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2019 Annual Financial Report

FROM JANUARY 1ST TO DECEMBER 31ST 2019

ACCORDING TO ARTICLE 4 OF L. 3556/2007

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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. Pavel Mucha, Board Member 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 01.01.2019 to 31.12.2019, 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, 31 March 2020

Chairman	Board Member and Chief Executive Officer	Board Member and Chief Financial Officer
Kamil Ziegler	**Damian Cope**	**Pavel Mucha**

II. Board of Directors’ Report for the period 1.1.2019 - 31.12.2019

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

The report of the Board of Directors of the Company concerns the year 2019 and was prepared in accordance with 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 01.01.2019 - 31.12.2019, 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 01.01.2019 to 31.12.2019 as well as significant events which took place in 2019, 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 2019

Financial Performance

Basic Group financials are presented below:

(Amounts in thousands of euro)	01.01-31.12.2019	01.01-31.12.2018	Δ %
Revenue (GGR)	1,619,896	1,547,015	4.7%
GGR contribution and other levies and duties	(533,718)	(507,080)	5.3%
Net gaming revenue (NGR)	1,086,178	1,039,935	4.4%
Profit before interest, tax, depreciation and amortization (EBITDA)	412,579	353,689	16.7%
Profit before tax	269,181	215,900	24.7%
Profit for the period	202,098	145,301	39.1%
Net increase/(decrease) in cash and cash equivalents			
Net cash inflow from operating activities	279,330	253,110	10.4%
Net cash outflow from investing activities	(49,030)	(109,447)	(55.2%)
Net cash inflow/(outflow) from financing activities	221,519	(198,442)	(211.6%)

Basic Company financials are presented below:

(Amounts in thousands of euro)	01.01-31.12.2019	01.01-31.12.2018	Δ %
Revenue (GGR)	1,369,923	1,294,097	5.9%
GGR contribution and other levies and duties	(464,716)	(442,800)	4.9%
Net gaming revenue (NGR)	905,207	851,297	6.3%
Profit before interest, tax, depreciation and amortization (EBITDA)	365,032	288,942	26.3%
Profit before tax	268,315	200,008	34.2%
Profit for the period	205,612	135,190	52.1%
Net increase/(decrease) in cash and cash equivalents			
Net cash inflow from operating activities	271,133	236,071	14.9%
Net cash outflow from investing activities	(142,964)	(50,835)	181.2%
Net cash inflow/(outflow) from financing activities	220,565	(177,943)	(224.0%)

2. Significant events during the year 2019 and their effect on the Financial Statements

VLTS

Operating activities

The first Gaming Halls commenced their operating activities on 11.01.2017. The main target of the Company's Management was to effectively install 25,000 VLT machines according to the concession agreement up to 31.12.2019 in Greece. Following formal certification by the Hellenic Gaming Commission (HGC) the Company successfully met this target within the predetermined deadline. Consequently, as at 31.12.2019, 25,000 VLT machines were operating in 428 Gaming Halls and 2,161 Opap Stores.

Legislative act

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

On 27.06.2019, the President of the Republic endorsed a legislative act which gave to the respective Regulation the force of law and is applicable for an interval of up to 12 months. The respective law 4623/2019, was published on 09.08.2019 (GG A' 134/9.08.2019) and according to the Article 86, establishes directions for the Gambling Regulations and the Hellenic Gaming Commission's certification acts and allows for an interval of up to 12 months, the transitional application of the directions enforced by Hellenic Gaming Commission's decision No.225/2/25.10.2016.

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

Dividends

Dividend distribution for the year 2018

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

Scrip dividend

The 19th Annual Ordinary Shareholders General Meeting approved the introduction of a five-year scrip dividend program (2019 - 2023) and granted the Board of Directors of the Company the authority for the determination of the specific terms of the Program on an annual basis. In addition, it authorised the latter for an extraordinary share capital increase of the Company during the five-year period 2019 - 2023 of up to the amount of € 50,000 th. upon issuance of up to 160.000.000 new ordinary, nominal and indivisible voting shares, pursuant to article 24 of Law 4548/2018.

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

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

Financing

The Company, on 22.01.2019 repaid earlier and without extra cost, the long term loan of € 6,041 th. to its subsidiary OPAP INVESTMENT LTD.

Later, on 04.10.2019, the Company also repaid earlier and without extra cost, the bond loan from Alpha bank of € 50,000 th.. At the same time, it issued two new bond loans, one of € 100,000 th., with maturity date on 04.10.2024 and another one of € 50,000 th., with maturity date on 03.10.2022.

Subsequently, on 20.12.2019, the Company issued another bold loan of € 300,000 th. with maturity date on 20.12.2024.

Share capital

Share capital increase of OPAP SERVICES S.A.

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

Share capital increase of OPAP S.A.

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

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

Admission of new common shares to trading

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

Share capital increase of OPAP INVESTMENT LTD

The sole shareholder of OPAP INVESTMENT LTD, OPAP S.A., approved on 29.07.2019 the increase of the company's share capital by € 8,000 th. through the issuance of 8,000 new ordinary shares of € 1 nominal price and € 999 share premium each as per Board of Directors decision dated 29.07.2019. The share capital increase was paid up on 05.08.2019.

Additionally, OPAP S.A. approved on 08.10.2019 the increase of the share capital of OPAP INVESTMENT LTD by € 110,000 th. through the issuance of 110,000 new ordinary shares of € 1 nominal price and € 999 share premium each as per Board of Directors decision dated 08.10.2019. The share capital increase was paid up on 07.11.2019.

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 51% of Stoiximan Group's Greek and Cypriot operations under GML Interactive LTD ("GML"), 100% subsidiary of TCB Holdings LTD ("TCB"), for a total consideration of € 94,860 th., plus net cash as of the closing date and subject to obtaining all necessary regulatory approvals including from the competent gaming regulatory and competition authorities. The transaction establishes joint control of the company together with two of the existing shareholders of TCB in the Greek and Cypriot operations of GML.

KKCG and EMMA Capital agreement for division of their assets in the SAZKA Group

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

Thus, in relation to the Company, Emma Delta Hellenic Holdings remains the strategic shareholder with 32.7% stake.

Ratification of legislative provisions relative to horseracing activity

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

Voluntary Tender Offer

The Company on 09.07.2019 received the tender offer by Sazka Group a.s.. In accordance with the Greek Takeover Law (Law 3461/2006), the Company appointed "EUROBANK ERGASIAS S.A." as financial advisor in order to prepare a detailed report that accompanied the Board of Directors' Justified Opinion following the approval of the information memorandum by the Hellenic Capital Market Commission on 30.09.2019. The Company's Board of Directors as at 07.10.2019 formed its opinion on the Voluntary Tender Offer as follows:

A. The business strategy of the Offeror (Sazka Group) is consistent with the existing business plan of the Company.

B. The Tender Offer is not expected to have negative consequences on the employment or the number of the employees in the Company, to the extent that no significant changes occur to existing market and economic conditions.

C. The Offer Consideration of € 9.12 per share meets the conditions set out in article 9 par. 4 of the Law 3461/2006, and falls within the limits of the Value Range per Share referred to in the Report of the Financial Advisor.

D. The Tender Offer provides the Shareholders of the Company with the ability to monetize their investment at a price that meets the conditions set out in article 9 par. 4 of the Law 3461/2006.

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

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

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

The Company, through its subsidiary OPAP INVESTMENT LTD, signed a binding Memorandum of Understanding with INTRALOT LOTTERIES LIMITED to acquire all of its shares in HELLENIC LOTTERIES S.A. (16.5% of total shares) for a consideration € 20,000. In addition, according to the aforementioned memorandum, HELLENIC LOTTERIES S.A. signed with INTRALOT S.A. an amendment to the existing services provision agreement under renegotiated terms & conditions.

Closing of the transaction was completed with the signing of the definitive Share Purchase Agreement and completion of all regulatory and existing Shareholder Agreement requirements on 17.09.2019. After the completion, OPAP INVESTMENT LTD participation in the share capital of HELLENIC LOTTERIES S.A. reached 83.5%.

Online betting

On 30.10.2019, Law 4635/2019 was published and entered into force, by virtue of which several provisions of the Law 4002/2011 regarding the licensing and operating of online games of chance in Greece were amended. Pursuant to the provisions of Law 4635/2019, any person or entity satisfying certain fit and proper requirements can be granted a license by the Hellenic Gaming Commission (the "HGC") for the following type of games:

i) betting games, including 'virtual events' whose outcome is generated by a random number generator (Type A License); and/or

ii) Other Online Games (casino-type games, poker and their variations), either performed live or through a random number generator (Type B License).

Both type A and type B licenses are valid for seven years and renewable, subject to fulfilment of certain conditions. Licenses are granted upon payment of the relevant consideration to the Greek State (€ 3.000.000 for Type A License and € 2.000.000 for Type B License).

In addition to the above, Article 203 of Law 4635/2019 provided that, until the granting of a new license, current operators of online games can continue their activity until 30.03.2020, in accordance with the provisions of Law 4002/2011, Anti-money Laundering (AML) Regulation and Responsible Gaming Regulation, if they apply for a license within one month after its entry into force. OPAP submitted to HGC its relevant application on October 31, 2019 and included in the transitional regime of Article 203 of Law 4635/2019.

Change of Voting Rights and Control

The Company on 27.09.2019 and 30.09.2019 received respective notification by VALEA FOUNDATION, Georgiella Holdings Co. Limited, Mr. Georgios Melissanidis and Emma Delta Hellenic Holdings Ltd. as a result of change of control arrangements of Emma Delta Management Ltd. from joint to sole control. Specifically, following the amendment of the Emma Delta Shareholders' Agreement (i.e. the shareholders' agreement regarding certain rights and obligations of the shareholders of Emma Delta Management Ltd., Emma Delta Variable Capital Investment Company Ltd. and Emma Delta Hellenic Holdings Ltd) on 27.06.2019, in conjunction with the departure of Mr. Jiri Smejc, as of 27.06.2019 Emma Delta Management Ltd. is no longer under the ultimate joint control of VALEA FOUNDATION and Mr. Georgios Melissanidis. In accordance with the terms of the Emma Delta Shareholders' Agreement, as amended and restated on 27.06.2019, VALEA FOUNDATION exercises, through SAZKA Group a.s., sole control over Emma Delta Management Ltd. within the meaning of Law 3556/2007.

Acquisition of HORSE RACES S.A. shares by OPAP S.A.

On 08.11.2019, OPAP INVESTMENT LTD agreed to sell all of its shares to HORSE RACES S.A., namely 3,233,346 ordinary registered shares of nominal value € 10 each, to OPAP S.A. against € 3.22 per share, i.e. to the aggregate amount of € 10, 411 th..

Decision of merger of OPAP S.A. with its 100% subsidiary company HORSE RACES S.A.

On 11.11.2019, the Board of Directors of both OPAP S.A. and HORSE RACES S.A. decided the commencement of processes for the merger of the Company with its aforementioned 100% subsidiary, via absorption by OPAP S.A., as per the provisions of articles 7 to 21 and 30 to 38 of L. 4601/2019, in conjunction with article 54 of L. 4172/2013. The draft merger agreement was approved by both Board of Directors on 12.11.2019 and were submitted to the respective authorities for approval on 15.11.2019, which is still pending.

Completion of the merger of OPAP S.A. with its 100% subsidiary company OPAP Services S.A.

On 30.12.2019, the merger of the Company with its 100% subsidiary company OPAP Services S.A. was finalized upon registration of the no 135932/30.12.2019 merger approval decision issued by the Director of the Directorate of Societe Anonymes and GE.MI of the Ministry of Development and Investments in the General Commercial Registry (G.E.MI.).

The merger was conducted with absorption of OPAP Services S.A. by the Company in accordance with the provisions of articles 7 to 21 and 30 to 38 of L. 4601/2019, in conjunction with article 54 of L. 4172/2013, and has resulted in the deletion of OPAP Services S.A. from the companies' register and the cessation of its legal existence.

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 is in a phase of accelerating real growth. Consumer confidence and the broader economic climate are rising at the highest levels of, twenty and twelve years respectively, while the cost of financing is gradually escalating. Tourism, exports, the removal of capital controls, in combination with the realization of significant investment projects, will assist so as Greece to continue developing with high growth rates. Particular emphasis, however, should be on debt levels that continue to be high, to the low innovation and relatively sluggish unemployment decrease, as those are the major risk factors of inadequate achievement of the goals.

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 continuation of the solid growth of the Greek economy 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 Enhanced Surveillance Framework for Greece.

The change of the use of profits from bonds under Eurosystem holding, in order to be used for development purposes as well as the reduction of the high targets for primary surpluses will be important drivers towards this direction. Any 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 outstanding debt. The existing debt facilities, as of 31.12.2019, stand at € 1,052,364 th. and € 1,015,305 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 31.12.2019 the Group is exposed to interest rate risk on € 455,548 th. of debt as € 596,817 th. are with fixed interest rate. Part of the risk, specifically € 99,763 th. or the 22% of the floating interest loans, are hedged via an interest rate swap.

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 1.1x as of 31.12.2019. 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.

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

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. The carrying value of financial assets at each reporting date is the maximum credit risk to which the Group is exposed in respect of the relevant assets.

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, based on a credit risk model which is constantly updated, a specific classification of agents, as well as the suspension of operation in case of overdue amounts.

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. The amount of the guarantee is low for old agents but has been increased for new agents since early 2019. Additionally agents of bad credit class are required to deposit extra amount for guarantee in installments.

Impairment of financial assets

The Group and the Company have the following types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Loans to third parties
- Housing loans to personnel
- Short-term & long-term investments
- Guarantee deposits
- Other financial 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 at reputable European financial institutions.

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

The remaining financial assets are considered to have low credit risk, therefore the Group applies the IFRS 9 general approach and the loss allowance was limited to 12 months expected losses.

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 Stoihima, 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 Stoihima 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.

Coronavirus potential effects

The outbreak of novel coronavirus (COVID-19) has affected business and economic activity around the world, including in Greece and in Cyprus. The impact of this outbreak is a non-adjusting post balance sheet event as of 31 December 2019. However, the future impact of the outbreak has to be assessed in light of the going concern basis of accounting that has been used in the preparation of these Financial Statements. Given the spread of the coronavirus, the range of potential outcomes for the global economy are difficult to predict at this point in time. Outcomes can range from successful virus containment and minor short-term impact, to a prolonged impact that may result in a potential recession. In addition, governments have recently indicated that a number of policy and fiscal actions will be implemented that are intended to mitigate potential negative economic impacts.

As regards the operations of the Group, Management is monitoring the developments from the outbreak closely, follows guidance from the local health authorities and adheres to the requirements and actions as implemented by the Greek and Cypriot government. The Group has implemented contingency plans to mitigate the potential adverse impact on the Group’s employees and operations.

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 center 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 upgrade 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 2020 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 additional 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 2019, and the balances of payables and receivables as at 31.12.2019 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.	5,053	67	-	-	-
OPAP SPORTS LTD	-	1,500	-	-	-
OPAP CYPRUS LTD	700	31,138	-	20,163	15,318
OPAP INVESTMENT LTD	16	-	-	10,411	-
HELLENIC LOTTERIES S.A.	-	6,126	-	27	2,985
HORSE RACES S.A.	4	356	-	10	1,200
TORA DIRECT S.A.	307	330	-	131	3,705
TORA WALLET S.A.	231	299	-	113	1,384
NEUROSOFT S.A.	7,139	-	1,386	1,361	-

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

Company	Expenses	Assets' Purchase	Payables	Receivables
	(Amounts in thousands euro)			
Related companies	2,522	9	374	-

Transaction and balances with Board of Directors members and management personnel

(Amounts in thousands euro)		GROUP	COMPANY
Category	Description	01.01-31.12.2019	01.01-31.12.2019
MANAGEMENT PERSONNEL	Salaries	3,570	3,570
	Other compensations	53	53
	Cost of social insurance	191	191
Total		**3,813**	**3,813**

(Amounts in thousands euro)		GROUP	COMPANY
Category	Description	01.01-31.12.2019	01.01-31.12.2019
BOARD OF DIRECTORS	Salaries	881	371
	Cost of social insurance	101	65
Total		**982**	**436**

(Amounts in thousands euro)	GROUP	COMPANY
Liabilities from Bod' compensation & remuneration	**31.12.2019**	**31.12.2019**
BoD and key management personnel	268	176
Total	**268**	**176**

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 , 2018 and 2019. 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 legal and regulatory framework and the obligations deriving from the Concession Agreement.

It should be noted that the Internal Rules and Regulations is under review in order to comply with the applicable legal framework. Further, the Company has updated its Articles of Association and many of the Company's Policies and Processes were reviewed and amended so as to comply with the Law 4548/2018 and 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 (Complaints) Policy, under the responsibility of the OPAP Group Chief 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 implemented as a Team our Company’s 2020 Vision and we begin to achieve new goals by ensuring that our 4 core values are active in our operations and in every action plan we implement: Fun, Dynamic, Passionate and Fair.

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 it was proposed by the Board of Directors and decided by the General Meeting of shareholders to further strengthen the number of independent members of the Board of Directors and also strengthen gender diversity of Board Members. The above initiatives have complemented our previous choices regarding the distinction of the role of the Chairman from that of the Chief Executive Officer and the appointment of two non-executive Vice-Chairmen.

Risk Assessment and Management

The Board monitors the level of risk through the Group’s major risk assessment process and remaining committed to building on and improving our understanding of the key risks facing the Group and its business operations has adopted a relevant framework of reference.

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 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 2019:

- The Board of Directors consists of men and a woman and 70% are of the following nationalities (Czech, Slovak, French, Swiss, Cypriot, British),
- the Top Management (Chairman, CEO, Chief Officers) is comprised by male (100%) and 77.8% are non-Greek nationals, and
- 29.5 % 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, 4 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. Percentage wise, the independent non-executive members of the Board of Directors, once the resulting fraction is rounded to the nearest whole number, exceed the one third of the total number of its members and in any case is more than three.

- Apart from strengthening the number of independent board members (currently 4 instead of 3), we also welcomed the first lady member of the Board of Directors in the context of enhancing diversity. It is further noted that the Board of Directors has two non-executive Vice-Chairmen, and the Audit Committee Chairman is independent non-executive member of recognized international standing in the area of auditing.
- The Remuneration & Nomination Committee is composed exclusively 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 2019.

Athens, 31 March 2020

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. 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 2019 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 2019 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;
- Others.

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 2019, there were fifteen Board meetings (plus thirteen additional meetings via rotation). There were eight Audit Committee meetings and six Remuneration Committee meetings.

The table below sets out the attendance by individual Directors at scheduled Board and Committee meetings during 2019.

BoD member name	Position	BoD Presence	BoD Representation	Audit Committee	Remuneration & Nomination Committee
Kamil Ziegler	Executive Chairman	15	-	-	-
Damian Cope	Member – Executive, Chief Executive Officer	15	-	-	-
Spyridon Fokas	A' Vice-Chairman –Non Executive	15	-	-	6
Pavel Saroch	B' Vice-Chairman – Non Executive (*[1])	14	1	-	6
Pavel Mucha	Member – Executive, CFO (**[2])	5	-	-	-
Katarina Kohlmayer	Member – Non Executive (***[3])	2	-	-	-
Robert Chvátal	Member – Non Executive (****[4])	15	-	-	-
Christos Kopelouzos	Member – Non Executive	8	7	-	-
Stylianos Kostopoulos	Member – Non Executive	15	-	-	-
Dimitrakis Potamitis	Member – Independent Non Executive	13	2	8	-
Rudolf Jurcik	Member – Independent Non Executive	14	1	8	-
Igor Rusek	Member – Independent Non Executive	15	-	8	-
Nikolaos Iatrou	Member – Independent Non Executive (*****[5])	9	-	-	-
Michal Houst	Member – Executive, CFO (******[6])	9	1	-	-
Pavel Horak	B' Vice-Chairman– Non Executive (*******[7])	11	3	-	5
Marco Sala	Member – Non Executive (********[8])	-	6	-	-

Notes: In the year 2019, thirteen (13) additional Meetings were held per rotation, in which all members participated.

[1] Mr. Pavel Saroch, on 27.11.2019, by decision of the Board of Directors, was appointed as B' Vice-Chairman (in replacement of the resigned Mr. Pavel Horak).
[2] Mr. Pavel Mucha, on 26.09.2019, by decision of the Board of Directors, was appointed as Executive Member and Chief Financial Officer (in replacement of the resigned Mr. Michal Houst).
[3] Mrs. Katarina Kohlmayer, on 27.11.2019, by decision of the Board of Directors, was appointed as Non-Executive Member (in replacement of the resigned Mr. Pavel Horak).
[4] Mr. Robert Chvátal, on 27.11.2019, by decision of the Board of Directors, was appointed as Member of Remuneration & Nomination Committee (in replacement of the resigned Mr. Pavel Horak).
[5] Mr. Nikolaos Iatrou, on 26.06.2019, by decision of the Board of Directors, was appointed as Non-Executive Member (in replacement of the resigned Mr. Marco Sala) and on 13.12.2019 by decision of the Extraordinary General Meeting of Shareholders was elected as Independent Non Executive Member.
[6] Mr. Michal Houst served as Executive Member and Chief Financial Officer until 26.09.2019.
[7] Mr. Pavel Horak served as B' Vice-Chairman and Non Executive Member as well as Member of the Remuneration & Nomination Committee until 27.11.2019.
[8] Mr. Marco Sala served as Non Executive Member until 25.06.2019.

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 current legal and regulatory framework governing the Company's operations, the Articles of Association, 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, either to Deputy Chief Executive Officer or 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 Team performs its tasks.

The Vice-Chairmen or the Managing Director (CEO) 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 or the Deputy Managing Director (Deputy CEO) , shall stand in for the Managing Director (CEO) when the latter is absent or unable to attend. Where the same person acts as both Chairman of the Board of Directors and Managing Director (CEO), the Board of Directors shall appoint one of its members as an alternant at the suggestion of the Chairman and Managing Director (CEO) himself.

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.
He is a member of the Hellenic Union of Maritime Law and a member of the Hellenic Association of Maritime Lawyers. Mr. Fokas is also a member of the General Council of Hellenic Federation of Enterprises (SEV) as well as of Greek Jockey Club (FEE).

Pavel Saroch

B’ Vice Chairman, 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.

Pavel Mucha

CFO, Executive Member

Pavel has officially assumed his role as Chief Financial Officer at OPAP, on 1 October 2019.

He held the position of Chief Financial Officer in Czech company Sazka, the national lottery operation of Czech Republic, which is a member of SAZKA Group. In total, he has 26 years of professional experience, holding finance roles, in consultancy (Price Waterhouse), pharmaceutical (Wyeth Whitehal) and FMCG companies (Rothmans/BAT and Stock Spirits Group). With Sazka he has four years of professional experience in the gaming market.

Katarina Kohlmayer

Non-Executive Member

Mrs. Kohlmayer had been a senior investment banker with experience in corporate finance, reporting & accounting, international M&A, equity & debt capital markets and bank financing transactions. Her previous professional roles include managing director's positions in London & Moscow, at Morgan Stanley and VTB Capital. As of 2014, she serves as Board Director and CFO at KKCG, one of the largest Czech-led private investment group, active in 4 main investment areas: lotteries & gaming, oil & gas & chemicals, technology and real estate.

During her professional career, she has specialized in M&A transactions and their financing in Central and Eastern European countries, Russia and CIS. An alumna of the University of Economics in Bratislava, Mrs. Kohlmayer also holds an MBA from Harvard University.

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 and Executive Committee member of Eurojackpot – pan European jackpot scheme.

Christos Kopelouzos

Non Executive Member

Born in Athens, Mr. Kopelouzos is currently the 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.

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.

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.

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.

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.

Nikolaos Iatrou

Independent Non-Executive Member

Mr. Iatrou with studies in Management & Organizational Behavior has extensive experience in financial services. In 1991 he co-founded Hellenic Securities S.A. that 11 years later was acquired by Marfin S.A. Up until 2005 he was holding the positions of Chairman and Managing Director of Marfin Hellenic Securities S.A. as well as several other managerial positions within MARFIN BANK. In 2007 he founded SILK Capital Partners, a boutique Corporate Finance firm, mainly active in debt restructuring as well as in M&A and business development. Since 2015 he is BoD member and was also a member of the investment committee of NBG PANGEA REIC. He is a member of the Hellenic Olympic Committee and Mentor in ENDEAVOR Greece.

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 (Mr. Kamil Ziegler, Executive Chairman of the Board, Mr. Damian Cope, Chief Executive Officer (CEO) and Mr. Pavel Mucha, Chief Financial Officer (CFO)). Information regarding the Directors and the Corporate Secretary serving at the date of this Report is set out on page 32.

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 so as to be proven that they are not related to the Company or to its related parties, 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 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 separate 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 101 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 pages 20 to 22.

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 173 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.

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. The subsidiaries HELLENIC LOTTERIES S.A. and TORA WALLET 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 Deputy CEO 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 and constantly monitor their progress;
- **Organizational Structure** – during the year ended 31 December 2019, 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 20 and details of OPAP's relationships and principal risks are set out on pages 14 to 19.
- **Business Units' Controls** – each business unit maintains a system of 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 originally appointed by the General Meeting of Shareholders of OPAP S.A., in October 2013, while the term of office of the current Audit Committee initiated on 25.04.2018 following its election by the General Meeting of shareholders.

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 elected for a term of four years, with decision taken by the Shareholders in April 2018, in the context of the Annual General Assembly.

The Audit Committee members are the following:

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

Secretary of the Audit Committee

The Secretary of the Audit Committee is a Corporate Secretariat staff member.

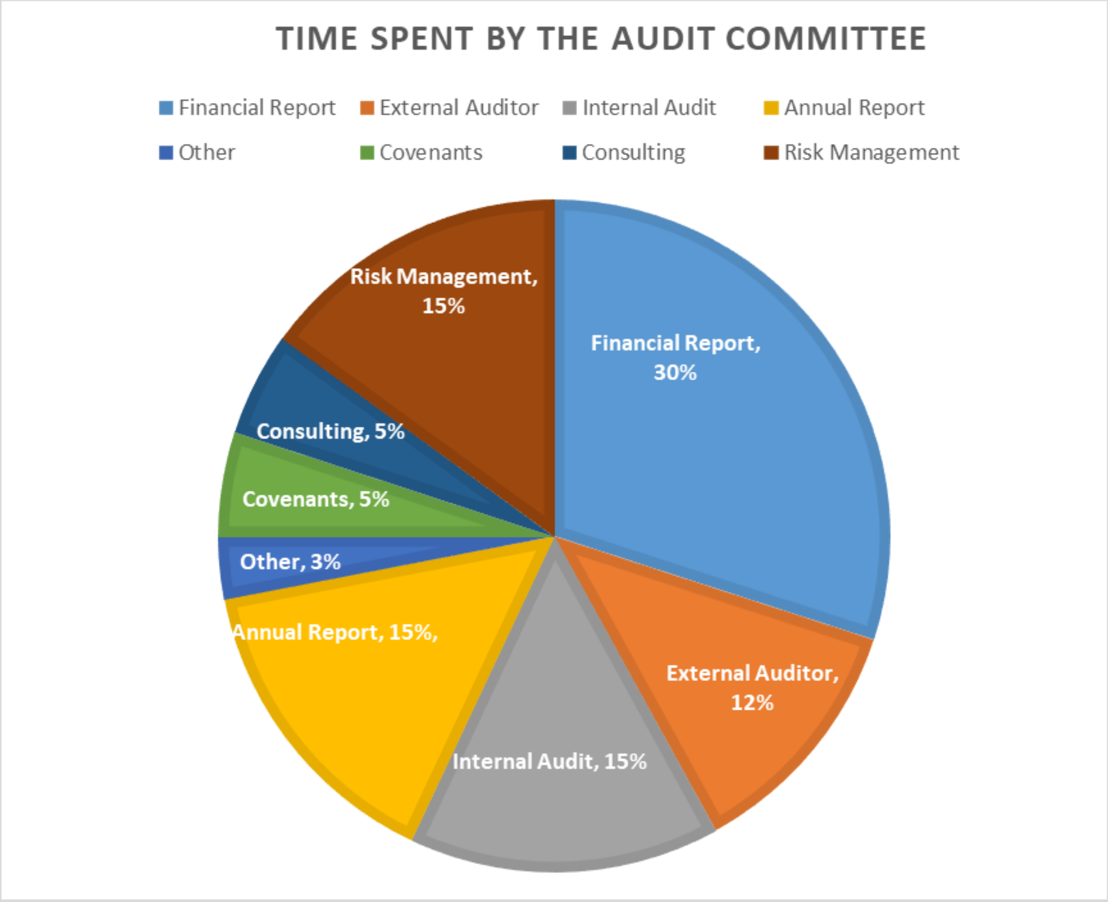
Major duties of the Audit Committee

- 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 grant pre-approval for the provision of non-auditing services by the statutory auditor's audit company to the Company and subsidiaries of the Group, and the respective fees;
- 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 2019

The Audit Committee met eight (8) times in 2019. Notice of the meeting is given in writing including the agenda three days prior to the scheduled date.



Audit Committee activities in 2019

- Reviewing the integrity of the Company's Annual Report, semi-annually and quarterly financial reporting.
- Reviewing the effectiveness and performance of our external auditors assessing their independence and recommending their appointment.
- Reviewing the risks anticipated by the company and mitigation actions taken by the company.
- Reviewing the Operational Incidents Investigation reports.
- Discussing on Reputation risks.
- Reviewing the Committee's terms of reference.
- Reviewing AML report.
- Reviewing reports from Legal team regarding claims against and in favor of the Company.
- Discussing on new laws and related Government issues.
- Reviewing subsidiaries results and financial positions.
- Meeting with Chairman, CEO, Internal Audit Director, External auditors, Legal and other senior members.
- Reviewing external and internal reports on IT security risks and controls and Third party controls in Data Centers.
- Discussing on Good will – impairment.
- Reviewing internal audit reports on Related party transactions, Revenue recognition
- Reviewing trade receivables for bad debts.

Conclusion

Based on our review we believe that the organization OPAP S.A has reasonable systems of internal and risk management controls as well as an effective system for ensuring compliance with laws and regulations, code of conducts/Ethic and whistleblowing.

The Committee has been supported by key personnel /departments, particularly by the Internal Audit department, which adds value to the Organization.

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, is responsible for deciding on the benefits 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 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.

The remuneration policy approved by the shareholders of the Company at the 2019 Annual General Meeting.

The Company, in compliance with its legal obligations, will submit the Remuneration Report of 2019 for discussion at the Annual Ordinary General Meeting of 2020, ensuring that the Report is prepared and published in accordance with the requirements of the applicable law. In particular, the Remuneration and Nomination Committee prepares a clear and comprehensible remuneration report, which contains a comprehensive overview of remuneration for the last financial year, with the minimum content specified by Law 4548/2018.

The remuneration report for the last financial year is submitted to the regular General Assembly for discussion as a separate item on the agenda. The shareholders' vote on the remuneration report is advisory. The Board of Directors should explain in the next remuneration report how the above result of the vote was taken into account at the regular General Assembly.

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..

Any decision about potential program for period 2020-2022 not yet done.

D.2: REMUNERATION COMMITTEE AND PROCEDURE

Mr. Pavel Saroch, Non-Executive and B' Vice Chairman member of the Board chairs the Remuneration Committee which consist of 3 members. All the committee members are non-executive members of the Board and considered independent from executive tasks (Pavel Saroch, Non-Executive and B' Vice Chairman member, Spiridon Fokas, Non-Executive member and A' Vice-Chairman of the Board of Directors, and Robert Chvatal, Non-Executive member), but not independent according to the full set of criteria of the Code. Their recommendations and reports are submitted to the Board for approval.

We hope that the remuneration report will ensure sufficient transparency of the remuneration of the BoD members and the relevant policies that form it. This framework seeks to create long-term corporate value by confirming that the incentive structure strikes a balance between the long-term and short-term performance of Board members as well as promoting meritocracy, so that the Company attracts talents which will effectively manage it.

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 team 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 2019 the Company participated in twelve 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.

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 for second consecutive year at the Athens Exchange “Best Investor Relations (IR) Team 2019” voting awards, achieving the first 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.

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 of the General Assembly as well as the information and documentation required by the legal framework and finally, informs about the minority rights of the shareholders.

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 immediately after the AGM. During 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 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 Deputy CEO 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. The Director works closely 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), as well as the Horseracing venue in Markopoulo.

Especially for PAME STOIHIMA, 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.

Business Model

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, in 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

Through 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 behaviour, 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 have 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 our 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 3,778 dedicated and branded agencies throughout the country, 428 Gaming Halls, while a further 7,189 points of sale and 2,279 street vendors are utilized to distribute SCRATCH tickets and passive lotteries. In Cyprus, 199 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 behaviour, 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 beginning of 2019, the new collective labour agreement, which covers all employees of OPAP S.A. until September of 2020, was signed with a retroactive effect from 1/1/2018. The main elements of the agreement include basic salary, allowances, annual leave etc.

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 50 Small and Medium Businesses, across Greece. The “OPAP Forward” curriculum has helped the participating companies create 715 new direct working positions and support 5,410 new indirect job positions through the establishment of new collaborations, while at the same time increase their total turnover by 21%.

As part of our efforts to upgrade medical infrastructure, we continue the renovations of “Aghia Sophia” and “Panagioti and Aglaias Kyriakou” Children’s 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 2019, both Hospital buildings had 64% of their renovation completed. The 2nd floor, Wing A’, Nursing Unit and the Renal Dialysis Unit reception area at “Panagioti and Aglaias Kyriakou” Children Hospital and the 4th floor Nursing Units at “Aghia Sophia” 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 fourth year, to instil the values of fair play and team work in children. Overall, 210 amateur football academies have been part of the initiative. In December of 2019, there were 50 basketball academies recruited as well.

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, as of November 2018, we implement 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:

Phase 1: Sustainability Context

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.

Phase 2: Materiality Analysis by OPAP Management

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 2019

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 in 2020.

Indicator	GROUP	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%[1]	100%
Agents informed about Responsible Gaming (%)	100%	100%
Network Enhancement		
OPAP Stores (number)	3,977	3,778
Gaming Halls (number)	428	428
Additional POS (points of sale) and street vendors for Hellenic Lotteries products (number)	9,468	-
People Development		
Employees (number)	1,557	1,158
Full-time employees (%)	96%	100%
Indefinite time contract employees (%)	96%	96%
Women in overall workforce (%)	39%	44%
Fatalities (number)	-	-
Grievances regarding human rights (including child, forced and compulsory labour), which were filed through formal grievance mechanisms (number)	-	-
Society Support		
Societal support activities (number)	790	508
Societal support spending (million €)	25	20
Significant suppliers[2] with contractual clauses on sustainability issues (e.g. labour practices, environmental issues, impacts on society, human rights such as child, forced and compulsory labour) (%)	39%	51%
Electricity consumption (MWh)	6,117	3,698[3]
Water consumption (m^3)	60,815	10,853[3]
Paper consumption (tn)	23	9[4]

[1] Data refer to employees from all the companies with gaming activities, i.e. OPAP S.A., HELLENIC LOTTERIES S.A., OPAP CYPRUS LTD, OPAP SPORTS LTD and HORSE RACES S.A.
[2] Significant suppliers refer to suppliers whose annual contract fees exceed € 50,000.
[3] Data refer to the companies OPAP S.A., HELLENIC LOTTERIES S.A., OPAP SERVICES S.A., TORA DIRECT S.A. and TORA WALLET S.A.
[4] Data refer to the companies OPAP S.A., HELLENIC LOTTERIES S.A. and OPAP SERVICES S.A.

7. Dividend policy – Distribution of net profit

In relation to the dividend distribution for the fiscal year 2019, the Company's Management and Board of Directors delays its recommendation taking into consideration the unknown duration of ongoing closure of the retail network due to coronavirus crisis. The decision on the dividend distribution will be taken closer to the Annual General Meeting in June 2020 when the impact of the crisis and prospects of the company will be more clear.

It is noted that for the fiscal year 2018, the Company distributed a total dividend of € 0.70 per share before withholding taxes (according to the applicable tax legislation).

8. Number and par value of shares

All the shares issued by the Company are common shares.

The Board of Directors, as its meeting dated 12.07.2019 decided to issue 2,623,443 new common registered voting shares of nominal value of € 0.30 each.

Consequently, the total authorized number of common shares was 321,623,443 on 31.12.2019 with a par value of € 0.30 per share (€ 0.30 in 2018). All issued shares are fully paid.

9. Other

Branches

The Group owns a total of three branches that operate as OPAP agencies offering customers all the products and services of OPAP S.A., HELLENIC LOTTERIES S.A., HORSE RACES S.A.,TORA DIRECT S.A.. Two of the branches are owned by the Company and are located in:

1. 108 Athens Avenue, Athens, which operates as a model store,
2. 5 St. George Patriarchiko of Pylea, Thessaloniki.

Finally, the third is a branch of HORSE RACES S.A. and is located in Markopoulo, Attica.

Research and development

Two companies of the Group, NEUROSOFT S.A. and TORA DIRECT S.A. spend on research and development in order to produce software and other technology products, either for own use or for sale to third parties.

10. Subsequent events after the end of fiscal year 2019 and until the announcement of the annual financial report

Extraordinary dividend

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

Share capital increase of OPAP S.A.

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

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

Admission of new common shares to trading

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

Bonds prepayment

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

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

Coronavirus (COVID-19) impact

Company's and Group's Priorities

The Company has three clear objectives during this exceptional period:

1. Protecting the health, safety and wellbeing of employees, agents and communities
2. Taking mitigation steps to minimise impact ahead of the future resumption of business
3. Protecting the financial position of the Company and the Group

Retail Operations

On 13.03.2020, the Greek government published its decision to impose a temporary ban on the operation of a wide range of retail stores, indoor venues and other locations, aiming to contain the spread of the coronavirus. As a result, all of the OPAP stores and PLAY gaming halls were ordered to be closed for two weeks, from 14.03.2020 until 31.03.2020, a ban that was later extended up until 11.04.2020. In addition, the horseracing facility at Markopoulo Park was also closed. Additionally, retail stores in Cyprus were ordered to be closed from 16.03.2020 until 15.04.2020. Moreover, the nationwide lockdown with traffic restrictions that is in place in Greece until 06.04.2020 has restricted street vendors for the distribution of Hellenic Lotteries' products (Scratch & Passive lotteries).

Online Operations

OPAP's online business, although still a small contributor to Group's total revenues, has seen increases in lottery activity in recent days following the closure of the retail network. This has been helped by the addition of a 3rd draw per week every Tuesday, starting on 31st March 2020. Like other operators, the sportsbetting activity has been significantly impacted by the postponement and/or cancellation of most major sporting events and competitions globally. Overall, the Company is taking steps to expand further its online offering with the addition of new games in its online product portfolio.

Financial impact

It is anticipated that these developments will materially impact the Company's financial performance in FY 2020. The extent of the impact will depend on factors including the duration of the outbreak, how much longer the current restrictions remain in place, any further measures taken by governments, and the extent of the subsequent economic disruption. The retail business of OPAP operates exclusively a model through commercial representatives (agents) that are compensated with a commission based on actual gaming revenues, while revenue sharing agreements also exist with vendors for a number of the Company's largest products, notably VLTs and Sportsbetting. This operating model helps to support a relatively low fixed cost base, allowing OPAP to better manage the impact on profitability.

Assuming an extension of the limitations currently in place, the monthly financial impact is expected at c. €130,000 th.-€ 140,000 th. on Group's GGR level and at c. € 50,000 th.-€ 53,000 th. on Group's EBITDA. OPAP is already implementing a number of mitigation measures in order to limit this potential impact.

Statement of Financial Position

Given the current circumstances, the uncertainty and rapidly changing nature of the situation, OPAP is aiming to maximise its liquidity within the Group. OPAP is already protecting its cashflow by pro-actively managing its capital expenditure and working capital as well as identifying opportunities for cost savings that will not impact the long-term success of the Company and its subsidiaries. In addition, OPAP has already secured additional funding of € 300,000 th. while, the Group's cash reserves as of 26.03.2020 amounted to € 353,000 th..

The management assessed the cash position of the Group and Company and carried out sensitivity analysis for its cash flow forecast. The Management is confident that the Company has sufficient liquidity to repay all creditors and meet future payment obligations.

Under the terms of the loan agreements, the Group must comply with certain conditions (including financial covenants), and such compliance is tested on an interim and annual basis. As at 31 December 2019, the Group was in compliance with these conditions, and has therefore classified its borrowings as long-term. The financial effect of the suspension of the Group's operations to its income statement and statement of financial position, is uncertain at this point in time. The Group is continuously monitoring the situation, with the aim to request and obtain a waiver of its obligations from the banks prior to any possible breach.

Business Continuity

OPAP has implemented a number of measures to ensure normal operations (to the limited extent of those that are being offered currently), invoking business continuity plans where appropriate, that will also safeguard a quick ramp-up of the business once limitations will be released. In addition, large parts of the Group continue to operate on a 'business as usual' basis, albeit while working from home.

11. Alternative Performance Indicators (API)

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

(Amounts in thousands of euro)	01.01-31.12.2019	01.01-31.12.2018	Δ %
Profit before interest, tax, depreciation and amortization (EBITDA) / Revenue (GGR)	25.5%	22.9%	11.4%
Profit attributable to owners of the Company / Revenue (GGR)	12.5%	9.3%	34.9%
Profit before interest, tax, depreciation and amortization (EBITDA) / Net gaming revenue (NGR)	38.0%	34.0%	11.7%
Profit attributable to owners of the Company / Net gaming revenue (NGR)	18.6%	13.8%	35.2%
Net debt	473,414	458,996	3.1%
Total debt / Total equity	144.7%	85.6%	69.0%
Net debt / Profit before interest, tax, depreciation and amortization (EBITDA) last twelve months	1.1	1.3	(11.6%)

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", “Long-term investments” and “Short-term investment” balances at the end of the year. Following the adoption of IFRS 16, financial liabilities related to leases are included in the calculation of Net Debt from 2019 onwards.

Total Debt / Equity

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

Net Debt before IFRS 16

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

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

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

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

(Amounts in thousands of euro)	01.01-31.12.2019	01.01-31.12.2018	Δ %
Profit before interest, tax, depreciation and amortization (EBITDA) before IFRS 16 / Revenue (GGR)	24.9%	22.9%	8.9%
Profit attributable to owners of the Company before IFRS 16 / Revenue (GGR)	12.6%	9.3%	35.5%
Profit before interest, tax, depreciation and amortization (EBITDA) before IFRS 16 / Net gaming revenue (NGR)	37.1%	34.0%	9.2%
Profit attributable to owners of the Company before IFRS 16 / Net gaming revenue (NGR)	18.7%	13.8%	35.9%
Net debt before IFRS 16	408,634	458,996	(11.0%)
Total debt before IFRS 16 / Total equity before IFRS 16	136.2%	85.6%	59.0%
Net debt before IFRS 16 / Profit before interest, tax, depreciation and amortization (EBITDA) before IFRS 16 last twelve months	1.0	1.3	(21.9%)

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 six million four hundred eighty seven thousand thirty two euros and ninety cents (€ 96,487,032.90), divided to three hundred twenty one million six hundred twenty three thousand four hundred forty three (321,623,443) nominal common and outstanding voting shares, with nominal value of thirty cents of euro (€ 0.30) each.

The Company's Share Capital, following the resolution of the Board of Directors of the Company dated 12.07.2019, was increased by seven hundred eighty seven thousand thirty two euro and ninety cents (€787,032.90), upon issuance two million six hundred twenty three thousand four hundred forty three (2.623.443) new common, registered, voting shares, of nominal value of 0.30 euro (€ 0.30) each, as a result of the reinvestment program of the remaining dividend of the financial year 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 31.12.2019 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	32.7%
Sazka Group a.s.	7.3%
Free Float	60.0%

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 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 of 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 Article 26 of L. 4548/2018. No such decision has been made by the General Assembly of the Shareholders.

According to the provisions of 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 22.05.2019 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 the Regulation (EU) No 596/2014 of the European Parliament and of the Council, on market abuse and of its supplementing Commission Delegated Regulation (EU) 2016/1052, with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures. 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 21.05.2021, and will be implemented at a maximum acquisition price of € 15.00 per share and a minimum acquisition price equal to the nominal value price of each share, i.e. € 0.30 per share. The Company holds as of 31.12.2019 1,829,624 treasury shares that were acquired during 2015, 2016, 2017 and 2018.

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, 31 March 2020

Kamil Ziegler

Chairman

III. Annual Financial Statements

The attached Financial Statements as at 31.12.2019 of the Group and the Company were approved by the Board of Directors of OPAP S.A. on 31.03.2020 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 year ended on 31.12.2019 is the auditing firm PricewaterhouseCoopers S.A., while for the year ended on 31.12.2018 was the auditing firm KPMG Certified Auditors S.A..

Independent Auditor's Report (translated from the original in Greek)

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

Report on the Audit of the Separate and consolidated Financial Statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of ORGANIZATION OF FOOTBALL PROGNOSTICS S.A. (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2019, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2019, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

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The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1st of January 2019 to 31 December 2019, are disclosed in the note 45 to the separate and consolidated financial statements.

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 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.

Key audit matter	***How our audit addressed the key audit matter***
Revenue Recognition Based on Complex Information Systems – Gross Gaming Revenue *(Note 3.4. Revenue recognition, accounting for Payout to the winners and other Operating Income) (separate and consolidated financial statements)* At 31 December 2019, Gross Gaming Revenue amounted to €1.61 bn for the Group and €1.36 bn for the Company. The Group and the Company operate in a regulated environment and have a variety of revenue streams across its operations. The revenue streams involve a large volume of daily transactions being recorded, processed, computed, and accounted for using highly-complex interconnected IT systems (both in house and third-party ones), with a number of different and specialised bases for calculating revenue. The accuracy and completeness of the amounts recognized from these revenue streams are highly reliant on Information Technology (IT) systems, and / or automated processes and controls (i.e. calculations, reconciliations) implemented in and / or using these systems. The nature, complexity and the increased use of the aforementioned Information Technology (IT) systems combined with the large volume and complexity of transactions being processed on a daily basis increase the risk over the effective inter-connectivity of the IT systems and data, and the risk around the degree of reliability of the amounts recognized from these revenue streams. The audit approach relies on the effectiveness of controls over IT systems, which is critical to the	We assessed the information security resilience of the Group and the Company by evaluating the design and implementation of key IT processes and controls over financial reporting. More specifically, we assessed the overall IT environment including the administration of access, changes and daily IT operations for key layers of underlying infrastructure (i.e. application, operating system, database) for the systems in scope of the audit and tested the operating effectiveness of the aforementioned processes and controls. In addition, in order to place reliance on the system generated information (i.e. data and reports), and any IT dependent or automated controls (i.e. interfaces, calculations, reconciliations) implemented in these systems, we have also relied on business process controls, and performed analytical, and substantive procedures as part of our audit. For the instances where, at a Company and Group level, the aforementioned systems and / or related processes and controls were outsourced to third parties, we obtained and evaluated the respective assurance reports, issued by the auditors of the Service Organizations, in order to obtain an understanding of the nature of the services being provided, and assess whether the third party services were operating as intended, and we evaluated relevant complementary controls in order to ensure the reliable revenue recognition. Based on the audit procedures we performed, we did not identify any material discrepancies in the revenue recognised during the year.

financial reporting, and the overall information security resilience of the Group and the Company.

Impairment assessment of Intangible assets and Goodwill *(Note 2.2 Important accounting decisions, estimations and assumptions, 3.11 Impairment of non-financial assets, Note 6 Intangible assets and Note 10 Goodwill)* *(separate and consolidated financial statements)* At 31 December 2019, intangible assets amount to €1.06 bn for the Group and €0.93 bn for the Company and are presented at cost less accumulated depreciation and any impairment. Management tests annually, whether there are impairment indicators in non-financial assets. At 31 December 2019, Goodwill amounts to € 30.2 mn and is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment. The financial and operating performance of certain Group's companies has indications that the carrying amount exceeds the recoverable amount and thus an impairment assessment has been performed for the concession right of the subsidiary Horse Races SA. For goodwill impairment test purposes, an assessment has been performed for the following three cash generating units ('CGUs'): Neurosoft SA, Cyprus Sports Ltd and Tora Direct SA. Management determines the recoverable amount of each cash-generating unit as the greater of its value in use and its fair value less costs to sell. The calculations for intangibles impairment tests use cash flow projections based on financial budgets approved by management covering a one-year period and cash projections for the remaining period of the use of the concession right. The calculations for goodwill impairment tests use cash flow projections based on financial budgets approved by management covering a one-year period and cash projections for four additional years. This is a key audit matter for our audit given that management, in determining the recoverable amount exercised judgement in calculating the future cash flows, (e.g. expectations on market development, and discount rates applied to future cash flow forecast). Details on the assumptions used are included in *Note 6 "Intangible assets"* and in *Note 10 "Goodwill"*. In the year ended 31 December 2019, an impairment charge of €4.0 mn was recognized with respect to the intangible assets of the subsidiary Horse Races SA.	We evaluated management's overall impairment testing process, including process for identifying indicators for impairment, preparation of impairment testing models as well as their review and approval. The key assumptions assessed per case included, the revenue growth rates, margin trends and discount rates. We discussed extensively with management, the suitability of the impairment model and reasonableness of the assumptions and with the support of our valuation specialists we performed the following procedures: • Benchmarking key assumptions in management's valuation models with market trends and assumptions made in the prior year. • Testing the mathematical accuracy of the cash flow models and agreeing relevant data to approved business plans. • Assessing the reliability of management's forecast through a review of actual performance against previous forecasts. • Assessing the sensitivity of impairment tests to changes in significant assumptions We validated the appropriateness of the related disclosures included in the Notes, in the financial statements. Based on our procedures, we consider management's key assumptions to be within a reasonable range.

and an impairment charge of €4.0 mn was recognized to Goodwill with respect to Neurosoft SA.

Impairment assessment of investments in subsidiaries *(Note 2.2 Important accounting decisions estimations and assumptions and Note 11 Investment in subsidiaries)* *(separate financial statements)* At 31 December 2019, the Company has investments in subsidiaries of € 362.9 mn. These investments are accounted for at cost adjusted for any impairment occurred and are tested for impairment when indications exist that their carrying value may not be recoverable. The financial and operating performance of certain Group's companies has indications that the carrying amount exceeds the recoverable amount and thus an impairment assessment has been performed for the subsidiary Horse Races SA. The recoverable amount of the investments in subsidiaries is determined on value in use calculations, which requires the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a one-year period and cash projections for four additional years. This is a key audit matter for our audit given that management, in determining the recoverable amount exercised judgement in calculating the future cash flows, (e.g. expectations on market development, and discount rates applied to future cash flow forecast.) In the year ended 31 December 2019, an impairment charge of €8.3 mn was recognized with respect to the Company's investment in subsidiary Horse Races SA.	We evaluated management's overall impairment testing process, including process for identifying indicators for impairment, preparation of impairment testing models as well as their review and approval. The key assumptions assessed per case included the revenue growth rates, margin trends and discount rates. We discussed extensively with management the suitability of the impairment model and reasonableness of the assumptions and with the support of our valuation specialists we performed the following procedures: • Benchmarking key assumptions in management's valuation model with market trends and assumptions made in the prior year. • Testing the mathematical accuracy of the cash flow models and agreeing relevant data to approved business plans. • Assessing the reliability of management's forecast through a review of actual performance against previous forecasts. • Assessing the sensitivity of impairment tests to changes in significant assumptions We validated the appropriateness of the related disclosures included in the Notes, in the financial statements. Based on our procedures, we consider management's key assumptions to be within a reasonable range.

Impact of COVID-19 *(Note 2 Basis of Preparation, Note 47. Subsequent events)* The Company and the Group prepares its financial statements using the going concern basis of accounting. We focused on the appropriateness of the going concern basis of accounting given the potential impact that the recent outbreak of COVID-19 will have on the Company's and Group's operations and financial position. The ability of the Group to continue operating as a going concern is dependent on Management's ability to maintain liquidity in order to meet its current financing and operating obligations. Management has also considered the impact of COVID-19 on the Company's and Group's future operating results and specifically the cashflows. The outbreak of COVID-19 and the related restrictions that were adopted by Government has resulted in the suspension of the Company's and Group's gaming store operations which negatively impacts future cash inflows. Management performed sensitivity analysis over their cash flow forecasts to factor in the impact of an extended suspension of gaming operations stemming from COVID-19 and also considered the impact on the local and global economy. Management's assessment of the going concern basis of accounting is based on cash flow projections which are dependent on significant management judgement and can be influenced by management bias.	In assessing the appropriateness of the going concern basis of accounting used in preparing the financial statements, we: ● Obtained Management's assessment of the impact of COVID-19 on its future cashflows, including their analysis of future liquidity requirements. We discussed with Management the key assumptions made and assessed their plans to mitigate potential liquidity shortfalls. ● Obtained evidence over Management's underlying cash flow projections by evaluating these against relevant external and internal sources as deemed necessary. We compared revenues and cost assumptions against historical information including assessing the probability of achieving assumed cost reductions. ● Checked the mathematical accuracy of Management's cash flow forecasts. ● Performed independent sensitivity analysis to assess the impact of changes in the key assumptions underlying the cash flow forecast such as a further suspension of operations beyond Management's assessment. ● We evaluated Management's conclusion that there are no material uncertainties with respect to going concern. ● Reviewed the adequacy and appropriateness of Management's going concern and other relevant disclosures in the financial statements. Following the performance of the above procedures, including the assessment of Management's underlying assumptions used in their assessment, and due to the Company's and Group's significant cash reserves, we satisfied ourselves that, even though the impact of COVID-19 on the Company and the Group is expected to negatively impact the Group's operating results and cash flows, Management's use of the going concern basis of accounting is appropriate.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Representation of the Members of the Board of Directors, the Board of Directors Report, (but does not

include the annual financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.
Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above 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 otherwise appears to be materially misstated.

We considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2019 is consistent with the separate and consolidated financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150,151,153 and 154 of Law 4548/2018,

- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and Group ORGANIZATION OF FOOTBALL PROGNOSTICS S.A. and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements

The Board of Directors 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 comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors 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, the Board of Directors is responsible for assessing the Company's and 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 Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor’s 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 auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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, we exercise professional judgment and maintain professional scepticism 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 Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s and Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 auditor’s report. However, future events or conditions may cause the Company and 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 the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and 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 to 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 auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 22/05/2019.

Athens, 1 April 2020

The Certified Auditor Accountant

PricewaterhouseCoopers S.A.
Certified Auditors – Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg. 113

Konstantinos Michalatos
SOEL Reg. No 17701

1. Statement of Financial Position

As of 31 December 2019 and for the year then ended

(Amounts in thousands of euro)

		GROUP		COMPANY	
	Notes	31.12.2019	31.12.2018*	31.12.2019	31.12.2018*
ASSETS					
Non - current assets					
Intangible assets	6	1,065,733	1,122,920	933,089	972,679
Property, plant and equipment	7	98,308	111,467	95,138	88,421
Right-of-use assets	8	64,036	-	32,627	-
Investment properties	9	1,703	903	1,703	903
Goodwill	10	30,275	34,275	-	-
Investments in subsidiaries	11	-	-	362,987	270,725
Investments in associates	12	54,158	50,089	-	-
Long – term receivables	17	1,467	2	-	2
Other non - current assets	13	27,855	47,151	29,290	44,709
Deferred tax assets	14	19,894	17,359	-	-
Long – term investments	15	6,630	600	-	-
Total non - current assets		**1,370,059**	**1,384,765**	**1,454,835**	**1,377,439**
Current assets					
Cash and cash equivalents	15	633,815	181,996	450,297	101,563
Inventories	16	6,962	10,662	2,745	1,053
Trade receivables	17	161,158	140,186	70,905	45,405
Current income tax assets	14	4,436	-	4,429	-
Other current assets	18	60,204	46,879	33,259	22,413
Short – term investments	15	3,285	8,858	-	-
Total current assets		**869,860**	**388,581**	**561,636**	**170,434**
Total Assets		**2,239,918**	**1,773,347**	**2,016,471**	**1,547,873**

	Notes	GROUP 31.12.2019	GROUP 31.12.2018*	COMPANY 31.12.2019	COMPANY 31.12.2018*
EQUITY & LIABILITIES					
Equity					
Share capital	19	96,487	95,700	96,487	95,700
Share premium	19	24,294	-	24,294	-
Reserves	20	31,522	32,212	30,266	30,955
Treasury shares	21	(14,497)	(14,497)	(14,497)	(14,497)
Retained earnings		615,982	609,339	620,030	605,071
Equity attributable to owners of the Company		**753,788**	**722,754**	**756,579**	**717,229**
Non-controlling interests	22	18,104	36,782	-	-
Total equity		**771,892**	**759,536**	**756,579**	**717,229**
Non-current liabilities					
Loans	23	1,045,580	650,260	995,301	601,351
Lease liabilities	8	57,649	-	27,663	-
Deferred tax liability	14	23,528	15,462	21,015	12,701
Employee benefit plans	24	2,989	4,807	2,570	4,409
Provisions	25	8,517	27,015	8,515	26,893
Other non-current liabilities	26	3,361	2,236	2,524	1,271
Total non-current liabilities		**1,141,624**	**699,779**	**1,057,588**	**646,625**
Current liabilities					
Loans	23	6,784	191	20,004	20,011
Lease liabilities	8	7,130	-	5,157	-
Employee benefit plans	24	3,578	-	3,578	-
Trade payables	27	184,054	177,459	76,867	65,168
Current income tax liabilities	14	1,755	12,785	-	9,571
Other current liabilities	28	123,101	123,597	96,697	89,270
Total current liabilities		**326,403**	**314,031**	**202,304**	**184,019**
Total liabilities		**1,468,027**	**1,013,811**	**1,259,892**	**830,644**
Total Equity & Liabilities		**2,239,918**	**1,773,347**	**2,016,471**	**1,547,873**

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

The attached notes on pages 89 to 177 form an integral part of Financial Statements.

2. Income Statement

As of 31 December 2019 and for the year then ended

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

	Notes	GROUP 01.01-31.12.2019	GROUP 01.01-31.12.2018*	COMPANY 01.01-31.12.2019	COMPANY 01.01-31.12.2018*
Amounts wagered		4,468,280	4,390,861	3,722,199	3,644,812
Income Statement is as follows:					
Revenue (GGR)		**1,619,896**	**1,547,015**	**1,369,923**	**1,294,097**
GGR contribution and other levies and duties	30	(533,718)	(507,080)	(464,716)	(442,800)
Net gaming revenue (NGR)		**1,086,178**	**1,039,935**	**905,207**	**851,297**
Agents' commissions	31	(387,341)	(381,090)	(319,878)	(312,796)
Other NGR related commissions	32	(76,738)	(60,692)	(61,641)	(44,141)
Other operating income	33	149,361	128,788	64,754	41,768
Other operating cost	34	(98,437)	(91,940)	(8,049)	-
Share of profit of associates	12	8,470	89	-	-
		681,493	**635,089**	**580,394**	**536,128**
Operating expenses		**(268,914)**	**(281,400)**	**(215,362)**	**(247,186)**
Payroll expenses	35	(82,306)	(76,052)	(67,974)	(63,471)
Marketing expenses	36	(60,939)	(63,994)	(46,350)	(46,507)
Other operating expenses	37	(118,541)	(138,364)	(96,770)	(135,458)
Net impairment losses on financial assets		(7,128)	(2,990)	(4,269)	(1,751)
Profit before interest, tax, depreciation and amortization (EBITDA)		**412,579**	**353,689**	**365,032**	**288,942**
Depreciation, amortization and impairment	6, 7, 8, 9, 10	(116,315)	(114,308)	(79,717)	(71,149)
Results from operating activities		**296,264**	**239,381**	**285,314**	**217,793**
Finance income	38	3,108	2,887	1,276	1,091
Finance costs	38	(30,190)	(26,368)	(25,776)	(23,711)
Dividend income	39	-	-	7,500	4,836
Profit before tax		**269,181**	**215,900**	**268,315**	**200,008**
Income tax expense	40	(67,083)	(70,599)	(62,702)	(64,818)
Profit for the period		**202,098**	**145,301**	**205,612**	**135,190**
Profit is attributable to:					
Owners of the Company		202,381	143,312	205,612	135,190
Non-controlling interests		(283)	1,988	-	-
Profit after tax		**202,098**	**145,301**	**205,612**	**135,190**
Basic and diluted earnings per share in €	**41**	**0.6356**	**0.4511**	**0.6457**	**0.4256**

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

The attached notes on pages 89 to 177 form an integral part of Financial Statements.

3. Statement of Profit or Loss and other Comprehensive Income

As of 31 December 2019 and for the year then ended

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

		GROUP		COMPANY	
	Notes	**01.01-31.12.2019**	**01.01-31.12.2018***	**01.01-31.12.2019**	**01.01-31.12.2018***
Profit for the period		**202,098**	**145,301**	**205,612**	**135,190**
Other comprehensive income - items that will not be reclassified to profit or loss					
Actuarial gains/(losses)	24	(221)	(101)	(218)	(127)
Related tax	14, 40	53	25	52	32
Total items that will not be reclassified to profit or loss		**(168)**	**(77)**	**(166)**	**(96)**
Other comprehensive income - items that are or may be reclassified subsequently to profit or loss					
Loss from valuation of hedging derivatives		(1,253)	(1,057)	(1,253)	(1,057)
Attributable income tax	14, 40	301	264	301	264
Total items that may be reclassified to profit or loss		**(952)**	**(793)**	**(952)**	**(793)**
Other comprehensive income/(loss) for the period, net of tax		**(1,120)**	**(870)**	**(1,118)**	**(889)**
Total comprehensive income/(loss) for the period		**200,978**	**144,431**	**204,495**	**134,301**
Total comprehensive income is attributable to:					
Owners of the Company		201,258	142,439	204,495	134,301
Non-controlling interests		(280)	1,992	-	-
Total comprehensive income net of tax		**200,978**	**144,431**	**204,495**	**134,301**

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

The attached notes on pages 89 to 177 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 2019 and for the year then ended

(Amounts in thousands of euro)

GROUP	Share capital	Share premium	Reserves	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to owners of the Company							
Balance at 1 January 2018*	**95,700**	**-**	**32,882**	**(9,039)**	**595,168**	**714,711**	**44,752**	**759,463**
Profit for the period	-	-	-	-	143,312	143,312	1,988	**145,301**
Other comprehensive income/(loss)	-	-	(793)	-	(80)	(873)	4	**(870)**
Total comprehensive income for the period	**-**	**-**	**(793)**	**-**	**143,232**	**142,439**	**1,992**	**144,431**
Transactions with owners of the Company								
Acquisition of treasury shares (Note 21)	-	-	-	(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 provided for or 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 at 31 December 2018	**95,700**	**-**	**32,212**	**(14,497)**	**609,340**	**722,754**	**36,782**	**759,536**
Balance at 1 January 2019*	**95,700**	**-**	**32,212**	**(14,497)**	**609,340**	**722,754**	**36,782**	**759,536**
Profit for the period	-	-	-	-	202,381	202,381	(283)	**202,098**
Other comprehensive income/(loss)	-	-	(952)	-	(171)	(1,123)	3	**(1,120)**
Total comprehensive income for the period	**-**	**-**	**(952)**	**-**	**202,210**	**201,258**	**(280)**	**200,978**
Transactions with owners of the Company								
Share capital increase (Note 19)	787	24,294	-	-	-	25,081	-	**25,081**
Share capital increase expenses	-	-	-	-	(97)	(97)	-	**(97)**
Statutory reserve (Note 20)	-	-	262	-	(262)	-	-	**-**
Dividends provided for or paid (Notes 29 & 22)	-	-	-	-	(190,302)	(190,302)	(3,304)	**(193,607)**
Total transactions with owners of the Company	**787**	**24,294**	**262**	**-**	**(190,661)**	**(165,318)**	**(3,304)**	**(168,623)**
Changes in ownership interests								
Acquisition of NCI without a change in control (Note 22)	-	-	-	-	(4,906)	(4,906)	(15,094)	**(20,000)**
Total changes in ownership interests	**-**		**-**	**-**	**(4,906)**	**(4,906)**	**(15,094)**	**(20,000)**
Balance at 31 December 2019	**96,487**	**24,294**	**31,522**	**(14,497)**	**615,983**	**753,788**	**18,104**	**771,892**

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

The attached notes on pages 89 to 177 form an integral part of Financial Statements.

4.2. Separate Statement of Changes in Equity

As of 31 December 2019 and for the year then ended

(Amounts in thousands of euro)

COMPANY	Share capital	Share premium	Reserves	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2018*	**95,700**	**-**	**31,748**	**(9,039)**	**598,614**	**717,023**
Profit for the period	-	-	-	-	135,190	**135,190**
Other comprehensive income/(loss)	-	-	(793)	-	(96)	**(889)**
Total comprehensive income for the period	**-**	**-**	**(793)**	**-**	**135,094**	**134,301**
Acquisition of treasury shares (Note 21)	-	-	-	(5,458)	-	**(5,458)**
Other movements	-	-	-	-	(1,539)	**(1,539)**
Dividends provided for or paid	-	-	-	-	(127,098)	**(127,098)**
Balance at 31 December 2018	**95,700**	**-**	**30,955**	**(14,497)**	**605,071**	**717,229**
Balance at 1 January 2019*	**95,700**	**-**	**30,955**	**(14,497)**	**605,071**	**717,229**
Profit for the period	-	-	-	-	205,612	**205,612**
Other comprehensive income/(loss)	-	-	(952)	-	(166)	**(1,118)**
Total comprehensive income for the period	**-**	**-**	**(952)**	**-**	**205,447**	**204,495**
Share capital increase (Note 19)	787	24,294	-	-	-	**25,081**
Merger with OPAP SERVICES S.A. (Note 11)	-	-	-	-	86	**86**
Statutory reserve (Note 20)	-	-	262	-	(262)	**-**
Share capital increase expenses	-	-	-	-	(9)	**(9)**
Dividends provided for or paid (Note 29)	-	-	-	-	(190,302)	**(190,302)**
Balance at 31 December 2019	**96,487**	**24,294**	**30,266**	**(14,497)**	**620,030**	**756,579**

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

The attached notes on pages 89 to 177 form an integral part of Financial Statements.

5. Cash Flow Statement

As of 31 December 2019 and for the year then ended

(Amounts in thousand of euro)

	Notes	GROUP		COMPANY	
		01.01-31.12.2019	01.01-31.12.2018*	01.01-31.12.2019	01.01-31.12.2018*
OPERATING ACTIVITIES					
Profit before tax		269,181	215,900	268,315	200,008
Adjustments for:					
Depreciation & Amortization	6, 7, 8, 9	107,666	96,767	79,717	71,149
Net finance costs		27,054	23,449	16,987	17,772
Employee benefit plans	35	1,649	1,573	1,594	1,501
Provisions for bad debts	17	2,299	2,990	2,024	1,751
Write-off of trade receivables		1,132	-	1,068	-
Other provisions		(16,079)	(1,823)	(16,082)	(1,789)
Provision for obsolete inventories		1,160	-	1,160	-
Impairment losses on intangible assets & goodwill	6, 10	8,650	17,541	-	-
Exchange differences		29	32	12	13
Impairment of investment in subsidiary	11	-	-	8,336	27,202
Impairment of other current assets	18	4,712	-	2,245	-
Share of profit from associates	12	(8,470)	(89)	-	-
(Profit)/loss from investing activities		25	(34)	(2)	(34)
Other non-cash items		69	-	2,755	2,755
Total		**399,077**	**356,307**	**368,129**	**320,327**
Changes in Working capital					
(Increase) / decrease in inventories		2,540	(2,742)	8,199	875
(Increase) / decrease in receivables		(34,162)	(19,513)	(18,412)	4,039
Increase / (decrease) in payables (except banks)		12,936	(17,107)	2,677	(37,281)
Increase in taxes payable		2,162	14,394	2,261	15,648
Total		**382,552**	**331,338**	**362,854**	**303,608**
Interest paid		(24,273)	(26,555)	(21,754)	(23,813)
Income taxes paid		(78,949)	(51,674)	(69,966)	(43,724)
Net cash inflow from operating activities		**279,330**	**253,110**	**271,133**	**236,071**
INVESTING ACTIVITIES					
Proceeds from sale of tangible & intangible assets		61	55	41	53
Additional consideration for the acquisition of associate & subsidiary	11, 12	(22,000)	(48,000)	-	-
Loan repayments from third parties		3,956	5,106	651	3,382
Loan repayments from subsidiaries		-	-	6,000	700
Share capital increase of subsidiaries	11	-	-	(123,000)	(15,982)
Loans granted to third parties		(2,191)	(16,290)	-	-
Loans granted to Group companies		-	-	(6,100)	(750)
Increase of cash due to merger of OPAP SERVICES S.A.		-	-	3,268	-
Purchase of intangible assets	6	(25,482)	(30,154)	(18,206)	(28,263)
Purchase of property, plant and equipment	7	(9,297)	(21,968)	(8,144)	(15,551)
Dividends received		4,400	-	1,500	4,836
Interest received		1,978	1,935	1,026	740
Net change in short-term & long-term investments		(456)	(131)	-	-
Net cash outflow from investing activities		**(49,030)**	**(109,447)**	**(142,964)**	**(50,835)**

		GROUP		COMPANY	
	Notes	01.01-31.12.2019	01.01-31.12.2018*	01.01-31.12.2019	01.01-31.12.2018*
FINANCING ACTIVITIES					
Proceeds from loans & borrowings	23	451,600	260,180	450,000	270,000
Payments of loans & borrowings	23	(50,098)	(290,752)	(56,048)	(290,661)
Transaction costs related to loans & borrowings	23	(1,765)	(1,750)	(1,765)	(1,425)
Acquisition of treasury shares	21	-	(5,458)	-	(5,458)
Share capital increase expenses		(97)	(370)	(9)	-
Share capital return of subsidiaries		-	(6,261)	-	-
Payment of lease liabilities	8	(9,681)	-	(6,478)	-
Dividends paid		(168,440)	(130,731)	(165,136)	(127,099)
Tax on prior year dividends		-	(23,300)	-	(23,300)
Net cash inflow/(outflow) from financing activities		**221,519**	**(198,442)**	**220,565**	**(177,943)**
Net decrease in cash and cash equivalents		**451,819**	**(54,779)**	**348,734**	**7,293**
Cash and cash equivalents at the beginning of the period		181,996	236,775	101,563	94,270
Cash and cash equivalents at the end of the period		**633,815**	**181,996**	**450,297**	**101,563**

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

The attached notes on pages 89 to 177 form an integral part of Financial Statements.

Notes on the Financial Statements

1. Information about the Company and the Group

1.1. 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 (refer to Note 4).

The Group's Financial Statements are consolidated by SAZKA Group a.s. The Financial Statements for the year that ended on 31.12.2019 (including the comparatives for the year that ended on 31 December 2018) were approved by the Board of Directors on 01.04.2020 and are subjected to approval by the General Meeting.

1.2. 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 STOIXIMA [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 LTD and OPAP SPORTS LTD, respectively.

OPAP CYPRUS LTD

OPAP CYPRUS LTD is governed by Law 34 (III)/2003 that ratifies the agreement between the Greek Republic and the Government of the Republic of Cyprus, for the terms of organization, operation, conduct and management of games conducted by OPAP S.A. as well as the "Taxation of profits from games of OPAP S.A. and by the State Lottery Act of 2012".

OPAP SPORTS LTD

OPAP SPORTS LTD is a holder of a Class "A" license from the National Betting Authority of Cyprus and its principal activity is to operate in the field of fixed odds betting through its authorised representatives of Class A recipients.

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. was obliged to put all VLT machines into commercial operation until 31 December 2019. After the above deadline, the number of non-operating VLT machines should be deducted from the total number of VLT machines, for the benefit of the Greek State, unless the delayed installation and operation of these was due to the responsibility of the Supervisory and Control Committee. A new concession agreement has also been signed following the aforementioned law amendment.

As at 31.12.2019 the above obligation was fulfilled. The active VLT machines as at 31.12.2019 are 25,000.

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).

On 17.09.2019, OPAP INVESTMENT LTD acquired from INTRALOT LOTTERIES LIMITED all of its shares (16.5% of total shares) in HELLENIC LOTTERIES S.A. and now holds 83.5% 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 by OPAP INVESTMENT LTD, a 100% subsidiary of OPAP S.A.. 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..

On 08.11.2019, OPAP INVESTMENT LTD agreed to sell all of its shares to HORSE RACES S.A., namely 3,233,346 ordinary registered shares of nominal value € 10 each, to OPAP S.A. against € 3.22 per share, i.e. to the aggregate amount of € 10, 411 th..

On 11.11.2019, the Board of Directors of both OPAP S.A. and HORSE RACES S.A. decided the commencement of processes for the merger of the Company with its aforementioned 100% subsidiary, via absorption by OPAP S.A., as per the provisions of articles 7 to 21 and 30 to 38 of L. 4601/2019, in conjunction with article 54 of L. 4172/2013. The draft merger agreement was approved by both Board of Directors on 12.11.2019 and were submitted to the respective authorities for approval on 15.11.2019, which is still pending.

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 13,873 points of sales, out of which 428 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 198 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.

2. 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 2019.

The separate and consolidated Financial Statements have been prepared under the historical cost method unless otherwise is stated in the accounting policies. Additionally, the Financial Statements have been prepared under the going concern basis of accounting. The use of this basis of accounting takes into consideration the Group's current and forecasted financing position.

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 2.2 "Important accounting decisions, estimations and assumptions".

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.

2.1. New Standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2019. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial period

IFRS 16 "Leases" *(effective for annual periods beginning on or after January 1, 2019)*

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The effect of this standard at the Financial Statements of the Group and the Company is described in details in Note 2.3.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" *(effective for annual periods beginning on or after January 1, 2019)*

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised 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 adoption of this amendment had no effect at the Financial Statements of the Group and the Company.

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

The 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 adoption of this amendment had no effect at the Financial Statements of the Group.

IFRIC 23 "Uncertainty over income tax treatments" *(Effective for annual periods beginning on or after 1.1.2019)*

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 adoption of this interpretation had no effect at the Financial Statements of the Group and the Company.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" *(Effective for annual periods beginning on or after 1.1.2019)*

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

The adoption of this amendment had no effect at the Financial Statements of the Group and the Company.

Annual Improvements to IFRS (2015 – 2017 Cycle) *(Effective for annual periods beginning on or after 1.1.2019)*

The amendments set out below include changes to four IFRSs.

IFRS 3 "Business combinations"

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

IFRS 11 "Joint arrangements"

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.

The adoption of these improvements had no effect at the Financial Statements of the Group and the Company.

Standards and Interpretations effective for subsequent periods

IFRS 3 (Amendments) "Definition of a business" *(Effective for annual periods beginning on or after 1.1.2020)*

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 amendments have not yet been adopted by the European Union.

IAS 1 and IAS 8 (Amendments) "Definition of 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.

***IFRS 9, IAS 39 and IFRS 7 (Amendments) "Interest rate benchmark reform"** (effective for annual periods beginning on or after January 1, 2020)*

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

***AS 1 (Amendment) "Classification of liabilities as current or non-current"** (effective for annual periods beginning on or after January 1, 2022)*

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability. The amendment has not yet been adopted by the EU.

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

2.2. 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. Certain amounts included in or affecting the Financial Statements and related disclosure must be estimated, requiring management 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 Group'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 Group 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 forecasts as to how these might change in the future.

In the process of applying the Group's accounting policies, judgments and estimates made by the Management that have the most significant effect on the amounts recognized in the Financial Statements are presented below:

Recoverability of accounts receivable

The Group applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all accounts receivable. Management examines at each period of Financial Statements preparation the recoverability of the amounts included in accounts receivable using historical trends, statistical information, future expectations, in combination with external information such as creditability databases, lawyers consultation e.t.c.. The credit control department also interacts with Management in order to provide a more precise estimation since the latter has the past experience and the daily interaction with the debtors. More detailed information on accounts receivable treatment is available at Note 3.13.

Retirement benefit costs

The defined benefit liability and the related expense is estimated annually by independent actuaries using the projected credit unit method. Key assumptions are being made including financial ones such as discount rates, salary increase rates, inflation rates and demographic ones such as mortality rates, turnover rates and retirement age. The long term nature of defined benefit plans make these assumptions subject to a high degree of uncertainty. Further details on retirement benefit costs are available at Note 3.20.

Estimated impairment of goodwill and other intangible assets

The impairment test is a complex process requiring significant management judgment and is based on key assumptions about future profitability and cash flows and selecting the appropriate discount and long-term growth rates. The subjectivity involved in the key assumptions used by Management in the impairment review and the inherent uncertainty of those assumptions is high. The accounting treatment of goodwill and intangible assets is analysed in Notes 3.9 and 3.10.

Income taxes

Income tax is comprised by current and deferred tax.

Current tax includes tax estimate calculated from the taxable income or loss for the current period using tax rates applicable as at the balance sheet date, as well as any adjustments to the current tax relating to prior years.

Estimate on deferred tax is identified in the process of recognition of deferred tax assets which is performed to the extent that is probable that future 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. In addition, the tax rates used for both deferred tax assets and liabilities are the ones that are estimated to be enacted in the following years where the differences are expected to reverse. Additional information is provided in Note 3.17.

Provisions

Provisions require a reliable estimation from Management since they are reported in the Statement of Financial Position if the Company has a current legal or non-contractual obligation arising from an event that occurred in the past and if the performance of such an obligation is likely to require sacrifice of economic benefits and the relevant amount can be reliably estimated. In addition, provisions are reported as non-current liabilities at the current value of the expected amount. This also requires the assessment of a discount rate. Note 3.18 and 14 provide more detailed accounting treatment of provisions.

Contingencies

The Management assesses at each reporting date any contingencies arising from legal disputes and estimates its outcome. Another factor of potential future negative impact is the open tax years and the possible additional taxes or fines. Furthermore, new laws and regulations are examined and their potential impact in the performance of the Group is assessed. All of the aforementioned actions require a great input of judgement and estimate by Management. The recognised contingencies as at 31.12.2019 are analysed at Note 43 and the accounting policy at Note 3.18.

Useful life of depreciated assets

The Group estimates the useful life of depreciated assets including, Property Plant and Equipment, Intangible assets, Right-of Use assets and assets arising as a result of business combinations. At least annually, Management reassesses these estimates by taking into account updated conditions. Further details are provided in Notes 3.8, 3.9 and 3.10.

Impairment of investments

The Company performs impairment tests in order to estimate the investments’ recoverable amount. 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 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. The subjectivity involved in the key assumptions used by management in the impairment review and the inherent uncertainty of those assumptions are high.

2.3. Changes in accounting policies

Except as described below, the accounting policies applied in current annual Financial Statements are the same as those applied in the annual Financial Statements for the year ended on 31.12.2018.

On 01.01.2019 the Group adopted and applied for the first time IFRS 16 “Leases” following the modified retrospective approach under which the cumulative impact of the adoption was recognized during the initial application i.e. 01.01.2019 while the information of 2018 was not restated but presented according to the previous standards and interpretations.

The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, the Group determines at contract inception whether an arrangement was or contained a lease under IFRIC 4 “Determining whether an arrangement contains a lease”. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

The Group as a lessee

Impact on transition

As a lessee, the Group was classifying leases as finance or operating. The classification was dependent on whether the lease was transferring substantially all the risks and rewards of ownership. The Group recognized the underlying asset and a finance lease liability only for finance leases. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases, apart from short-term leases (lease within 1 year), variable leases and leases for which the underlying asset is of low value (lower than € 4,5). Low value leases are mainly POS leased by the subsidiary TORA DIRECT S.A..

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjustments for certain remeasurements of the lease liability.

The recognized right-of-use assets relate to the following types of assets:

	GROUP		COMPANY	
	31.12.2019	01.01.2019	31.12.2019	01.01.2019
Buildings	61,611	62,552	30,806	29,591
Vehicles	2,418	1,929	1,822	1,363
Equipment	7	190	-	181
Total	**64,036**	**64,672**	**32,627**	**31,135**

The Group's right-of-use assets mostly refer to buildings rentals, cars, and VLTs stores which are sub-leased to agents under operating lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the lessees' incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.

The weighted average of the incremental borrowing rate applied to the lease liabilities on initial application and at reporting date, i.e. on 01 January 2019 and 31 December 2019, for the Company was 3.40% and for the Group 3.64%.

	GROUP	COMPANY
Operating lease commitment disclosed as at 31.12.2018	60,248	12,490
Discounted using the lessees' incremental borrowing rate at the date of initial application	47,653	11,901
Less: short term leases	(287)	(276)
Less: low value leases	(2,221)	-
Add: adjustments as a result of a different treatment of extension and termination options	19,526	19,510
Total lease liabilities recognised as 1 January 2019	**64,672**	**31,135**

The adjustments above mainly relate to the Company's exclusive right for extension options of gaming halls leasing contracts. Management, when determined the lease term, considered all facts and circumstances that created an economic incentive to exercise the extension options. The initial assessment though was revised as the options will actually get exercised.

Practical expedients applied

The following practical expedients were applied to leases previously classified as operating leases applying IAS 17:

- single discount rate was applied to a portfolio of leases with reasonable similar characteristics
- operating leases with a remaining lease term of less than 12 months were treated as short-term leases
- initial direct costs were excluded for the measurement of right-of-use assets at the date of initial application
- hindsight was used in determining the lease term where the contract contained extension or termination options

The Group as a lessor

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. On 01.01.2019, subleases relating to the sublease of gaming halls to agents under operating lease

terms, were reassessed and since the lease terms of the subleases compared to the head lease were not common, subleases remained classified as operating leases.
The accounting policies applicable to the Group as a lessor are not different from those under IAS 17.

The new accounting policy is further described in Note 3.12 and the amounts recognized are explained in Note 8.

3. 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 2.2, 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.

3.1. 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. Any non-controlling interest in the acquire is recognized at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The Group elects to recognize any non-controlling interest in the acquire 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 a liability is recognised in profit or loss. 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.

Non-controlling interest reflects the portion of profit or loss and net assets attributable to equity interests that are not owned by the Group. The Group handles transactions with non-controlling interests in the same way that it handles transactions with the shareholders of the Group. Regarding purchases made by non-controlling interests, the difference between the consideration transferred and the carrying amount of the acquired share of the subsidiary's equity is recognized in equity. Profits or losses arising from sales to non-controlling interests are also recognized in equity. If the loss of a subsidiary, that concerns non-controlling interests, exceeds the non-controlling interests in the equity of the 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 for the loss.

In the Company's separate Financial Statements, investments in subsidiaries are accounted for at cost less impairments, if any.

When the Group loses control, the remaining interest is re-measured at its fair value, and any differences that arise are recognized in profit or loss. Then, this asset is recognized as an associate, joint venture or financial asset at that fair value. In addition, respective amounts that were previously included in other comprehensive income, are accounted for in the same way as they would be following the event of sale of such assets and liabilities, which is the transfer to the profit or loss.

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. The accumulated variations after the acquisition affect the carrying amount of investments in associates (reduced by any impairment losses).

Unrealized gains from transactions between the Group and associates are eliminated using the percentage of the Group's participation in associates. Unrealised losses incurred are eliminated unless the transaction provides evidence of impairment of the transferred asset.

Dividends received from associates are identified by decreasing the carrying value of the investment. 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.

The accounting policies of associates have been amended in order to comply with the ones adopted by the Group.

The Company recognizes investments in associates at its separate Financial Statements at acquisition cost minus impairment.

Transactions between companies under common control

Transactions between companies under common control are excluded from the scope of IFRS 3. Therefore, the Group implementing the guidance of IAS 8 Accounting policies, changes in accounting estimates and errors for similar cases accounts for such transactions using the predecessor approach without restatement of the previous period financial statements. Under this approach, the acquired assets and liabilities are recorded at their existing carrying values without revaluation at their fair values, no goodwill is recognized and the difference between the acquirer's cost of investment and the acquiree's net assets is recognized directly in equity in retained earnings or in a separate reserve. The Group elects to recognize the difference in retained earnings.

3.2. 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 arising from the settlement of such transactions during the period and from the conversion of monetary items that are denominated in foreign currency at the exchange rates prevailing at the balance sheet date, are recognized in the Income Statement, either as financial income or as financial expenses, unless recognized in equity, designated as cash flow hedge or net investment hedge

3.3. 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 the Group entities. Information for operating segments that do not constitute reportable segments is combined and disclosed in the "Other" category.

3.4. Revenue recognition, accounting for Payout to the winners and other Operating Income

Revenue is shown net of value-added tax, returns and discounts.

Revenues from games

Gaming revenue is reported net after the deduction of Payout to the winners and in the Income statement is presented as GGR.

Amounts wagered do not represent the Group's and the Company's statutory revenue measure. They comprise the amounts received from the players or that are receivable by the end of the year in respect of all games apart from VLTs . Amounts wagered that refer to events (games or draws) of future accounting periods are considered as deferred revenue classified under Trade payables in the Statement of Financial Position, measured at fair value.

Payout to the winners is recognized in the period based on the date that the draw or the event occurred. Payout (winning) claims at the end of each reporting period are classified under Trade payables in the Statement of Financial Position and finally, the Unclaimed winnings are attributed to the State when the provided by the relevant legislation, claim period expires.

- **Lottery games**: This category refers to draw based games and there are two types, with fixed prizes and Pari mutual (Jackpot games). For Fixed prizes, the payout is a fixed amount while, for Pari mutual a payout pool is created. In case of no winner in the current draw (Jackpot), the prize is rolled to the next draw and at the end of each reporting period the Group recognises a relevant payout provision which is presented under Trade payables. In this category LOTTO, PROTO, TZOKER, KINO, SUPER 3 AND EXTRA 5 are included.

  Revenue is recognized in the period in which amounts are wagered by the players, net of obligation to pay the player winnings on future draws and are assessed at fair value.

  Betting games: This category refers to bets from players mainly on sports events, real or virtual. When players bet on the outcome of an event (fixed odds games), the payout is fixed but when they play against other players (Pari mutual) a payout pool is created. The betting games offered by the Group are PAME STOIHIMA (including virtual games and horse races betting), PROPO and PROPOGOAL.

Revenue is recognized in the period in which amounts are wagered by the players, net of obligation to pay the player winnings on future events and are assessed at fair value.

- **Instant lotteries:** this category refers to SCRATCH cards which are operated by HELLENIC LOTTERIES S.A.. Revenue includes the amounts wagered less the winners' payout. The winners' payout is adjusted to the level stated in the Concession Agreement and the specifications of each SCRATCH card type with a corresponding payout provision recognized under the trade payables in the Statement of Financial Position.
- **Passives lotteries:** There are two types of passives lotteries, the NATIONAL (without Jackpot) and the POPULAR (with Jackpot), both operated by HELLENIC LOTTERIES S.A. Revenue is recognised when the draw takes place and in case that the payout at the end of each year is less than the minimum required by the Concession Agreement then the difference between the actual paid and the minimum required is attributed to the State. Also, in case of no winner in the current draw (Jackpot) relating to POPULAR lottery, the prize is rolled to the next draw and at the end of reporting period the Group recognises a relevant payout provision which is presented under Trade payables.

  Revenue is recognized in the period in which amounts are wagered by the players, net of obligation to pay the player winnings on future draws and are assessed at fair value.
- **VLTs:** Revenue is defined as the sum of all players' sessions within a period. A player's session begins when the player inserts his/her card in the machine and ends when he/she takes the card out.

  Revenue is recognized at the net amount (receipts less winnings) of each player's game session.

Other operating income

Other operating income mainly includes the Income from the non-gaming operations of the Group and the Company. Specifically, includes:

- **New Year's Eve Lottery commission**: 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. according to the Concession Agreement produces, operates, distributes, promotes and manages it and receives a 17% management fee on amounts wagered.
- **Income from TORA DIRECT S.A. relating to prepaid cards, mobile top-ups and bill payments:**
  (a) Principal for the sale of electronic codes to end users: In this category of contracts TORA Direct S.A. acquires the ownership of the electronic codes and assumes the risk of

inventory. The income is recognized when the business partners sell the specific codes to end users.

(b) Agent for the sale of electronic codes to end users: In this category of contracts TORA DIRECT S.A. does not acquire the ownership of the electronic codes and is considered to be acting as a representative of the suppliers. The revenue recognized in this category is the commissions received by the suppliers.

(c) Bill payments TORA DIRECT S.A. acts as an intermediator for the service of bill payments through its network of business partners for which it receives a commission by the end users. The Company recognizes the revenue of the commission upon payment of the bill.

- **Income from IT and other services:** For most of the other activities, the income is being recognized in net amounts when the performance obligation is satisfied by transferring goods or services to the customer.

3.5 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.

3.6 Dividend income

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

3.7. Expenses

Expenses are recognized in the Income Statement on accrual basis. Interest expenses are also recognized on accrual basis.

3.8. 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.

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	10-20 years
Plant & Machinery	3-9 years
Vehicles	6.5 years
Furniture and other equipment	3-5 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.

3.9. 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 4 years.

Expenditures on research and development

Research and development projects differ from other intangible assets in terms of scientific and technical uncertainty. Expenditure on research activities, which are incurred in order to gain knowledge that can lead to future economic benefits are recognized as expenses in the period in which they are incurred and no intangible asset arising from research (or research phase of an internal project) shall be recognized.

An intangible asset that arises as a result of development (or the development phase of an internal project) is recognized as an asset only when all of the following are met:

• Technical feasibility of completing an intangible asset is such that it can be used or sold;

• Intention to complete and use or sell the intangible asset;

• Ability to use or sell the intangible asset;

• Ability to demonstrate how the intangible asset will generate future economic benefits;

• Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

• Ability to measure expenses related to an intangible asset during its development reliably.

The amount of the initial recognition of an internally generated intangible asset includes the total expenditure incurred since the intangible asset first met the recognition criterion above. If no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Rights

The exclusive rights granted by the Hellenic Republic to Group companies are initially recognized at cost and subsequently at amortized cost decreased with any impairment (Refer to Note 3.11, for the impairment test procedures). The exclusive right to operate by any suitable means provided by current technology, numerical games, video lotteries, lotteries, sports and horseracing betting games provided to Group companies by the Greek State is accounted for at cost and is amortized within the period to which it relates. 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.

The useful life of the exclusive right to operate numerical and sports betting games according to the respective concession agreement is defined to 20 years and its extension to 10, video lotteries to 18 years, lotteries to 12 years and horseracing betting games to 20 years.

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

3.10. Goodwill

Goodwill is measured in accordance with Note 8.1. Goodwill is not depreciated but is subject to impairment testing on an annual basis or more frequently if events or changes in circumstances indicate possible impairment. After initial recognition, goodwill is measured at acquisition cost less any cumulative impairment losses. If part of a cash-generating unit in which goodwill is allocated is sold, then the goodwill attributable to the portion sold is included in the carrying amount of that portion in order to determine profit or loss. The value of goodwill attributable to the portion sold is determined based on the relative values of the portion sold and the portion of the cash-generating unit that remains unsold.

Each unit or group of units to which the goodwill is allocated shall:

(a) Represent the lowest level within the entity at which the goodwill is monitored for internal management purposes; and

(b) Not be larger than an operating segment as defined by paragraph 5 of IFRS 8 “Operating Segments” before aggregation.

3.11. 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 annually. 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, intangible assets and 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. For impairment testing at business combinations, the goodwill that has been recognized is allocated, from the acquisition date, to the cash generating units of the Group which are expected to benefit from the merger, regardless of whether the other assets or liabilities of the acquired company are allocated to the specific cash generating units.

An impairment loss is recognised at profit or loss 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. Regarding goodwill, the impairment loss is defined by valuating the recoverable amount of cash generating units which are related to goodwill. If the book value of a cash generating unit, including goodwill, exceeds its recoverable amount, then impairment loss is recognized.

The impairment loss is initially charged to goodwill and then pro rata to the other assets of 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.

3.12. Leases

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, is conducted a reassessment to evaluate whether it still contains an element of a lease.

The Group as the lessee

IFRS 16 "Leases" which is applied for the period beginning on 1 January 2019 supersedes IAS 17 and related interpretations and significantly changes the reporting of leases on the part of the lessee. The Standard eliminates the distinction between operating and finance leases and requires companies to recognize all relevant leases according to a single model, except as stated below.

Under IFRS 16, a contract is, or contains a lease if it conveys the right to control the use of an identified asset for a period of the time in exchange for consideration. For such contracts, the new model requires a lessee to recognize a right of use asset and a lease liability. The right of use of asset is depreciated and the liability accrues interest.

The Group uses following exceptions in application of IFRS 16:

- leases with a lease term of 12 months or less and containing no purchase options,
- leases where the underlying asset has a low value up to approximately € 4,5. When assessing the value of the asset, the value of a new asset is always taken into account.

Further, the Group does not apply IFRS 16 for leases of intangible assets.

At commencement of a lease the Group measures a lease liability at the present value of the lease payments which are not paid as at that date. Lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate of the component entered into the lease agreement. Generally, the Group uses its incremental borrowing rate as the discount rate. This is the rate that the lessee would have to pay on the commencement date of the lease for a loan of a similar term, and with similar security, to obtain an asset of similar value to the right-of-use asset in similar economic environment.

The following payments are included in the measurement of the lease liability:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The above payments are discounted for the lease term. The lease term is the non-cancellable period of the lease. Any periods covered by extension options held by the Group are included in the lease liability only if it is reasonable certain that the options will be excercised. In addition, periods covered by an option to terminate the lease held by the Group are included only if the Group is reasonably certain that these options will not be excercised.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured if there is a modification that is not accounted for as a separate lease; when there is a change in future lease payments arising from a change in an index or rate; a change in the estimate of the amount expected to be payable under a residual value guarantee; and changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Right of used assets are initially measured at cost being the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. ROU assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. They are depreciated using the straight-line method over on the shorter of the underlying asset's useful life and the lease term. If the cost of the right-of-use assets reflects that the Group will exercise a purchase option then they are depreciated over the useful life of the underlying asset.

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.

3.13. 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

Assets held for the purpose of collecting contractual cash flows and create cash flows on specific dates that are exclusively consisted of repayment of capital and interest on the outstanding balance of the capital, are measured at amortised cost. Interest income is calculated using the effective interest method and is recognized in “Finance income”. The gain or loss that results from the recognition of the asset is recognized directly in the profit or loss along with any foreign exchange gains / losses. Impairment losses are recognized in line “Net impairment losses on financial assets”.

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).

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.

3.14. 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.

3.15. 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.

3.16. 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.

3.17. 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.

The Company may offset deferred tax assets and deferred tax tax liabilities if and only if:

(a) The enterprise has a legally enforceable right to offset current tax claims against current tax liabilities, and

(b) Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company may offset current tax assets and current tax liabilities if and only if, the enterprise:

(a) Has a legal right to set off the amounts recorded, and

(b) Intends to either repay/ settle the net balance or to recover the claim and pay the obligation at the same time.

3.18. 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. No provisions are recognized for future operating losses.

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 profit or loss statement and specifically at line "Finance costs".

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. 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 remote.

Contingent assets are not recognized in the Financial Statements but are disclosed provided that the inflow of economic benefits is probable.

3.19. 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.

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.

Cash flow hedge

The Group uses derivative financial instruments to hedge its exposure to interest rate risks.

Changes in the fair value of the derivative hedging instrument or designated non-derivative financial liability designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases, the amount recognized in equity is transferred to profit or loss in the same period that the hedged item affects income or loss.

3.20. 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 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.

3.21. 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.

3.22. Dividends payable

Dividends declared to the shareholders are recognized as a liability in the period they are approved by the General Assembly of shareholders

4. Structure of the Group

The structure of OPAP Group as of 31.12.2019 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.	83.5%	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 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 17.09.2019, the Company, through its subsidiary OPAP INVESTMENT LTD, acquired from INTRALOT LOTTERIES LIMITED all of its shares in HELLENIC LOTTERIES S.A. (16.5% of total shares) for a consideration of € 20,000. After the completion, OPAP INVESTMENT LTD participation in the share capital of HELLENIC LOTTERIES S.A. reached 83.5%.

On 08.11.2019, OPAP INVESTMENT LTD agreed to sell to the Company all of its shares in HORSE RACES S.A., against the aggregate amount of € 10,411. Later, on 11.11.2019, the Board of Directors of both Companies decided the commencement of processes for the merger of the Company with HORSE RACES S.A., as per the provisions of articles 7 to 21 and 30 to 38 of L. 4601/2019, in conjunction with article 54 of L. 4172/2013. The merger is still pending approval by the respective authorities.

On 30.12.2019, the Company was merged with OPAP SERVICES S.A. upon registration of the No.135932/30.12.2019 merger approval decision issued by the Director of the Directorate of Societe Anonymes and GE.MI. of the Ministry of Development and Investments in the General Commercial Registry (G.E.MI.) (refer to Note 11).

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

5. Operating segments

The following information refers to business segments that the Management of the Group has decided to monitor separately for decision making purposes. The business segments are defined based on the type of the games and the other business activities of the Group.

The first 4 business segments (Lotteries, Sports Betting, Instant & Passives, VLTs) relate to the gaming activity of the Company and the other Group entities which operate in the gaming sector. Further relevant details are given in note 3.4.

In “Telecommunication & eMoney services”, the business activities of TORA WALLET S.A. and TORA DIRECT S.A. are included (refer to Note 3.4).

The segment named “other”, includes the non-gaming activities of OPAP S.A. and the business activities of OPAP SERVICES S.A. and NEUROSOFT S.A.. Specifically, the OPAP SERVICES S.A. activity refers to the sales of Gaming Halls to third parties, the configuration of the OPAP S.A. network for the VLTs installation and the provision of other supporting services to the OPAP S.A. network. Finally, the business activity of NEUROSOFT S.A. refers to the provision of IT services and other technological products.

GROUP 01.01-31.12.2019	Lotteries	Sports Betting	Instant & Passives	VLTs	Telecommunication & eMoney services	Other	Total
Revenue (GGR)	**778,558**	**396,203**	**147,478**	**297,658**	**-**	**-**	**1,619,896**
GGR contribution and other levies and duties	(257,704)	(135,959)	(50,758)	(89,297)	-	-	(533,718)
Net gaming revenue (NGR)	**520,854**	**260,244**	**96,720**	**208,361**	**-**	**-**	**1,086,178**
Agents' commission	(183,930)	(92,429)	(39,149)	(70,585)	-	(1,248)	(387,341)
Other NGR related commission	(111)	(17,989)	(12,843)	(45,795)	-	-	(76,738)
Other operating income	-	1,404	61	-	94,642	53,254	149,361
Other operating cost	-	-	-	-	(85,090)	(13,347)	(98,437)
Share of profit of associates	-	8,470	-	-	-	-	8,470
	336,812	**159,700**	**44,789**	**91,981**	**9,553**	**38,659**	**681,493**
Operating expenses	**(112,315)**	**(62,916)**	**(14,715)**	**(42,216)**	**(10,603)**	**(26,148)**	**(268,914)**
Depreciation, amortization and impairment	(24,836)	(21,785)	(16,807)	(41,653)	(301)	(10,933)	(116,315)
Results from operating activities	**199,660**	**74,998**	**13,267**	**8,112**	**(1,351)**	**1,578**	**296,264**

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)	(14,936)	(14,413)	(31,035)	-	-	(60,692)
Other operating income	-	1,151	75	-	89,721	37,840	128,788
Other operating cost	-	-	-	-	(81,923)	(10,017)	(91,940)
Share of profit of associates	-	89	-	-	-	-	89
	330,320	**154,061**	**51,583**	**64,891**	**7,798**	**26,436**	**635,089**
Operating expenses	**(125,710)**	**(74,226)**	**(17,009)**	**(33,490)**	**(8,879)**	**(22,086)**	**(281,400)**
Depreciation and amortization	(22,072)	(14,622)	(17,444)	(37,017)	(260)	(22,893)	(114,308)
Results from operating activities	**182,537**	**65,213**	**17,130**	**(5,616)**	**(1,342)**	**(18,542)**	**239,381**

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 year that ended on 31 December 2019	Greece	Cyprus	Total
Amounts wagered	4,176,694	291,586	**4,468,280**
Revenue (GGR) and Other operating income	1,672,827	96,430	**1,769,257**
Net gaming revenue (NGR)	1,007,916	78,262	**1,086,178**

For the year that ended on 31 December 2018	Greece	Cyprus	Total
Amounts wagered	4,111,785	279,076	**4,390,861**
Revenue (GGR) and Other operating income	1,583,926	91,877	**1,675,803**
Net gaming revenue (NGR)	964,356	75,579	**1,039,935**

	Greece	Cyprus	Total
Segment Assets			
For the year that ended on 31 December 2019	2,002,853	237,066	**2,239,918**
For the year that ended on 31 December 2018	1,654,579	118,767	**1,773,347**
Segment Liabilities			
For the year that ended on 31 December 2019	1,442,064	25,963	**1,468,027**
For the year that ended on 31 December 2018	986,008	27,803	**1,013,811**

IFRS 16 mostly affected the Greek geographical segment, as from total Group right-of-use assets of €64,036, only € 285 refer to group activities in Cyprus. The respective figure concerning lease liabilities is € 296. In addition, depreciation charges and interest costs recognized by the Cypriot segment was €143 and €13, respectively.

6. 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	Other	Total
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	-	-	(41)	-	-	**(41)**
Net book amount (31 December 2018)	**42,871**	**1,067,320**	**5,503**	**7,165**	**60**	**1,122,920**
Year that ended on 31 December 2019						
Opening net book amount (1 January 2019)	**42,871**	**1,067,320**	**5,503**	**7,165**	**60**	**1,122,920**
Additions	24,441	-	1,041	-	-	**25,482**
Disposals	(21)	-	-	-	-	**(21)**
Cost reclassification	(24)	-	15	-	9	**-**
Amortization charge	(15,749)	(60,225)	(1,473)	(554)	-	**(78,001)**
Amortization reclassification	15	-	(15)	-	-	**-**
Disposals amortization	2	-	-	-	-	**2**
Impairment	-	(4,000)	(650)	-	-	**(4,650)**
Net book amount (31 December 2019)	**51,536**	**1,003,095**	**4,421**	**6,611**	**70**	**1,065,733**

GROUP	Software	Rights of games	Development costs	Customer relationships	Other	Total
31/12/2018						
Acquisition cost	169,100	1,540,142	7,643	8,795	60	**1,725,741**
Accumulated amortization	(126,229)	(472,822)	(2,140)	(1,630)	-	**(602,821)**
Net book value 31/12/2018	**42,871**	**1,067,320**	**5,503**	**7,165**	**60**	**1,122,920**
31/12/2019						
Acquisition cost	193,496	1,536,142	8,049	8,795	70	**1,746,552**
Accumulated amortization	(141,961)	(533,047)	(3,628)	(2,184)	-	**(680,820)**
Net book value 31/12/2019	**51,536**	**1,003,095**	**4,421**	**6,611**	**70**	**1,065,733**

COMPANY	Software	Rights of games	Other	Total
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)**
Reclassification of amortization	(105)	105	-	**-**
Net book amount (31 December 2018)	**41,580**	**931,039**	**60**	**972,679**
Year that ended on 31 December 2019				
Opening net book amount (1 January 2019)	**41,580**	**931,039**	**60**	**972,679**
Additions	18,206	-	-	**18,206**
Cost acquired through merger of OPAP SERVICES S.A.	484	230	-	**714**
Reclassification	(9)	-	9	**-**
Amortization charge	(14,829)	(42,967)	-	**(57,796)**
Amortization acquired through merger of OPAP SERVICES S.A.	(484)	(230)	-	**(714)**
Net book amount (31 December 2019)	**44,948**	**888,072**	**70**	**933,089**

COMPANY	Software	Rights of games	Other	Total
31/12/2018				
Acquisition cost	164,602	1,382,553	60	**1,547,215**
Accumulated amortization	(123,022)	(451,514)	-	**(574,535)**
Net book value 31/12/2018	**41,580**	**931,039**	**60**	**972,679**
31/12/2019				
Acquisition cost	183,283	1,382,783	70	**1,566,135**
Accumulated amortization	(138,335)	(494,711)	-	**(633,046)**
Net book value 31/12/2019	**44,948**	**888,072**	**70**	**933,089**

The opening balance of “rights of games” of the Group and the Company 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 total amount of the intangible for the extension of the license up to 12.10.2030 amounts to €375,000.

The Group additions within the current year mainly include:

- Software and licences relating to pamestoixima.gr platform of € 9,300,
- Software and licences relating to LOTOS platform of € 967,
- Software and licences relating to VLTs of € 2,242,
- Software and licences relating to the operation of Hellenic Lotteries of € 4,960,
- Software, licences and upgrading of several applications, websites, platforms, the OPAP's data centre, digital signage equipment, etc. of € 4,991,
- Capitalization of NEUROSOFT S.A. payroll costs of € 579 for the development and production of software available for sale and € 462 of Tora Wallet S.A. for the development and production of software for own use.

The Group additions within the comparative year 2018 mainly referred to software for pamestoixima.gr platform of € 13,574, software for VLTs of € 8,395 and software upgrading relating to SSBTs of € 2,529. Additionally, an amount of € 4,465 concerned software and upgrading of OPAP S.A. corporate website, platforms, contact centre and the portal used for internal communication with the agents and finally, an amount of € 1,190 referred to the capitalization of payroll expenses of NEUROSOFT S.A. and TORA WALLET S.A. for the development and production of software.

The impairment of right of games of € 4,000 refers to the 20-year exclusive right to organize and conduct mutual race bet of HORSE RACES S.A..

An impairment test was carried out in the right of game of HORSE RACES S.A., since there were indications based on its financial and operating performance that the carrying value of the right of the concession agreement exceeds the recoverable amount.

The recoverable amount is determined using the value in use method and calculated using the discounted free cash flows method. The value in use is calculated based on the projected cash flows derived from the one year plan approved by the Management and by the projected cash flows until the expiration of the concession agreement.

Subjective estimates and judgements by management about the future results of HORSE RACES S.A. (CGU) were included in the above calculation. These estimates and judgements include assumptions surrounding revenue growth rates, direct costs, and discount rates.

The following table sets out the key assumptions for the calculation of the Value in Use:

- compounded annual revenue growth rate (CAGR): 8.6%
- EBITDA margin (on NGR): -13.1% - 37.2%
- discount rate (WACC): 6.5%

EBITDA margin has been positively affected in 2019 impairment test by the adoption of IFRS 16, namely by the exclusion of lease expenses from operating expenses. At the same time, for the impairment test purposes, WACC is lower, due to the application of IFRS 16 and the inclusion of lease liabilities in net debt calculation and the respective adjustment in weighted average cost of debt.

Based on the aforementioned impairment test, the recoverable amount calculated was € 14,745, while the carrying amount of the right just before the impairment test was € 18,745. As a result, the Group recognized an impairment of € 4,000.

If the discount rate used in the value-in-use calculation had been 0.5% lower than management's estimates as at 31.12.2019, the Group would have to recognize an impairment of € 2,019 (instead of € 4,000). If the discount rate used in the value-in-use calculation had been 0.5% higher than management's estimates as at 31.12.2019, the Group would have to recognize and impairment of € 5,877 (instead of € 4,000).

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

7. 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 2018							
Opening net book amount (1 January 2018)	**8,929**	**17,808**	**50,275**	**125.107**	**32,161**	**-**	**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**	**100**	**35,109**	**74**	**111,467**
Year that ended on 31 December 2019							
Opening net book amount (1 January 2019)	**8,929**	**15,481**	**51,774**	**100**	**35,109**	**74**	**111,467**
Additions	-	171	378	144	8,603	-	**9,297**
Transfer to investment property	(434)	(2,878)	-	-	-	-	**(3,311)**
Transfer from construction in progress	-	-	-	-	74	(74)	**-**
Disposals	-	-	(13,249)	(193)	(16,740)	-	**(30,182)**
Depreciation charge	-	(1,981)	(7,163)	(22)	(12,359)	-	**(21,525)**
Depreciation transfer to investment property	-	2,449	-	-	-	-	**2,449**
Disposals depreciation	-	-	13,245	143	16,727	-	**30,115**
Net book amount (31 December 2019)	**8,496**	**13,242**	**44,985**	**172**	**31,414**	**-**	**98,308**

GROUP	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Total
31/12/2018							
Acquisition cost	8,929	36,744	134,087	2,450	119,652	74	**301,937**
Accumulated depreciation	-	(21,264)	(82,313)	(2,351)	(84,543)	-	**(190,470)**
Net book value 31/12/2018	**8,929**	**15,480**	**51,774**	**100**	**35,109**	**74**	**111,467**
31/12/2019							
Acquisition cost	8,496	34,037	121,216	2,402	111,589	-	**277,740**
Accumulated depreciation	-	(20,795)	(76,231)	(2,230)	(80,175)	-	**(179,432)**
Net book value 31/12/2019	**8,496**	**13,242**	**44,985**	**172**	**31,414**	**-**	**98,308**

COMPANY	Land	Buildings	Machinery	Vehicles	Equipment	Total
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)**
Disposals depreciation	-	-	6,563	3	3,162	**9,727**
Net book amount (31 December 2018)	**8,929**	**14,297**	**50,990**	**41**	**14,164**	**88,421**
Year that ended on 31 December 2019						
Opening net book amount (1 January 2019)	**8,929**	**14,297**	**50,990**	**41**	**14,164**	**88,421**
Additions	-	97	347	80	7,620	**8,144**
Transfer to investment property	(434)	(2,878)	-	-	-	**(3,311)**
Disposals	-	-	(13,249)	(135)	(16,586)	**(29,969)**
Depreciation charge	-	(1,839)	(6,945)	(4)	(7,474)	**(16,261)**
Depreciation transfer to investment property	-	2,449	-	-	-	**2,449**
Depreciation disposals	-	-	13,245	103	16,582	**29,930**
Acquisition through merger of OPAP SERVICES S.A.	-	-	-	(1,699)	(21,460)	**(23,159)**
Net book amount (31 December 2019)	**8,496**	**12,126**	**44,389**	**87**	**30,040**	**95,138**

COMPANY	Land	Buildings	Machinery	Vehicles	Equipment	Total
31/12/2018						
Acquisition cost	8,929	35,226	132,916	628	70,628	**248,327**
Accumulated depreciation	-	(20,929)	(81,926)	(588)	(56,463)	**(159,906)**
Net book value 31/12/2018	**8,929**	**14,297**	**50,990**	**41**	**14,164**	**88,421**
31/12/2019						
Acquisition cost	8,496	32,445	120,015	2,274	98,855	**262,085**
Accumulated depreciation	-	(20,319)	(75,626)	(2,187)	(68,815)	**(166,947)**
Net book value 31/12/2019	**8,496**	**12,127**	**44,389**	**87**	**30,040**	**95,138**

In current year, the Group “machinery” additions are immaterial all but the comparative period mainly included:

- 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, scanners etc.) of € 1,218 (2018: € 3,882),
- equipment for VLTs and Gaming Halls as well as furniture of € 1,226 (2018: € 1,210),
- equipment for the Opap Stores of € 3,460 (2018: €6,081) out of which € 3,145 are related to REX 2020 project.

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

8. Right-of-Use assets and Lease liabilities

Right-of-use assets are analyzed as follows:

GROUP	Buildings	Vehicles	Equipment	Total
Impact of IFRS 16 implementation- cost (1 January 2019)	**62,552**	**1,929**	**190**	**64,672**
Additions	7,373	1,617	-	**8,990**
Termination of leases	-	-	(181)	**(181)**
Other movements	(1,361)	(7)	-	**(1,368)**
Depreciation charge	(6,953)	(1,121)	(3)	**(8,077)**
Net book amount (31 December 2019)	**61,611**	**2,418**	**7**	**64,036**
31/12/2019				
Acquisition cost	68,565	3,539	9	**72,114**
Accumulated depreciation	(6,953)	(1,121)	(3)	**(8,077)**
Net book value 31/12/2019	**61,611**	**2,418**	**7**	**64,036**

The right-of-use recognized by the Group relating to “Buildings” mainly refers to the Markopoulo Park, with a NBV of € 29,560, and gaming halls with a total NBV of € 29,691. Markopoulo Park is the venue where the subsidiary’s HORSE RACES S.A. headquarters are located and where all the Greek horseracing activities of the latter take place. The duration of the respective leasing is for twenty years, expiring on 2036. The lease payments are fixed. Gaming halls are venues where VLT games are hosted. The vast majority of the aforementioned leasing contracts are of three years duration and give to the Company the exclusive right to extend the terms up to nine years, which Management assesses that will be exercised. The lease payments are adjusted according to consumer price index. The “Vehicles” category includes leased cars and “Equipment” mainly printers.

COMPANY	Buildings	Vehicles	Equipment	Total
Impact of IFRS 16 implementation- cost (1 January 2019)	**29,591**	**1,363**	**181**	**31,135**
Additions	7,363	1,316	-	**8,679**
Termination of leases	-	-	(181)	**(181)**
Other movements	(1,377)	(31)	-	**(1,408)**
Depreciation charge	(4,771)	(827)	-	**(5,598)**
Net book amount (31 December 2019)	**30,806**	**1,822**	**-**	**32,627**
31/12/2019				
Acquisition cost	35,577	2,648	-	**38,225**
Accumulated depreciation	(4,771)	(827)	-	**(5,598)**
Net book value 31/12/2019	**30,806**	**1,822**	**-**	**32,627**

The consolidated and separate Statement of Financial Position of 2019 includes the following amounts related to lease liabilities:

	GROUP	COMPANY
Non-current lease liabilities	57,649	27,663
Current lease liabilities	7,130	5,157
Total	**64,779**	**32,820**

Total payments of lease liabilities regarding capital and interest, amounts to € 9,681 for the Group and € 6,478 for the Company.

Leases excluded from IFRS 16 that got classified under "Other operating expenses" at Income Statement (refer to Note 37), refer to short term leases (Group € 459, Company €176), low-value assets leases (Group € 715) and expenses for other variable lease payments (Group € 968, Company € 746).

Income from subleases which refers to the sublease of gaming halls is included in line "Other operating income" of Income Statement (refer to Note 33) and amounts to € 3,824 at 31.12.2019 for both the Group and the Company.

9. Investment property

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

	GROUP		COMPANY	
	2019	2018	2019	2018
Balance 1 January	**903**	**922**	**903**	**922**
Transfer from tangible assets	862	-	862	-
Depreciation for the period	(62)	(19)	(62)	(19)
Balance 31 December	**1,703**	**903**	**1,703**	**903**

Within 2019, got transferred in Investment property assets from Property, Plant and Equipment, and more specifically from Land and Buildings of NBV of € 862.

The income received from leasing these investment properties amounts to € 262 for the year 2019 (2018: € 249).

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.

Investment property of the Group and the Company has not been pledged.

10. Goodwill

Goodwill acquired through business combinations is analyzed as follows:

	GROUP	
	31.12.2019	31.12.2018
OPAP SPORTS LTD	8,435	8,435
TORA DIRECT S.A.	5,749	5,749
NEUROSOFT S.A.	16,092	20,092
Total	**30,275**	**34,275**

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	31.12.2019	31.12.2018
WACC	8.70%	10.43%
% Increase of flows	2.00%	2.40%
Period of net cash flows	5 years	5 years

TORA DIRECT S.A.

Impairment study assumptions	31.12.2019	31.12.2018
WACC	10.47%	10.54%
% Increase of flows	2.00%	1.86%
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.

During the period from 01.01.2019 to 31.12.2019, NEUROSOFT S.A. contributed to the Group losses before interest, tax, depreciation, amortization and impairment (EBITDA) € 625 (2018: earnings € 869) and losses before tax € 2,938 (2018: € 669).

Based on the above financial and operating performance of NEUROSOFT S.A., an impairment test was carried out since there were indications that the carrying value of the company exceeds the recoverable amount.

The recoverable amount of NEUROSOFT S.A. (the cash generating unit ('CGU') on which goodwill is allocated) was determined using the value in use method. The value in use is determined based on the projected cash flows derived from the one year plan approved by the Management and by the projected cash flows for the four next years. Cash flows beyond the five-year period are then projected to perpetuity using a long-term growth rate of 3% and an EBITDA margin in perpetuity of 15.3%. Additionally, assumptions include that the depreciation will be equal to capital expenditures in the long-run and that working capital changes equals to zero.

Estimated revenues were based on past performance and expectations for the market and the company development and are expected to reach € 19,644 in 2024. Estimated EBITDA was based on actual historical experience from the last few years adjusted to take into consideration expected variances in operating profitability.

The following table sets out the key assumptions for the calculation of the Value in Use of the CGU:

- growth rate: 3.0%
- gross margin of earnings before tax, depreciation and amortization: 4.7% - 15.3%
- discount rate (WACC): 7.57%
- compounded annual revenue growth rate (CAGR): 5.5%

Based on the above impairment test, the recoverable amount of the CGU was determined to be € 23,997, which is higher than its carrying amount. The impairment charge of € 4,000 was allocated in goodwill and no other class of asset in the CGU was impaired.

The impairment loss of € 4,000 (2018: € 17,500) is included in line "Depreciation, amortization and impairment".

A sensitivity analysis was performed to the key assumptions used in the model (discount rate and perpetuity growth rate) in order to stress test the valuation headroom.

If the free cash flow growth rate of NEUROSOFT S.A. used in the impairment test was lower by 0.1%, i.e. 2.9%, with all other variables held constant, the recoverable amount of the CGU would have been lower, at an amount of € 23,522. In addition, if the future WACC was higher by 0.1%, i.e. 7.67%, with all other variables held constant, the recoverable amount of the CGU would have been € 23,442.

If the free cash flow growth rate of NEUROSOFT S.A. used in the impairment test was higher by 0.1%, i.e. 3.1%, with all other variables held constant, the recoverable amount of the CGU would have been € 24,494. In addition, if the future WACC was lower by 0.1%, i.e. 7.47%, with all other variables held constant, the recoverable amount of the CGU would have been € 24,578.

NEUROSOFT S.A. Goodwill	31.12.2019	31.12.2018
Opening balance	20,092	37,592
Impairment loss	(4,000)	(17,500)
Closing balance	16,092	20,092

11. Investments in subsidiaries

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

Consolidated subsidiary	% of investment	Country of incorporation	31.12.2019	31.12.2018
OPAP CYPRUS LTD	100%	Cyprus	1,704	1,704
OPAP INTERNATIONAL LTD	100%	Cyprus	10,173	10,173
OPAP SERVICES S.A.	100%	Greece	-	27,813
OPAP SPORTS LTD	100%	Cyprus	9,650	9,650
HORSE RACES S.A.	100%	Greece	2,075	-
OPAP INVESTMENT LTD	100%	Cyprus	339,385	221,385
Total			362,987	270,725

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

Investments in subsidiaries movement is as follows:

	2019	2018
Investment in subsidiaries on 1st January	270,725	281,945
Share capital increase of subsidiaries	123,000	15,982
Acquisition of HORSE RACES S.A.	10,411	-
Impairment losses	(8,336)	(27,202)
Merger with OPAP SERVICES S.A.	(32,813)	-
Investment in subsidiaries on 31st December	362,987	270,725

On 13.02.2019 the share capital of OPAP SERVICES S.A. was increased by € 5,000.

On 05.08.2019 and 07.11.2019 the share capital of the subsidiary OPAP INVESTMENT LTD was increased by € 118,000 (€ 8,000 and € 110,000, respectively).

On 08.11.2019, OPAP INVESTMENT LTD agreed to sell to the Company all of its shares in HORSE RACES S.A., against the aggregate amount of € 10,411. Later, on 11.11.2019, the Board of Directors of both Companies decided the commencement of processes for the merger of the Company with HORSE RACES S.A., as per the provisions of articles 7 to 21 and 30 to 38 of L. 4601/2019, in conjunction with article 54 of L. 4172/2013. The merger is still pending approval by the respective authorities. At 31.12.2019, investment in HORSE RACES S.A. was impaired by € 8,336 and the respective expense is included in the 2019 separate Income Statement and is included in line "Other operating expenses".

On 30.12.2019, the Company was merged with its subsidiary OPAP SERVICES S.A. with absorption in accordance with the provisions of articles 7 to 21 and 30 to 38 of L. 4601/2019, in conjunction with article 54 of L. 4172/2013.

At the time of the merger, OPAP SERVICES S.A. Statement of Financial Position in summary was the following:

OPAP SERVICES S.A.	30.12.2019
Total Assets	54,882
Total equity	32,899
Total liabilities	21,983

After the respective intercompany balances elimination, the final assets and liabilities that were transferred to the Company were of € 33,277 and € 378 respectively, while Retained Earnings were encumbered by € 20,101 due to losses carried forward. The OPAP SERVICES S.A. share capital of amount € 53,000 and OPAP S.A. Investment in subsidiaries of amount € 32,813 were reversed resulting in a gain at Retained Earnings of € 86.

The financial and operating performance of HORSE RACES S.A. were considered as indicators of impairment and Management carried out an impairment test.

The analysis was carried out by identifying the recoverable value of the investment, which was determined using the value in use method and calculated using the discounted free cash flows method. The value in use is determined based on the projected cash flows derived from the one year plan approved by the Management and by the projected cash flows for the four next years.

The following table sets out the key assumptions for the calculation of the Value in Use:

- compounded annual revenue growth rate (CAGR): 8.6%
- EBITDA margin (on NGR): -13.1% - 37.2%
- discount rate (WACC): 5.3%

EBITDA margin has been positively affected in 2019 impairment test by the adoption of IFRS 16, namely by the exclusion of lease expenses from operating expenses. At the same time, for the impairment test purposes, WACC is lower, due to the application of IFRS 16 and the inclusion of lease liabilities in net debt calculation and the respective adjustment in weighted average cost of debt.

Based on this impairment test, the recoverable amount was determined at € 2,075, while the carrying value of the investment was € 10,411. As a result, the Company recognized an impairment of € 8,336.
If the discount rate used in the value-in-use calculation had been 0.5% lower than management's estimates as at 31.12.2019, the Group would have to recognize an impairment of € 6,387 (instead of € 8,336). If the discount rate used in the value-in-use calculation had been 0.5% higher than management's estimates as at 31.12.2019, the Group would have to recognize and impairment of € 10,147 (instead of € 8,336).

12. Investments in associates

Investments in associates are analyzed as follows:

	31.12.2019	31.12.2018
TCB HOLDINGS LTD	54,158	50,089
Total	**54,158**	**50,089**

The report date of the Financial Statements of the associate company, consolidated with the equity method, does not differ from the reporting date of the parent company.
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. Consequently, since December 2018, the latter is accounted for as an associate for OPAP Group.

Based on its contribution in its profit before taxes, the Group decided that the aforementioned associate is material and thus it discloses its interest in this associate as follows:

Summarized statement of financial position	31.12.2019	31.12.2018
Current assets		
Cash and cash equivalents	46,226	30,996
Other current assets	22,533	24,437
Total current assets	**68,759**	**55,433**
Total non - current assets	**20,692**	**6,278**
Current liabilities		
Other current liabilities	53,184	37,357
Total current liabilities	**53,184**	**37,357**
Non-current liabilities		
Other non-current liabilities	1,068	1,340
Total non-current liabilities	**1,068**	**1,340**
Equity	**35,199**	**23,014**

Summarized statement of profit or loss and other comprehensive income	01.01-31.12.2019	01.01-31.12.2018
Net gaming revenue (NGR)	245,163	173,035
Profit after tax	23,258	6,779
Other comprehensive income, net of tax	(211)	-
Total comprehensive income	**23,047**	**6,779**

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

	2019	2018
Investment in associates on 1st January	**50,089**	**-**
Acquisition cost	-	50,000
Share of operating profits	8,470	89
Dividends received	(4,400)	-
Investment in associates on 31st December	**54,158**	**50,089**

It is worth mentioning that by the date of the preparation of the Group Financial Statements, the audit of the financial statements of TCB HOLDINGS LTD for the fiscal year 2019 had not been completed. The Group Financial Statements of 2018 also included the unaudited financial statements of TCB HOLDINGS LTD. Consequently, any difference arising after the completion of the audit was included in 2019 Group Financial Statements.

13. Other non-current assets

Other non-current assets are analysed as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Guarantee deposits	1,387	1,303	1,161	1,068
Prepayments of retirement benefits & housing loans to personnel	366	391	366	391
Loans to third parties	3,158	19,894	4,946	6,209
Prepayments to suppliers	22,816	25,223	22,816	25,223
Other receivables	126	340	-	11,818
Total	**27,855**	**47,151**	**29,290**	**44,709**

Loans to third parties refer to loans that the Company and the subsidiary OPAP INVESTMENT LTD have granted of amount € 1,446 and € 1,712 (2018: € 2,659, € 17,049 and OPAP SERVICES S.A. € 185), respectively. The maturity of these loans is until December 2024. Within 2019, the Group recognized an allowance for expected credit losses for the next 12 months of the above loans of € 98. Moreover, on 31.12.2019, loans of total amount € 16,000 were transferred to other current assets as their maturity is on 31.12.2020.

At Company level, loans to third parties also include a loan of € 3,500 granted to TORA DIRECT S.A..

At Group level, the prepayments to suppliers of € 22,816 (€ 25,223 in 2018) represent the long-term portion of a VLTs vendor claim for an advance payment in accordance with a special clause in the respective contract regarding provision of services.

Other receivables of the Company in 2018 related 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., of € 11,818. These funds were transferred to the subsidiary during the years 2004-2007. After the merger of the Company with OPAP SERVICES S.A., this amount was eliminated (refer to Note 11).

14. Income taxes – Deferred taxes

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.

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Deferred tax asset	19,894	17,359	-	-
Deferred tax liability	(23,528)	(15,462)	(21,015)	(12,701)
Net deferred tax asset/(liability)	**(3,634)**	**1,897**	**(21,015)**	**(12,701)**

The movement in deferred taxes is as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Opening balance, net deferred tax asset/(liability)	**1,897**	**3,495**	**(12,701)**	**(9,252)**
Charge recognised in profit or loss (Note 40)	(5,884)	(1,887)	(10,052)	(3,744)
Charge recognised in other comprehensive income (Note 40)	354	289	353	296
Acquisition through merger of OPAP SERVICES S.A. (Note 11)	-	-	1,384	-
Closing balance, net deferred tax asset/(liability)	**(3,634)**	**1,897**	**(21,015)**	**(12,701)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movement in deferred tax assets and liabilities per category (prior to offsetting balances within the same tax jurisdiction) is as follows:

GROUP	Balance at 1 January 2019	Recognised in profit or loss (Note 40)	Recognised in Other Comprehensive Income (Note 40)	Reclasses due to merger with OPAP SERVICES S.A.	Balance at 31 December 2019
Analysis of deferred tax assets (before set - offs)					
Property, plant and equipment	2,203	(1,441)	-	-	762
Intangible assets	3,616	572	-	-	4,188
Right-of-use assets	-	307	-	-	307
Employee benefits	629	36	53	-	717
Provisions	6,732	(4,414)	-	(20)	2,298
Accrued liabilities	21,116	(1,696)	301	(2,020)	17,700
	34,295	**(6,636)**	**354**	**(2,040)**	**25,973**
Analysis of deferred tax liabilities (before set - offs)					
Property, plant and equipment	(595)	595	-	-	-
Intangible assets	(23,077)	(4,211)	-	-	(27,288)
Deferred expenses	(8,726)	4,367	-	2,040	(2,319)
	(32,398)	**751**	**-**	**2,040**	**(29,607)**
Net deferred tax asset/(liability)	**1,897**	**(5,884)**	**354**	**-**	**(3,634)**

COMPANY	Balance at 1 January 2019	Recognised in profit or loss (Note 40)	Recognised in Other Comprehensive Income (Note 40)	Acquisition through merger with OPAP SERVICES S.A.	Balance at 31 December 2019
Analysis of deferred tax assets (before set - offs)					
Property, plant and equipment	1,497	(691)	-	(699)	107
Right-of-use assets	-	174	-	-	174
Employee benefits	526	36	52	2	617
Provisions	6,614	(4,417)	-	20	2,217
Accrued liabilities	2,856	(1,300)	301	20	1,877
	11,493	**(6,197)**	**353**	**(656)**	**4,993**
Analysis of deferred tax liabilities (before set - offs)					
Intangible assets	(20,171)	(4,645)	-	-	(24,816)
Deferred expenses	(4,024)	791	-	2,040	(1,192)
	(24,194)	**(3,854)**	**-**	**2,040**	**(26,008)**
Net deferred tax liability	**(12,701)**	**(10,052)**	**353**	**1,384**	**(21,015)**

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

GROUP	Balance at 1 January 2018	Recognised in profit or loss (Note 40)	Recognised in Other Comprehensive Income (Note 40)	Balance at 31 December 2018
Analysis of deferred tax assets (before set - offs)				
Property, plant and equipment	2,933	(730)	-	2,203
Intangible assets	4,504	(888)	-	3,616
Employee benefits	571	33	25	629
Provisions	8,632	(1,899)	-	6,732
Accrued liabilities	17,969	2,883	264	21,116
	34,609	**(603)**	**289**	**34,295**
Analysis of deferred tax liabilities (before set - offs)				
Property, plant and equipment	(518)	(77)	-	(595)
Intangible assets	(21,664)	(1,413)	-	(23,077)
Deferred expenses	(8,766)	40	-	(8,726)
Provisions	(166)	166	-	-
	(31,114)	**(1,284)**	**-**	**(32,398)**
Net deferred tax asset	**3,495**	**(1,887)**	**289**	**1,897**

COMPANY	Balance at 1 January 2018	Recognised in profit or loss (Note 40)	Recognised in Other Comprehensive Income (Note 40)	Balance at 31 December 2018
Analysis of deferred tax assets (before set - offs)				
Property, plant and equipment	2,479	(983)	-	1,497
Employee benefits	470	24	32	526
Provisions	8,508	(1,894)	-	6,614
Accrued liabilities	2,681	(89)	264	2,856
	14,138	**(2,941)**	**296**	**11,493**
Analysis of deferred tax liabilities (before set - offs)				
Intangible assets	(17,945)	(2,226)	-	(20,171)
Deferred expenses	(5,446)	1,422	-	(4,024)
	(23,391)	**(803)**	**-**	**(24,194)**
Net deferred tax liability	**(9,252)**	**(3,744)**	**296**	**(12,701)**

On 31.12.2019, certain Group entities had accumulated tax losses of € 48,502 (31.12.2018: € 57,907). 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.

Income tax liabilities for the Group amount to € 1,755 (2018: € 12,785).

Current income tax asset for the Group and the Company amounts to € 4,436 and € 4,429, respectively.

Under Greek tax regulations, an income tax advance is paid to the tax authorities each year calculated on 100% of the year's current income tax liability. Such advance is then netted off with the following year's income tax liability. Based on law 4646/2019, the income tax advance for 2019 was reduced by 5%. This reduction on the income tax advance percentage was the main reason why the Company presents income tax asset.

15. Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash in hand	3,463	2,636	1,770	1,106
Short term bank deposits	630,352	179,359	448,527	100,457
Total	**633,815**	**181,996**	**450,297**	**101,563**

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

Fixed deposits with maturity between 3 and 12 months from the date of acquisition of € 3,285 (2018: € 8,858) are included in "Short-term investments" in Consolidated Statement of Financial Position, while fixed deposits with maturity greater than 12 months of € 6,630 (2018: € 600) are included in "Long-term investments".

Short term bank deposits include restricted cash of amount € 189 (2018: € 174), mainly due to legal decisions, which is analysed as follows: OPAP S.A. € 187 and NEUROSOFT S.A. € 2.

According to IFRS 9 requirements, an impairment test relating to the cash and cash equivalent of the Company and the Group was conducted but no impairment provision was indicated.

The Group retains its deposits at reputable European financial institutions.

16. Inventories

The analysis of inventories is as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
GHs construction cost	2,140	6,406	2,140	-
Consumable materials	4,822	4,256	606	1,053
Total	**6,962**	**10,662**	**2,745**	**1,053**

In the Group's inventories are included:

- OPAP S.A. inventories of € 2,140 related to Gaming Halls stores under construction that will be sold after their completion. In 2018, these inventories were included in the financial statements of OPAP SERVICES S.A. (€ 6,406).
- TORA DIRECT S.A. inventories of € 3,357 (2018: € 2,350) related mainly to phone cards and Internet.
- NEUROSOFT S.A. inventories of € 814 (2018: € 808) related to production consumables.
- HORSE RACES S.A. inventories of € 45 (2018: € 46) related to veterinary clinic consumables.
- OPAP S.A. lottery and athletic events prognoses games tickets, coupons for PAME STOIXIMA game etc. of € 606 (2018: € 1,053).

In 2019, the Group and the Company recognised a provision for obsolete inventories concerning dismantling cost of Gaming Halls of € 1,160 (refer to Note 37).

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

17. Trade receivables

The analysis of trade receivables is as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Receivables from debtors	151,536	113,857	59,590	34,195
Receivables from debtors (accounts under arrangement from agencies)	123	134	-	35
Doubtful receivables from agents	37,387	36,690	35,801	35,331
Other receivables	12,665	27,759	13,445	11,550
Sub total short term trade receivables	**201,711**	**178,441**	**108,836**	**81,112**
Less provisions for bad and doubtful debts and for accounts under arrangement	(40,554)	(38,255)	(37,931)	(35,707)
Total short term trade receivables	**161,158**	**140,186**	**70,905**	**45,405**
Long term receivables from agents	1,467	2	-	2
Total long term trade receivables	**1,467**	**2**	**-**	**2**
Total trade receivables	**162,624**	**140,188**	**70,905**	**45,407**

As far as the provisions for bad and doubtful debts are concerned, it is noted that vast majority of the provisions were created before 2014 and only € 5,175 for the Group and € 2,552 for the Company were created over the last 6 years.

Information about the impairment of trade receivables and the group's exposure to credit risk can be found in Note 44.

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

18. Other current assets

The analysis of other current assets is as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Housing loans to personnel	44	49	44	49
Other receivable - revenue receivable	7,311	8,182	10,875	7,285
Prepaid expenses	13,105	11,846	11,934	12,100
Intercompany transaction of winners profits with OPAP CYPRUS LTD	-	-	1,424	-
Receivables from taxes	19,777	23,239	6,193	2,879
Loans to third parties	19,967	3,563	2,790	100
Total	**60,204**	**46,879**	**33,259**	**22,413**

Other receivable – revenue receivable of the Group as of 31.12.2019 include mainly receivable from leases of OPAP S.A. of € 1,956 (2018: € 3,662) as well as income provisions of € 2,973 (2018: € 767). At Company level, other receivable – revenue receivable includes also dividend receivable from OPAP CYPRUS LTD of € 6,000.

Within 2019, the Group and the Company recognized an impairment of € 2,245 on the leases receivable. Management's estimations showed that the total gross receivable of € 4,201 is not fully recoverable and, in accordance with IFRS 9 requirements, an impairment of € 2,245 was recognized and is included in the 2019 consolidated and separate Income Statement, line "Net impairment losses on financial assets".

Prepaid expenses mainly include the current portion of prepayment to VLTs vendor of amount € 3,439 (2018: € 2,914) (refer to Note 13), prepaid services for use and maintenance of software of € 2,691 (2018: € 2,551), prepaid sponsorships of € 1,040 (2018: € 1,542) and prepaid promotional activities of € 1,777 (2018: € 309).

Receivables from taxes include the HELLENIC LOTTERIES S.A. 30% prepaid contribution on gross gaming revenue (GGR) which relates to subsequent periods of € 13,584 (2018: € 16,051), withholding taxes on OPAP S.A. dividends of € 2,607 (2018: € 2,879) and a tax receivable of € 3,585 due to the change of income tax prepayment percentage from 100% to 95%. Within 2019, the Group recognised an impairment of € 2,467 relating to the HELLENIC LOTTERIES S.A. 30% prepaid contribution on GGR, which the Income Statement is classified under "Net impairment losses on financial assets". The Management estimations relating to the performance of HELLENIC LOTTERIES S.A. up to end of the Concession Agreement (April 2026) were not as optimistic as during the previous years so, there were indications that the GGR contribution prepayment asset may not be fully recovered.

Loans to third parties refer to loans the Company and the subsidiary OPAP INVESTMENT LTD have granted of amount € 2,540 and € 17,428 (2018: € 0, € 3,458 and OPAP SERVICES S.A. € 105), respectively. Within 2019, the Group recognized an allowance for expected credit losses for the next 12 months for the above loans of € 19. Moreover, within 2019, the Group granted new loans to third parties of € 2,191, while received as repayments (principal plus interest) the amount of € 3,956.

At Company level, loans to third parties also include loans of € 250 granted to HORSE RACES S.A..

19. Share capital and Share Premium

The total number of the authorized ordinary shares is:

	GROUP & COMPANY	
	31.12.2019	31.12.2018
Ordinary shares of € 0.30 each	321,623,443	319,000,000
	321,623,443	**319,000,000**

The shares issued and fully paid are as follows:

	Number of shares	Share capital	Share premium
Balance at 31 December 2018	**319,000,000**	**95,700**	**-**
Dividend reinvestment plan	2,623,443	787	24,294
Balance at 31 December 2019	**321,623,443**	**96,487**	**24,294**

The Board of Directors, at its meeting dated 12.07.2019, decided to issue 2,623,443 new common, registered, voting shares, of nominal value of € 0.30 each, which resulted from the partial subscription of the share capital increase from the dividend reinvestment program of a five-year duration (2019 – 2023) of the remaining dividend of the financial year 2018. As a result thereof, the share capital of the Company was increased by € 787 and now amounts to € 96,487, divided to 321,623,443 common, registered, voting shares, of nominal value of € 0.30 each. As the issue price of the Company's new shares amounted to € 9.56 (in absolute amount), the total above par value of the new shares, amounting to € 24,294, was transferred to the account Share premium.

20. Reserves

Reserves are analyzed as follows:

GROUP	Statutory reserves	Cash flow hedge reserve	Total
31.12.2017	**33,034**	**(152)**	**32,882**
Statutory reserve	122	-	**122**
Loss from valuation of hedging derivatives	-	(1,057)	**(1,057)**
Deferred tax	-	264	**264**
31.12.2018	**33,156**	**(945)**	**32,212**
Statutory reserve	262	-	**262**
Loss from valuation of hedging derivatives	-	(1,253)	**(1,253)**
Deferred tax	-	301	**301**
31.12.2019	**33,419**	**(1,897)**	**31,522**
COMPANY	**Statutory reserves**	**Cash flow hedge reserve**	**Total**
31.12.2017	**31,900**	**(152)**	**31,748**
Loss from valuation of hedging derivatives	-	(1,057)	**(1,057)**
Deferred tax	-	264	**264**
31.12.2018	**31,900**	**(945)**	**30,955**
Statutory reserve	262	-	**262**
Loss from valuation of hedging derivatives	-	(1,253)	**(1,253)**
Deferred tax	-	301	**301**
31.12.2019	**32,162**	**(1,897)**	**30,266**

Statutory reserves reflect an amount equal to, at least, 5% of the annual net profit added each year. Its formation obligation ceases when it reaches at minimum the 1/3 of the share capital and finally, this amount is not available for distribution.

The increase in statutory reserves is attributed to the formation of statutory reserve from the Company of € 262.

21. Treasury shares

Initially, the Annual Ordinary General Assembly of the Company's Shareholders that was held on 20.04.2015 and additionally, 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%**
Balance at 31 December 2019	**1,829,624**	**14,497**	**0.6%**

22. Non-controlling interests

The Group's non-controlling interests amount to € 18,104 as of 31 December 2019 (2018: € 36,782), arising from HELLENIC LOTTERIES S.A. and NEUROSOFT S.A.. They represent the 16.5% of HELLENIC LOTTERIES S.A. equity, which is owned by SCIENTIFIC GAMES GLOBAL GAMING S.R.L. and 32.28% of NEUROSOFT S.A..

The summarised financial information basic financial data of both of these companies are presented below. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarized statement of financial position as at December 31, 2019	HELLENIC LOTTERIES S.A.	NEUROSOFT S.A.	Total
NCI percentage	**16.5%**	**32.28%**	
Non-current assets	121,604	10,342	
Current assets	132,106	7,589	
Non-current liabilities	(49,804)	(3,994)	
Current liabilities	(112,938)	(4,351)	
Net assets	**90,968**	**9,586**	
Net assets attributable to NCI	**15,010**	**3,094**	**18,104**

Summarized statement of profit or loss and other comprehensive income for the year ended December 31, 2019	HELLENIC LOTTERIES S.A.	NEUROSOFT S.A.	Total
Revenue (GGR)	147,478	-	
Other operating income	2,044	15,048	
Profit after tax	1,722	(2,899)	
Other comprehensive income, net of tax	1	9	
Total comprehensive income	**1,724**	**(2,890)**	
Profit after tax attributable to NCI	**653**	**(936)**	**(283)**
Dividends paid to NCI	**3,304**	**-**	**3,304**

Summarized cash flow information for the year ended December 31, 2019	HELLENIC LOTTERIES S.A.	NEUROSOFT S.A.
Net cash from/(used in) operating activities	11,687	(170)
Cash flows used in investing activities	(4,999)	(762)
Cash flows from/(used in) financing activities	(10,089)	8
Net decrease in cash and cash equivalents	**(3,401)**	**(924)**

Summarized statement of financial position as at December 31, 2018	HELLENIC LOTTERIES S.A.	NEUROSOFT S.A.	Total
NCI percentage	**33.0%**	**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	-	
Other operating income	2,246	14,052	
Profit after tax	6,315	(295)	
Other comprehensive income, net of tax	8	3	
Total comprehensive income	**6,322**	**(292)**	
Total comprehensive income attributable to NCI	**2,084**	**(95)**	**1,988**
Dividends paid to NCI	**3,632**	**-**	**3,632**

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**

On 17.09.2019, the Group, through its subsidiary OPAP INVESTMENT LTD, acquired an additional percentage of 16.5% of the issued shares of HELLENIC LOTTERIES S.A. for € 20,000. Immediately prior to the purchase the carrying amount of the existing 33% non-controlling interest in HELLENIC LOTTERIES S.A. was € 30,188. The Group recognized a decrease in non-controlling interests of € 15,094 and a decrease in equity attributable to owners of the Company of € 4,906.

The effect on the equity attributable to owners of the Company during the year is summarized as follows:

Transactions with non-controlling interests	31.12.2019
Carrying amount of NCI acquired (€ 91,478 * 16.5%)	15,094
Consideration paid to NCI	(20,000)
Decrease in equity attributable to owners of the Company	**(4,906)**

There were no transactions with non-controlling interests in 2018.

23. Loans

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

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Total long-term loans (1 – 5 years)	**1,045,580**	**650,260**	**995,301**	**601,351**
Short-term loans				
Current portion of long term loans	5,000	-	20,000	20,000
Short-term loans (overdraft accounts)	1,784	191	4	11
Total short-term loans	**6,784**	**191**	**20,004**	**20,011**
Total loans	**1,052,364**	**650,450**	**1,015,305**	**621,361**

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

GROUP	Year of maturity	31.12.2018				31.12.2019	
		Book value	New Loans	Repayments	Amortization of expenses	Outstanding nominal value	Book value
Loan, amount € 916	2025	664	-	(92)	-	573	573
Bond Loan, amount €250,000	2023	248,804	-	-	265	250,000	249,070
Bond Loan, amount €200,000	2022	197,510	-	-	698	200,000	198,208
Bond Loan, amount €300,000	2024	-	300,000	-	(1,431)	300,000	298,569
Bond Loan, amount €50,000	2023	49,286	-	-	421	50,000	49,707
Bond Loan, amount €5,000	2020	5,000	-	-	-	5,000	5,000
Bond Loan, amount €50,000	2023	49,482	-	(50,000)	518	-	-
Bond Loan, amount €100,000	2023	99,513	-	-	250	100,000	99,763
Bond Loan, amount €50,000	2022	-	50,000	-	(141)	50,000	49,859
Bond Loan, amount €100,000	2024	-	100,000	-	(168)	100,000	99,832
Overdraft, amount € 500		180	100	-	-	280	280
Overdraft, amount € 3,000		-	1,500	-	-	1,500	1,500
Overdraft, amount € 15,000		11	-	(6)	-	4	4
Total		**650,450**	**451,600**	**(50,098)**	**412**	**1,057,357**	**1,052,364**

COMPANY	Year of maturity	31.12.2018				31.12.2019	
		Book value	New Loans	Repayments	Amortization of expenses	Outstanding nominal value	Book value
Bond Loan, amount €250,000	2023	248,804	-	-	265	250,000	249,070
Bond Loan, amount €200,000	2022	197,510	-	-	698	200,000	198,208
Bond Loan, amount €300,000	2024	-	300,000	-	(1,431)	300,000	298,569
Loan, amount €6,041	2021	6,041	-	(6,041)	-	-	-
Bond Loan, amount €50,000	2023	49,482	-	(50,000)	518	-	-
Bond Loan, amount €100,000	2023	99,513	-	-	250	100,000	99,763
Loan, amount €20,000	2020	20,000	-	-	-	20,000	20,000
Bond Loan, amount €50,000	2022	-	50,000	-	(141)	50,000	49,859
Bond Loan, amount €100,000	2024	-	100,000	-	(168)	100,000	99,832
Overdraft, amount € 15,000		11	-	(6)	-	4	4
Total		**621,361**	**450,000**	**(56,048)**	**(9)**	**1,020,004**	**1,015,305**

The average interest rate of both the Group and the Company is 3.0% (2018: 3.4%).

The Company, on 22.01.2019 repaid earlier and without extra cost, the long term loan of € 6,041 to its subsidiary OPAP INVESTMENT LTD.

Later, on 04.10.2019, the Company also repaid earlier and without extra cost, the bond loan from Alpha bank of € 50,000. At the same time, it issued two new bond loans, one of € 100,000 from Alpha bank, with first maturity date on 04.10.2021 and option to be extended until 04.10.2024, and another one of € 50,000 from Piraeus bank, with maturity date on 03.10.2022. Management has the intention to repay the loan from Alpha Bank on the final maturity date (04.10.2024).

Subsequently, on 20.12.2019, the Company issued another bond loan of € 300,000 from EFG Eurobank with maturity date on 20.12.2024.

Finally, it should be mentioned that the Company has a bond loan from NBG of € 100,000 with maturity date on 27.11.2020 and the option to extend it for 36 months i.e 27.11.2023. The Management has the intention to exercise the aforementioned option. Similarly, HELLENIC LOTTERIES S.A. has a bond loan from Alpha Bank of € 50,000 with maturity date on 01.09.2020 and an option of further extension until 01.09.2023, which is expected to be exercised.

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

The Group and the Company have complied with the financial covenants of their borrowing facilities during the 2019 and 2018 reporting period.

24. Employee benefit plans

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Long Term Incentive Scheme	3,578	2,305	3,578	2,305
Defined Benefit Plan	2,989	2,502	2,570	2,104
Total employee benefit plans	**6,567**	**4,807**	**6,148**	**4,409**

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 31.12.2019 the liability related to the above scheme amounts to € 3,578 (2018: € 2,305) for both the Company and the Group. The service cost and the relevant interest amounts to € 1,193 (2018: € 1,152) and € 81 (2018: 39) respectively and are included at lines "Payroll expenses", "Finance costs" of Income Statement.

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 2019.

The analysis of the defined benefit plan in Consolidated Statement of Financial Position is as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Opening balance	**2,502**	**1,970**	**2,104**	**1,622**
Current service cost	456	420	401	348
Interest cost	35	28	30	23
Settlement cost (result)	4,229	710	3,646	684
Total cost recognized in Statement of Comprehensive Income	**4,720**	**1,158**	**4,077**	**1,055**
Actuarial loss arising from financial assumptions	157	-	135	-
Actuarial loss arising from experience adjustment	64	101	83	127
Total actuarial loss recognized in Equity	**221**	**101**	**218**	**127**
Liability from the merger with OPAP SERVICES S.A.	-	-	10	-
Payments	(4,455)	(727)	(3,840)	(700)
Closing balance	**2,989**	**2,502**	**2,570**	**2,104**

The principal actuarial assumptions used in the actuarial valuations as at 31.12.2019 and 31.12.2018 are the following:

	2019	2018
Discount rate	1.15%	1.40%
Expected salary increase percentage	2.00%	2.00%
Average service in the company	22.16-29.07	7.33 - 29.81
Inflation rate	1.50%	2.00%

The estimated service cost for the next fiscal year amounts to € 398 for the Company and € 488 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%	2,684	-10%
Decrease in discount rate by 0.5%	3,333	12%
Increase of the expected wages' increase by 0.5%	3,280	10%
Decrease of the expected wages' increase by 0.5%	2,717	-9%

Sensitivity analysis (COMPANY)	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	2,309	-10%
Decrease in discount rate by 0.5%	2,866	12%
Increase of the expected wages' increase by 0.5%	2,819	10%
Decrease of the expected wages' increase by 0.5%	2,339	-9%

25. Provisions

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

	GROUP	COMPANY
Balance as of 31.12.2017	**29,929**	**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	**27,015**	**26,893**
Provisions of the period	2,454	2,451
Provision reversal	(18,533)	(18,533)
Used provision	(2,418)	(2,379)
Acquisition through merger with OPAP SERVICES S.A.	-	83
Balance as of 31.12.2019	**8,517**	**8,515**

The amount of € 8,517 relates mainly to provisions recorded for probable losses from lawsuits by third parties, agents and employees against the Company.

The Legal Councel estimations concerning legal claims against the Company and the Group for which a negative outcome is likely, resulted in a provision, including interest, for the Company of € 8,079 and for the Group of € 8,081. The total amount of these claims for the Company amounts to € 12,452 and for the Group to € 12,551.

The total cumulative provision as of 31.12.2019 is analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Labor disputes	2,145	5,481	2,145	5,393
Lawsuits from individuals or legal entities	5,937	21,064	5,934	21,064
Total provision	**8,081**	**26,544**	**8,079**	**26,457**

Furthermore, according to the Legal Counsel third party lawsuits against the Group and the Company have been filed of a total claim of € 366,696 and € 365,778, respectively (2018: € 138,459 and € 137,798). However, no provision has been recorded as the outcome expected is positive for the Group.

As far as the provision reversal of € 18,533 is concerned, the following should be noted:

a. For cases of financial object of € 16,270, said reversal occurred after the change of the Legal Department's estimations regarding their outcome, based on the issuance of respective Court decisions, and
b. For cases of financial object of € 2,262, said reversal occurred after the termination of cases due to an out-of-court settlement agreed between the Company and the plaintiffs.

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.

26. Other non-current liabilities

Other non-current liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Derivative (interest rate swap)	2,524	1,271	2,524	1,271
Grants	837	965	-	-
Total	**3,361**	**2,236**	**2,524**	**1,271**

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 31.12.2019.

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 was agreed up to May 2019, when the new law came into force, that the lessee (HORSE RACES

S.A.) has the right to perform certain capital expenditures in order the leased property to be improved, under certain conditions. According to the requirements of the aforementioned new law, HORSE RACES S.A. has since August 2019 and up to 07.01.2022, the right to make capital expenditures of up to 60% of its basic rental. These expenditures will be paid by the lessee and will be offset against the lease payable.

27. Trade payables

The analysis of trade payables is as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Suppliers (services, assets, etc.)	48,060	55,018	37,430	32,950
Payout to the winners and unclaimed winnings	121,189	110,283	31,152	29,567
Other payables (salaries – subsidies)	4,771	2,565	3,550	732
Contracts' liabilities	10,033	9,593	4,735	1,919
Total	**184,054**	**177,459**	**76,867**	**65,168**

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

Payout to the winners and unclaimed winnings of the Group and the Company include liability due to jackpot of € 7,690 (2018: € 630).

Contracts’ liabilities refer to deferred revenues of OPAP S.A., HELLENIC LOTTERIES S.A., OPAP CYPRUS LTD and NEUROSOFT S.A. (refer to Note 3.4).

28. Other current liabilities

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Donations	1,022	2,052	1,022	2,052
Sponsorships	9,465	8,678	672	710
Guarantee deposits from agents	10,054	9,785	7,994	8,029
Wages and salaries	8,215	8,593	7,781	8,108
Dividends and interim dividends payable	2,055	1,999	2,055	1,999
Insurance contributions payable	3,069	2,950	2,459	2,366
Other liabilities	19,330	20,742	23,080	11,945
Other taxes	69,891	68,796	51,634	54,061
Total	**123,101**	**123,597**	**96,697**	**89,270**

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)
- the amount paid in order the credit limit to be raised.

Other taxes mainly include contribution on the net revenues and various other taxes (withholding, VAT, etc).

The amount of contribution on net revenues for the year ended on 31.12.2019 for the Group and the Company amounts € 533,718 and € 464,716 (2018: € 507,080 and € 442,800) respectively, while the outstanding liability as at 31.12.2019 amounts to € 60,632 and € 45,502 (2018: € 56,750 and € 44,734), respectively.

At Group level, other liabilities include among others, accrued expenses liability of € 9,216 (2018: € 8,382), accrued bond loan interest expense of € 3,996 (2018: € 2,713), liability to the Greek State relating to the New Year's Eve lottery conducted by HELLENIC LOTTERIES S.A. of € 3,179 (2018: € 3,397) and liabilities to winners arising from special draws of € 905 (2018: € 1,052). At Company level, other liabilities include among others, accrued expenses liability of € 6,547 (2018: € 5,224), accrued bond loan interest expense of € 3,983 (2018: € 2,916), liabilities to winners arising from special draws of € 905 (2018: € 1,052) and liability to OPAP INVESTMENT LTD of € 10,411 for the acquisition of the shares of HORSE RACES S.A..

29. Dividends

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

The total amount approved for distribution amounted to € 190,302, out of which shareholders who were eligible to receive € 25,081 exercised their option and participated to the reinvestment program of the remaining dividend of the financial year 2018. From the remaining amount for distribution (€ 165,221), an amount of € 164,891 has already been paid through cash. Moreover, within 2019, an amount of € 246 has been paid to shareholders through cash for dividends of previous years.

30. 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, excluding VLTs for which according to the respective concession agreement a 30% GGR contribution is imposed .

Also according to the relevant concession agreements of the subsidiaries HELLENIC LOTTERIES S.A. and HORSE RACES S.A., a 30% contribution on GGR is imposed.

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 2019 for the Group amounted to € 533,718 (€ 2018: € 507,080) and for the Company amounted to € 464,716 (2018: € 442,800).

31. Agents' commission

For the Company, agents' commissions from April 2017 when the new contract with the agents came into force, are calculated as percentage on Net Gaming Revenue (NGR) rather than as percentage on Amounts Wagered that was applying until then.

For the rest companies of the Group, the latter 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.).

32. Other NGR related commission

This kind of commission refers to the entities of the Group which operate in gaming sector and their level is connected with the level of the gaming activity as they are calculated as a percentage on wagers or on net gaming revenue (NGR).

The variation compared to the previous year is mainly attributed to the increased number of active VLT machines, as within 2019 the goal of 25,000 active machines was met.

33. Other operating income

The analysis of other operating income is as follows:

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Commission on New Year's Eve Lottery	1,983	2,171	-	-
Revenues from prepaid cards, mobile top-ups and bill payments	93,943	89,051	-	-
Income from IT services	7,513	6,822	-	-
Management fees	-	-	31,482	31,091
Other income	45,922	30,744	33,273	10,677
Total	**149,361**	**128,788**	**64,754**	**41,768**

The Commission on New Year's Eve Lottery refers to the commission that HELLENIC LOTTERIES S.A. is entitled to receive regarding the operation and conduction of the relevant draw at the last day of each year and equals to 17% on the amounts wagered.

Revenues from prepaid cards, mobile top-ups and bill payments include the revenues from TORA DIRECT S.A. and TORA WALLET S.A.. Specifically, from the total amount of € 93,943 (2018: € 89,051), the amount of € 87,960 (2018: € 84,856) refers to revenues where the aforementioned subsidiaries act as principals, the amount of € 3,895 (2018: € 3,747) refers to commissions where they act as agents and finally, the amount of € 2,088 (2018: € 448) refers to commission from bill payments services.

Income from IT services relates to the NEUROSOFT S.A. income for the provision of IT services and consulting and the sale of software and other technological products.

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 the net effect of litigation provision amounting to € 16,082 (2018: € 1,789) and the income from operating leases of € 4,366 (2018: € 3,490). Additionally, In the current year, due to the merger of OPAP SERVICES S.A. by the Company (refer to Note 11), another source of income was added to OPAP S.A., namely income from the OPAP stores construction and Gaming Halls sales of amount € 7,887. At Group level, the respective amount for the full year is of € 12,242 (2018: € 13,550). OPAP SERVICES S.A. also offered other supporting services to OPAP's network of € 2,359 (2018: € 2,542).

34. Other operating cost

The other operating cost of the Group includes the consumption of TORA DIRECT S.A. phone cards amounting to € 85,090 (2018: € 81,923), the cost of the sold Gaming Halls of OPAP SERVICES S.A. of € 10,967 (2018: € 9,087) as well as the consumption of NEUROSOFT S.A. goods of € 2,379 (2018: € 930) for the production and development of software and IT systems.

35. Payroll expenses

The analysis of payroll expenses of the Company and the Group is as follows:

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Wages and salaries	60,603	59,983	49,833	49,921
Social security costs	13,390	12,328	10,783	10,135
Other staff costs	1,480	1,459	1,163	1,229
Employee benefit plans	1,649	1,573	1,594	1,501
Termination compensations	5,184	710	4,601	684
Total	**82,306**	**76,052**	**67,974**	**63,471**

The number of employees of the Company as at 31.12.2019 and 31.12.2018 is 1,158 and 1,108 respectively, while the employees of the Group at the same dates are 1,557 and 1,493 respectively.

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

36. Marketing expenses

Marketing expenses are as follows:

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
CSR and sponsorships	19,255	22,385	14,199	15,760
Advertising	41,684	41,609	32,151	30,747
Total	**60,939**	**63,994**	**46,350**	**46,507**

The Company's CSR expense for the year 2019 amounts to € 4,128 (2018: € 4,177) and the sponsorships expense to € 10,071 (2018: € 11,583). At Group level, the relevant expenses are € 4,155 and € 15,100 respectively (2018: € 4,385, € 18,000). Overall, the marketing expenses both at Group and at Company level remain at the same levels in comparison to prior year as a result of the Management's decision to keep this kind of expenditure stable.

37. Other operating expenses

The analysis of other operating expenses is as follows:

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
IT related costs	20,919	38,309	26,009	42,332
Utilities & Telecommunication costs	14,398	14,749	11,027	11,517
Rentals	2,142	10,628	922	6,423
Other	75,573	69,214	53,622	70,097
Inventory consumption	5,509	5,464	5,191	5,089
Total	**118,541**	**138,364**	**96,770**	**135,458**

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

The fluctuation observed in rentals is due to the first application of IFRS 16 "Leases". As a result of the relevant IFRS relating to the leases that were previously classified as operating leases, the Group and the Company has now recognized right-of-use assets. Thus, rentals got decreased at Group level by € 9,144 and at Company level by € 5,945. The remaining expense regarding rentals refers to short term leases (Group € 459, Company €176), low-value assets leases (Group € 715) and expenses for other variable lease payments (Group € 968, Company € 746).

Other expenses include professional fees, third party fees, taxes (other than Income tax), consumables, provisions, extraordinary and prior year expenses. At Company level, they are presented significantly decreased due to the fact that in prior year, the Company recorded an impairment to its investment in OPAP INVESTMENT LTD of € 27,202. In the current year an additional impairment of € 8,336 was recognized relating to the Company's investment in HORSE RACES S.A.. At Group level, the other expenses are presented increased versus last year mainly as a result of variations of different magnitudes in the aforementioned sub-categories. Finally, the one off events that affected the current year's relevant expense is the provision for obsolete inventory relating to Gaming Halls of € 1,160 and trade receivables write off of €1,136.

38. Finance income / (costs)

The analysis of finance income and cost is as follows:

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Interest expense from lease	(2,347)	-	(1,073)	-
Interest and expenses of bond loans	(24,355)	(23,868)	(22,889)	(22,124)
Other financial expenses	(3,373)	(2,436)	(1,703)	(1,525)
Capital cost of employee benefit plans	(116)	(64)	(111)	(62)
Finance costs	**(30,190)**	**(26,368)**	**(25,776)**	**(23,711)**
Bank deposits	1,380	1,142	972	573
Interest income from loans to third parties	1,588	925	277	266
Other financial income	139	820	27	251
Finance income	**3,108**	**2,887**	**1,276**	**1,091**
Net finance costs	**(27,083)**	**(23,481)**	**(24,500)**	**(22,621)**

The financial expenses of the Group and the Company have been affected by the first application of IFRS 16 "Leases". Specifically, the Group recognized € 2,347 interest costs and the Company € 1,073.

In prior year, the other financial income was inflated due to the impact of the new standard IFRS 9 "Financial Instruments" regarding the modification of OPAP S.A. and HELLENIC LOTTERIES S.A. bond loans. Under the new IFRS requirements, a gain was recognised at the restructuring date of € 228 and € 525 respectively.

39. Dividend income

The Company, in 2019, presents dividend income from subsidiaries amounting to € 7,500 (2018: € 4,836). Specifically, the dividend from OPAP CYPRUS LTD is of € 6,000 (2018: € 4,000) and from OPAP SPORTS LTD € 1,500 (2018: € 836).

40. Income tax expense

The income tax charged to the Statement of profit or loss and other comprehensive income for the years ended 31 December 2019 and 2018 is analysed as follows:

Amounts recognised in income statement

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Current tax	(61,199)	(68,713)	(52,651)	(61,074)
Deferred tax	(4,199)	(3,491)	(10,219)	(6,253)
Deferred tax effect from tax rate change	(1,685)	1,605	167	2,508
Income tax expense	**(67,083)**	**(70,599)**	**(62,702)**	**(64,818)**
Effective tax rate	**24.9%**	**32.7%**	**23.4%**	**32.4%**

The deferred tax expense was adversely affected by € 1,699 for the Group and positively by € 153 for the Company due to the reduction of the corporate income tax rate in Greece. More specifically, the Law 4649/2019 (Government's Gazette A' 201/12.12.2019) amends the Income Tax Code (Law 4172/2013) regarding the corporate income tax, and sets the Corporate Income tax rate at 24%. In the prior year, the law that was then in force (L.4579/2018 (Government's Gazette A' 201/03.12.2018), defined 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 and deferred tax expense was calculated using 24% rate, while in prior year, the income tax expense was calculated using 29% rate whereas, the deferred tax was calculated using rates from 25% to 28%.

Amounts recognised in profit or loss and other comprehensive income

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Deferred tax	367	336	367	344
Deferred tax effect from tax rate change	(13)	(47)	(14)	(47)
Total	**354**	**289**	**353**	**296**

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.

Finally, it should be noted that the Company recognised income tax relief of € 5,824 for the cumulative tax losses of OPAP SERVICES S.A. of € 24,266, since on December 2019 they got merged (refer to Note 11) and its tax losses were utilised.

The Group does not recognize deferred tax asset for the tax 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 2019, the losses for which no deferred tax asset was recognized amounted to € 11,769 (2018: € 12,011). The Group cumulative tax losses for which also no deferred tax asset was recognized, amounted to € 48,502 (2018: € 57,907).

A reconciliation between the income tax expense and the accounting profit before tax multiplied by tax rates in force in Greece (24%) is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Profit before tax	**269,181**	**215,900**	**268,315**	**200,008**
Tax calculated at the Company's statutory tax rate (24%)	(64,604)	(62,611)	(64,396)	(58,002)
Tax adjustments in respect of:				
Impairment loss in investments non-deductible	-	-	(2,001)	(7,889)
Impairment loss in goodwill non-deductible	(960)	(5,075)	-	-
Tax effect of non-deductible expenses	(3,911)	(3,871)	(2,490)	(2,092)
Tax effect of non-taxable and specially taxed income	4,717	2,937	1,800	1,453
Effect of accumul. tax loss claimed in the current period	5,873	-	5,824	-
Effect of unrecognized deferred tax asset on tax carry forward losses	(3,638)	(3,483)	-	-
Effect of different tax rates in other countries	2,349	841	-	-
Other taxes	11	(103)	84	(83)
Changes in estimates related to prior years	(245)	-	(245)	-
Effect from tax rate change	(1,685)	1,605	167	2,508
Other items for which no deferred tax asset is recognized	(4,990)	(838)	(1,446)	(715)
Income tax expense	**(67,083)**	**(70,599)**	**(62,702)**	**(64,818)**

41. Earnings per share

The basic and diluted earnings per share are calculated as follows:

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Net profit attributable to the shareholders of the Company (in €)	202,381,138	143,312,296	205,612,372	135,189,853
Weighted average number of ordinary shares	318,413,816	317,677,214	318,413,816	317,677,214
Basic and diluted earnings per share (in €)	**0.6356**	**0.4511**	**0.6457**	**0.4256**

Basic and diluted earnings per share are the same, as the Company has no dilutive potential categories.

The weighted average number of shares on 31.12.2019 is calculated as follows:

	2019	2018
Issued ordinary shares at 1 January	319,000,000	319,000,000
Effect of treasury shares held	(1,829,624)	(1,322,786)
Effect of new shares issuance	1,243,440	-
Weighted-average number of ordinary shares at December 31	**318,413,816**	**317,677,214**

42. Related party disclosures

The Group's Financial Statements for the year 2019 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 2019 and 2018 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:

COMPANY	Income		Expenses - Assets' Purchases	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
OPAP SERVICES S.A.	67	112	5,053	5,174
OPAP SPORTS LTD	1,500	836	-	-
OPAP CYPRUS LTD	31,138	28,487	700	157
OPAP INVESTMENT LTD	-	-	16	208
HELLENIC LOTTERIES S.A.	6,126	6,238	-	-
HORSE RACES S.A.	356	481	4	3
TORA DIRECT S.A.	330	233	307	297
TORA WALLET S.A.	299	76	231	66
NEUROSOFT S.A.	-	-	8,525	8,733
Total	**39,816**	**36,463**	**14,837**	**14,639**

GROUP	Expenses - Assets' Purchases	
	01.01-31.12.2019	01.01-31.12.2018
Associates	2,532	3,620
Total	**2,532**	**3,620**

COMPANY	Receivables		Payables	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
OPAP SERVICES S.A.	-	14,677	-	408
OPAP CYPRUS LTD	15,318	7,107	20,163	20,549
OPAP INVESTMENT LTD	-	-	10,411	6,249
HELLENIC LOTTERIES S.A.	2,985	3,487	27	11
HORSE RACES S.A.	1,200	688	10	-
TORA DIRECT S.A.	3,705	3,542	131	87
TORA WALLET S.A.	1,384	65	113	79
NEUROSOFT S.A.	-	-	1,361	1,653
Total	**24,592**	**29,567**	**32,217**	**29,036**

GROUP	Payables	
	31.12.2019	31.12.2018
Associates	374	380
Total	**374**	**380**

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.

In the table above, intercompany loans between the Company and its subsidiaries are also included. As at 31.12.2019, the Company has an intercompany loan payable to OPAP CYPRUS LTD of € 20,000 and two intercompany loans receivables, one to TORA DIRECT S.A of € 3,500 (2018: € 3,500) and another to HORSE RACES S.A. of € 510 (2018: € 150). It should be noted that in the comparatives is also included an intercompany loan payable between the Company and OPAP INVESTMENT LTD of € 6,041.

MANAGEMENT PERSONNEL	GROUP		COMPANY	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Salaries	3,570	4,222	3,570	4,222
Other compensations	53	135	53	135
Cost of social insurance	191	239	191	239
Total	**3,813**	**4,596**	**3,813**	**4,596**

BOARD OF DIRECTORS	GROUP		COMPANY	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Salaries	881	893	371	371
Cost of social insurance	101	107	65	66
Total	**982**	**1,000**	**436**	**436**

All the above intercompany transactions have been dealt at arm's length.

It should be noted that Group key management personnel is comprised only by the Company's executives.

	GROUP		COMPANY	
Liabilities from BoD compensation & remuneration	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
BoD and key management personnel	268	278	176	186
Total	**268**	**278**	**176**	**186**

All the inter-company transactions and balances of the above have been eliminated in the consolidated Financial Statements of the Group.

43. Other disclosures

Contingent liabilities

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.	2011-2019
OPAP SERVICES S.A.	2011-2019
HELLENIC LOTTERIES S.A.	2014-2019
TORA DIRECT S.A.	2011-2019
TORA WALLET S.A.	2017-2019
NEUROSOFT S.A.	2011-2019
HORSE RACES S.A.	2016-2019

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 years 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.

Additionally, the fiscal years 2015 and 2016 for the subsidiaries HORSE RACES S.A and TORA WALLET S.A. respectively, are considered tax unaudited as the audit has not yet been finalized by the tax authorities.

As far as the tax audit of the current year is concerned, it should be noted that it is currently in progress and it will not have been finalized prior to the publication of the annual Financial Statements. However, no material additional tax liabilities are expected.

Group companies' outside Greece have not been tax audited for the below years:

Company's Name	Fiscal Years
OPAP CYPRUS LTD	2013 – 2019
OPAP SPORTS LTD	2018 – 2019
OPAP INTERNATIONAL LTD	2004 – 2005 & 2011 – 2019
OPAP INVESTMENT LTD	2012 – 2019

A provision of € 1,258 has been recognized by OPAP SERVICES S.A. regarding the unaudited tax years by tax authorities. After its merge the aforementioned provision is now booked in OPAP S.A.

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. Both amounts have already been paid to the respective authorities. As far as the OPAP SERVICES S.A. case is concerned, it should be noted that the outcome will affect OPAP S.A. given their merge that was completed on December 2019.

Off balance sheet assets and liabilities

The guarantees that the Group and the Company have received as well as granted in order to secure their assets/liabilities are stated below:

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Receivables securing	27,956	27,577	6,198	2,020
Guarantees received	**27,956**	**27,577**	**6,198**	**2,020**
Guarantees to HRADF	53,500	52,000	-	-
Other guarantees	54,316	3,366	50,718	168
Guarantees granted	**107,816**	**55,366**	**50,718**	**168**

It is noted that out of the total of the above guarantees to HRADF, € 50,000 (2018: € 50,000) are related to HELLENIC LOTTERIES S.A. and € 3,500 (2018: € 2,000) to HORSE RACES S.A. and refer to the obligations arising from the respective concession agreements.

Other than that, the subsidiary HELLENIC LOTTERIES S.A. is committed to pay on an annual basis 30% of the gross gaming revenue 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 € 50,000 for the following years of its operation. In addition, the subsidiary HORSE RACES S.A. is committed to allocate 1.5% of the gross gaming revenue to the Jockey Club for its operational costs with a minimum annual allocation of € 500 up to a limit of € 200,000 of total amounts wagered and 0.5% over this limit for the following years of its operation.

44. Financial instruments and financial risk factors

Fair value and fair value hierarchy

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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Financial assets				
Loans to third parties	23,126	23,457	23,126	23,457
Trade receivables	162,624	140,188	162,624	140,188
Cash and cash equivalents	633,815	181,996	633,815	181,996
Housing loans to personnel	189	219	189	219
Guarantee deposits	1,387	1,303	1,387	1,303
Lease receivable	1,956	3,662	1,956	3,662
Investments	9,915	9,458	9,915	9,458
Financial liabilities				
Long term loans	1,045,580	650,260	1,046,580	653,560
Short term loans	6,784	191	6,784	191
Trade payables (excluding contracts' liabilities)	174,021	167,866	174,021	167,866
Liabilities arising from derivatives (swap)	2,524	1,271	2,524	1,271
Lease liabilities	64,779	-	64,779	-
Other financial liabilities	39,871	41,258	39,871	41,258

COMPANY	Carrying value		Fair value	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Financial assets				
Loans to third parties	7,736	6,309	7,736	6,309
Trade receivables	70,905	45,407	70,905	45,407
Cash and cash equivalents	450,297	101,563	450,297	101,563
Housing loans to personnel	189	219	189	219
Guarantee deposits	1,161	1,068	1,161	1,068
Lease receivable	1,956	3,662	1,956	3,662
Financial liabilities				
Long term loans	995,301	601,351	996,301	604,651
Short term loans	20,004	20,011	20,004	20,011
Trade payables (excluding contracts' liabilities)	72,132	63,249	72,132	63,249
Liabilities arising from derivatives (swap)	2,524	1,271	2,524	1,271
Lease liabilities	32,820	-	32,820	-
Other financial liabilities	32,768	22,737	32,768	22,737

The fair values of part of long-term and short-term loans are based on quoted (unadjusted) prices. The fair value of other financial assets and financial liabilities approximate their carrying amounts.

Financial risk management

Management continually assesses the possible impact of any changes in the macroeconomic and financial environment in Greece and Cyprus so as to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's operations. Based on its current assessment, it has concluded that no additional impairment provisions are required with respect to the Group's financial and non-financial assets as of 31.12.2019.

Next, we present the main risks and uncertainties which the Group is exposed.

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.

The individual risks that comprise market risk, namely interest rate and currency risk, and the Group's and the Company's policies for managing them are described below.

Interest rate risk

The Group's exposure to the risk of changes in interest rates relates primarily to the Group's long term borrowings. The Group follows all market developments concerning the interest rate environment and acts accordingly. The existing debt facilities, as of 31.12.2019, stand at € 1,052,364 and € 1,015,305 for the Group and the Company respectively, which are analysed as follows:

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Fixed interest rate	596,817	495,601	567,110	472,356
Floating interest rate	455,548	154,850	448,195	149,005
Total	**1,052,364**	**650,450**	**1,015,305**	**621,361**

Floating interest rate borrowings include loan agreements which have been hedged through interest rate swap and represent the 22% (2018: 64% and 67%) of total floating interest rate borrowings of the Group and the Company respectively. Fixed interest rate borrowings include also hedged loan agreements through interest rate swap.

A change by one basis point in interest rates as of 31.12.2019 would have a small effect on the results and the equity of the Group and the Company.

The effect of interest rate swap at the Financial Statements is as follows:

Interest rate swap	GROUP		COMPANY	
	2019	2018	2019	2018
Carrying amount (non-current liability)	2,524	1,271	2,524	1,271
Notional amount	100,000	100,000	100,000	100,000
Maturity date	2023	2020	2023	2020
Hedge ratio	1:1	1:1	1:1	1:1
Change in fair value of outstanding hedging instruments since 1 January	(1,253)	(1,057)	(1,253)	(1,057)

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).

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/LTM EBITDA ratio of 1.1x as of 31.12.2019. Net debt includes short-term borrowings plus long-term loans, as well as long-term and short-term lease liabilities (following IFRS 16 adoption from 2019 onwards), less cash and cash equivalents.

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 to achieve flexible working capital management.

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 structure for the years 2019 and 2018 is as follows:

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Long-term loans	1,045,580	650,260	995,301	601,351
Short-term loans	6,784	191	20,004	20,011
Long-term lease liabilities	57,649	-	27,663	-
Short-term lease liabilities	7,130	-	5,157	-
Total debt	**1,117,144**	**650,450**	**1,048,125**	**621,361**
Minus : Cash and cash equivalents	(633,815)	(181,996)	(450,297)	(101,563)
Minus : Short & long-term investments	(9,915)	(9,458)	-	-
Net debt	**473,414**	**458,996**	**597,828**	**519,798**
Total Equity	771,892	759,536	756,579	717,229
Profit before interest, tax, depreciation and amortization (EBITDA)	412,579	353,689	365,032	288,942
Total debt / Total Equity	**144.7%**	**85.6%**	**138.5%**	**86.6%**
Net debt / Profit before interest, tax, depreciation, amortization and impairment (EBITDA)	**1.1**	**1.3**	**1.6**	**1.8**

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. The carrying value of financial assets at each reporting date is the maximum credit risk to which the Group is exposed in respect of the relevant assets.

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, based on a credit risk model which is constantly updated, a specific classification of agents, as well as the suspension of operation in case of overdue amounts.

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. The amount of the guarantee is low for old agents but has been increased for new agents since early 2019. Additionally agents of bad credit class are required to deposit extra amount for guarantee in installments.

Impairment of financial assets

The Group and the Company have the following types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Loans to third parties

- Housing loans to personnel
- Short-term & long-term investments
- Guarantee deposits
- Other financial 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 at reputable European financial institutions.

The Group and the Company apply the IFRS 9 simplified approach to measure expected credit losses. The impairment provision is always measured at an amount equal to the expected credit loss over the lifetime of the claim. To determine expected credit losses in relation to trade receivables, the Group and the Company use a credit loss provision matrix. The credit loss provision matrix is based on the maturity of balances, on historical data of the Group and the Company regarding credit losses, adjusted for future factors in relation to debtors and the financial environment.

The remaining financial assets are considered to have low credit risk, therefore the Group applies the IFRS 9 general approach and the loss allowance was limited to 12 months expected losses.

Assets subject to credit risk as at the date of the Statement of Financial Position are analyzed as follows:

	GROUP		COMPANY	
Period that ended on December 31,	**2019**	**2018**	**2019**	**2018**
Financial Assets Categories				
Loans to third parties	23,126	23,457	7,736	6,309
Trade receivables	162,624	140,188	70,905	45,407
Cash and cash equivalents	633,815	181,996	450,297	101,563
Housing loans to personnel	189	219	189	219
Guarantee deposits	1,387	1,303	1,161	1,068
Lease receivable	1,956	3,662	1,956	3,662
Investments	9,915	9,458	-	-
Total	**833,012**	**360,283**	**532,244**	**158,228**

All the financial assets in the table above are not yet due except for bad debts. The latter, along with receivables by agents are also impaired. Both these categories are included in Trade Receivables (see Note 17) and are fully covered through provisions. In addition, part of other receivable-revenue receivable is not due but is impaired (refer to Note 18).

The loss allowances for trade receivables assets as at 31 December reconcile to the opening loss allowances as follows:

Provisions for bad and doubtful debts	GROUP		COMPANY	
	2019	2018	2019	2018
Opening balance	**38,255**	**35,264**	**35,707**	**33,956**
Increase in loss allowance recognised in profit or loss during the year	2,299	2,990	2,024	1,751
Acquisition through merger with OPAP SERVICES S.A.	-	-	200	-
Closing balance	**40,554**	**38,255**	**37,931**	**35,707**

The loss allowances for other current assets as at 31 December reconcile to the opening loss allowances as follows:

Impairment of other current assets	2019	
	GROUP	COMPANY
Opening balance	**-**	**-**
Increase in loss allowance recognised in profit or loss during the year	4,712	2,245
Closing balance	**4,712**	**2,245**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. 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 Stoihima, 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 Stoihima 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 analysis of the undiscounted contractual payments of the financial liabilities of the Group and the Company is as follows:

GROUP	Short Term		Long Term			Total contractual cash flows
Year that ended on December 31, 2019	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	
Long term loans	-	-	30,000	1,020,000	573	1,050,573
Short term loans	1,784	5,000	-	-	-	6,784
Trade payables (excluding contracts' liabilities)	108,943	65,078	-	-	-	174,021
Liabilities arising from derivatives (swap)	-	-	-	2,524	-	2,524
Lease liabilities	4,692	4,679	9,341	23,748	36,696	79,156
Other financial liabilities	20,120	19,752	-	-	-	39,871
Total	**135,538**	**94,509**	**39,341**	**1,046,272**	**37,268**	**1,352,928**

COMPANY	Short Term		Long Term			Total of undiscounted liabilities
Year that ended on December 31, 2019	**Within 6 months**	**6 till 12 months**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	
Long term loans	-	-	30,000	970,000	-	1,000,000
Short term loans	4	20,000	-	-	-	20,004
Trade payables (excluding contracts' liabilities)	72,132	-	-	-	-	72,132
Liabilities arising from derivatives (swap)	-	-	-	2,524	-	2,524
Lease liabilities	3,083	3,110	6,247	15,552	8,622	36,614
Other financial liabilities	23,869	8,899	-	-	-	32,768
Total	**99,088**	**32,010**	**36,247**	**988,075**	**8,622**	**1,164,042**

GROUP	Short Term		Long Term			Total of undiscounted liabilities
Year that ended on December 31, 2018	**Within 6 months**	**6 till 12 months**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	
Long term loans	-	-	205,000	450,000	664	655,664
Short term loans	191	-	-	-	-	191
Trade payables (excluding contracts' liabilities)	114,362	53,504	-	-	-	167,866
Liabilities arising from derivatives (swap)	-	-	1,271	-	-	1,271
Other financial liabilities	22,453	18,805	-	-	-	41,258
Total	**137,005**	**72,309**	**206,271**	**450,000**	**664**	**866,249**

COMPANY	Short Term		Long Term			Total of undiscounted liabilities
Year that ended on December 31, 2018	Within 6 months	6 till 12 months	1 to 2 years	2 to 5 years	Over 5 years	
Long term loans	-	-	150,000	456,041	-	606,041
Short term loans	11	20,000	-	-	-	20,011
Trade payables (excluding contracts' liabilities)	63,249	-	-	-	-	63,249
Liabilities arising from derivatives (swap)	-	-	1,271	-	-	1,271
Other financial liabilities	13,656	9,081	-	-	-	22,737
Total	**76,915**	**29,081**	**151,271**	**456,041**	**-**	**713,309**

Coronavirus potential effects

The outbreak of novel coronavirus (COVID-19) has affected business and economic activity around the world, including in Greece and in Cyprus. The impact of this outbreak is a non-adjusting post balance sheet event as of 31 December 2019. However, the future impact of the outbreak has to be assessed in light of the going concern basis of accounting that has been used in the preparation of these Financial Statements. Given the spread of the coronavirus, the range of potential outcomes for the global economy are difficult to predict at this point in time. Outcomes can range from successful virus containment and minor short-term impact, to a prolonged impact that may result in a potential recession. In addition, governments have recently indicated that a number of policy and fiscal actions will be implemented that are intended to mitigate potential negative economic impacts.

As regards the operations of the Group, Management is monitoring the developments from the outbreak closely, follows guidance from the local health authorities and adheres to the requirements and actions as implemented by the Greek and Cypriot government. The Group has implemented contingency plans to mitigate the potential adverse impact on the Group’s employees and operations.

45. Audit and other fees

The auditors of the Company as well as its subsidiaries in Greece, for the year 2019 was the audit firm PRICEWATERHOUSECOOPERS S.A.. The audit and other fees of the Company and the Group are analyzed as follows:

	GROUP		COMPANY	
Period that ended on December 31,	2019	2018	2019	2018
Fees for auditing services	603	440	473	261
Fees for the Tax Certificate	148	175	81	82
Other audit fees	41	107	40	71
Other services	-	98	-	98
Total	**792**	**820**	**594**	**511**

46. Reclassifications

For better presentation purposes according to IAS 1, at Statement of Financial Position of the Group and the Company, have been added two new lines, i.e. “Long-term investments” and “Short-term investments”. Consequently, the amounts of € 8,858 and € 600 that at 2018 Annual Financial Statements were included in the line “Cash and cash equivalents”, now are presented at the lines “Short-term investments” and “Long-term investments”, respectively.

In addition, the line “Tax liabilities” as stated at 2018 Annual Financial Statements, is renamed to “Current income tax liabilities” and yet includes only the figures related to income tax. Therefore, the Group’s other taxes of € 61,609 are reclassified by € 68,796 to “Other current liabilities” and by € 7,188 to “Other current assets”. The respective amounts for the Company that are now posted at “Other current liabilities” instead of “Tax liabilities” is of € 54,061 and € 2,879 at “Other current assets”.

On the other hand, for comparativeness between the periods purposes, in the Statement of Financial Position of the Group for the period 2018, € 15,462 have been reclassified from “Deferred tax asset” to “Deferred tax liability”. Moreover, the amount of € 876 has been reclassified from “Other current assets” to “Trade receivables”.

At the Group’s and the Company’s Statement of Financial Position for the period 2018, the amount of € 1,119 has been reclassified from “Other current assets” by € 1,893 to “Trade receivables” and by € 774 to “Trade payables”.

The Company's “Reserves” increased by € 945 to the extent of “Retained Earnings” affecting though also the Group, relating to the cash flow hedge reserve.

Moreover, for comparative purposes between 2018 and 2019, in the Statement of Financial Position of the Group for the period 2018, € 1,258 have been reclassified from “Provisions” to “Current income tax liabilities”, as it relates to provision for tax differences.

In the Statement of Financial Position of the Group and the Company for the period 2018, the amounts of € 9,785 and € 8,029, respectively, have been reclassified from “Other non-current liabilities” to “Other current liabilities”.

Moreover, at the Company’s Statement of Financial Position of the comparative period, the amount of € 2,755 has been reclassified from “Other non-current assets” to “Other current assets”. This transaction does not affect the Group, as it is inter-company.

Finally, at the Group's and the Company's Income Statement of the comparative period, € 1,854 have been reclassified from "Marketing expenses" to "Other NGR related commission" and € 5,893 have been reclassified from "Other operating expenses" also to "Other NGR related commission".

47. Subsequent events

Extraordinary dividend

The meeting of the Board of Directors of the Company held on 08.01.2020, approved the distribution of a total gross extraordinary dividend of € 1 (in absolute amount) per share from the undistributed earnings of the Company until the year ending on 31.12.2018. The total gross amount stands at € 319,794. The distribution shall be proceeded through the implementation of the general terms of the five-year dividend reinvestment program as approved by the Ordinary General Meeting of the Shareholders of the Company, dated 22.05.2019.

Share capital increase of OPAP S.A.

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

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

Admission of new common shares to trading

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

Bonds prepayment

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

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

Coronavirus (COVID-19) impact

Company's and Group's Priorities

The Company has three clear objectives during this exceptional period:

1. Protecting the health, safety and wellbeing of employees, agents and communities
2. Taking mitigation steps to minimise impact ahead of the future resumption of business
3. Protecting the financial position of the Company and the Group

Retail Operations

On 13.03.2020, the Greek government published its decision to impose a temporary ban on the operation of a wide range of retail stores, indoor venues and other locations, aiming to contain the spread of the coronavirus. As a result, all of the OPAP stores and PLAY gaming halls were ordered to be closed for two weeks, from 14.03.2020 until 31.03.2020, a ban that was later extended up until 11.04.2020. In addition, the horseracing facility at Markopoulo Park was also closed. Additionally, retail stores in Cyprus were ordered to be closed from 16.03.2020 until 15.04.2020. Moreover, the nationwide lockdown with traffic restrictions that is in place in Greece until 06.04.2020 has restricted street vendors for the distribution of Hellenic Lotteries' products (Scratch & Passive lotteries).

Online Operations

OPAP's online business, although still a small contributor to Group's total revenues, has seen increases in lottery activity in recent days following the closure of the retail network. This has been helped by the addition of a 3rd draw per week every Tuesday, starting on 31st March 2020. Like other operators, the sportsbetting activity has been significantly impacted by the postponement and/or cancellation of most major sporting events and competitions globally. Overall, the Company is taking steps to expand further its online offering with the addition of new games in its online product portfolio.

Financial impact

It is anticipated that these developments will materially impact the Company's financial performance in FY 2020. The extent of the impact will depend on factors including the duration of the outbreak, how much longer the current restrictions remain in place, any further measures taken by governments, and the extent of the subsequent economic disruption. The retail business of OPAP operates exclusively a model through commercial representatives (agents) that are compensated with a commission based on actual gaming revenues, while revenue sharing agreements also exist with vendors for a number of the Company's largest products, notably VLTs and Sportsbetting. This operating model helps to support a relatively low fixed cost base, allowing OPAP to better manage the impact on profitability.

Assuming an extension of the limitations currently in place, the monthly financial impact is expected at c.€ 130,000 - € 140,000 on Group's GGR level and at c.€ 50,000 - € 53,000 on Group's EBITDA. OPAP is already implementing a number of mitigation measures in order to limit this potential impact.

Statement of Financial Position

Given the current circumstances, the uncertainty and rapidly changing nature of the situation, OPAP is aiming to maximise its liquidity within the Group. OPAP is already protecting its cashflow by pro-actively managing its capital expenditure and working capital as well as identifying opportunities for cost savings that will not impact the long-term success of the Company and its subsidiaries. In addition, OPAP has already secured additional funding of € 300,000 while, the Group's cash reserves as of 26.03.2020 amounted to € 353,000.

The management assessed the cash position of the Group and Company and carried out sensitivity analysis for its cashflow forecast. The management is confident that the Company has sufficient liquidity to repay all creditors and meet future payment obligations.

Under the terms of the loan agreements, the Group must comply with certain conditions (including financial covenants), and such compliance is tested on an interim and annual basis. As at 31 December 2019, the Group was in compliance with these conditions, and has therefore classified its borrowings as long-term. The financial effect of the suspension of the Group's operations to its income statement and statement of financial position, is uncertain at this point in time. The Group is continuously monitoring the situation, with the aim to request and obtain a waiver of its obligations from the banks prior to any possible breach.

Business Continuity

OPAP has implemented a number of measures to ensure normal operations (to the limited extent of those that are being offered currently), invoking business continuity plans where appropriate, that will also safeguard a quick ramp-up of the business once limitations will be released. In addition, large parts of the Group continue to operate on a 'business as usual' basis, albeit while working from home.

Chairman	Board Member and Chief Executive Officer	Board Member and Chief Financial Officer	Operational Director
Kamil Ziegler	**Damian Cope**	**Pavel Mucha**	**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 01.01.2019 to 31.12.2019

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 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 within 2019:

(amounts in thousands of euro)		
Investment sector	**Amount of Raised Funds that utilized during the period 01.01.19-31.12.19**	**Amount of Raised Funds that utilized during the period 21.03.17-31.12.18**
IT systems and Agencies equipment	14,148	52,459
VLTs	2,325	21,683
SSBTs & Virtual games	1,329	12,724
Funding needs in Working Capital (*)	12,932	82,400
Total	**30,734**	**169,266**

(*) The amount of € 12,932 th. from the funds raised was used within 2019 (second semester) for working capital purposes, instead of the other investment sectors initially decided.

It must be noted that the total amount of € 200,000 th. was used within the period from 21.03.2017 (date of funds raised) till 31.12.2019, as described in the Prospectus.

On 23.03.2020, the Company proceeded to the prepayment of the total nominal value of the bonds that issued and offered through the Public Offer that took place on 21.03.2017.

Athens, 31 March 2020

Chairman	**Board Member and Chief Executive Officer**	**Board Member and Chief Financial Officer**
Kamil Ziegler	**Damian Cope**	**Pavel Mucha**

This document is the translation of the original report prepared in the Greek language.

Report of factual findings in connection with the "Report on Use of Funds Raised from the issuance of Non-Convertible Bond Loan through payment in cash for the period from 01.01.2019 to 31.12.2019"

To the Board of Directors of "Greek Organization of Football Prognostics S.A"

According to the engagement letter received from the Board of Directors of Greek Organization of Football Prognostics S.A (the ''Company''), we have performed the procedures enumerated below, in accordance with the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee, with respect to the "Report on Use of Funds Raised from the issuance of Non-Convertible Bond Loan through payment in cash for the period from 01.01.2019 to 31.12.2019", from the issuance of a Non-Convertible Bond Loan, in 2017.

The Company's Board of Directors is responsible for preparing the aforementioned Report. Our engagement was undertaken in accordance with International Standard on Related Services 4400 applicable to ''agreed-upon-procedures'' engagements. Our responsibility is solely to perform the procedures described below and to report to you our findings.

We performed the following agreed upon-procedures:

1. We examined the content of the Report and its consistency with the provisions of the decision 8/754/14.4.2016 of the Hellenic Capital Markets Committee and the decision 25/17.07.2008 of the Athens Stock Exchange.

2. We examined the content of the Report and its consistency with the disclosures in the Prospectus issued by the Company on 8 March 2017, as amended by the relevant decisions and announcements of the Company's competent bodies.

3. We examined whether the amounts referred to in the Report as the "Amounts of Raised Funds utilized during the period 1.1.2019-31.12.2019", agree, per investment sector, to the amounts recorded in the Company's books and records.

4. We examined whether the amount raised from the bond loan has been used in accordance with its intended use, based on the provisions of paragraph 4.1 of the Prospectus issued by the Company on 8 March 2017, as amended by the relevant decisions and announcements of the Company's competent bodies, by examining documentation on a sample basis that supports the relevant accounting entries.

Our findings are as follows:

1. The content of the Report is consistent with the provisions of the decision 8/754/14.4.2016 of the Hellenic Capital Markets Committee and the decision 25/17.07.2008 of the Athens Stock Exchange.

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2. The content of the Report is not consistent with what is disclosed in the Company's Prospectus issued on 8 March 2017 as amended by the decisions of Board of Directors of the Company of 25 January 2018 and 26 March 2019, except of the amount of 12,9mln used for working capital during the period for which no amendment was performed by a relevant Decision of Board of Directors of the Company.

3. The amounts referred to in the Report as the "Amount of Raised Funds utilized during the period 1.1.2019-31.12.2019", agree, per investment sector, to the amounts recorded in the Company's books and records.

4. For a sample of transactions tested, as included in the Report and relate to Sections IT systems and Agencies equipment, VLTs and SSBTs & Virtual games, that were tested, we confirmed that the amount raised from the bond loan has been used in accordance with its intended use, based on the provisions of paragraph 4.1 of the Prospectus issued by the Company on 8 March 2017, as amended by the Decisions of Board of Directors of the Company of 25 January 2018 and 26 March 2019,in an amount lower and equal to the amount used to section Funding needs in Working Capital, for which there was no amendment for its intended use by a relevant Decision of Board of Directors.

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 assurance on the Report beyond what we have referred to 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.

Our report is addressed exclusively to the Board of Directors of the Company, so that the latter can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. Consequently, this report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the Annual Financial Statements for the period ended 31 December 2019, for which we have issued a separate Report on the Audit of the Separate and Consolidated Financial Statements on 1 April 2020.

Athens, 1 April 2020

The Certified Auditor Accountant

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