 1,923), non-recurring revenue of € 3,558 (2017: € 512) and income from operating leases of € 3,490 (2017: € 1,963). Furthermore, at Group level, other income includes OPAP SERVICES S.A. income from the construction and other supporting services to OPAP's network of € 6,458 (2017: € 7,779).

12.29. Other operating cost

The other operating cost of the Group includes the consumption of TORA DIRECT S.A. phone cards amounting to € 81,923 (2017: € 75,757), the cost of the sold Gaming Halls of OPAP SERVICES S.A. of € 9,087 (2017: € 15,388) as well as the consumption of NEUROSOFT S.A. goods of € 930 (2017: € 640) for the production and development of software and IT systems.

12.30. Payroll expenses

The analysis of payroll expenses of the Company and the Group is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Wages and salaries	59,983	50,324	49,921	43,784
Social security costs	12,328	10,352	10,135	8,787
Other staff costs	1,459	1,344	1,229	1,152
Employee benefit plans	1,573	1,516	1,501	1,413
Termination compensations	710	246	684	157
Total	**76,052**	**63,781**	**63,471**	**55,294**

The number of permanent and part time employees of the Company as of 31.12.2018 and 31.12.2017 is 1,108 and 1,045, respectively, while the employees of the Group as at 31.12.2018 and 31.12.2017 are 1,493 and 1,422, respectively.

12.31. Marketing expenses

Marketing expenses are as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
CSR and sponsorships	22,385	27,386	15,760	20,155
Advertising	43,454	40,045	32,592	27,330
Total	**65,839**	**67,431**	**48,352**	**47,485**

The Company's CSR expense for the year 2018 amounts to € 4,177 (2017: €6,413) and the sponsorships expense to € 11,583 (2017: € 13,742). At Group level, the relevant expenses are € 4,385 and € 18,000 respectively (2017: € 6,548, € 20,838). Overall, the marketing expenses both at Group and at Company level are not significantly differentiated from the previous year as a result of the Management's decision to keep this kind of expenditure stable.

12.32. Other operating expenses

The analysis of other operating expenses is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
IT related costs	44,201	52,256	48,225	51,783
Utilities & Telecommunication costs	14,749	13,754	11,517	10,571
Rentals	10,628	8,809	6,423	5,248
Other	72,204	74,439	71,847	62,578
Inventory consumption	5,464	5,722	5,089	5,398
Total	**147,247**	**154,980**	**143,101**	**135,579**

IT related costs both of the Company and the Group are decreased due to the termination of a contract with an IT provider and the conclusion of a new contract with more favorable terms in replacement of the latter.

At Company level, in 'other' expenses, is included impairment loss in investments in subsidiaries of € 27,202 (2017: €13,359).

12.33. Finance income / (costs)

The analysis of finance income and cost is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Interest and expenses of bond loans	(23,868)	(22,477)	(22,124)	(20,051)
Other financial expenses	(2,436)	(1,484)	(1,525)	(587)
Capital cost of pension plans	(64)	(36)	(62)	(18)
Finance costs	**(26,368)**	**(23,998)**	**(23,711)**	**(20,656)**
Bank deposits	1,142	2,020	573	1,323
Personnel loans	3	4	3	4
Other financial income	1,742	909	514	84
Reversal of previous period discount interest	-	1	-	1
Finance income	**2,887**	**2,934**	**1,091**	**1,412**
Net finance costs recognized in statement of profit or loss	**(23,481)**	**(21,064)**	**(22,621)**	**(19,245)**

Other financial income is inflated in current year due to the impact of the new standard IFRS 9 regarding the modification of OPAP S.A. and HELLENIC LOTTERIES S.A. bond loans. Under the new IFRS requirements a profit was recognised at the restructuring date of € 228 and € 525 respectively.

12.34. Other finance income

The Company, in 2018, presents dividend income from subsidiaries amounting to € 4,836 (2017:€ 6,592). Specifically, the dividend from OPAP CYPRUS LTD was € 4,000 (2017: € 6,092), from OPAP SPORTS LTD € 836 (2017: € 500).

12.35. Income tax expense

The income tax charged to the statement of profit or loss and other comprehensive income for the years ended 31 December 2018 and 2017 is analysed as follows:

Amounts recognised in income statement

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Current tax	(68,713)	(55,792)	(61,074)	(49,780)
Deferred tax	(3,491)	(5,785)	(6,253)	(5,344)
Deferred tax effect from tax rate change	1,605	-	2,508	-
Income tax expense	**(70,599)**	**(61,578)**	**(64,818)**	**(55,125)**
Effective tax rate	**32.7%**	**31.9%**	**32.4%**	**30.5%**

The deferred tax effect from tax rate of amount € 1,605 for the Group and € 2,508 for the Company is attributed to the gradual reduction of the income tax rate in Greece in the following years from the revaluation of deferred tax assets and liabilities.

Amounts recognised in profit or loss and other comprehensive income

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Deferred tax	336	(12)	344	54
Deferred tax effect from tax rate change	(47)	-	(47)	-
Total	**289**	**(12)**	**296**	**54**

Based on International Accounting Standard 12 “Income Taxes” deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply at the period of realization, provided they are enacted or substantively enacted at the reporting date.

The Law 4579/2018 (Government’s Gazette A’ 201/03.12.2018), amends the Income Tax Code (Law 4172/2013) regarding the corporate income tax, resulting in a gradual reduction in corporate income tax rates as follows:

- 28% for the 2019 fiscal year
- 27% for the 2020 fiscal year

- 26% for the 2021 fiscal year
- 25% for the fiscal years from 2022 onwards

Consequently, for the current year the income tax expense was calculated using 29% rate while, the deferred tax was calculated using rates from 25% to 28%.

Finally, it should be noted that at Group level, no deferred tax asset is recognized for the losses incurred by some of the Group's companies as the Group does not consider that future tax profit is expected against which unused tax losses may be used. In the year 2018, the losses for which no deferred tax asset was recognized amounted to € 12,011 (2017: € 27,593). The Group cumulative tax losses for which also no deferred tax asset was recognized, amounted to € 57,907 (2017: € 45,896).

A reconciliation between the income tax expense and the accounting profit before tax multiplied by tax rates in force in Greece (29%) is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Profit before tax	**215,900**	**193,151**	**200,008**	**180,687**
Tax calculated at the Company's statutory tax rate (29%)	(62,611)	(56,014)	(58,002)	(52,399)
Tax adjustments in respect of:				
Impairment loss in investments non-deductible	-	-	(7,889)	(3,961)
Impairment loss in goodwill non-deductible	(5,075)	-	-	-
Tax effect of non-deductible expenses	(3,871)	(2,827)	(2,092)	(2,123)
Tax effect of non-taxable and specially taxed income	2,937	2,789	1,453	2,118
Effect of unrecognized deferred tax asset on tax carry forward losses	(3,483)	(4,404)	-	-
Effect of different tax rates in other countries	841	2,195	-	-
Other taxes	(103)	2,712	(83)	2,654
Effect from tax rate change	1,605	-	2,508	-
Other	(838)	(6,029)	(715)	(1,413)
Income tax expense	**(70,599)**	**(61,578)**	**(64,818)**	**(55,125)**

12.36. Earnings per share

The basic and diluted earnings per share are calculated as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Net profit attributable to the shareholders of the Company (in €)	143,312,296	126,150,801	135,189,853	125,562,682
Weighted average number of ordinary shares	317,677,214	317,840,974	317,677,214	317,840,974
Basic and diluted earnings per share (in €)	**0.4511**	**0.3969**	**0.4256**	**0.3950**

Basic and diluted earnings per share are the same, as the Company has no dilutive potential categories.

The weighted average number of shares on 31.12.2018 is calculated as follows:

	2018	2017
Issued ordinary shares at 1 January	319,000,000	319,000,000
Effect of treasury shares held	(1,322,786)	(1,159,026)
Weighted-average number of ordinary shares at December 31	**317,677,214**	**317,840,974**

12.37. Related party disclosures

The Group's Financial Statements for the year 2018 were consolidated by SAZKA Group a.s..

The term "related parties" includes not only the Group's companies, but also companies in which the parent participates in their share capital with a significant percentage, companies that belong to parent's main shareholders, companies controlled by members of the BoD or key management personnel, as well as close members of their family.

The Group's and the Company's income and expenses for the years of 2018 and 2017 as well as the balances of receivables and payables for the same period that have arisen from related parties' transactions, as defined by IAS 24, as well as their relevant figures are analysed as follows:

	GROUP		COMPANY	
Income	**01.01-31.12.2018**	**01.01-31.12.2017**	**01.01-31.12.2018**	**01.01-31.12.2017**
Subsidiaries	-	-	36,463	36,807
Total	**-**	**-**	**36,463**	**36,807**

	GROUP		COMPANY	
Expenses	01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Subsidiaries	-	-	12,647	7,964
Associates	3,620	7,271	3,620	6,473
Total	**3,620**	**7,271**	**16,266**	**14,437**

The Company's income from transactions with related parties mainly refers to income from royalties and supporting services, while the respective expenses mainly refer to IT related costs. The Group's expenses mostly relate to consulting fees.

	GROUP		COMPANY	
Receivables	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Subsidiaries	-	-	29,567	32,756
Total	**-**	**-**	**29,567**	**32,756**

	GROUP		COMPANY	
Payables	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Subsidiaries	-	-	29,036	5,440
Associates	380	600	380	600
Total	**380**	**600**	**29,416**	**6,040**

	GROUP		COMPANY	
Transactions and salaries of executive and administration members	01.01-31.12.2018	01.01-31.12.2017 Restated	01.01-31.12.2018	01.01-31.12.2017 Restated
BoD and key management personnel	5,596	5,708	5,032	5,236
Total	**5,596**	**5,708**	**5,032**	**5,236**

All the above intercompany transactions have been dealt at arm's length.

It should be noted that the comparative figures have been reformed as the Group and the Company changed their policy regarding the definition of key management personnel.

Therefore, first, the composition of key management personnel was modified and second it was decided that Group key management personnel will be comprised only by the Company's executives.

The remuneration of the BoD and key management personnel of the Group and the Company is analyzed as follows:

a) the Group's BoD compensation, reached € 1,000 for the year 2018 and € 881 for the year 2017;

b) the Group's and the Company's key management personnel remuneration, reached € 4,596 for the year 2018 and € 4,827 for the year 2017 (2017 published: € 10,573);

c) the Company's BoD compensation, reached € 436 for the year 2018 and € 409 for the year 2017.

	GROUP		COMPANY	
Liabilities from BoD compensation & remuneration	**31.12.2018**	**31.12.2017 Restated**	**31.12.2018**	**31.12.2017 Restated**
BoD and key management personnel	278	159	186	158
Total	**278**	**159**	**186**	**158**

The balance from management's remuneration and Board of Directors' compensation refers to:

a) key management's personnel remuneration and compensation of the Group that amounted to € 278 for the year 2018 and € 159 for the year 2017 (2017 published: € 450) and

b) key management's personnel remuneration and compensation of the Company that amounted to € 186 for the year 2018 and € 158 for the year 2017 (2017 published: € 342).

All the inter-company transactions and balances of the above have been eliminated in the consolidated Financial Statements of the Group.

12.38. Other disclosures

Contingent liabilities

A) Tax liabilities

The companies of the Group subject to tax audit by legal auditors, were tax audited by their Certified Auditors Accountants, according to the terms of article 82, par. 5 of the Law 2238/1994 and the article 65A, par. 1 of L. 4174/2013 that has been accordingly revised by L. 4262/2014, and received the Tax Compliance Reports without differences.

More specifically, the audited tax years by Certified Auditors are:

Company's Name	Fiscal Years
OPAP S.A.	2011-2018
OPAP SERVICES S.A.	2011-2018
HELLENIC LOTTERIES S.A.	2014-2018
TORA DIRECT S.A.	2011-2018
TORA WALLET S.A.	2017-2018
NEUROSOFT S.A.	2011-2018
HORSE RACES S.A.	2016-2018

In any case and according to POL. 1006/05.01.2016, Greek companies subject to the Tax Certificate process are not excluded from a tax audit by tax authorities. Subsequently, tax liabilities for these fiscal are not considered to be final. A possible tax audit may impose further taxes and fines, the amount of which is not expected to be material.

Group companies' outside Greece have not been tax audited for the below years:

Company's Name	Fiscal Years
OPAP CYPRUS LTD	2013 – 2018
OPAP SPORTS LTD	2018
OPAP INTERNATIONAL LTD	2004 – 2018
OPAP INVESTMENT LTD	2012 – 2018

A provision of € 1,258 has been recognized by OPAP SERVICES S.A. regarding the unaudited tax years by tax authorities.

Finally, it is worth mentioning that OPAP S.A. has 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 € 29,568 and at the same time OPAP SERVICES S.A. has also exercised any legal right against the imposition of additional taxes and surcharges totaling € 2,773 resulting from the tax audit conducted in 2016 for the fiscal year 2012.

B) Legal matters:

OPAP S.A. Legal Department estimations concerning legal claims against OPAP S.A., for which a negative outcome is likely, result in a provision, including interest, for the Company amounting to € 26,457 and for the Group € 26,544, while the total amount of these claims for the Company amounts to € 28,087 and for the Group € 29,027. The total cumulative provision on 31.12.2018 is analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Labor disputes	5,481	7,110	5,393	7,022
Lawsuits from individuals or legal entities	21,064	22,315	21,064	22,315
Total provision	**26,544**	**29,425**	**26,457**	**29,337**

Furthermore, according to the Legal Counsel, third party lawsuits against the Group have been filed of a total claim of € 138,459 (2017: € 79,135), for which the outcome is estimated as positive for the Group and consequently, no provision is required.

There are no other pending or outstanding differences related to the Company or the Group as well as court or other administrative authorities' resolutions that might have a material effect on the Financial Statements or the operation of the Company and its subsidiaries.

C) Request for Arbitration against HORSE RACES S.A.

On 24.04.2015, 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 23.10.2015 and the operations commenced on 08.01.2016.

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 € 2,025) on the last instalment of the financial consideration (€ 20,250) provided for in the Concession Agreement dated 24.04.2015.

The hearing took place on 23-24.04.2018 and the arbitral award was issued on 20.09.2018. The Tribunal ruled in favor of HORSE RACES S.A. and dismissed HRADF's claim for an allegedly additional financial consideration of approx. € 2,000. HRADF was also ordered to pay all HORSE RACES S.A.'s legal costs (circa € 400).

Commitments

Future minimum payments under the agreements are as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Less than 1 year	92,461	107,518	33,140	49,015
1 - 5 years	235,224	264,088	31,611	52,587
More than 5 years	153,478	209,748	13,597	11,508

It is worth noting that the above table excludes those contracts which result in regular obligations of a variable amount, since it is practically impossible to calculate with reliability the exact amount of the said obligations.

12.39. Financial instruments and financial risk factors

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the year there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

The following tables compare the carrying amount of the Group's and the Company's financial instruments that are carried at amortized cost to their fair value:

GROUP	Carrying value		Fair value	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Financial assets				
Trade receivables	137,419	127,831	137,419	127,831
Cash and cash equivalents	191,454	246,102	191,454	246,102
Housing loans to personnel	170	291	170	291
Guarantee deposits	1,303	1,172	1,303	1,172
Prepayments of retirement benefits	221	221	221	221
Financial liabilities				
Long term loans	650,260	513,098	653,560	518,898
Short term loans	191	169,171	191	169,171
Trade payables	176,685	173,860	176,685	173,860
Accrued financial expenses	2,713	4,378	2,713	4,378
Liabilities arising from derivatives (swap)	1,271	214	1,271	214

COMPANY	Carrying value		Fair value	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Financial assets				
Trade receivables	43,514	54,362	43,514	54,362
Cash and cash equivalents	101,563	94,270	101,563	94,270
Housing loans to personnel	170	291	170	291
Guarantee deposits	1,068	921	1,068	921
Prepayments of retirement benefits	221	221	221	221
Financial liabilities				
Long term loans	601,351	467,342	604,651	473,142
Short term loans	20,011	169,171	20,011	169,171
Trade payables	64,394	77,005	64,394	77,005
Accrued financial expenses	2,916	4,219	2,916	4,219
Liabilities arising from derivatives (swap)	1,271	214	1,271	214

The fair value of long-term and short-term loans is determined on the basis of quoted (unadjusted) prices. The fair value of other financial assets and financial liabilities approximates their carrying amounts.

Next, we present the main risks and uncertainties which the Group is exposed.

Risk related to political and economic conditions, as well as market conditions and developments in Greece

On a macroeconomic level, Greek economy demonstrates signs of moderation in both its fiscal and trade balances, while it continuous its expansion at a growth rate in the era of 2%.
At the same time, robust improvement in labor market contributed to a further decline in unemployment in 2018, especially for the tourism and retail sector, as a result of the strong performance of consumer confidence and the relaxation of capital controls.
Nevertheless, the third adjustment program of the Greek economy was completed at a time where both the European and the global economies seem to enter a period of slowing growth, while there are also concerns for a mild recession.
The progress of the Greek economy this year largely depends on the regaining of confidence and competitiveness that will set the basis for sustainable growth.
The Group's activity is significantly affected by the disposable income, private consumption, which in turn are affected by the current economic conditions in Greece, such as the unemployment rate, interest rates, inflation rate, tax rate and the increase in GDP rate. Moreover, the economic recession, financial uncertainty and a number of the Group's customers potential interpretation that the economic conditions are deteriorating, could result in a decrease of the usage of the various gaming services that the Group offers to the public.
The return to economic stability depends greatly on the actions and decisions of the institutions both in the country and abroad, as well as from the assessment of the Greek economy from international creditors in the context of the adjustment programs.
Any further negative development in the economy would affect the normal operations. However, Management is continually adjusted to the situation and ensures that all necessary actions are taken, to maintain undisturbed activities.

Change in regulatory requirements

The gaming sector in Greece is intensively regulated by the Hellenic Gaming Commission. The Greek authorities have the right to unilaterally, respecting obligations coming from valid concession agreements, alter the legislative and regulatory framework that governs the manner and modus operandi of the games that the Group offers.
The developments in the Greek regulatory framework, 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.
OPAP S.A. 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. Additionally, restrictions on advertising can reduce the ability to reach new customers, thus impacting the implementation of the strategic objectives to focus on sustainable value increase.
OPAP S.A. is actively engaging and maintaining dialogue with authorities, regulators and other key stake holders, to continually monitor the changing regulatory/legal landscape and through appropriate policies, processes and controls for a rational and balanced gaming regulation.

Market risk

Market risk arises from the possibility that changes in market prices such as exchange rates and interest rates affect the results of the Group and the Company or the value of financial instruments held. The management of market risk consists in the effort of the Group and the Company to control their exposure to acceptable limits.

Currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. Group operates in Greece and Cyprus, and there are not any agreements with suppliers in currencies other than in euro. All revenues from games are in euro, transactions and costs are denominated or based in euro, subsequently, there is not any substantial foreign exchange risk. Additionally, the vast majority of Group's cost base is, either proportional to our revenues (i.e. payout to winners, agents commission) or to transactions with domestic companies (i.e. IT, marketing).

Interest rate risk

The Group is exposed to interest rate risk principally in relation to outstanding debt. The existing debt facilities, as of 31.12.2018, stand at € 650,450 and € 621,361 for the Group and the Company respectively. The Group follows all market developments with regards to the interest rate environment and acts accordingly. On 31.12.2018 the Group is exposed to Interest rate risk on € 5,855 th. of debt as the remaining €99,513 are hedged via an interest rate swap and € 545,082 are with fixed interest rate (bond loan).

Capital Management

The primary objective of the Group and the Company, relating to capital management is to ensure and maintain strong credit ability and healthy capital ratios to support the business plans and maximize value for the benefit of shareholders. The Group has improved materially its capital structure, and maintains a healthy net debt/EBITDA ratio of 1.3x as of 31/12/2018. In addition, it retains an efficient cash conversion cycle thus optimizing the operating cash required in order to secure its daily operations, while diversifying its cash reserves so as to achieve flexible working capital management within the domestic capital control environment.

The Group manages the capital structure and makes the necessary adjustments to conform to changes in business and economic environment in which they operate. The Group and the Company in order to optimize the capital structure, may adjust the dividend paid to shareholders, return capital to shareholders or issue new shares.

The capital for the years 2018 and 2017 is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Long term loans	650,260	513,098	601,351	467,342
Short-term loans	191	169,171	20,011	169,171
Total Debt	**650,450**	**682,269**	**621,361**	**636,513**
Minus : Cash and cash equivalents	(191,454)	(246,102)	(101,563)	(94,270)
Net debt	**458,996**	**436,167**	**519,798**	**542,243**
Total Equity	759,536	759,462	717,229	717,023
Profit before interest, tax, depreciation, amortization and impairment (EBITDA)	353,600	306,455	288,942	259,971
Total Debt / Total Equity	**85.6%**	**89.8%**	**86.6%**	**88.8%**
Net Debt / Profit before interest, tax, depreciation, amortization and impairment (EBITDA)	**1.3**	**1.4**	**1.8**	**2.1**

A change by one basis point in interest rates as of 31.12.2018 would have a small effect on the results and the equity.

Credit risk

The Group's exposure to credit risk arises mainly from agents' bad debts as well as from the debts of agents for which arrangements have been made also adjusted for forward-looking factors specific to the agents and the economic environment. The main credit risk management policy is the establishment of credit limits per agent. Additionally, the Group is taking all necessary steps to mitigate credit risk exposure towards financial institutions. The Group is also exposed towards credit risk in respect of entities with which it has deposited funds or with which it has other contractual relationships.

The Group manages credit risk exposure to its agents through various practices. Each agent is required to provide the Group with a warranty deposit as a guarantee. These deposits are aggregated and are available in the event of a default in payment by any agent. In addition, a maximum amount that an agent may owe during each settlement period has been imposed. If the amounts owed by an agent exceed the relevant limit during any settlement period, the agent's terminal is automatically blocked from accepting wagers.

Impairment of financial assets

The Group and the Company hold two types of financial assets that are subject to credit loss risk:

- Trade receivables and
- Other current assets.

While cash and cash equivalents are also subject to the impairment under IFRS 9, the identified impairment loss was not significant due to the fact that the cash and cash equivalents of the Group are held in reliable financial institutions within the European Union.

The Group applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables and other current assets. It is mentioned that the expected credit losses are based on the difference between the cash inflows which are receivable and the actual cash inflows that the Group expects to receive. All cash inflows in delay are discounted.

Assets subject to credit risk as at the date of the Statement of Financial Position are analysed as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Financial Assets Categories				
Cash and cash equivalents	191,454	246,102	101,563	94,270
Trade and other receivables	179,106	186,363	61,412	84,258
Other non - current assets	47,151	22,553	47,464	40,225
Total	**417,711**	**455,017**	**210,439**	**218,754**

The ageing of the above financial assets is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Within 3 months	368,899	432,437	162,506	178,501
From 3 months to 6 months	447	14	255	14
From 6 months to 1 year	1,212	11	214	11
Over 1 year	47,153	22,555	47,464	40,227
Total	**417,711**	**455,017**	**210,439**	**218,754**

All the financial assets in the table above are not yet due or impaired except for bad debts that are not only due but also impaired and receivables by agents that are not due but are impaired. Both these categories are included in Trade Receivables (see Note 12.11) and are fully covered through provisions.

Liquidity risk

The Group manages liquidity risk by managing betting games' payout ratio and the proper design of each game. With the exception of fixed-odds sports betting games, all of the remaining games have a theoretical payout (relating to prizes normally attributed to winners) based on each game's mathematics.

As the theoretical payout is calculated on a very large number of draws, small deviations can occur in some of the numerical games in shorter time frames. For example, Kino is a fixed odds game that statistically distributes approximately 69.5% of net receivables to the winners, with deviations mostly around 1%. The Group manages liquidity risk by limiting the size of player winnings. For example, Kino has a maximum prize of € 1,000. Maximum winnings/column are also defined for Stihima, a fixed odds betting game in which winning depends on correctly guessing the results of sporting events, and other events that by their nature allow for wagering. For Stihima game a comprehensive risk management methodology is implemented at different stages of the sport-betting cycle, setting different limits and odds per sport, league and game while treating each event differently. At any given time, bets placed are tracked, received and accepted or not accepted. In addition, the trading team can also monitor any high bets placed and negotiate with the bettor so that the bet is within the approval limits. Finally, proper software is used to find, in real-time, suspicious betting patterns and cases for sure bets or arbitrage opportunities.

The maturity of the financial liabilities as at 31.12.2018 and 31.12.2017 for the Group and Company is analyzed as follows:

GROUP	Short Term		Long Term	Total of undiscounted liabilities
Year that ended on December 31, 2018	Within 6 months	6 till 12 months	1 till 5 years	
Other long term liabilities	-	-	12,021	12,021
Borrowings	191	-	650,260	650,450
Trade payables	123,181	53,504	-	176,685
Other short term liabilities	45,015	-	-	45,015
Total	**168,386**	**53,504**	**662,281**	**884,171**

GROUP	Short Term		Long Term	Total of undiscounted liabilities
Year that ended on December 31, 2017	Within 6 months	6 till 12 months	1 till 5 years	
Other long term liabilities	-	-	9,567	9,567
Borrowings	159,671	9,500	513,098	682,269
Trade payables	143,988	29,872	-	173,860
Other short term liabilities	49,004	-	-	49,004
Total	**352,664**	**39,372**	**522,665**	**914,700**

COMPANY	Short Term		Long Term	Total of undiscounted liabilities
Year that ended on December 31, 2018	Within 6 months	6 till 12 months	1 till 5 years	
Other long term liabilities	-	-	9,300	9,300
Borrowings	11	20,000	601,351	621,361
Trade payables	64,394	-	-	64,394
Other short term liabilities	27,181	-	-	27,181
Total	**91,585**	**20,000**	**610,651**	**722,236**

COMPANY	Short Term		Long Term	Total of undiscounted liabilities
Year that ended on December 31, 2017	Within 6 months	6 till 12 months	1 till 5 years	
Other long term liabilities	-	-	7,804	7,804
Borrowings	159,671	9,500	467,342	636,513
Trade payables	77,005	-	-	77,005
Other short term liabilities	33,470	-	-	33,470
Total	**270,145**	**9,500**	**475,146**	**754,791**

Security risk

Reliability and transparency in relation to the operation of the games are ensured by several security measures designed to protect information technology system from breaches in security such as illegal retrieval and illegal storage of data and accidental or intentional destruction of data. Security measures cover data processing system, software applications, the integrity and availability of data and the operation of the on-line network. Additionally, all critical business applications that relate to game operation and availability are hosted in systems that guarantee high availability, including transferring to a Backup Computer System if deemed necessary. Moreover, a critical evaluation of all systems is conducted – whether they are directly related to game availability or not – so that they can be integrated into the Disaster Recovery Plan, if deemed necessary. All applications are integrated in a security backup creation system according to their significance.

Additional tax charges

The Group's business activities and the sector in which it does business are subject to various taxes and charges, such as the special contribution regarding games which is calculated based on the gross gaming revenue, the tax on players' winnings and the income tax of legal entities.

The Company is exposed to the risk of changes to the existing gaming taxation status or the gaming tax rates, creating unexpected increased costs for the business and impacting the implementation of Group's strategic objectives for sustainable revenues and additional investments. The Company is seeking to promptly respond to any potential tax changes, by maintaining the required tax planning resources and developing contingency plans so as to implement the required mitigating actions and to minimize the overall impact.

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 the 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.

New draft law for licensing of games of chance in Cyprus

OPAP CYPRUS LTD operates in Cyprus on the basis of the 2003 bilateral treaty ("BT") between the Republic of Cyprus and the Hellenic Republic. The BT may be terminated by either State, by serving to the other State 12 month prior notice.

The Law 51(I) 2018 entitled "2018 Law on Certain Games of Chance" was voted by the Cypriot Parliament on 18 May 2018 and published in the Government Gazette. According to such law, a special committee will run the concession process and submit a proposal to the Minister of Finance for the selection of the appropriate operator to be granted with the exclusive license regarding the offer of certain numeric games of chance in the Republic of Cyprus. This Committee shall first proceed to a suitability assessment of the current operator, i.e. OPAP CYPRUS LTD. If the existing operator is not found suitable for being granted an exclusive license, the Committee shall ask expression of interest from up to five (5) interested parties. The prospective operator will sign a concession agreement with Republic of Cyprus and will be granted with an exclusive, non-transferable license. The games licensed, to be specified in the concession agreement, shall fall into the following categories: (a) "numeric lotteries", which refer to the exact prediction of random numbers being the result of a draw; and (b) non-fixed odds games, based on the exact result of combination of results of sports events.

12.40. Audit and other fees

The auditors of the Company as well as of all its subsidiaries apart from NEUROSOFT S.A., for the year 2018 was the audit firm KPMG Certified Auditors S.A.. The audit and other fees of the Company and the Group (excluding NEUROSOFT's S.A.) are analyzed as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2018**	**2017**	**2018**	**2017**
Audit and tax certificate fees	475	473	203	203
Other audit fees	247	243	211	207
Other services	98	200	98	192
Total	**820**	**916**	**511**	**601**

12.41. Reclassifications

In the Statement of Financial Position of the Group and the Company for the period 2017, the amount of € 214 was reclassified from 'Other current liabilities' to 'Other non-current liabilities'.

The amount was reclassified for better presentation and comparativeness between the periods.

12.42. Subsequent events

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

OPAP INVESTMENT LTD, on 03.01.2019, following the conclusion of its due diligence exercise, agreed to acquire the 51% of Stoiximan Group's Greek and Cypriot operations under GML Interactive Ltd, 100% subsidiary of TCB Holdings Ltd ("TCB"), for a total consideration of € 94,860, plus net cash as of the closing date.

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

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

The Company, on 22.01.2019 repaid fully, long before its maturity date, i.e. on 31.12.2021, the long term loan of € 6,041 the subsidiary OPAP INVESTMENT had granted within 2018.

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

In a joint announcement on 14.03.2019, KKCG and EMMA Capital announced their agreement in splitting assets of the SAZKA Group.

Following the completion of the transaction, which is subject to the approval of regulatory and competition authorities, KKCG will solely own 100% of SAZKA Group while the participation of EMMA Capital will be fully eliminated. Thus, in relation to OPAP Emma Delta Hellenic Holdings remains the strategic shareholder with 33% stake, jointly controlled by SAZKA Group and Georgiella Holdings.

Share capital increase of OPAP SERVICES S.A.

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

Chairman	Board Member and Chief Executive Officer	Board Member, Deputy Chief Executive Officer and Chief Financial Officer	Accounting and Consolidation Director
Kamil Ziegler	**Damian Cope**	**Michal Houst**	**Petros Xarchakos**

IV. Summary Financial Information for the fiscal year 2018

OPAP S.A.

GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A.

Register Number: 46329/06/B/00/15

General Electronic Commercial Registry-G.E.M.I. Number: 3823201000

112, Athinon Ave, 104 42 Athens

FINANCIAL DATA AND INFORMATION

FOR THE PERIOD FROM JANUARY 1 2018 TO DECEMBER 31, 2018

(Published in accordance with L. 2190/1920, article 135 for companies preparing annual consolidated and separate financial statements, in accordance with the I.F.R.S.)

The purpose of the following information and financial data is to provide users with general information about the results of operations of OPAP S.A. ("Company") and OPAP Group ("Group"). Therefore, we recommend the users of the financial data and information, before making any investment decision or proceeding to any transaction with the Group or the Company, to obtain the necessary information from the website, where the consolidated and separate financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U., are available, together with the auditors' report.

Responsible Supervisory Authority:	Ministry of Economy, Development and Tourism	Approval date of the financial statements:	26 March 2019
Company's Website:	www.opap.gr	Certified Auditor:	Nikolaos Vouniseas (Registry No SOEL 18701)
Board of Directors:	Kamil Ziegler, Damian Cope, Spyros Fokas, Pavel Saroch, Michal Houst, Stylianos Kostopoulos, Christos Kopeliouzos, Pavel Horak, Robert Chvátal, Marco Sala, Igor Rusek, Rudolf Jurcik, Dimitrakis Potamitis	Auditing Company:	KPMG Certified Auditors S.A. (Registry No SOEL 114)
		Type of Auditors' Opinion:	Unqualified

FINANCIAL POSITION STATEMENT INFORMATION
(Amounts in thousands of euro)

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
ASSETS				
Intangible assets	1,122,920	1,169,776	972,679	1,001,442
Property, plant & equipment	111,467	109,298	88,421	86,994
Investment property	903	922	903	922
Other non - current assets	133,414	77,825	318,191	322,172
Inventories	10,662	7,920	1,053	1,927
Trade receivables	137,417	127,829	43,512	54,360
Other current assets	233,140	304,634	119,461	124,167
TOTAL ASSETS	1,749,923	1,798,205	1,544,220	1,591,984
LIABILITIES & EQUITY				
Share capital	95,700	95,700	95,700	95,700
Other equity items	627,054	619,011	621,529	621,323
Equity attributable to owners of the Company (a)	722,754	714,711	717,229	717,023
Non-controlling interests (b)	36,782	44,752	-	-
Total equity (c)=(a)+(b)	759,536	759,462	717,229	717,023
Provisions / Other non-current liabilities	45,101	43,838	53,303	49,565
Long-term loans	650,260	513,098	601,351	467,342
Short-term loans	191	169,171	20,011	169,171
Other current liabilities	294,836	312,636	152,327	188,883
Total liabilities (d)	990,387	1,038,743	826,991	874,961
TOTAL LIABILITIES & EQUITY (c)+(d)	1,749,923	1,798,205	1,544,220	1,591,984

COMPREHENSIVE INCOME STATEMENT INFORMATION
(Amounts in thousands of euro)

	GROUP		COMPANY	
	1.1-31.12.2018	1.1-31.12.2017	1.1-31.12.2018	1.1-31.12.2017
Revenue (GGR)	1,547,015	1,455,514	1,294,097	1,201,589
Net gaming revenue (NGR)	1,039,935	972,936	851,297	784,715
Results from operating activities	239,292	214,447	217,793	193,339
Profit before tax	215,900	193,115	200,008	180,687
Profit (A)	145,301	131,538	135,190	125,563
-Owners of the Company	143,312	126,151	135,190	125,563
-Non-controlling interests	1,988	5,387	-	-
Other comprehensive income, net of tax (B)	(870)	29	(889)	(131)
Total comprehensive income (A)+(B)	144,431	131,567	134,301	125,431
-Owners of the Company	142,439	126,129	134,301	125,431
-Non-controlling interests	1,992	5,438	-	-
Basic and diluted earnings (after tax) per share (in €)	0.4511	0.3969	0.4256	0.3950
Dividend proposed per share (in €)	0.7000	0.4000	0.7000	0.4000
Profit before interest, tax, depreciation and amortization (EBITDA)	353,600	306,455	288,942	259,971

CHANGES IN EQUITY STATEMENT INFORMATION
(Amounts in thousands of euro)

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Balance as of January 1st, 2018 and 2017 respectively	759,463	1,072,231	717,023	1,038,121
Total comprehensive income	144,431	131,567	134,301	125,431
Dividends paid	(130,730)	(446,643)	(127,098)	(444,944)
Acquisition of subsidiaries with non controlling interests	-	4,057	-	-
Acquisition of treasury shares	(5,458)	(1,585)	(5,458)	(1,585)
Share capital increase expenses of subsidiaries	(370)	(165)	-	-
Share capital decrease of subsidiaries	(6,261)	-	-	-
Long-term bonus incentive scheme	(1,539)	-	(1,539)	-
Balance as of December 31st, 2018 and 2017	759,537	759,463	717,229	717,023

CASH FLOW STATEMENT INFORMATION
(Amounts in thousands of euro)

	GROUP		COMPANY	
	1.1-31.12.2018	1.1-31.12.2017	1.1-31.12.2018	1.1-31.12.2017
Operating activities				
Profit before tax	215,900	193,115	200,008	180,687
Adjustments for:				
Depreciation and amortization	96,767	89,266	71,149	66,631
Net finance costs	23,449	21,083	17,772	12,671
Employee benefit plans	1,573	1,516	1,501	1,413
Provisions for bad debts	2,990	1,554	1,751	1,162
Other provisions	(1,823)	(1,884)	(1,789)	(1,923)
Impairment losses on intangible assets & goodwill	17,541	2,742	-	-
Exchange differences	32	(19)	13	(19)
Impairment of investment in subsidiary	-	-	27,202	13,659
Share of (profit)/loss from associates	(89)	267	-	-
Profit from investing activities	(34)	(47)	(34)	(28)
Other non-cash items	-	-	2,755	2,755
Changes in Working capital				
(Increase) / decrease in inventories	(2,742)	5,155	875	423
(Increase) / decrease in receivables	(14,636)	(63,274)	7,766	(43,714)
Increase / (decrease) in payables (except banks)	2,658	14,994	(13,780)	20,857
Increase / (Decrease) in taxes payable	(10,248)	33,861	(11,579)	34,650
Minus:				
Interest paid	(26,555)	(21,992)	(23,813)	(18,440)
Income tax paid	(51,674)	(31,412)	(43,724)	(25,665)
Net cash flows from operating activities (a)	253,110	244,925	236,071	245,120
Investing activities				
Proceeds from sale of tangible and intangible assets	55	125	53	45
Purchase of tangible and intangible assets	(52,122)	(96,281)	(43,814)	(68,779)
Acquisition of subsidiary/associate, net of cash acquired	(48,000)	(31,583)	-	-
Loan repayments from third parties	5,106	1,564	3,382	-
Loan repayments from subsidiaries	-	-	700	-
Loans granted to third parties	(16,290)	-	-	-
Loans granted to Group companies	-	-	(750)	(3,600)
Share capital increase in subsidiaries	-	-	(15,982)	(15,000)
Interest received	1,935	2,406	740	1,151
Dividends received	-	-	4,836	6,592
Net cash flows used in investing activities (b)	(109,316)	(123,769)	(50,835)	(79,590)
Financing activities				
Proceeds from loans & borrowings	260,180	350,000	270,000	350,000
Payments of loans & borrowings	(290,752)	(46,041)	(290,661)	(36,018)
Acquisition of treasury shares	(5,458)	(1,585)	(5,458)	(1,585)
Transaction costs related to loans & borrowings	(1,750)	(4,726)	(1,425)	(4,726)
Tax on prior year dividends	(23,300)	-	(23,300)	-
Share capital increase expenses of subsidiaries	(370)	(165)	-	-
Return of share capital of subsidiary	(6,261)	-	-	-
Dividends paid	(130,731)	(446,060)	(127,099)	(444,362)
Net cash flows used in financing activities (c)	(198,442)	(148,578)	(177,943)	(136,691)
Net (decrease) / increase in cash and cash equivalents (a)+(b)+(c)	(54,648)	(27,421)	7,293	28,838
Cash and cash equivalents at the beginning of the year	246,102	273,523	94,270	65,433
Cash and cash equivalents at the end of the year	191,454	246,102	101,563	94,270

ADDITIONAL INFORMATION

1a. The unaudited by the tax authorities fiscal years for the Company and the Group's subsidiaries are presented in note 12.38 of the annual financial statements.
1b. For unaudited fiscal years, a cumulative provision has been made concerning tax differences amounting to € 1,258 thousand for the Group.
2. The assets of the Group and the Company have not been pledged.
3a. According to the Company's Legal Counsel, there are lawsuits from third parties concerning claims against the Company amounting to € 26,457 thousand and € 26,544 thousand for the Group for which a provision has been recognized, while the total sum of these claims reaches € 28,087 thousand for the Company and € 29,027 thousand for the Group.
3b. Total cumulative provision per category is analyzed as follows:
i) for legal issues € 26,457 thousand for the Company and € 26,544 thousand for the Group,
ii) for unaudited fiscal years by tax authorities € 1,258 thousand for the Group and
iii) for employee benefit plans € 4,409 thousand for the Company and € 4,807 thousand for the Group.
3c. Furthermore, according to the Legal Counsel, third party lawsuits have been filed, of a total claim of € 138,459 thousand for the Group, for which the outcome is estimated as positive and consequently, no provisions were required.
4. The number of the employees on 31.12.2018 and 31.12.2017 for the Company was 1,108 and 1,045, respectively (1,493 and 1,422 respectively for the Group).
5. The Group's and Company's total inflow, outflow, receivables and payables to related companies and related parties, according to IAS 24, are as follows:

(Amounts in thousands of euro)	GROUP	COMPANY
Inflow	-	36,463
Outflow	3,620	16,266
Receivables	-	29,567
Payables	380	29,416
Transactions and balances with BoD and Key management personnel	5,596	5,032
Receivables from BoD and Key management personnel	-	-
Liabilities from BoD and Key management personnel	278	186

From the above transactions, the transactions and balances with the subsidiaries have been removed from the consolidated financial statements.
6. The Company's share capital amounts to € 95,700 thousand, divided into 319,000,000 shares with voting rights, par value of 0.30 euros each.
7. The total number of its treasury shares that the Company holds as at 31.12.2018 is 1,829,624 of total value € 14,497 thousand and they have been deducted from the Shareholders Equity of the Group and the Company.
8. The Group's structure is described in note 9 of the financial report and more specifically the following: the Group's participating interest, country of incorporation, method of consolidation and principal activity.
9. The effect of IFRS 9 and IFRS 15 adoption for the Group and the Company is presented at note 7.3. of the annual financial statements
10. The fixed assets purchases concerning the period 1.1-31.12.2018 reached € 43,814 thousand for the Company and € 52,122 thousand for the Group.
11. There has not been any cease of operations in any of the Group's segments or companies.
12. Any chance differences in sums are due to approximations.
13. The Eighteenth (18th) Annual Ordinary Shareholders General Meeting of OPAP S.A. that took place on Wednesday, 25.04.2018 at its headquarters, approved the distribution of earnings and decided upon the distribution of a total gross dividend of € 0.40 per share prior to the tax withhold for the fiscal year 2017. Since the amount of € 0.10 per share had already been distributed to the shareholders as interim dividend pursuant to the dated 11.09.2017 decision of the Company's Board of Directors, the remaining dividend for the fiscal year 2017 amounted to € 0.30 per share prior to the relevant tax withhold.
14. The financial report of 2018 was approved by OPAP S.A.'s BoD, on 26.03.2019 which will propose the approval of a 0.70 euro per share (before tax) dividend distribution (total sum of € 222,019 thousand), at the Annual General Shareholder Meeting (see note 7 of the BoD's Annual Report). It is noted that the Company's Board of Directors approved the distribution of interim dividend amounting to € 31,753 thousand or € 0.10 euro per share. The final proposed dividend for the fiscal year 2018 amounting to € 190,302 thousand or 0.60 euro per share.
15. The effect of the Financial Statements reform at 2017 figures due to the adoption of IFRS 3 regarding the finalization of the amount of goodwill arising from the acquisition of the subsidiary NEUROSOFT S.A. is described at note 7.4. of the annual financial statements

Athens, 26 March 2019

Chairman of the Board	Member of the BoD and Chief Executive Officer	Member of the BoD, Deputy Chief Executive Officer and Chief Financial Officer	Accounting and Consolidation Director
Kamil Ziegler	Damian Cope	Michal Houst	Petros Xarchakos

V. Report on Use of Funds Raised from the issuance of Non-Convertible Bond Loan through payment in cash for the period from 01.01.2018 to 31.12.2018

In accordance with the provisions of paragraph 4.1.2 of the Athens Exchange Stock Market regulation, the decision no. 25/17.07.2008 of the Board of Directors of Athens Stock Exchange and the decision no. 8/754/14.04.2016 of the Board of Directors of Hellenic Capital Markets Commission, it is hereby announced that from the issuance of the Common Bond Loan of two hundred million euros (€ 200,000 th.) with the issuance of the 200,000 bearer bonds with offer price of € 1,000 each, that was implemented according to the decision of the meeting of the Company's Board of Directors dated 28.02.2017 and the approval of the content of the Prospectus from the Hellenic Capital Market Commission dated 08.03.2017, a total net amount of two hundred million euros (€ 200,000 th.) was raised. The cost of the issuance amounted to € 3,726 th. and it was covered in total from own other funds of the Company.
Furthermore, the 200,000 bearer bonds commenced trading in the fixed income securities category of the regulated market of Athens Stock Exchange on 22.03.2017.

The table below presents the specific use of the raised funds per category of use/investment, the timetable of the utilization of the funds raised as well as the use of raised funds until 31.12.2018:

(amounts in thousands of euro)				
Investment sector	**2017-2019**	**Amount of Raised Funds that utilized during the period 01.01.18-31.12.18**	**Amount of Raised Funds that utilized during the period 01.03.17-31.12.17**	**Remaining amount to be utilized 2019**
IT systems and Agencies equipment	75,871	18,488	33,971	23,412
VLTs	25,190	14,093	7,590	3,507
SSBTs & Virtual games	16,539	6,223	6,501	3,815
Funding needs in Working Capital	82,400	-	82,400	-
Total	**200,000**	**38,804**	**130,462**	**30,734**

Athens, 26 March 2019

Chairman	**Board Member and Chief Executive Officer**	**Board Member, Deputy Chief Executive Officer and Chief Financial Officer**
Kamil Ziegler	**Damian Cope**	**Michal Houst**

Report on the findings arising from the performance of Agreed Upon Procedures in connection with the Report on Use of Funds Raised

(Translated from the original in Greek)

To the Board of Directors of Greek Organization of Football Prognostics A.E.

According to the engagement letter dated 26 March 2019, we were appointed by the Board of Directors of Greek Organization of Football Prognostics A.E. (the "Company") to perform the agreed upon procedures enumerated below with respect to the "Report on the Use of Funds Raised from the issuance of a Bond Loan amounting to EUR 200 000 000" (hereafter the "Report") issued in March 2017. The Management is responsible for the preparation of the above mentioned Report in accordance with the requirements of the current regulatory framework of the Athens Stock Exchange and the Hellenic Capital Market Commission and in accordance with the Prospectus dated 8 March 2017.

Our engagement was undertaken in accordance with the International Standard on Related Services (4400) applicable to "Engagements to perform Agreed – Upon procedures regarding Financial Information". Our responsibility is the performance of the agreed upon procedures enumerated below and to report our findings.

Procedures performed:

Our procedures are summarized as follows:

1. We examined the content of the Table of Amount of Raised Funds per investment sector (the "Table") which is included in the Report and its consistency with the Prospectus issued by the Company dated 8 March 2017.
2. We compared the amounts referred to as the "Amount of Raised Funds that were utilized during the year 2018 (1.1.2018-31.12.2018)" in the Table with the respective amounts recorded in the Company's books and records from 1 January 2018 up to 31 December 2018.
3. We examined whether the proceeds from the Bond Loan were allocated from 1 January 2018 up to 31 December 2018 according to their intended use, in accordance with paragraph 4.1.1 of the Prospectus of 8 March 2017, as amended by the Decision of the Board of Directors of the Company which was held on 26 March 2019, by examining documents on a sample basis that support the relevant accounting entries.

Findings:

We report our findings below:

1. The content of the Report is consistent with the Prospectus issued by the Company on 8 March 2017.
2. The amounts which are referred to as the "Amount of Raised Funds utilized during the year 2018 (1.1.2018-31.12.2018)" in the Table agree with the respective amounts recorded in the Company's books and records from 1 January 2018 up to 31 December 2018.

3. The proceeds of the bond loan from 1 January 2018 up to 31 December 2018 were allocated according to their intended use, in accordance with paragraph 4.1.1 of the Prospectus dated 8 March 2017, as amended by the Decision of Board of Directors of the Company which was held on 26 March 2019, by examining documents on a sample basis that support the relevant accounting entries.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any other assurance except as discussed above.

Had we performed additional procedures or had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Use Limitation

This report is addressed only to the Board of Directors of Greek Organization of Football Prognostics A.E. in the context of its obligations to the current regulatory framework of the Athens Stock Exchange and the Hellenic Capital Market Commission.

Consequently, this report should not be used for other purpose as it is limited to what is referred above and does not extend to the Annual Financial Statements prepared by the Company for the year ended 31 December 2018, for which we issued a Report on the Audit of the Separate and Consolidated Financial Statements dated 27 March 2019.

Athens, 27 March 2019

Nikolaos Vouniseas
Certified Auditor Accountant
AM SOEL 18701

KPMG Certified Auditors AE
3 Stratigou Tombra Street
Aghia Paraskevi
AM SOEL 114