**FROM JANUARY 1st TO DECEMBER 31st 2020**
ACCORDING TO ARTICLE 4 OF L. 3556/2007

# 2020 Annual Financial Report

opap

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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. Jan Karas, 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 01.01.2020 to 31.12.2020, 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, 30 March 2021

| Chairman | Board Member and Chief Executive Officer | Board Member and Chief Financial Officer |
|---|---|---|
| **Kamil Ziegler** | **Jan Karas** | **Pavel Mucha** |

# II. Board of Directors' Report for the period 1.1.2020 - 31.12.2020

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

The report of the Board of Directors of the Company concerns the year 2020 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 01.01.2020 to 31.12.2020, the annual Board of Directors report, which includes the audited Consolidated and Separate Financial Statements, the notes to the Financial Statements and the audit report by the certified auditor.

The report describes the financial results of the Group for the period 01.01.2020 to 31.12.2020, as well as the significant events which took place in 2020 and 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, the corporate governance, the dividend policy, the number and the nominal value of shares and finally, the material transactions with the Company's and the Group's related parties are also mentioned.

# 1. Financial progress and performances of year 2020

## Financial Performance

The basic Group financials are presented below:

| (Amounts in thousands of euro) | 01.01-31.12.2020 | 01.01-31.12.2019 | Δ % |
|---|---|---|---|
| Revenue (GGR) | 1,129,783 | 1,619,896 | (30.3%) |
| GGR contribution and other levies and duties | (392,518) | (533,718) | (26.5%) |
| Net gaming revenue (NGR) | 737,265 | 1,086,178 | (32.1%) |
| Profit before interest, tax, depreciation and amortization (EBITDA) | 260,313 | 412,579 | (36.9%) |
| Profit before tax | 216,948 | 269,181 | (19.4%) |
| Profit for the period | 199,378 | 202,098 | (1.3%) |
| Net increase/(decrease) in cash and cash equivalents | | | |
| Net cash inflow from operating activities | 186,388 | 279,330 | (33.3%) |
| Net cash outflow from investing activities | (78,507) | (49,030) | 60.1% |
| Net cash inflow/(outflow) from financing activities | (234,823) | 221,519 | (206.0%) |

The basic Company financials are presented below:

| (Amounts in thousands of euro) | 01.01-31.12.2020 | 01.01-31.12.2019 | Δ % |
|---|---|---|---|
| Revenue (GGR) | 930,219 | 1,369,923 | (32.1%) |
| GGR contribution and other levies and duties | (311,640) | (464,716) | (32.9%) |
| Net gaming revenue (NGR) | 618,579 | 905,207 | (31.7%) |
| Profit before interest, tax, depreciation and amortization (EBITDA) | 246,696 | 365,032 | (32.4%) |
| Profit before tax | 129,384 | 268,315 | (51.8%) |
| Profit for the period | 101,166 | 205,612 | (50.8%) |
| Net increase/(decrease) in cash and cash equivalents | | | |
| Net cash inflow from operating activities | 147,410 | 271,133 | (45.6%) |
| Net cash outflow from investing activities | (92,453) | (142,964) | (35.3%) |
| Net cash inflow/(outflow) from financing activities | (225,763) | 220,565 | (202.4%) |

# 2. Significant events during the year 2020 and their effect on the Financial Statements

## Dividends

### Extraordinary dividend

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

### Dividend distribution for the year 2019

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

## Share capital

### Share capital increase of OPAP S.A.

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

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

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

On 05.08.2020, the election period of shareholders to exercise their right to reinvest the dividend for the fiscal year 2019 was completed. The share capital increase was partially subscribed resulting at a final share capital increase of € 2,016 th. through the issuance of 6,718,571 new, common, registered, voting shares of nominal value of € 0.30 each. As a result thereof, the share capital of the Company now amounts to € 102,428 th., divided to 341,426,387 shares, of nominal value of € 0.30 each. As the issue price of the Company's new shares amounted to € 7.91, the total above par value of the new shares, amounting to € 51,128 th., was transferred to the account "Share premium".

### Share capital increase of OPAP INVESTMENT LTD

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

### Share capital increase of TORA WALLET SINGLE MEMBER S.A.

On 30.12.2020 the extraordinary General Meeting of TORA WALLET SINGLE MEMBER S.A. decided to increase the company's share capital by € 2,500 th. through the issuance of 2,500,000 new ordinary shares of € 1 nominal price each. The share capital increase was paid up on 14.01.2021.

## Admission of new common shares to trading

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

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

## Financing

### Bond prepayment

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

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

### Bond loan of TORA DIRECT SINGLE MEMBER S.A.

TORA DIRECT SINGLE MEMBER S.A., according to the meeting of its Board of Directors dated 13.03.2020, resolved on the issuance of a common bond loan of € 9,500 th., divided to 9,500 bonds of € 1,000 each. OPAP S.A. subscribed for the whole amount of € 9,500 th. The bond loan was repaid on 02.10.2020.

### Bond loans of HORSE RACES SINGLE MEMBER S.A.

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

Additionally, according to the meeting of the Board of Directors of HORSE RACES SINGLE MEMBER S.A. dated 26.11.2020, resolved on the issuance of a common bond loan of € 12,000 th., divided to 12,000 bonds of € 1,000 each. OPAP S.A. subscribed for the whole amount of € 12,000 th. As at 31.12.2020, HORSE RACES SINGLE MEMBER S.A. has received € 7,000 th..

### Issuance of bond loans of OPAP S.A.

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

### Bond loans prepayment

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

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

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

### OPAP S.A. bond loan issuance through public offer

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

Following the completion of the Public Offer that took place between 21 and 23 October 2020, in accordance with article 17 para. 2 of the Regulation (EU) 2017/1129, the Company on 23.10.2020 announced that 200,000 common, bearer bonds with a nominal value of € 1 each (the Bonds) have been allocated and as a result funds of € 200,000 have been raised. The total valid demand from investors that participated in the Public Offer was € 611,900, resulting to an oversubscription by 3.06 times. The final yield has been set at 2.10%, the Bonds interest rate at 2.10% and the offer price of the Bonds at € 1 each, namely 100% of the nominal value.

### Bond loan repayment of HORSE RACES SINGLE MEMBER S.A.

HORSE RACES SINGLE MEMBER S.A., on 07.12.2020, repaid its bond loan of € 5,000 th.

## Investment in Kaizen Gaming

Following the approval of the Hellenic Competition Commission (decision no. 693/31.10.2019) and the Commission for the Protection of Competition of the Republic of Cyprus (decision no. 72/29.01.2020), on 13.07.2020 OPAP INVESTMENT LTD acquired from KAIZEN GAMING LIMITED (former TCB HOLDINGS LTD) the pre-agreed 51% direct stake in STOIXIMAN business (Greek and Cypriot operations), currently operated by KAIZEN INTERNATIONAL GAMING LIMITED (former GML INTERACTIVE LTD), for an aggregate net consideration (i.e. after subtracting OPAP's 36.75% stake in TCB) of € 90,196 th. plus net cash of € 3,015 th.. Additionally, OPAP INVESTMENT LTD will pay earn-out payments for 2020 and 2021 subject to the performance criteria set for STOIXIMAN business (Greek and Cypriot operations).

After the completion of the aforementioned transaction, the Company effectively was holding 69.01% stake in STOIXIMAN business (Greek and Cypriot operations), while retaining its 36.75% stake in KAIZEN Group's operations outside of Greece and Cyprus under the BETANO brand.

Finally, OPAP INVESTMENT LTD proceeded with the acquisition of an additional 15.49% indirect stake in STOIXIMAN business (Greek and Cypriot operations) for aggregate net consideration of € 43,302 th. plus net cash of € 4,342 th. (plus earn-out payments for 2020 and 2021), resulting (as of today) in a 84.49% combined stake. The transaction was completed on 18.11.2020 and OPAP INVESTMENT LTD obtained control on STOIXIMAN business (Greek and Cypriot operations) on this date. It is envisaged that STOIXIMAN business (Greek and Cypriot operations) will operate under the 'STOIXIMAN' brand through a separate legal entity, i.e. STOIXIMAN LIMITED.

STOIXIMAN business (Greek and Cypriot operations) will continue to operate independently from OPAP's own online business, with the existing management team continuing to lead the entity's day-to-day operations.

It is agreed among shareholders of KAIZEN GAMING LIMITED that acquisition date of 51% was determined to be 01.07.2020 and acquisition date of the additional 15.49% was 01.12.2020. As a result, STOIXIMAN business (Greek and Cypriot operations) was consolidated with the equity method for the period 01.07.2020 - 30.11.2020, while was fully consolidated for the period 01.12.2020-31.12.2020.

## Online betting and Other Online Games

Following the publication of Law 4635/2019 regarding the licensing and operating of certain online games of chance in Greece namely Online Betting (including virtual games) and Other Online Games (online casino-type games and Poker conducted live or with the use of a random number generator), on 26.02.2020, Hellenic Gaming Commission (the "HGC") invited all the transitional licensed gaming operators (including OPAP) to submit their applications for the granting of Type A License (Online Betting) and/or Type B License (Other Online Games) until 31.03.2020.

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

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

On 13.10.2020, according to the amendment dated 29.04.2013 of the Supplementary Act of 12.12.2011 between the Hellenic Republic Asset Development Fund (HRADF) and OPAP S.A., the 10-year extension of the Company's exclusive right of conducting, managing, organizing and operating specific numeric games as well as sports betting games, went into force. The consideration for the extension of the exclusive right for the period between 13.10.2020 and 12.10.2030 amounted to € 375,000 and was fully paid in 2011.

## OPAP stores reopening & OPAP stores suspension

On 13.03.2020, the Greek government published its decision to impose a temporary ban on the operation of a wide range of retail stores, indoor venues and other locations, aiming to contain the spread of the coronavirus (COVID-19). As a result, all of the OPAP stores and PLAY gaming halls were ordered to be closed from 14.03.2020. Additionally, retail stores in Cyprus closed on 16.03.2020. Following a relevant decision of the Greek government, and as part of the gradual lifting of restrictive measures for containing the spread of the coronavirus (COVID-19), OPAP's retail network of 3,600+ stores across Greece resumed operations as at 11.05.2020. Street vendors also restarted the distribution of Hellenic Lotteries' products (Scratch &

Passive lotteries) as at the same date. In addition, upon decision of the Cypriot government, the Opap retail network in Cyprus resumed operations on 23.05.2020. As far as the OPAP PLAY network is concerned, it resumed operations as at 08.06.2020, while the horse racing activity at Markopoulo Park restarted on 15.06.2020.

On 05.11.2020, the Greek government announced a nationwide lockdown, aiming to contain the spread of the coronavirus (COVID-19). As a result, a temporary suspension of business activity for a series of sectors is imposed from 07.11.2020 until 31.12.2020, including OPAP stores, PLAY gaming halls across Greece, street vendors distributing Hellenic Lotteries' products (Scratch and Passive lotteries) as well as the horseracing facility at Markopoulo Park. Additionally, retail stores in the districts of Limassol and Paphos of Cyprus were ordered to be closed from 12.11.2020 until 30.11.2020.

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

## Coronavirus (COVID-19) impact

### Operational performance

Since the coronavirus (COVID-19) outbreak, OPAP proceeded with the implementation of a set of decisive actions in response to coronavirus (COVID-19) to proactively protect its employees and support its network, while at the same time assuring its business continuation through a series of initiatives. However, since OPAP's business is heavily weighted towards retail, the pandemic significantly impacted the Group's financial results and operational performance with OPAP stores remaining closed for almost four months, and VLTs activity for approximately five months throughout 2020. Stores closure resulted to revenues drop in 2020 by 32.7% compared to 2019, with profitability being also significantly affected.

During the lockdown periods, the Company's gaming activities continue to operate online, offering an extended range of products. At the same time, the full range of Kaizen Gaming's (Stoiximan/Betano) products is available through its own platforms.

### Statement of Financial Position & liquidity

Given the circumstances related to coronavirus (COVID-19), the Group Management was successful into securing additional liquidity through new credit facilitations and bond loan issuance through public offer , while concluded Kaizen Gaming (Stoiximan/Betano ) transaction with the equivalent payment, and safeguarded the proper operations of the business supporting its partners wherever needed. On top, the Group Management managed to secure necessary waivers meeting covenants tests in all of its credit lines. As a result, the timely implementation of the aforementioned actions together with the generation of positive cash flows on a YTD level led the Group's cash reserves at € 506,873 th. as of 31.12.2020 and € 491.986 th. as of 29.03.2021 .

### Business Continuity

OPAP Management has taken all necessary actions so as to protect its employees, partners & customers, strictly abiding by the Government’s guidelines and best business practices, at the same time causing the minimum possible disruption to the business. OPAP Management has implemented a number of measures to ensure normal operations, invoking business continuity plans where appropriate, that will also safeguard a quick ramp-up of the business once limitations will be released.

The Group Management implemented work from home for employees. At the same time, business trips were limited to the absolutely necessary and trainings and meetings were carried out remotely. Moreover, the cleaning and disinfection of the facilities, as well as the guidance of the human resources in the field of personal hygiene was intensified.

### *Outlook – Potential Impact*

As the lockdown remains still in effect, 2021 carries a material degree of uncertainty, primarily as to the stores’ reopening timing and the restrictive measures under which our stores will operate once open. OPAP is closely monitoring the developments around the coronavirus (COVID-19) and is constantly assessing its implications on the Group’s performance.

## 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, the coronavirus outbreak hit Greece likewise the rest of the world, and derailed Greece's economic recovery in 2020, due to unprecedented restrictive measures, with social distancing and mobility restrictions to stem the spread of the pandemic constraining economic activity. Tourism with its high weight in Greek GDP was the most affected sector, experiencing severe drop in both tourist flows and revenues. During the pandemic period the Greek government supported the economy by implementing approx. € 18bn worth of measures, including subsidizing businesses (among which OPAP agents as well) and workers who stopped working due to the outbreak, while several of these measures continue in 2021 as well.

As several curbs remain in place, 2021 is expected to start slow, with growth gradually accelerating from the second half of the year. This recovery of the economy assumes the continuation and at even higher pace of the vaccinations resulting to the immunization of the population that will allow the ease of the restriction measures, that could lead to increased private consumption, as well as higher tourist flows, a key component of the economy. On top of that, the proper absorption of the funds that Greece will receive from the EU Recovery Fund is of pivotal importance.

All in all, 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 GDP, unemployment, inflation and taxation levels. As such, a potential deterioration of the aforementioned indicators together with a decline in economic sentiment and/or consumer confidence, could result in a decrease of the gaming related frequency and spending of our customers.

### 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 participates in the public consultations of laws and regulations related to the business activities of the Group which are submitted by the competent authorities (Hellenic Gaming Commission, Ministry of Finance etc). Furthermore, OPAP continually monitors 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 place 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 no 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, vendors revenue-based fees') or to transactions with domestic companies (i.e. IT, marketing).

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates. The Group is exposed to interest rate risk due to the unhedged portion of its outstanding debt. The existing debt facilities, as of 31.12.2020, stand at € 1,040,866 th. and € 1,010,132 th. for the Group and the Company respectively.

On 31.12.2020, the floating-rate loans of the Group which are exposed to interest rate risk are € 445,651 th. of debt or 43% of total debt. The remaining € 595,215 th. (57% of total debt) are fixed rate borrowings. Part of the risk, specifically € 96,621 th. or the 22% of the floating rate borrowing, is hedged via an interest rate swap. The Group follows all market developments and acts in a timely manner when needed.

### 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 maintains a solid capital structure, taking also into consideration the effect of coronavirus (COVID-19), as depicted in the Net Debt/EBITDA ratio of 2.3x as of 31.12.2020. 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

The Group's exposure to credit risk arises from its operating activities and more specifically on the collection process of its franchise-like model of operation. The above mentioned process leaves the Group exposed to the risk of financial loss if one of its counterparties fails to meet its financial obligations. The carrying value of financial assets at each reporting date is the maximum credit risk to which the Group is exposed.

In order to mitigate the aforementioned risk, OPAP established and implements a credit risk management policy. The main characteristics of the policy are:

- The establishment of a Credit Committee responsible to approve and/or to make recommendations to the BoD for credit risk related matters.
- The classification of agents based on a credit risk scoring model which is continuously updated.
- The establishment of credit limits per agent based on their individual credit ratings.
- The immediate suspension of operation in case of overdue amounts.

### 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 performing a detailed forecasting analysis of the inflows and outflows of the Group on a yearly basis.

The aforementioned exercise takes into account:

- Revenues forecast based on expected payout ratios of the games
- Tax obligations and other financial commitment towards the government
- Financial obligations arising from the Group's loan portfolio
- Operating Expenses
- Capital Expenditure
- Extraordinary inflows and outflows

The Group liquidity position is monitored on a daily basis from the Treasury Department and if needed makes recommendations to the CFO and the Board of Directors to assure no cash shortfalls.

## 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 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 the 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. The 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 currently operates in Cyprus on the basis of the 2003 Bilateral Agreement (“BA”) between the Republic of Cyprus and the Hellenic Republic.

The Law 52(I) 2018 entitled “The Law on Specific Games of Chance of 2018” was published in the Government Gazette on 13 June 2018. According to said Law, the Coordinating Committee carried out due diligence and recommended OPAP CYPRUS as the suitable operator. On 6th November 2019 Council of Ministers validated OPAP CYPRUS as the most suitable operator to be granted with an exclusive license to run and operate specific games of chance, in particular games falling into one of the following categories: (a) numeric lotteries, which refer to correctly predicting random numbers which are chosen by a draw using a gaming system; and (b) games based on correctly predicting a combination of the results of sports events with variable odds.

The Codes of Practice of OPAP CYPRUS, save for the Code of Practice on Agency Stores and Agents, have been approved by the National Betting Authority and the Minister of Finance. Following the approval of all Codes of Practice the Coordinating Committee shall prepare a draft contract (Concession Agreement) and invite OPAP Cyprus to negotiate the contract. The Concession Agreement shall be signed by both parties and submitted to the Ministerial Council for approval.

According to 52 (I) 2018 Law, the BA will be terminated upon the signing of the aforementioned Concession Agreement.

### Coronavirus (COVID-19) potential effects

The outbreak of coronavirus (COVID-19) has affected business and economic activity around the world, including in Greece and in Cyprus. The rapid evolution of the virus and the subsequent Governments' interventions along with the related restrictions have resulted in the suspension of the Company's and Group's retail operations and significantly impacted the Group's financial results and operational performance in the reporting period, since OPAP's business is heavily weighted towards retail. OPAP stores remained closed for almost four months, and VLTs activity for approximately five moths throughout 2020. Stores closure resulted to revenues drop in 2020 by 32.7% compared to 2019, with profitability being also significantly affected.

In this environment, OPAP proceeded with the implementation of a set of decisive actions following Government guidelines in response to coronavirus (COVID-19) to proactively protect its employees and support its network while at the same time assuring its business continuation. The Group Management implemented work from home for employees. At the same time, business trips were limited to the absolutely necessary and trainings and meetings were carried out remotely. Moreover, the cleaning and disinfection of the facilities, as well as the guidance of the human resources in the field of personal hygiene was intensified.

During the lockdown periods, the OPAP's online product portfolio was enhanced with new games, such as Virtual games and Casino, along with increased penetration of online Tzoker. On top, OPAP increased its participation in STOIXIMAN business (Greek and Cypriot operations) with its stake standing now at 84.49%, and it retains its 36.75% stake in KAIZEN GAMING LIMITED (international operations).

At this stage, despite the coronavirus (COVID-19) impact, the Group maintains a strong financial position. OPAP has implemented a number of measures to ensure normal operations, invoking business continuity plans where appropriate, that will also safeguard a quick ramp-up of the business once limitations will be released and store will re-open.

The Group and the Company Management took limited advantage of government supporting measures, such as tax reliefs or tax offset advantages and rent reduction payments as well, while the Group proceed in the process of materializing cost mitigation actions throughout the year 2020. The Group has improved its liquidity position, as on 27.03.2020 the Company issued new loan of € 100,000 th. that was repaid on 02.10.2020 and remains currently as a committed credit line. Furthermore on 04.05.2020, signed an additional loan of € 100,000 th. which remains currently undrawn. Finally, on 27.10.2020 the Company has raised funds of € 200,000 th. following the retail bond loan issuance through public offer which replaced a previous more expensive retail bond of € 200,000 th..

Moreover, the Group managed to secure necessary waivers meeting year end covenants tests where necessary.

As a result, the timely implementation of the aforementioned actions together with the generation of positive cash flows on a YTD level led the Group's cash reserves at € 506,873 th. as at 31.12.2020 and € 491,986 th. as at 29.03.2021.

On top to the abovementioned actions, the Group has considered the impact of coronavirus (COVID-19) on the measurement of non-financial and financial assets and the related disclosures. In measurement of non-financial assets, the Group used adjusted cash flows projections based on the revised financial budgets to calculate the Value in Use (VIU), ie the recoverable amount of the cash generating units. The impairment testing, at the Group level, resulted in impairment of goodwill, of intangible assets and Right-of-use and at the Company level, resulted in impairment in investments in subsidiaries. The Management reassessed as well the recoverability of trade and other receivables, including intergroup receivables, taking into account the future economic conditions and proceeded recording respective impairments where considered those receivables are not fully recoverable.

Despite the above facts, the Group managed to record positive results as at 31.12.2020 and at this stage, besides the coronavirus (COVID-19) impact, the Group financial position maintaining strong.

Nevertheless, as the lockdown remains still in effect, 2021 carries a material degree of uncertainty, primarily as to the stores' reopening timing and the restrictive measures under which our stores will operate once open. The Management is closely monitoring the developments around the coronavirus (COVID-19) and is constantly assessing its implications on the Group's performance. It is also taking pre-emptive actions to ensure the health and safety of its employees and partners, as well as, the continuity of its business as mentioned above. Having satisfactory cash reserves, the Management expects that the Group will be enabled to meet the financing costs and working capital needs, and its ability to continue as going concern will not be affected.

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

Continuing to follow our vision to provide World Class Gaming Entertainment to our customers in online and retail, our new Fast Forward Strategy sets clear direction for ensuring OPAP's long-term success with focus in the following six areas:


### Put Customer at the center

We put customer at the center of our focus in everything we do, setting customer centric mindset as key for our success. Changes are driven by the customers, so we need to affirm that we understand them well before anything else, since better customer understanding will lead to better gaming entertainment across all our channels. Four stages consist the basis for better customer understanding: setting as starting point the collection of the right data of online, VLTs and retail activities, we will get closer to our customer. Thus, we will achieve to understand well who they are and what they want. The implementation of these deep customer insights is the next phase and our company aspires that they will be reflected in our actions. The measurement of the impact on performance and customer satisfaction comes as the fourth stage. This experience will be reflected through delivering the following attributes which are tightly connected with our Brand:

- more of social interaction through sharing experiences with others
- more fun, content and entertainment by offering an experience that goes beyond bet placement
- more of personalized experience by making the experience personal and by growing loyalty
- more of digitalization through the enhancement of digital customer journeys both in retail and online
- more of safety and responsibility by ensuring safe environment and promoting responsible gaming.

### Enhance and strengthen our BRAND

OPAP and the individual game brands are our strong asset, so we aim to keep them relevant to our customers and expand them into the digital world. Our goal is for OPAP to offer world class gaming entertainment across all touchpoints that the customer interacts: TV, online, shop, communication, public relations, social networks, even friends; the key attributes we intend to keep developing are the following:

a. Fun and social: we target to establish and strengthen the positioning of our stores and our online as the entertainment destination, as well as redefine and deliver our new digital brand identity.
b. Engaging: we focus on Digital and Social Media to deliver personalized content and communication to engage with a multigenerational consumer base.
c. Rewarding: launching loyalty to reward every interaction with us and creating a positive emotional connection form the basis of this key point.
d. Responsible: we expect to be a responsible corporate citizen, help our customers enjoy the fun of gaming safely and always in compliance with the regulations.

We aim to remain relevant to our existing customer base, as well as expand our brand identity and perception in new segments through digital communication channels. We continue focusing on existing customers, employees and partners, as well as further embrace younger audiences and women as an opportunity for growth. In this context, we envision our brand tone of voice to be conversational, a great story-teller, contextual, personalized and fun!

We aim to redesign our digital touchpoints with new digital brand identity and aligned user experience across all our digital assets. The upgrade of customers' experience in the digital interactions with OPAP is vital for us. Key areas of our focus on the new digital experiences consist of new websites and apps, new online business proposition and new digital experiences in our retail network.

### Become top tier Online player

Our ambition is to boost our online world presence, become top tier online player and turn our online into the second strong pillar of our business. With the hard work of our high performing team our online priorities and key levers of growth are represented through the following areas:

- Product proposition: Enhance our exclusive lottery offering with many OPAP games, while improving our competitiveness of Betting & Casino offering
- Brand and communication: Keep building strong awareness of OPAP's online and its values through any means possible
- Operational excellence: Constantly strive for the best possible customer experience across all customer touchpoints all times
- Customer insights and CRM: Efficient CRM that will allow us to deliver the right offer at the right time leveraging Artificial Intelligence, while keeping relentless focus on activity and development of players
- High-performing frontends: Superior high-performance packaging with key focus on mobile

- Entertainment: Explore opportunities beyond existing games portfolio like social networking, community, virtual reality, casual games, infotainment or personalization

Key enablers for all the above will be i) technology, choosing the right vendors and technology setup (inhouse/outsource) for agile delivery and operational excellence, and ii) regulatory, cooperating with relevant authorities on regulatory matters, ensuring equal market conditions and enabling implementation of our "tomorrow".

### Maintain our strong position in the Retail World

Our aim is to maintain our strong position in retail and explore opportunities for growth through further upgrade of gaming entertainment experiences and enhancement of digital customer journeys. We will further evolve the local entertainment destination experience and we will add a new digital layer on top of this. Our focus will be on the following areas:

- Product proposition: innovating and enhancing the existing offering for all key customer segments and rewarding loyalty.
- Ambience: evolving store ambience with new designs, centrally managed audio and new live video broadcasting.
- Experience: bringing live events to stores and giving customers more reasons to come, stay, play and have fun together.
- Productivity: introduce an area focused performance management and Network development for maximum productivity with the right store, place and partner.
- Digital customer journey: enhancing store digital ecosystem for fully digital customer journeys.
- Personal: delivering more personalized gaming experience with SSBTs and a new retail app.
- Digital communication: engaging interactive live communication across all digital touchpoints in our stores.

### Explore technology

Technology, both current and new, is an important enabler to deliver better customer solutions and improve our productivity and efficiency. Our key initiatives will be in the following five areas:

- CRM: our aim is to deliver robust CRM platform providing 360° customers' view across physical and digital worlds, campaign management tools, AI automations and Agents' B2B CRM functionalities.
- Operational Excellence: best customer and agent experience via constant improvements of our operations and processes, Hardware & Software management and problems resolution capabilities pave the way towards our operational excellence target.
- Elastic & scalable infrastructure: upgrades of central and store infrastructure & equipment to software defined network technologies for fast delivery of new rich player experiences, ready to take full advantage of 5G will contribute to achieve that goal.

- Innovation in enterprise solutions: Artificial Intelligence and Machine Learning analytics will support business & corporate decision making and Cloud based platforms will allow for expansion and handling of Data.
- Open gaming ecosystems: Reliable gaming ecosystems with open architecture and player friendly frontends, enabling agile delivery of new features.

### Engage our People

Our people play a more than significant role in order to achieve our goals. Transformation of mindset, culture and way of work is necessary and will contribute to our success which depends on our flexibility, speed and adoption of change. OPAP fast forwards into a modern company with young and dynamic spirit. We aspire to gain agility in our business by focusing on the following four steps:

- Structure optimization: our target is to perform efficiently and effectively, with structure and resources aligned with our business needs and priorities.
- Right skills and talents: we will enhance our focus on re-skilling and up-skilling of our people, as well as on developing talents.
- Inspiring leaders: we also set our sights on role models and drivers of performance, change and innovation towards the agile organization.
- Instill the right culture: leadership commitment is vital to spread and embed desired Culture & Engagement throughout the company. Alignment of processes, systems and way of work will drive us towards this direction.

OPAP, along with the six key areas of its strategy, continues to focus on Corporate Responsibility, which consists integral part of its DNA, positioning the company as the CSR leader in Greece. Specifically, we adopt and develop the highest standards of integrity and responsibility, deeply embedding the responsible gaming approach in all our commercial activities. In specific, we will keep on building community trust investing in our four pillars: Health, Sports, Employment, and Sensitive Groups, while introducing also Education as a new fifth pillar.

## 5. Related Parties significant transactions

The amounts of expenses and income undertaken in 2020, and the balances of payables and receivables as at 31.12.2020 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 SPORTS LTD | - | 1,500 | - | - | - |
| OPAP CYPRUS LTD | 765 | 24,446 | - | 20,226 | 11,669 |
| HELLENIC LOTTERIES S.A. | - | 3,325 | - | 11 | 3,362 |
| HORSE RACES SINGLE MEMBER S.A. | 9 | 411 | - | 10 | 5,550 |
| TORA DIRECT SINGLE MEMBER S.A. | 309 | 391 | - | 94 | 3,823 |
| TORA WALLET SINGLE MEMBER S.A. | 534 | 202 | - | 296 | 661 |
| NEUROSOFT S.A. | 7,015 | - | 1,194 | 1,295 | - |
| **Total** | **8,632** | **30,275** | **1,194** | **21,933** | **25,065** |

Additionally, the Company has granted total corporate guarantees of € 104,375 th. in favor of HELLENIC LOTTERIES S.A.. From this amount, € 41,750 th. is a corporate guarantee for the loan of HELLENIC LOTTERIES S.A. from Alpha bank and € 62,625 th. is a guarantee to HRADF.

Finally, the Company intends to provide financial support to any of its subsidiaries, if it is deemed necessary.

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

| | Expenses | Income | Payables | Receivables |
|---|---|---|---|---|
| | (Amounts in thousands euro) | | | |
| Other related parties | 3,540 | 144 | 1,402 | 144 |

**Transaction and balances with Board of Directors members and management personnel**

| (Amounts in thousands euro) | | GROUP | COMPANY |
|---|---|---|---|
| **Category** | **Description** | **01.01-31.12.2020** | **01.01-31.12.2020** |
| **MANAGEMENT PERSONNEL** | Salaries | 4,453 | 4,453 |
| | Other compensations | 10 | 10 |
| | Cost of social insurance | 226 | 226 |
| **Total** | | **4,688** | **4,688** |

| (Amounts in thousands euro) | | GROUP | COMPANY |
|---|---|---|---|
| **Category** | **Description** | **01.01-31.12.2020** | **01.01-31.12.2020** |
| **BOARD OF DIRECTORS** | Salaries | 828 | 358 |
| | Cost of social insurance | 88 | 65 |
| **Total** | | **916** | **423** |

| (Amounts in thousands euro) | GROUP | COMPANY |
|---|---|---|
| **Liabilities from Bod' compensation & remuneration** | **31.12.2020** | **31.12.2020** |
| BoD and key management personnel | 141 | 139 |
| **Total** | **141** | **139** |

For the preparation of the consolidated financial statements of the Group, the transactions and balances with the subsidiaries have been eliminated.

# 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 (herein the "Code") was adopted by the Company in 2014 and continues to apply ever since. The Board takes seriously its responsibility for effective corporate governance and delivery of long-term shareholder and interested parties 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 compliance, transparency and good governance permeate through the Group at all levels.

After the issuance of the Law of 4706/2020 the Company has started the implementation of a structured action plan in order to complete the transformation and improve the governance system in the direction of the continuous achievement of sustainable surplus value for all stakeholders. The purpose of the Company is to comply with the legal and regulatory framework which applies to listed companies, to implement best and effective corporate governance practices and to strengthen shareholders' trust to the Company.

In addition to compliance with the applicable legal and regulatory framework, 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 is periodically reviewed and amended, ensuring alignment with strategic Company targets and standards. The updated Code establishes a structured framework applicable to OPAP S.A. and its subsidiaries and 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.

Recently, in February 2021, 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.

Further, the Company regularly updates its Articles of Association and the Company's Policies and Processes so as to constantly comply with the applicable 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 Legal, 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 four core values are active in our operations and in every action plan we implement: Fun, Dynamic, Passionate and Fair.

### Composition of the Board

The 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 new legal provisions and it is our aim to comply with them without compromising the culture that drives the success of our business. In this context we aim to further strengthen gender diversity and the number of independent members of the Board of Directors. 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

In accordance with new Internal Rules and Regulations, the Board of Directors performs its evaluation internally on a yearly basis.

## 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 Board reiterates its view that facilitating and promoting diversity in its broadest sense has helped propel the Company's success to date. OPAP S.A. established policies and processes in order to ensure that the Company's senior management 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 2020:

- The Board of Directors consists of men and a woman and 69,2% are non-Greek nationals of the following nationalities (Czech, Slovak, French, Swiss, Cypriot),
- the Senior Management (Chairman, CEO, Chief Officers) comprised male (77.8%) and female (22.2%); 44.4% of Senior Management are non-Greek nationals, and
- 29.8 % 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. It consists of 4 independent members and, in this respect, it complies with requirements set by Law 3016/2002 and the Hellenic Corporate Governance Code, although Greek law requires a minimum of 2 independent Board of Directors. 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), and in the context of enhancing diversity, the first lady member of the Board of Directors, was

appointed in 2019. At the same time, systematic actions are being taken to enhance gender diversity by finding women suitable to be appointed members of the Board of Directors, in order to achieve compliance with the new corporate governance law in a timely manner. 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 today exclusively of Non-Executive Directors, including the two Vice-Chairmen of the Board and is considered adequate to fulfill its purpose. At the same time, its composition is reexamined in order to fully and timely comply with the new corporate governance framework.

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

### Statement of Compliance with the Code

The Corporate Governance Statement on the following pages contains a summary of the Company’s governance arrangements and the regulatory assurances required under the current legal and regulatory framework. 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 2020.

Athens, 30 March 2021

Kamil Ziegler, Chairman of the BoD

### Corporate Governance Statement

The Company prepares this Corporate Governance Statement (herein the "Statement") since its shares are traded in the main market of Athens Exchange. This Statement is prepared in accordance with Law 4548/2018 "Reform of the Law of Sociétés Anonymes", as in force (hereinafter the "Law") and sets out how the Company has applied the main principles of the Code throughout the year ended 31 December 2020 and at the date of this Statement.

## 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 ensures the integrity of financial statements, of financial reporting and the effectiveness of the systems of internal controls, risk management and of compliance process of the Company.

Further, the BoD 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 2020 matters for the Board's decision included the following:

- Significant business projects;
- Participations and capital expenditure projects, issuance of money market securities etc.;
- Approval, as appropriate of annual budgets, business plans, organizational structure, advertising and sponsorships program;
- Approval of Financial Statements and shareholders communication;
- Resolutions regarding the financial position, bank lending, etc.;
- Regulatory compliance issues and related policies;
- Significant transactions with related parties;
- Review and approval, as appropriate, of recommendations from the Committees of the Board;
- Protection of legal interests of the Company;

- Other matters.

### 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, teleconference or videoconference) or takes written resolutions without holding a meeting, to consider matters in its competence. In 2020, there were fourteen Board meetings (plus fifteen additional meetings via rotation). There were six Audit Committee meetings and six Remuneration and Nomination Committee meetings.

The table below sets out the attendance by individual Directors at scheduled Board and Committee meetings during 2020.

| BoD member name | Position | BoD Presence | BoD Representation | Audit Committee | Remuneration & Nomination Committee |
|---|---|---|---|---|---|
| Kamil Ziegler | Executive Chairman | 14 | - | - | - |
| Damian Cope | Member – Executive, Chief Executive Officer[2] | 7 | - | - | - |
| Spyridon Fokas | A' Vice-Chairman –Non Executive | 14 | - | - | 6 |
| Pavel Saroch | B' Vice-Chairman – Non Executive | 12 | 2 | - | 6 |
| Pavel Mucha | Member – Executive, CFO | 14 | - | - | - |
| Katarina Kohlmayer | Member – Non Executive | 14 | - | - | - |
| Robert Chvátal | Member – Non Executive | 14 | - | [i]- | 6 |
| Christos Kopelouzos | Member – Non Executive | 12 | 2 | - | - |
| Stylianos Kostopoulos | Member – Non Executive | 12 | 2 | - | - |
| Dimitrakis Potamitis | Member – Independent Non Executive | 14 | - | 6 | - |
| Rudolf Jurcik | Member – Independent Non Executive | 14 | - | 6 | - |
| Igor Rusek | Member – Independent Non Executive | 13 | 1 | 6 | - |
| Nikolaos Iatrou | Member – Independent Non Executive | 14 | - | - | - |

Notes:

1. In the year 2020, fifteen (15) BoD decisions were taken unanimously via rotation.
2. Mr. Damian Cope was a BoD Member until 31.05.2020.
3. Following the resignation of Mr. Damian Cope, the Board of Directors temporarily decided not to replace the member and appointed Mr. Jan Karas, non-member of the Board of Directors, as Acting CEO from 01.06.2020 until 31.12.2020. Mr. Karas has since attended all meetings of the Board, without voting rights. The Board of Directors, at its meeting held on 17.12.2020, resolved upon the election of Mr. Jan Karas as a member of the Board of Directors in replacement of the resigned Mr. Damian Cope and the appointment of Mr. Jan Karas as Managing Director with effect from 01.01.2021.

### Directors' Insurance and Indemnities

The Directors benefit from the indemnity provision in the Company's Articles of Association. Each individual, who is an executive 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 Executive Chairman and the CEO in the Company's Articles of Association and the Internal Rules and Regulations.

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;
- 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.

The Vice-Chairmen stand in for the Chairman of the Board of Directors in his non-executive duties, when the latter is absent or unable to attend. The CEO stands in for the Chairman in his executive duties.

### 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 administratively and operationally of all Company departments (with the exception of the Internal Audit Team which is supervised only administratively by the CEO, and the Corporate Secretariat Team which is supervised by the Chairman of the Board), 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 Internal Rule and Regulation, 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 Senior Management, the strategic targets of the Company;
- Setting the targets and the Key Performance Indicators, 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 Senior Management, 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 Chairman of the Board of Directors or the Deputy Managing Director (Deputy CEO), stand in for the Managing Director (CEO) when the latter is absent or unable to attend.

## A.4: COMPOSITION OF THE BOARD

During the reporting financial year, the Board of Directors consisted of ten non-executive members of which four were independent, and two to three executive members.

Specifically, from 01.01.2020 until 31.05.2020, the Board of Directors consisted of three executive members: Mr. Kamil Ziegler, Executive Chairman of the Board, Mr. Damian Cope, Chief Executive Officer and Mr. Pavel Mucha, Chief Financial Officer (CFO). Following the resignation of Mr. Damian Cope, the Board of Directors temporarily decided not to replace the resigned member and appointed Mr. Jan Karas, non-member of the Board, as Acting CEO from 01.06.2020 until 31.12.2020. For the above period, the Board consisted of the two aforementioned executive members. Mr. Karas has since attended all meetings of the Board, without voting rights. Currently, since 01.01.2021 and on the date of this Statement in the Board of Directors, three executive members participate again, namely Mr. Kamil Ziegler, Executive Chairman, Jan Karas, CEO and Pavel Mucha, Chief Financial Officer (CFO).

## A5: EXECUTIVE DIRECTORS

The executive members of the Board, among others, are responsible for the implementation of the strategy determined by the Board and consult with non-executive members of the Board at regular intervals regarding the appropriateness of the strategy implemented. In addition, in situations of crisis or risk, as well as when it is required by the circumstances to take measures that are reasonably expected to significantly affect the Company, indicatively when decisions are to be made regarding the development of the business or the risks assumed, which are expected to affect the financial situation of the Company, the executive members immediately inform the Board in writing, either jointly or separately, reporting on their assessments and proposals.

## A6: NON-EXECUTIVE DIRECTORS

Non-executive members of the BoD, including the independent non-executive members who are elected by the General Meeting of Shareholders, monitor and examine the Company's strategy and its implementation, as well as the achievement of its objectives and ensure the effective supervision of the executive members. Non-executive members do not perform executive or managerial duties, but contribute by helping the BoD as follows:

- Constructively challenging and helping in developing strategy proposals, expressing views on the proposals submitted by the executive members, based on existing information;
- 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 with regards to the transparency and protection of corporate interests.

### A7: INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive members are elected by the General Meeting of Shareholders or appointed by the Board in case of replacement of a resigned independent member. They are not less than 1/3 of the total number of Board members and, in any case, they are not less than 2. During the reference year and until the date of this Statement, the BoD of the Company consists of 4 independent non-executive members.

In order for a non-executive member to be considered as independent, the criteria set out in the applicable legislation must be met during his election and throughout his term of office.

The CVs of the members of the Board of Directors and the Corporate Secretary who serve on the date of this Statement are available in section B.5.

## B: Effectiveness

### B.1: 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.

### B.2: 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 respect of their duties.

### Company Secretary

The Corporate Secretary ensures that the correct Board procedures are followed and proper records are maintained. Furthermore, the Corporate Secretary assists and advises, as the case may be, the members of the Board of Directors on matters concerning their said capacity.

## B.3: 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 on a yearly basis a self-assessment in respect to the achievement of the action plan 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.4: DIRECTORS' RE-ELECTION

In accordance with Articles of Association of the Company, all the Directors are subject to election by shareholders at intervals of 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 current Board of Directors was elected for four (4) years, and its term of office expires on 25.04.2022. 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.

### 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, Cyprus and Austria.

**Jan Karas**

**Chief Executive Officer, Executive Member (as of 01/01/2021)**

**(Acting CEO 01/06/2020 - 31/12/2020)**

Jan Karas was appointed OPAP's Chief Executive Officer (CEO) and executive member of the Board Directors in December 2020, after successfully serving the company for nearly seven years, from various senior roles. He joined OPAP in January 2014 and during his tenure with the company, he has led the operations, development and modernization of the company's retail and indirect sales networks, overseeing activities related to sales, retail marketing, customer and partner support. Moreover, he has also been in charge of the operation and management of OPAP's gaming and non-gaming commercial activities, across all retail and online channels. Furthermore, he contributed significantly to OPAP's business initiatives and response to the coronavirus (COVID-19) pandemic and the management of the impact of relevant restrictive measures on the company's activities.

Overall, Jan has a proven track record in delivering strong business results, as well as broad professional experience in developing solid commercial strategies and implementing successful retail and sales development programs. Before joining OPAP, he held several high-ranking positions in Marketing, Sales and Product Development in the Telecommunications sector, in the Czech Republic and Germany.

Throughout his career, Jan has been focused on pursuing and following a customer-centric mindset, promoting positive change and developing high-performing and cross-functional teams.

**Spyridon 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 capital markets in Central and Eastern European countries, Russia and CIS.

Mrs. Kohlmayer has masters' degree from University of Economics in Bratislava and 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 Bachelor’s Degree in Applied Mathematics. Since 1989, he has held numerous managerial positions in the Financial and Banking sector, mostly in BNP Paribas and Omega/Proton Bank, being responsible for Wealth Management, Corporate & Investment Banking, Credit Analysis, Loan Administration and Customer Services.

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

### Dimitris 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. 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.

He is a Member of the Hellenic Institute of Public Accountants – Auditors and deputy member of the Quality Review Council of Hellenic Accounting and Auditing Standards Oversight Board (HAASOB/ELTE).

**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.

**Marie Emmanouil**

**Corporate Secretary**

Marie Emmanouil is an experienced lawyer specialized in Corporate and Company Law and Corporate Governance. Prior to joining Opap she worked as Lawyer in Tsibanoulis & Partners Law Firm and the Legal Department of Lavipharm SA, she was Director of Legal and Corporate Affairs, Investment and International Banking at Piraeus Bank as well as Legal Counsel, Compliance & AML Officer and Corporate Secretary at Trastor REIC. She holds a Bachelor's Degree from University of Athens Law School and LL.M. (master's degree) with distinction from the University of Kent, UK.

## 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 Team 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 Managers of Finance Team that 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 110 under Accounting Policies.

Following the Audit Committee recommendation, the Board agrees an engagement letter with the Auditors in respect of the full year audit and half-year review and the Auditors' statement on their work and reporting responsibilities.
Information on OPAP's business model and strategy for generating and preserving longer-term growth and delivering on the Company's stated objectives is set out in the Business Strategy section of the Annual Report on page 22.

An extra step involving an additional review of the Annual Report was added to the approval process of financial statements 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 199 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 Team reports functionally to the Audit Committee of OPAP Board of Directors and administratively to the CEO. 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 Team 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 Team 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 SINGLE MEMBER S.A. have respectively established structured Internal Audit Unit.

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 Senior 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 2020, the Company presented the new structure of the Senior Management 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 management and control process, the Senior Management has established a risk management framework of the Group, which describes the fundamental principles for their management and defines a methodology for the assessment and

management of risks in OPAP, while determining the acceptable level of risk in the Company. Furthermore, the Audit Committee and the relevant stakeholders are 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 22 and details of OPAP's relationships and principal risks are set out on pages 15 to 21.

- **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, resources, policies, processes in place and technology to contribute to risk management and compliance enforcement. The Company is responsible of the monitoring of compliance of the Company and the OPAP Network with the applicable legal and regulatory framework and takes appropriate corrective measures, if necessary.
- 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 Legal, Regulatory and Compliance Officer by formal written or verbal complaint or anonymously. Group Legal, 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 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 confirms that Accounts have been satisfactorily completed.

# Report of the Audit Committee

## C.3: AUDIT COMMITTEE AND AUDITORS

The Audit Committee of OPAP S.A. Group (hereinafter the "AC" or the "Committee") has the pleasure to present the Committee's Activity Report for the year 2020.

During 2020, our Company was impacted by the unforeseen consequences of coronavirus (COVID-19) pandemic.

The Management of the Company reacted quickly to pandemic and succeeded in ensuring the safety of our employees and preserving shareholders' funds.

The Committee is governed by its formal Charter which was approved by the AC and the Board of Directors of OPAP S.A. on 14/10/2020 and is currently publicly available on the Company's site, as per the provisions of Law 4449/2017 (art. 44 par. 1, indent h), as amended by art. 74 par. 4 of Law 4706/2020 on Corporate Governance of Sociétés Anonymes. The Charter is reviewed annually by the Chairman of the Committee in order to incorporate the requirements set forth in laws and regulations. The Charter guides the Committee in terms of its objective and its responsibilities assigned by the Board of Directors.

The key activities of the Committee during 2020 are set out below.

### AC Composition

The Audit Committee is comprised of three independent and non-executive board members, according to the following table:

| Name | Position at the AC | Type |
|---|---|---|
| **Dimitris Potamitis** | Chairman | Independent Non-Executive Board Member |
| **Igor Rusek** | Member | Independent Non-Executive Board Member |
| **Rudolf Jurcik** | Member | Independent Non-Executive Board Member |

All members of the Audit Committee were appointed for the first time in October 2013 by the Board of Directors, upon the completion of the transfer of 33% stake of OPAP S.A. to the new owners who have undertaken the management of OPAP S.A. Group. The Committee members were reelected in April 2018 for a 4-year term of office equal to the Board of Director's tenure, i.e. until April 2022.

All members are qualified and possess the required expertise for such positions. The Chairman has experience in accounting, auditing and risk management.

In accordance with the provisions of the new Corporate Governance law 4706/2020, the board members are not considered independent when the member or a person closely associated to him/her has served as a member of the Board of Directors of the Company or of a related company for more than nine (9) financial years in total as of his/her election. Thus, the existing Committee is expected to be replaced in April 2022.

### Audit Committee Meetings

The Committee met six (6) times in 2020, while three (3) additional resolutions were unanimously approved via per rotation signing of minutes, as per the provisions of par. 9.6 of the Audit Committee Charter. Before every AC meeting an agenda is prepared including all items for discussion. The agenda is communicated to each member at least two working days before the meeting. The Minutes of the AC meetings are kept by a a Lawyer, member of  Corporate Secretariat.

The Chairman of the Committee invites regularly the following persons to attend the AC meetings:

- Chairman of the Board;
- Chief Executive Officer (and former Acting CEO);
- Chief Financial Officer;
- Director of Internal Audit;
- External auditors;
- Top Management Team members and Managers/Directors of Company's departments; (Chief Legal, Regulatory and Compliance Officer, Chief Technology Officer, AML Officer, Operational Finance Director, Credit Control Director, Data Protection Officer, Chief People Officer, Corporate Responsibility & Public Relations Director, Security & Risk Management Director)

The meetings held by the Audit Committee during 2020 and the items discussed are summarized below:

Areas covered and items discussed

1. Audit Committee Charter,
2. Audit Committee Plan 2020,
3. Apollo litigation report/briefing on the status of law suits,
4. Submission of the 2019 Annual AML report to the HGC,
5. Approval of OPAP audit fees for the period 1/1-31/12/2019,
6. Review of non-audit services (NAS),
7. OPAP IA 2019 KPI's and Annual Report,
8. Internal Audit Risk Based Plan 2020,
9. IA Self-Assessment with Independent Validation Proposal;

10. Validation of the IA activity's self-assessment,
11. Report regarding the results of audit on OPAP Group Stand alone and Consolidated Financial Statements for the year ended 31.12.2019,
12. Control of credit risks, Collectability and bad debts, Ageing Analysis of receivables;
13. Approval of the Audit Committee Activity Report for the year ended 31.12.2019;
14. Proposal for the election of Auditing Company for the statutory audit of the Company's Standalone and Consolidated Financial Statements for the current FY and for the issuance of the annual tax report;
15. Meeting with the Chief People Officer, handling coronavirus (COVID-19) crisis,
16. Consolidation as of June 30th, 2020, Half-year results,
17. Audit Issues follow up Q2 2020;
18. Management Letter for 2019,
19. Presentation of the new Law No. 4706/2020 on Corporate Governance of Sociétés Anonymes, especially with regard to the new provisions applied on Audit Committees and Internal Audit Unit, IA Reports and updates;
20. Approval of the updated AC Charter and submission to the Board of Directors of OPAP S.A.;
21. Unaudited Consolidated Financial Statements for the nine-months period ended September 30, 2020,
22. Audit Issues Management process,
23. System of Internal Controls (SIC) evaluation policy and procedure,
24. Risk Register - Risk Management Unit;
25. PwC audit plan for the year ending 31 December 2020,
26. Type of arrangement with Stoiximan,
27. IA Audit Plan for 2021

Under the provision of the Audit Committee Charter (par. 9.5 & 9.11) the Committee reports at least annually to the Board of Directors the Committee's composition, responsibilities and how the Committee has fully discharged all of its responsibilities for the period being reported. The present annual report covers the period from January 1st, 2020 to December 31st, 2020.

### Summary of Audit Committee Activities in 2020

a. Reviewed the annual Standalone and Consolidated Financial Statements for the year ended December 31st, 2019 and further recommended their approval by the Board of Directors;
b. Reviewed the semiannual Standalone and Consolidated Financial Statements as of June 30th, 2020 and further recommended their approval by the Board of Directors;

c. Reviewed the quarterly unaudited financial information/Interim Management Statements as of 31.03.2020 and 30.09.2020 and further recommended their approval by the Board of Directors;
d. Reviewed all the reports issued by the Company's Internal Audit Unit and submitted quarterly reports to the Board of Directors on important issues;
e. Reviewed the list of long outstanding findings prepared by the Internal Audit Unit, informed the Board of Directors accordingly and recommended the clearance of all outstanding significant issues;
f. Held regular meetings with the external auditors and discussed their annual audit plan for 2020 as well as other critical audit matters (CAM);
g. Held meetings with the Company's Directors and Top Management members;
h. Furthermore, the Committee requested to be advised regarding the accounting treatment of 1,8 billion Euro concerning the valuation of the acquisition of new gaming licenses for the period October 2020 to October 2030;
i. Conducted its self-assessment report for the year ended 31.12.2020.

### Whistleblower protection policy

The Chairman of the Committee has been in a regular contact with the Chief Legal, Regulatory and Compliance Officer of the Company, who is responsible for receiving employees' complaints regarding any possible improprieties in matters of financial reporting, accounting and auditing, any misstatements in the financial statements, potential misappropriation of assets or violation of law and regulations.
Based on above discussion, no complaints were submitted by the employees in order to be reported.

### Conclusion

The Audit Committee believes that fulfilled its duties and responsibilities as specified in the updated Audit Committee Charter.

On behalf of the Audit Committee,

Dimitris Potamitis
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 Senior Management 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 2020 for discussion at the Annual Ordinary General Meeting of 2021, 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, following a recommendation of the Company's Remuneration and Nomination Committee, decided on the 09.06.2020 the enactment of a new long term incentive scheme for the years 2020 to 2022 with distribution of part of the Company's net profits to Executive Members of the Board of Directors and other Key Management Personnel of the Company. The program's duration is 3 years, for the period 2020-2022. The targets relate to a. the profitability (adjusted Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) for the 3-year period mentioned above and b. the total shareholders return measured by increase of Company's share price in the Athens Exchange. Finally, the scheme defines that the maximum amount to be distributed to up to 35 beneficiaries is up to 0.6% of achieved EBITDA target based on cumulative yearly plans for period 2020 – 2022.

### 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 (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. The Company is already working systematically in order to review the composition of the Remuneration Committee so as to timely and fully comply with the requirements of Law 4706/2020.

The recommendations and reports of the Remuneration Committee 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;
- Communicate Market Feedback to Management.

In 2020, due to coronavirus (COVID-19) pandemic, the majority of investors meetings were conducted virtually, with the Company participating in thirteen 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 senior 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.

### 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 Chief Corporate and Regulatory Affairs Officer is responsible for identifying the strategic risks, setting standards and targets and reviewing the Company's Corporate Responsibility performance.

At operational level, the Director of the Corporate Responsibility and Public Relations Team, is responsible for cooperating with other departments in order to allocate responsibilities and disseminate policies and practices. The Director works closely with the Quality Management Systems Team, in order to ensure that policies for Quality, Environment and Energy, and Health and Safety are aligned with International Management System standards (ISO9001, ISO14001, ISO50001 and ISO45001).

We have appointed specific executives, responsible for key issues such as Legal, Regulatory and Compliance Team, who assist in the implementation of 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.

All OPAP products and services are available through our sales network, which includes OPAP stores, PLAY stores (for the exclusive offer of PLAY Game Machines - VLTs), Street Vendors and the independent Points of Sale for Hellenic Lotteries S.A. products (Passive Lotteries and SCRATCH), as well as the Horseracing venue in Markopoulo (Markopoulo Park).

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.

Especially for PAME STOIXIMA, TZOKER, Virtuals, Casino games, players can also place their bets through specially designed online platforms (www.pamestoixima.gr, www.tzoker. gr).


## Our business model

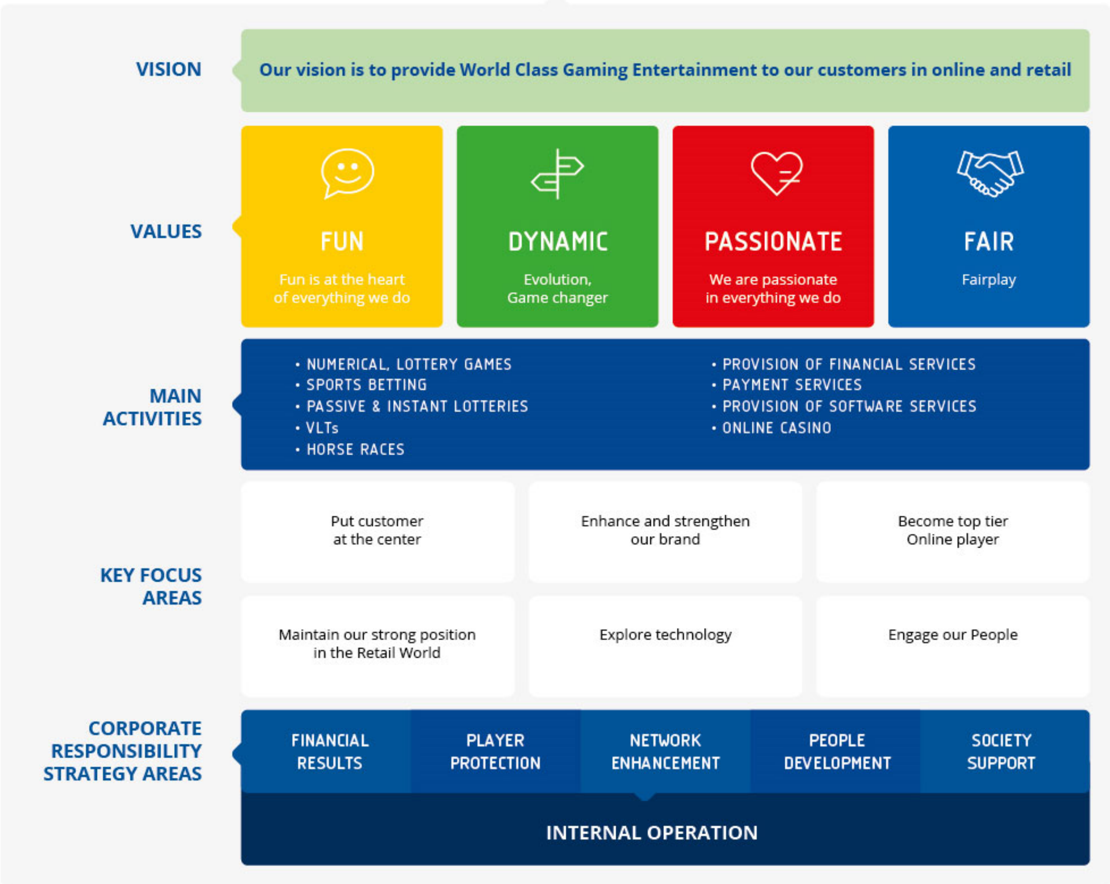
Our business model lays out the key decision-making foundations that govern our actions and initiatives in order to achieve our business goals, delivering top-quality products and services, fostering employee training and development, maintaining strong communication channels with our agents and suppliers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

Our vision to provide World Class Gaming Entertainment to our customers in online and retail continues and ensures the Company's growth, expansion of operations and profit generation. The foundation of our 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 6 key areas of our strategy 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 European Lottery (EL) 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 Complaints Policy.

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 and legislative framework, 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 with 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
- ISO 45001 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 Commercial Communication Policy 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 the three-member Committee of art. 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 Hellenic Ministry of Finance's Decision no. 79292 ΕΞ 2020 "Establishment of Gaming Regulation on Commercial Gaming Communication" (GG B/5.8.2020) 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.

In September 2020, OPAP launched its new informational campaign to inform its customers on Responsible Gaming.


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. 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 environment, we dedicate our efforts to the development of our sales network and the creation of more job openings. Our aim is to make our customers a top priority and provide our partners the necessary resources to improve at every level our network operations, in order to help them unlock the full potential of their stores.

### Our approach

Our distribution network is one of the largest exclusive commercial networks in Greece, through which we offer our games and services. In total, 3,646 OPAP Stores, 374 PLAY Stores, 8,918 independent Points of Sale and 1,994 street vendors that distribute SCRATCH tickets and passive lotteries comprise OPAP's network in Greece. In Cyprus, 202 OPAP Stores in total offer our games.

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

The guidance of our partners is primarily undertaken by our dedicated team of Account Managers which is always next to our partners, in order to provide comprehensive support and help them maximize their stores' performance.

Following our efforts to establish a line of direct communication, we have created and are constantly evolving the "opapnet", "opapnet|play" and "opapnet|laheia" B2B portals for our partners in OPAP Stores, PLAY Stores and the Indirect Points of Sale of Hellenic Lotteries S.A. respectively. In order to inform our network in a timely manner, we have also developed the respective "opapnet" mobile application, which offers direct and remote access via smartphones or tablets to our network's news and updates as well as to our partners' basic support tools.

Moreover, we provide our partners with various training sessions through our Sales Training Team. It should be noted that, if deemed necessary, our Stores' and Hellenic Lotteries S.A. Points of Sales employees can also participate in training programs for our games' rules, responsible gaming, as well as for standard operational procedures and policies.

Our partners 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 partners (in OPAP and PLAY Stores as well as in the Hellenic Lotteries S.A. Points of Sale) on their responsible operation and we make sure that they comply with OPAP's principles and rules.

Through OPAP's Responsible Gaming training program, our partners and their employees are able to identify players' problematic behaviour, in order to provide advice on how to mitigate the consequences of excessive gaming and refer them to treatment providers.

Committed to ensure proper compliance with the Responsible Gaming rules and principles, we monitor our partners' compliance according to the basic rules of Responsible Gaming through on-site inspection visits. In case a partner is found as non-compliant to 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 centre 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.

On February of 2021, the new collective labour agreement, which covers all employees of OPAP S.A. until the end of 2021, was signed with a retroactive effect from 01.01.2021. 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 59 Small and Medium Businesses, across Greece. The "OPAP Forward" curriculum has helped the participating companies create 1,590 new direct working positions and support 10,700 new indirect job positions through the establishment of new collaborations, while at the same time increase their total turnover by 113mill euros.

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 2020, both Hospital buildings had 82% of their renovation completed. More specifically, the Ophthalmology and Otolaryngology Nursing Unit at “Panagioti and Aglaias Kyriakou” Children Hospital and the Cardiological Unit 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 teamwork in children. Overall, 178 amateur football and basketball academies participate the initiative.

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 ISO50001, that enables us to effectively monitor our climate change impact (energy consumption from electricity, heating and fuel oil), 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 early 2021, 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, the guidelines of international and domestic sustainability frameworks, future trends and current global industrial practices. Through this process, we identified the following 19 material issues:

1. Societal Support
2. Responsible Gaming
3. Network Support
4. Customer Satisfaction
5. Human Rights and Diversity
6. Employee Engagement and Development
7. Employee Health, Safety and Wellbeing
8. Technology Innovation
9. Cyber and Data Security
10. Draw Credibility
11. Responsible Procurement
12. Energy Management and Carbon Emissions
13. Waste and Water Management
14. Corporate Governance
15. Business Ethics and Compliance
16. Risk Management and Business Continuity
17. Anti-Money Laundering
18. Illegal Gambling
19. Financial Performance

### Phase 2: Materiality Analysis by OPAP Management

OPAP's Senior Management prioritized the issues by taking into consideration their impact on OPAP's operations, as well as the impact that OPAP's actions on these issues have in the overall economy, society and environment.

### Phase 3: Stakeholder Engagement

To assess stakeholders' expectations and interests, we created an online questionnaire and invited all stakeholder groups to participate.

### Phase 4: Prioritization

By analysing the outcomes of each phase, we identified the issues that are prioritised as most significant for both OPAP's Senior Management and our stakeholders.
It should be noted that we acknowledge all 19 issues as important for our sustainable development.

## Response to coronavirus (COVID-19) pandemic

OPAP was one of the first companies that took initiative to deal with the consequences of the pandemic. As of March 2020, when the first restriction measures were imposed, the stores of OPAP's commercial network were among the first ones that were requested to suspend their activities. OPAP's operations have subsequently been subject to various restriction measures, depending on the pandemic's spreading progress. Such measures range from the implementation of strict healthcare rules to the suspension of operations in regions that have been heavily burdened by the spread of the pandemic.

Throughout this entire unusual period, OPAP has been focusing on three priorities:

- The protection of employees', partners' and social stakeholders' health and safety.
- The implementation of measures for minimizing the pandemic's impact on the Company's operations and the support of its commercial network.
- The protection of the Group's financial position through timely and targeted actions.

### Business continuance and product initiatives

OPAP enacted a specific business continuity plan, by implementing a series of actions and initiatives. The Company proceeded with the review of its investment plan, focusing on maintaining sufficient working capital and detecting opportunities for cost savings and enhancing its available liquidity, among others.

Moreover, during the past year OPAP proceeded with the further enhancement of its product portfolio, emphasizing on online and number games. Prominent examples are the addition of a third weekly TZOKER draw, as well as the provision of additional games in Pamestoixima.gr (e.g. online casino). These actions led to the expansion of the Company's active online customer base.

### Support measures of OPAP and PLAY stores' network

OPAP undertook targeted initiatives for the financial, commercial and operational support of its partners' network throughout Greece. In this framework, OPAP implemented a number of actions to relieve the financial burden imposed on OPAP and PLAY stores, including the suspension of short-term payments, measures for the reduction of operational costs, suspension of construction loans' repayment that had been provided by the Company for the development or the modernization of stores, a commercial plan for the promotion of games, etc.

Furthermore, OPAP supports its partners' network by continuously informing and offering consulting services, assisting them making use of the State's measures for the support of businesses and employees. In addition, OPAP has established a mechanism to closely monitor and control the implementation of prevention and healthcare measures against the pandemic throughout its network.

### Initiatives for the support of the employees

During the past year, OPAP proceeded with the implementation of targeted actions for the support of its employees. Within a short time period, following the outbreak of the pandemic, the Company successfully implemented a wide teleworking scheme, which significantly surpassed the teleworking obligation for companies in Greece to put 50% of their personnel on a teleworking scheme. In the same context, in 2020, OPAP did not suspend the employment contracts for any of its employees.

At the same time, the Company implemented actions for its employees' health and the safety. These included the development and the provision of specific instructions and informational material on the pandemic via internal channels (e.g. intranet, internal digital signage system, yammer, etc.), the collaboration with diagnostic centers for coronavirus (COVID-19) tests (which were free for OPAP employees), among others. Finally, OPAP focused as well on the personal development and wellbeing of its employees through additional initiatives, such as the expansion of the e-learning platform with new training sections and live "workout-from-home" online sessions.

### Initiatives for the support of the national healthcare system

Aiming to further contribute to the national effort for combatting the pandemic and enhance the work of the country's hospital units, OPAP offered immediate support to the competent authorities. Some of the actions implemented include:

- Continued the renovation of pediatric hospitals: OPAP continued to support "Panagioti and Aglaias Kyriakou" and "Agia Sofia" hospitals.
- Provisions of first-aid healthcare supplies: OPAP donated 500,000 masks and first-aid equipment to doctors and nurses of three public hospitals.
- OPAP in the Neighborhood: The Smile of the Child, with the support of OPAP, redirected the mobile units of the program, making them available to the healthcare system.
- OPAP Forward: OPAP provided support to the businesses of the program, which contribute to the restriction of the coronavirus spread.
- Healthcare supplies to social welfare bodies for elderly people throughout Greece: OPAP provided hundreds of thousands of gloves and protective masks to social welfare bodies for elderly people of the Ministry of Labor and Social Affairs to help them respond to emergencies.
- Initiatives for the support of "Ippokrateio" Hospital of Thessaloniki and of the local authorities: OPAP donated necessary medical equipment for the diagnostic and therapeutic intervention concerning coronavirus (COVID-19) infected patients as well as healthcare supplies to cover the needs of the Municipality and of the General Police Directorate of Thessaloniki.

### Our results in 2020

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) | 0 | 0 |
| Monetary value of fines or penalties (i.e. even if appealed) for noncompliance with laws and regulations regarding incidents of corruption and bribery (€) | 0 | 0 |

| Indicator | GROUP | COMPANY |
|---|---|---|
| **Player Protection** | | |
| Employees informed about Responsible Gaming (%) | 100%[1] | 100% |
| Agents informed about Responsible Gaming (%) | 100% | 100% |
| **Network Enhancement** | | |
| OPAP Stores (number) | 3,848 | 3,646 |
| Gaming Halls (number) | 374 | 374 |
| Additional POS (points of sale) and street vendors for Hellenic Lotteries products (number) | 10,912 | 0 |
| **People Development** | | |
| Employees (number) | 1,503 | 1,158 |
| Full-time employees (%) | 98% | 100% |
| Indefinite time contract employees (%) | 97% | 97% |
| Women in overall workforce (%) | 38% | 43% |
| Fatalities (number) | 0 | 0 |
| Grievances regarding human rights (including child, forced and compulsory labour), which were filed through formal grievance mechanisms (number) | 0 | 0 |
| **Society Support** | | |
| Societal support activities (number) | 480 | 318 |
| Societal support spending (million €) | 19 | 14.3 |
| 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) (%) | 54% | 74% |
| Electricity consumption (MWh) | 5,506[3] | 3,255 |
| Water consumption ($m^3$) | 56,312[3] | 6,621 |
| Paper consumption (tn) | 9 | 7[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 SINGLE MEMBER 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., TORA DIRECT SINGLE MEMBER S.A. and TORA WALLET SINGLE MEMBER S.A.
[4] Data refer to the companies OPAP S.A. and HELLENIC LOTTERIES S.A..

## 7. Dividend policy – Distribution of net profit

In relation to dividend distribution for the fiscal year 2020, the Company's Management, after taking into consideration the Company's performance, its prospects, its investment plans and the effect of Coronavirus (COVID-19), proposes the distribution of dividend of € 0.45 per share before withholding taxes (according to the applicable tax legislation) versus € 0.30 per share for the year 2019.

Furthermore, it must be noted that the meeting of the Company's Board of Directors, held on 08.01.2020, approved the distribution of part of the undistributed earnings up to the year ending on 31.12.2018, which represented a dividend of € 1.00 per share.

Based on the aforementioned information, total dividend (versus 2019 total dividend) before applicable withholding taxes, will be as follows:

| | 2020 | 2019 |
|---|---|---|
| Special dividend | 1.0000 | 0.0000 |
| Final dividend | 0.4500 | 0.3000 |
| Total dividend | **1.4500** | **0.3000** |

## 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 06.02.2020 decided to issue 13,084,373 new common registered voting shares of nominal value of € 0.30 each. Additionally, the Board of Directors, as its meeting dated 07.08.2020 decided to issue 6,718,571 new common registered voting shares of nominal value of € 0.30 each.

Consequently, the total authorized number of common shares was 341,426,387 on 31.12.2020 (321,623,443 on 31.12.2019) with a par value of € 0.30 per share (€ 0.30 in 2019). 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 SINGLE MEMBER S.A., TORA WALLET SINGLE MEMBER 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 SINGLE MEMBER S.A. and is located in Markopoulo, Attica.

### Research and development

Two companies of the Group, NEUROSOFT S.A. and TORA WALLET SINGLE MEMBER 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 2020 and until the announcement of the annual financial report

### Online betting – OPAP SPORTS LTD

On 01.01.2021, OPAP SPORTS LTD was granted a Class "B" license from the National Betting Authority of Cyprus and now can provide electronic (online) betting services.

### Request for Arbitration of HELLENIC LOTTERIES S.A.

HELLENIC LOTTERIES S.A. has formally contested that it owes anything more than € 12,279 th. to the Hellenic Republic under the Concession Agreement. That amount represents 30% of the annual GGR of HELLENIC LOTTERIES S.A. and it has already been remitted by HELLENIC LOTTERIES S.A. to the Hellenic Republic, pursuant to the Concession Agreement. HELLENIC LOTTERIES S.A. has formally taken the position vis-à-vis the Hellenic Republic, supported by advice by external counsel, that no additional amount is due to reach the € 50,000 th. Minimum Annual Fee provided for in Clause 11.2 of the Concession Agreement, given the impact of pandemic-related restrictions imposed by the State on the operation of HELLENIC LOTTERIES S.A.. This position is based on the Force Majeure clause of the Concession Agreement and applicable provisions of Greek law regarding impossibility of performance and unforeseeable changes in circumstances. For these reasons HELLENIC LOTTERIES S.A. has filed a Request for Arbitration against the Hellenic Republic and the Hellenic Asset Development Fund under the LCIA Arbitration Rules, pursuant to Clause 32 of the Concession Agreement. HELLENIC LOTTERIES S.A.'s principal claim seeks declarations that the Minimum Annual Fee is not due; and also an extension of the term of the Concession Agreement and/or a refund of part of the upfront € 190,000 th. Financial Consideration (both to be quantified at a later stage). The matter is therefore pending before the competent tribunal, which has exclusive jurisdiction to pronounce in a final and binding manner. On prudential grounds, however, HELLENIC LOTTERIES S.A. has formed a provision, notably in the light of collateral undertakings per Clause 26.3 of the Concession Agreement.

## 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) | 01.01-31.12.2020 | 01.01-31.12.2019 | Δ % |
|---|---|---|---|
| Profit before interest, tax, depreciation and amortization (EBITDA) / Revenue (GGR) | 23.0% | 25.5% | (9.5%) |
| Profit attributable to owners of the Company / Revenue (GGR) | 18.2% | 12.5% | 45.5% |
| Profit before interest, tax, depreciation and amortization (EBITDA) / Net gaming revenue (NGR) | 35.3% | 38.0% | (7.0%) |
| Profit attributable to owners of the Company / Net gaming revenue (NGR) | 27.9% | 18.6% | 49.5% |
| Net debt | 587,107 | 477,410 | 23.0% |
| Total debt / Total equity | 145.5% | 145.2% | .2% |
| Net debt / Profit before interest, tax, depreciation and amortization (EBITDA) | 2.3 | 1.2 | 94.9% |

### 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.

### Earnings before interest, taxes, depreciation and amortization (EBITDA) as a % of NGR

Calculated as the ratio of Earnings before tax, depreciation and amortization (EBITDA) over NGR in the period.

### Profit attributable to owners of the Company as a % of NGR

Calculated as the ratio of net profit for the year over NGR for the period.

### Net Debt

Calculated as the sum of short-term and long-term borrowings plus short-term and long-term lease liabilities 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.

### Total Debt / Equity

Calculated as the ratio of the sum of short-term and long-term borrowings plus short-term and long-term lease liabilities at the end of the year over equity at the end of the year.

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

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

# ANNEX

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

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

### 1. Company's Share Capital Structure

The Company's Share Capital mounts up to the sum of one hundred two million four hundred twenty seven thousand nine hundred sixteen euro and ten cents (€ 102,427,916.10), divided to three hundred forty one million four hundred twenty six thousand three hundred eighty seven (341,426,387) 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 06.02.2020, was increased by three million nine hundred twenty five thousand three hundred eleven euro and ninety cents (€ 3,925,311.90), upon issuance thirteen million eighty four thousand three hundred seventy three (13,084,373) new common, registered, voting shares, of nominal value of 0.30 euro (€ 0.30) each, as a result of the reinvestment program of the extra-ordinary dividend.

The Company's Share Capital, following the resolution of the Board of Directors of the Company dated 07.08.2020, was increased by two million fifteen thousand five hundred seventy one euro and thirty cents (€ 2,015,571.30), upon issuance six million seven hundred eighteen thousand five hundred seventy one (6,718,571) new common, registered, voting shares, of nominal value of 0.30 euro (€ 0.30) each, as a result of the reinvestment program of the dividend of the financial year 2019.

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 31.12.2020 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 |
|---|---|
| Sazka Delta Hellenic Holdings Limited | 32.9% |
| Sazka Group a.s. | 10.2% |
| Free Float | 56.9% |

### 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 the scopes and uses allowed by the law, in accordance with the specific stipulations of articles 49 and 50 of Law 4548/2018, as in force today, and in connection to the provisions of 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 31.12.2020 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, 30 March 2021

| | |
|---|---|
| **Kamil Ziegler** | **Jan Karas** |
| **Chairman** | **Board Member and Chief Executive Officer** |

# III. Annual Financial Statements

The attached Financial Statements as at 31.12.2020 of the Group and the Company were approved by the Board of Directors of OPAP S.A. on 30.03.2021 and are posted at the Company's website www.opap.gr as well as in the website of Athens Stock Exchange. The attached Financial Statements will remain at the disposal of investors at least five years from the date of their announcement.

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

The auditors of the consolidated and separate Financial Statements of OPAP S.A. for the years ended on 31.12.2020 and 31.12.2019 is the auditing firm PricewaterhouseCoopers S.A..

**[Translation from the original text in Greek]**

## Independent auditor's report

**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 2020, 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 2020, 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.

The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1st of January 2020 to 31 December 2020, are disclosed in the note 46 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*<br>*(Note 3.4. Revenue recognition, accounting for Payout to the winners and other Operating Income)*<br>*(separate and consolidated financial statements)*<br><br>At 31 December 2020, Gross Gaming Revenue amounted to €1.13 bn for the Group and €0.93 bn for the Company.<br><br>The Group and the Company operate in a regulated environment and have a variety of gaming revenue streams across its operations.<br><br>The Group gaming revenue processes are highly dependent on complex and interconnected Information Technology (IT) systems (managed in house and by third party service providers) for calculating, processing and recording of a significant daily volume of gaming revenue related transactions using differing and specialised revenue recognition criteria.<br><br>In addition, the accuracy and completeness of the revenue amounts recognized are highly reliant on IT controls and the effective operation of automated processes and controls (i.e. calculations, reconciliations) implemented and operated by the Group and its service providers.<br>We focused on this area due to the nature, complexity and the extensive use of the (IT) systems and data relevant to recognition of gaming revenue.<br><br>Our audit approach also relies on the effectiveness of | We evaluated the design and tested the operating effectiveness of the Group's IT controls in relation to the IT systems supporting significant revenue streams. This included IT controls related to user access, program development and change management and IT operations for key layers of underlying infrastructure (i.e. application, operating system, database) for the IT systems in scope of our audit.<br><br>We tested the system generated information (i.e. data and reports), and other relevant IT dependent or automated controls (i.e. interfaces, calculations, reconciliations).<br>We evaluated the design and tested the operating effectiveness of relevant gaming revenue business process controls, and also performed analytical, and other substantive procedures as part of our audit.<br><br>Where in scope IT systems are managed by service providers we obtained and evaluated the respective assurance reports, issued by the auditors of the Service providers/ Organizations and tested, relevant complementary controls, where applicable.<br>Based on the audit procedures we performed, we did not identify any material exceptions in relation to recognition of gross gaming revenue during the year. |

| | |
|---|---|
| controls over IT systems, automated processes and system generated information, | |
| *Impairment assessment of Intangible assets and Goodwill*<br>*(Note 2.2 Important accounting decisions, estimations and assumptions, 3.11 Impairment of non-financial assets, Note 6 Intangible assets, Note 8 Right-of-Use assets and Lease liabilities and Note 10 Goodwill)*<br>*(separate and consolidated financial statements)*<br><br>At 31 December 2020, intangible assets amount to €0.98 bn for the Group and €0.87 bn for the Company and right of use assets amount to €41.8 mln for the Group and € 26.1 mln 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.<br><br>At 31 December 2020, goodwill amounts to € 483.8 mln and is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment.<br><br>As a result of the deterioration of the macroeconomic environment due to the impact of COVID - 19, the Group proceeded with an impairment assessment of the recoverable amount for the cash generating units ('CGUs') that were significantly affected and reported losses as a result of the impact of COVID – 19. Based on the indicators that the carrying amount exceeds the recoverable amount, an impairment assessment has been performed for the following three cash generating units ('CGUs'), namely: Operations in Instant and Passive Lotteries, Horse Races and Virtual Lottery Terminals.<br><br>For goodwill impairment test purposes, an assessment has been performed for the following three cash generating units ('CGUs'): Neurosoft SA, OPAP Sports Ltd and Tora Direct Single Member S.A.<br><br>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.<br>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. | 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.<br>The key assumptions assessed per case included, the revenue growth rates, margin trends and discount rates.<br><br>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:<br><br>● Benchmarking key assumptions in management's valuation models with market trends and assumptions made in the prior year<br><br>● Testing the mathematical accuracy of the cash flow models and agreeing relevant data to approved business plans.<br><br>● Assessing the reliability of management's forecast through a review of actual performance against previous forecasts.<br><br>● Assessing the sensitivity of impairment tests to changes in significant assumptions<br><br>Related to the goodwill amounting to €466mln recognised for STOIXIMAN Business (Greek and Cypriot operations), for which the transaction of its acquisition was completed at 18 November 2020, following a qualitative assessment there have not been any events or indication identified that may have a negative impact on its operations and profitability. Management has a period of 12 months from the date of acquisition to finalize the acquisition accounting.<br><br>We validated the appropriateness of the related disclosures included in the Notes, in the financial statements. |

| | |
|---|---|
| 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.<br><br>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"*.<br>In the year ended 31 December 2020, an impairment charge was recognized with respect to the intangible assets and right of use assets of the subsidiary Horse Races Single Member S.A.of €4.9 mln and €14.1mln. and an impairment charge of €12.5 mln was recognized to Goodwill with respect to Neurosoft SA (€11.0 mln) and Tora Direct Single Member S.A (€1.5 mln). | Based on our procedures, we consider management's key assumptions to be within a reasonable range. |
| *Impairment assessment of investments in subsidiaries*<br>*(Note 2.2 Important accounting decisions estimations and assumptions and Note 11 Investment in subsidiaries)*<br>*(separate financial statements)*<br><br>At 31 December 2020, the Company has investments in subsidiaries of € 425.4mln. 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.<br><br>As a result of the deterioration of the macroeconomic environment due to the impact of COVID - 19, the Parent Company proceeded with an impairment assessment of the recoverable amount for the cash generating units ('CGUs') that were significantly affected and reported losses as a result of the impact of COVID – 19<br><br>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 | 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.<br><br>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:<br><br>● Benchmarking key assumptions in management's valuation model with market trends and assumptions made in the prior year.<br><br>● Testing the mathematical accuracy of the cash flow models and agreeing relevant data to approved business plans.<br><br>● Assessing the reliability of management's forecast through a review of actual performance against previous forecasts.<br>● Assessing the sensitivity of impairment tests to changes in significant assumptions<br>We validated the appropriateness of the related disclosures included in the Notes, in the financial |

| | |
|---|---|
| approved by management covering a one-year period and cash projections for four additional years.<br><br>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.)<br><br>In the year ended 31 December 2020, an impairment charge of €5.5mln was recognized with respect to the Company's investment in subsidiary OPAP International Ltd. | statements.<br><br>Based on our procedures, we consider management's key assumptions to be within a reasonable range. |
| *Impact of COVID-19*<br>*(Note 2.1 Basis of Preparation, Note 45. Financial instruments and financial risk factors) (separate and consolidated financial statements)*<br><br>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 impact that the outbreak of COVID-19 has 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.<br><br>As explained in the Board of Directors Report, the COVID-19 pandemic and the measures taken to reduce the spread of the virus have created significant uncertainty in the markets in which the Group operates, which in turn had an impact on sales and profitability of the Group.<br><br>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 | In assessing the appropriateness of the going concern basis of accounting used in preparing the financial statements, we:<br><br>● 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.<br><br>● 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.<br><br>● Checked the mathematical accuracy of Management's cash flow forecasts.<br><br>● 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.<br><br>● We evaluated Management's conclusion that there are no material uncertainties with respect to going concern. |

| | |
|---|---|
| cash inflows.<br>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.<br>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. | ● Reviewed the adequacy and appropriateness of Management's going concern and other relevant disclosures in the financial statements.<br><br>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 impacts negatively 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 2020 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. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 2 years.

Athens, 31 March 2021

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 2020 and for the year then ended**

(Amounts in thousands of euro)

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Notes | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| **ASSETS** | | | | | |
| **Non - current assets** | | | | | |
| Intangible assets | 6 | 980,228 | 1,065,733 | 874,308 | 933,089 |
| Property, plant and equipment | 7 | 85,623 | 98,308 | 82,813 | 95,138 |
| Right-of-use assets | 8 | 41,864 | 64,036 | 26,155 | 32,627 |
| Investment properties | 9 | 1,606 | 1,703 | 1,606 | 1,703 |
| Goodwill | 10 | 483,846 | 30,275 | - | - |
| Investments in subsidiaries | 11 | - | - | 425,412 | 362,987 |
| Investments in associates | 12 | 8,079 | 54,158 | - | - |
| Trade receivables | 16 | 7,249 | 5,795 | 7,249 | 4,328 |
| Other non - current assets | 13 | 47,117 | 27,855 | 55,334 | 29,290 |
| Deferred tax assets | 14 | 35,467 | 19,894 | - | - |
| Long – term investments | 18 | - | 1,000 | - | - |
| **Total non - current assets** | | **1,691,078** | **1,368,757** | **1,472,878** | **1,459,163** |
| **Current assets** | | | | | |
| Inventories | 15 | 6,169 | 6,962 | 4,011 | 2,745 |
| Trade receivables | 16 | 68,480 | 154,042 | 26,846 | 64,071 |
| Current income tax assets | 14 | 2,359 | 4,436 | - | 4,429 |
| Other current assets | 17 | 40,618 | 60,204 | 38,370 | 33,259 |
| Cash and cash equivalents | 18 | 506,873 | 633,815 | 279,491 | 450,297 |
| Short – term investments | 18 | 4,629 | 8,915 | - | - |
| **Total current assets** | | **629,128** | **868,374** | **348,718** | **554,802** |
| **Total Assets** | | **2,320,206** | **2,237,131** | **1,821,596** | **2,013,966** |
| **EQUITY & LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | 19 | 102,428 | 96,487 | 102,428 | 96,487 |
| Share premium | 19 | 218,826 | 24,294 | 218,826 | 24,294 |
| Reserves | 20 | 33,329 | 31,522 | 32,075 | 30,266 |
| Treasury shares | 21 | (14,497) | (14,497) | (14,497) | (14,497) |
| Retained earnings | | 399,520 | 615,982 | 299,436 | 620,030 |
| **Equity attributable to owners of the Company** | | **739,606** | **753,788** | **638,267** | **756,579** |
| Non-controlling interests | 22 | 15,281 | 18,104 | - | - |
| **Total equity** | | **754,886** | **771,892** | **638,267** | **756,579** |
| **Non-current liabilities** | | | | | |
| Borrowings | 23 | 1,007,830 | 1,045,580 | 957,440 | 995,301 |
| Lease liabilities | 8 | 50,112 | 57,649 | 22,011 | 27,663 |
| Deferred tax liability | 14 | 26,642 | 23,528 | 24,833 | 21,015 |
| Employee benefit plans | 24 | 4,685 | 2,989 | 4,194 | 2,570 |
| Provisions | 25 | 10,214 | 8,517 | 10,212 | 8,515 |
| Other non-current liabilities | 26 | 99,776 | 3,361 | 2,748 | 2,524 |
| **Total non-current liabilities** | | **1,199,259** | **1,141,624** | **1,021,438** | **1,057,588** |
| **Current liabilities** | | | | | |
| Borrowings | 23 | 33,036 | 10,780 | 52,692 | 23,987 |
| Lease liabilities | 8 | 7,631 | 7,130 | 5,068 | 5,157 |
| Employee benefit plans | 24 | - | 3,578 | - | 3,578 |
| Trade payables | 27 | 149,444 | 181,267 | 52,400 | 74,362 |
| Current income tax liabilities | 14 | 27,755 | 1,755 | 13,119 | - |
| Other current liabilities | 28 | 148,194 | 119,105 | 38,611 | 92,714 |
| **Total current liabilities** | | **366,061** | **323,616** | **161,890** | **199,798** |
| **Total liabilities** | | **1,565,320** | **1,465,239** | **1,183,328** | **1,257,387** |
| **Total Equity & Liabilities** | | **2,320,206** | **2,237,131** | **1,821,596** | **2,013,966** |

**The attached notes on pages 98 to 201 form an integral part of Financial Statements.**

# 2. Income Statement

**For the year ended 31 December 2020**

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

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Notes | 01.01-31.12.2020 | 01.01-31.12.2019 | 01.01-31.12.2020 | 01.01-31.12.2019 |
| **Revenue (GGR)** | | **1,129,783** | **1,619,896** | **930,219** | **1,369,923** |
| GGR contribution and other levies and duties | 30 | (392,518) | (533,718) | (311,640) | (464,716) |
| **Net gaming revenue (NGR)** | | **737,265** | **1,086,178** | **618,579** | **905,207** |
| Agents' commissions | 31 | (255,869) | (387,341) | (212,529) | (319,878) |
| Other NGR related commissions | 32 | (60,233) | (76,738) | (50,463) | (61,641) |
| Other operating income | 33 | 123,811 | 149,361 | 58,545 | 64,754 |
| Other operating income related to the extension of the concession of the exclusive right | 34 | 42,465 | - | 42,465 | - |
| Other operating cost | 35 | (77,610) | (98,437) | (1,559) | (8,049) |
| Share of profit of associates | 12 | 18,156 | 8,470 | - | - |
| | | **527,986** | **681,493** | **455,039** | **580,394** |
| **Operating expenses** | | **(267,673)** | **(268,914)** | **(208,343)** | **(215,362)** |
| Payroll expenses | 36 | (78,643) | (82,306) | (64,676) | (67,974) |
| Marketing expenses | 37 | (54,853) | (60,939) | (39,677) | (46,350) |
| Other operating expenses | 38 | (112,722) | (117,405) | (89,460) | (95,702) |
| Net impairment losses on financial assets | 45 | (21,455) | (8,264) | (14,529) | (5,337) |
| **Profit before interest, tax, depreciation and amortization (EBITDA)** | | **260,313** | **412,579** | **246,696** | **365,032** |
| Gain from remeasurement of previously held equity interest | 10 | 142,666 | - | - | - |
| Depreciation, amortization and impairment | 6, 7, 8, 9, 10 | (152,551) | (116,315) | (92,356) | (79,717) |
| **Results from operating activities** | | **250,428** | **296,264** | **154,340** | **285,314** |
| Finance income | 39 | 10,286 | 3,108 | 9,527 | 1,276 |
| Finance costs | 39 | (43,766) | (30,190) | (39,983) | (25,776) |
| Dividend income | 40 | - | - | 5,500 | 7,500 |
| **Profit before income tax** | | **216,948** | **269,181** | **129,384** | **268,315** |
| Income tax expense | 41 | (17,570) | (67,083) | (28,218) | (62,702) |
| **Profit for the period** | | **199,378** | **202,098** | **101,166** | **205,612** |
| **Profit is attributable to:** | | | | | |
| Owners of the Company | | 205,346 | 202,381 | 101,166 | 205,612 |
| Non-controlling interests | 22 | (5,968) | (283) | - | - |
| **Profit after tax** | | **199,378** | **202,098** | **101,166** | **205,612** |
| **Basic and diluted earnings per share in €** | **42** | **0.6143** | **0.6356** | **0.3026** | **0.6457** |

**The attached notes on pages 98 to 201 form an integral part of Financial Statements.**

# 3. Statement of Comprehensive Income

**For the year ended 31 December 2020**

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

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Notes | 01.01-31.12.2020 | 01.01-31.12.2019 | 01.01-31.12.2020 | 01.01-31.12.2019 |
| **Profit for the period** | | **199,378** | **202,098** | **101,166** | **205,612** |
| **Other comprehensive income - items that will not be reclassified to profit or loss** | | | | | |
| Actuarial gains/(losses) | 24 | (112) | (221) | (76) | (218) |
| Related tax | 14, 41 | 27 | 53 | 18 | 52 |
| **Total items that will not be reclassified to profit or loss** | | **(85)** | **(168)** | **(58)** | **(166)** |
| **Other comprehensive income - items that are or may be reclassified subsequently to profit or loss** | | | | | |
| Loss from valuation of hedging derivatives | | (224) | (1,253) | (224) | (1,253) |
| Related tax | 14, 41 | 54 | 301 | 54 | 301 |
| Exchange differences on translation of foreign operations | | (4) | - | - | - |
| **Total items that may be reclassified to profit or loss** | | **(175)** | **(952)** | **(171)** | **(952)** |
| **Other comprehensive loss for the period, net of tax** | | **(260)** | **(1,120)** | **(229)** | **(1,118)** |
| **Total comprehensive income for the period** | | **199,118** | **200,978** | **100,938** | **204,495** |
| **Total comprehensive income is attributable to:** | | | | | |
| Owners of the Company | | 205,095 | 201,258 | 100,938 | 204,495 |
| Non-controlling interests | 22 | (5,977) | (280) | - | - |
| **Total comprehensive income, net of tax** | | **199,118** | **200,978** | **100,938** | **204,495** |

**The attached notes on pages 98 to 201 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 2020 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 2019** | 95,700 | - | 32,212 | (14,497) | 609,339 | 722,754 | 36,782 | 759,536 |
| Profit for the period | - | - | - | - | 202,381 | 202,381 | (283) | **202,098** |
| Other comprehensive loss | - | - | (952) | - | (171) | (1,123) | 3 | **(1,120)** |
| **Total comprehensive income/(loss) for the period** | **-** | **-** | **(952)** | **-** | **202,210** | **201,258** | **(280)** | **200,978** |
| **Transactions with owners of the Company** | | | | | | | | |
| Share capital increase | 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 | - | - | - | - | (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) | 615,982 | 753,787 | 18,104 | 771,892 |
| **Balance at 1 January 2020** | 96,487 | 24,294 | 31,522 | (14,497) | 615,982 | 753,787 | 18,104 | 771,892 |
| Profit/(Loss) for the period | - | - | - | - | 205,346 | 205,346 | (5,968) | **199,378** |
| Other comprehensive loss | - | - | (174) | - | (78) | (251) | (9) | **(260)** |
| **Total comprehensive income/(loss) for the period** | **-** | **-** | **(174)** | **-** | **205,269** | **205,095** | **(5,977)** | **199,118** |
| **Transactions with owners of the Company** | | | | | | | | |
| Share capital increase (Note 19) | 5,941 | 194,532 | - | - | - | 200,473 | - | **200,473** |
| Share capital increase expenses | - | - | - | - | (93) | (93) | - | **(93)** |
| Statutory reserve (Note 20) | - | - | 1,980 | - | (1,980) | - | - | **-** |
| Dividends provided for or paid (Note 29) | - | - | - | - | (419,657) | (419,657) | - | **(419,657)** |
| Non-controlling interests on acquisition of subsidiary (Note 22) | - | - | - | - | - | - | 3,154 | **3,154** |
| **Total transactions with owners of the Company** | 5,941 | 194,532 | 1,980 | - | (421,730) | (219,277) | 3,154 | (216,123) |
| **Balance at 31 December 2020** | 102,428 | 218,826 | 33,329 | (14,497) | 399,520 | 739,606 | 15,281 | 754,886 |

**The attached notes on pages 98 to 201 form an integral part of Financial Statements.**

## 4.2. Separate Statement of Changes in Equity

### As of 31 December 2020 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 2019** | **95,700** | **-** | **30,955** | **(14,497)** | **605,071** | **717,229** |
| Profit for the period | - | - | - | - | 205,612 | **205,612** |
| Other comprehensive loss | - | - | (952) | - | (166) | **(1,118)** |
| **Total comprehensive income/(loss) for the period** | **-** | **-** | **(952)** | **-** | **205,447** | **204,495** |
| Share capital increase | 787 | 24,294 | - | - | - | **25,081** |
| Merger with OPAP SERVICES S.A. | - | - | - | - | 86 | **86** |
| Statutory reserve (Note 20) | - | - | 262 | - | (262) | **-** |
| Share capital increase expenses | - | - | - | - | (9) | **(9)** |
| Dividends provided for or paid | - | - | - | - | (190,302) | **(190,302)** |
| **Balance at 31 December 2019** | **96,487** | **24,294** | **30,266** | **(14,497)** | **620,030** | **756,579** |
| **Balance at 1 January 2020** | **96,487** | **24,294** | **30,266** | **(14,497)** | **620,030** | **756,579** |
| Profit for the period 01.01-31.12.2020 | - | - | - | - | 101,166 | **101,166** |
| Other comprehensive loss | - | - | (171) | - | (58) | **(229)** |
| **Total comprehensive income/(loss) for the period** | **-** | **-** | **(171)** | **-** | **101,108** | **100,938** |
| Share capital increase (Note 19) | 5,941 | 194,532 | - | - | - | **200,473** |
| Statutory reserve (Note 20) | - | - | 1,980 | - | (1,980) | **-** |
| Share capital increase expenses | - | - | - | - | (65) | **(65)** |
| Dividends provided for or paid (Note 29) | - | - | - | - | (419,657) | **(419,657)** |
| **Balance at 31 December 2020** | **102,428** | **218,826** | **32,075** | **(14,497)** | **299,436** | **638,267** |

**The attached notes on pages 98 to 201 form an integral part of Financial Statements.**

# 5. Cash Flow Statement

### As of 31 December 2020 and for the year then ended

(Amounts in thousands of euro)

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Notes | 01.01-31.12.2020 | 01.01-31.12.2019 | 01.01-31.12.2020 | 01.01-31.12.2019 |
| **OPERATING ACTIVITIES** | | | | | |
| Profit before tax | | 216,948 | 269,181 | 129,384 | 268,315 |
| **Adjustments for:** | | | | | |
| Depreciation & amortization | 6,7,8,9 | 115,718 | 107,666 | 91,896 | 79,717 |
| Net finance costs | | 33,475 | 27,054 | 30,450 | 24,487 |
| Employee benefit plans | | 834 | 1,649 | 766 | 1,594 |
| Provisions for doubtful trade receivables | 16 | 5,383 | 2,299 | 2,044 | 2,024 |
| Write-off of trade receivables | | 691 | 1,136 | 628 | 1,068 |
| Other provisions | | 5,359 | (16,079) | 5,359 | (16,082) |
| Provision for obsolete inventories | | 552 | 1,160 | - | 1,160 |
| Impairment losses on PPE, intangible assets, Right-of-use assets & goodwill | 6,7,8,10 | 36,833 | 8,650 | 460 | - |
| Exchange differences | | 6 | 29 | 6 | 12 |
| Dividend income | 40 | - | - | (5,500) | (7,500) |
| Impairment of investment in subsidiaries | 11 | - | - | 5,500 | 8,336 |
| Gain from disposal of subsidiary | 11 | - | - | (8,336) | - |
| Impairment of other current & non-current assets | 45 | 15,399 | 4,712 | 11,857 | 2,245 |
| Gain from remeasurement of previously held equity interest | 10 | (142,666) | - | - | - |
| Share of profit from associates | 12 | (18,156) | (8,470) | - | - |
| (Profit)/loss from investing activities | | 29 | 25 | (4) | (2) |
| Rent concessions | | (1,988) | - | (995) | - |
| Other non-cash items | | - | 65 | - | 2,755 |
| **Total** | | **268,417** | **399,077** | **263,515** | **368,129** |
| **Changes in Working capital** | | | | | |
| (Increase) / decrease in inventories | | 241 | 2,540 | (1,266) | 8,199 |
| (Increase) / decrease in receivables | | 37,938 | (34,162) | 1,367 | (18,412) |
| Increase / (decrease) in payables (except banks) | | (73,011) | 15,098 | (76,987) | 4,938 |
| **Total** | | **233,584** | **382,552** | **186,630** | **362,854** |
| Interest paid | | (35,051) | (24,273) | (32,500) | (21,754) |
| Income taxes paid | | (12,146) | (78,949) | (6,720) | (69,966) |
| **Net cash inflow from operating activities** | | **186,388** | **279,330** | **147,410** | **271,133** |
| **INVESTING ACTIVITIES** | | | | | |
| Proceeds from sale of tangible & intangible assets | | 7 | 61 | 7 | 41 |
| Additional consideration for the acquisition of subsidiary/associate | 12 | (154,735) | (22,000) | - | - |
| Loan repayments from third parties | | 18,185 | 3,956 | 1,135 | 651 |
| Loan repayments from subsidiaries | | - | - | 9,500 | 6,000 |
| Share capital increase of subsidiaries | 11 | - | - | (70,000) | (123,000) |
| Loans granted to third parties | | (2,317) | (2,191) | (2,317) | - |
| Loans granted to Group companies | | - | - | (24,500) | (6,100) |
| Increase of cash due to acquisition of STOIXIMAN business (Greek and Cypriot operations) | 10 | 64,562 | - | - | - |
| Increase of cash due to merger with OPAP SERVICES S.A. | | - | - | - | 3,268 |
| Purchase of intangible assets | 6 | (10,011) | (25,482) | (6,782) | (18,206) |
| Purchase of property, plant and equipment | 7 | (8,868) | (9,297) | (8,221) | (8,144) |
| Dividends received | | 6,799 | 4,400 | 7,500 | 1,500 |
| Interest received | | 2,586 | 1,978 | 1,225 | 1,026 |
| Net change in short-term & long-term investments | | 5,285 | (456) | - | - |
| **Net cash outflow from investing activities** | | **(78,507)** | **(49,030)** | **(92,453)** | **(142,964)** |

| | Notes | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | 01.01-31.12.2020 | 01.01-31.12.2019 | 01.01-31.12.2020 | 01.01-31.12.2019 |
| **FINANCING ACTIVITIES** | | | | | |
| Proceeds from borrowings | 23 | 501,500 | 451,600 | 500,000 | 450,000 |
| Payments of borrowings | 23 | (508,094) | (50,098) | (500,002) | (56,048) |
| Transaction costs related to borrowings | | (5,485) | (1,765) | (5,485) | (1,765) |
| Share capital increase expenses | | (93) | (97) | (65) | (9) |
| Payment of lease liabilities | 8 | (8,068) | (9,681) | (5,476) | (6,478) |
| Dividends paid | | (214,735) | (168,440) | (214,735) | (165,136) |
| Receipt of repayable state cash advance | | 151 | - | - | - |
| **Net cash inflow/(outflow) from financing activities** | | **(234,823)** | **221,519** | **(225,763)** | **220,565** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(126,943)** | **451,819** | **(170,806)** | **348,734** |
| Cash and cash equivalents at the beginning of the period | 18 | 633,815 | 181,996 | 450,297 | 101,563 |
| **Cash and cash equivalents at the end of the period** | | **506,873** | **633,815** | **279,491** | **450,297** |

**The attached notes on pages 98 to 201 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 31.12.2020 (including the comparatives for the year that ended on 31 December 2019) were approved by the Board of Directors on 30.03.2021 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.

### 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 SINGLE MEMBER S.A.

On 22.12.2014 HORSE RACES SINGLE MEMBER 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..

By virtue of the dated 08.11.2019 Share Purchase Agreement, OPAP INVESTMENT LTD agreed to sell to OPAP S.A. all of its shares in HORSE RACES SINGLE MEMBER S.A., for the aggregate amount of € 10,411 th. subject to the resolutive condition ("dialytiki airesi") that the effect of the Amendement of the Concession Agreement, dated 23.07.2019 between HORSE RACES SINGLE MEMBER S.A. and HRADF will not be impeded by the Court of Auditors. Given the fact that by virtue of the no 1638/2020 decision of the Hellenic Court of Audit it was held that the execution of the Amendment of the Concession Agreement by the HRADF was not concluded according to the relevant legislation and therefore the above mentioned condition has been met and as a result the entirety of the shares have been reinstated to their original owner, namely OPAP INVESTMENT LTD.

### STOIXIMAN business (Greek and Cypriot operations)

On 13.07.2020, OPAP INVESTMENT LTD, a 100% subsidiary of OPAP S.A., acquired a direct 51% in STOIXIMAN business (Greek and Cypriot operations) and on 18.11.2020 completed the acquisition of an additional 15.49% indirect stake in STOIXIMAN business (Greek and Cypriot operations), resulting in a 84.49% combined stake, following the initial 36.75% stake in KAIZEN GAMING LIMITED acquired on 18.12.2018.

STOIXIMAN business (Greek and Cypriot operations) is the leading online gaming and betting operator in Greece and among the market leaders in Cyprus.

### Other Group Operations

#### TORA DIRECT SINGLE MEMBER S.A.

On 19.11.2014, OPAP INVESTMENT LTD, a 100% subsidiary of OPAP S.A., acquired the 90% of TORA DIRECT SINGLE MEMBER 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 SINGLE MEMBER S.A. provides transaction services via electronic means, intangible talk time selling services as well as bill payments services.

### TORA WALLET SINGLE MEMBER S.A.

On 01.09.2016, the company TORA WALLET SINGLE MEMBER S.A. was established and its principal activity is the provision of electronic money services and payment services. TORA WALLET SINGLE MEMBER 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 the acquisition of an additional percentage (28.19%) of NEUROSOFT S.A. by OPAP INVESTMENT LTD (100% subsidiary of OPAP S.A.) was completed, 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.

### KAIZEN GAMING LIMITED (former 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, KAIZEN GAMING LIMITED, for a consideration of € 50,000 th.. On 13.07.2020, OPAP INVESTMENT LTD acquired from KAIZEN GAMING LIMITED a 51% in STOIXIMAN business (Greek and Cypriot operations), operated by KAIZEN INTERNATIONAL GAMING LIMITED. As a result, the interest of KAIZEN GAMING LIMITED in STOIXIMAN business (Greek and Cypriot operations) decreased from 100% to 49%.

## Distribution Network

OPAP Group activities are offered through a wide online and land-based sales' network. Within Greece, there are 15,134 points of sales, out of which 374 relate to PLAY Gaming Halls, for the distribution of OPAP S.A., HELLENIC LOTTERIES S.A. and HORSE RACES SINGLE MEMBER 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 202 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 provided for in article 28 par.3A of Law 4002/2001, is established by decision of the HGC, for a 3-year term. 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, supervises and ensures OPAP S.A's and its agents' compliance with the applicable legislation and with OPAP S.A's. contractual obligations towards the Greek State. The Three member Supervisory Committee specifically monitors OPAP S.A to ensure: compliance with the terms of the legislatory framework of the gaming market and HGC's regulative decisions as well as with the terms of the Concession Agreement dated 15.12.2000 for the exclusive right to conduct, manage, organise and operate the games specified therein, as in force, and of the Agreement dated 4.11.2011 for the installation and operation of VLT gaming machines, as in force, consumers' protection 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 and any persons dully authorized , prior to the adoption of any decision, make available to the Three member Supervisory Committee any draft recommendations, decisions or other documents relevant to the Committee's responsibilities. OPAP S.A. is obliged to refrain from adopting any decision for which the Three member Supervisory Committee has raised a reasoned objection. The Three member Supervisory Committee informs without delay HGC of any breach of OPAP S.A's contractual obligations towards the Greek State or of applicable laws. The HGC is competent to decide over any dispute 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 2020.

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".

At the beginning of 2020, there was a worldwide outbreak of coronavirus (COVID-19) which impacted the global economy. The extent to which the coronavirus (COVID-19) epidemic will continue to affect the Company's and the Group's operations will largely depend on future developments which are highly uncertain and cannot be predicted at this point of time. Management reviewed a range of scenarios and forecasts for the foreseeable future linked to future actions and activities. The Group and the Company Management have prepared a liquidity forecast based on cash flow projections for the foreseeable future, which include assumptions regarding cash generated from operations, debt repayments, scheduled investments and available credit facilities. Management considers that cash position will be sufficient to cover the financial and operating commitments for the next 12 months. Accordingly, it is appropriate that the Group continues to adopt the going concern basis for the preparation of the consolidated and separate financial statements.

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 2020. 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 year

***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. It further clarifies that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Finally, it introduces an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

***IAS 1 and IAS 8 (Amendments) 'Definition of material'*** *(Effective for annual periods beginning on or after 1.1.2020)*

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 IFRSs.

***IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform'*** *(Effective for annual periods beginning on or after 1.1.2020)*

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.

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

### Standards and Interpretations effective for subsequent periods

***IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'*** *(effective for annual periods beginning on or after 1 June 2020)*

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

The Group and the Company are evaluating the impact of adoption of this amendment at the Financial Statements.

***IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'*** *(effective for annual periods beginning on or after 1 January 2021)*

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.

The Group and the Company are evaluating the impact of adoption of this amendment at the Financial Statements.

***IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use'*** *(effective for annual periods beginning on or after 1 January 2022)*

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The amendment has not yet been endorsed by the EU.

The adoption of the amendment is not expected to have impact at the Group's and Company's Financial Statements.

***IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract'*** *(effective for annual periods beginning on or after 1 January 2022)*

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

The adoption of the amendment is not expected to have impact at the Group's and Company's Financial Statements.

***IFRS 3 (Amendment) 'Reference to the Conceptual Framework'*** *(effective for annual periods beginning on or after 1 January 2022)*

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been endorsed by the EU.

The Group and the Company are evaluating the impact of adoption of this amendment at the Financial Statements.

***IAS 1 (Amendment) 'Classification of liabilities as current or non-current'*** *(effective for annual periods beginning on or after 1 January 2023)*

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 endorsed by the EU.

The Group and the Company are evaluating the impact of adoption of this amendment at the Financial Statements.

***IAS 1 (Amendments) 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Disclosure of Accounting policies'*** *(effective for annual periods beginning on or after 1 January 2023)*

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

The Group and the Company are evaluating the impact of adoption of this amendment at the Financial Statements.

***IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates'*** *(effective for annual periods beginning on or after 1 January 2023)*

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

The Group and the Company are evaluating the impact of adoption of this amendment at the Financial Statements.

***Annual Improvements to IFRS Standards 2018–2020** (effective for annual periods beginning on or after 1 January 2022)*

The amendments set out below include changes to IFRSs. The amendments have not yet been endorsed by the EU.

*IFRS 9 'Financial instruments'*

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

*IFRS 16 'Leases'*

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

*IAS 41 'Agriculture'*

The amendment has removed the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41.

The adoption of the amendment is not expected to have impact at the Group's and Company's Financial Statements.

## 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 provides 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 31.12.2020 are analysed at Note 44 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, 3.10 and 3.12.

### 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.

### OPAP S.A. license extension 2020-2030

On 13.10.2020, the addendum agreement dated 12.12.2011, which was concluded between OPAP S.A. and Hellenic Republic Asset Development Fund (HRADF), entered into force by virtue of which the Concession Agreement dated 15.12.2000 was extended for 10 years and a 30% GGR Contribution was defined.

On 12.12.2011, the Company entered into a supplementary agreement with the Hellenic Republic Asset Development Fund (HRADF) for the extension of its exclusive right to conduct, manage, organize and operate by any means certain numerical lottery and sports betting games for a period of 10 years, i.e. from 13.10.2020 up to. 13.10.2030. The consideration amounted to € 375,000 and was recognized by the Company as an intangible asset.

On 29.04.2013, the aforementioned supplementary agreement was amended accordingly, in order to comply with the decision of the European Commission, based on which the consideration of € 375,000 would not constitute a government grant, as long as it was corresponding to the amount that the Company would pay to the Greek State as contribution to the gross gaming revenue at a rate of 30%. More specifically, under the article 3 of the supplementary agreement of 29.04.2013, as far as the consideration paid was concerned, it was clarified that:

- **a.** The amount of € 375,000 constitutes the 'Absolute consideration' and it was payable upon the signing of the agreement.
- **b.** The contribution to the State during the extended period, 2020-2030, determined to 5% on gross gaming revenue named 'Variable consideration'.

  The 80% of the Absolute consideration, i.e. the amount of € 300,000, consists a prepayment of the Company to the State, of contribution on the gross gaming revenue (GGR) for the 10-year period, named 'Prepaid contribution'.

  (It is mentioned that the future value of this prepayment amounts to € 1,831,200).
- **c.** The Company may pay an additional amount relating to the license 10-year extension, which constitutes the 'Additional consideration' and is calculated on an annual basis according to a specific formula which is described in details of the supplementary agreement. The Company has the obligation to notify, on a yearly basis, the Greek State with the calculations. The Additional consideration will be payable at the end of the 10-year extension period and in case that the calculated amount is negative then the Greek State will be obliged to repay the Company.

Taking into consideration all of the above and in conjunction with the article 2 of the L. 4093/2012, where it is stated that exceptionally, the 35% contribution on gross gaming revenue for the games conducted by OPAP S.A. pursuant to the agreement of 15.12.2000 and its amendment of 12.12.2011, will be in force until 12.10.2020, the Company concluded that for the period from 13.10.2020 to 12.10.2030 the accounting treatment regarding the license extension is as follows:

Cost of 10-year license extension

The Absolute consideration of € 375,000, recorded in intangible assets in 2011 under the category 'Right of games' will be amortized on a straight-line method over the extended period.

Contribution on gross gaming revenue

The rate of contribution on gross gaming revenue presented in the Income statement under 'GGR contribution and other levies and duties' stands at 30% and consists of:

- The 'Variable consideration' of 5% which is payable to the State on a monthly basis.
- The 'Additional consideration' calculated on an accrual basis.

  At each reporting period, depending on the performance of the Company, the Additional consideration may be either expense or income and the respective asset or liability in the Statement of financial position is presented discounted.
- The portion of the 'Prepaid contribution' of the € 1,831,200 adjusted for any corporate tax impact. The relevant amount, in the Income statement is also presented separately as 'Other operating income related to the extension of the concession of the exclusive right'.

# 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 SINGLE MEMBER 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 SINGLE MEMBER 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 SINGLE MEMBER 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 SINGLE MEMBER 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 3.1. 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 Group as the lessee

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 only exception the Group uses in application of IFRS 16 is leases with a lease term of 12 months or less and containing no purchase options.

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 exercised. 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 exercised.

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. Cash and cash equivalents also include amounts from electronic payment processors, as Management concluded that the process completed at the time of purchase includes adequate checks to provide evidence that the amount is readily convertible to known amount of cash and that there is an insignificant risk of changes in value.

## 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., TORA DIRECT SINGLE MEMBER S.A., HORSE RACES SINGLE MEMBER S.A., TORA WALLET SINGLE MEMBER 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 20th Ordinary General Meeting of  the Company, following a recommendation of the Remuneration and Nomination Committee and in accordance with article 109 of Law 4548/2018, as in force and the Company Remuneration Policy, on 22.05.2019, 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. The program’s duration is 3 years, for the period 2020-2022. The targets relate to a. the EBITDA of the Company for the 3 year period b. the total shareholders’ return (TSR).

### 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

## 3.23. Changes in accounting policies

The accounting policy relating to the IFRS 16 changed for current period. Since 01.01.2020, the Group does not use the exception provided by the IFRS 16 relating to leases for which the underlying asset is of low value, i.e. € 4.5.

The change of the aforementioned policy affected only the subsidiary TORA DIRECT SINGLE MEMBER S.A. however, the cumulative impact was immaterial and as a result the Group decided that no preparation of restated financial statements is needed (refer to Note 8).

## 4. Structure of the Group

The structure of OPAP Group as of 31.12.2020 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 company |
| OPAP INVESTMENT LTD | 100% | Cyprus | Full consolidation | Holding company |
| TORA DIRECT SINGLE MEMBER S.A. | 100% | Greece | Full consolidation | Services for electronic transactions - Mobile Top-ups - Utility and Bill Payments |
| HORSE RACES SINGLE MEMBER S.A. | 100% | Greece | Full consolidation | Mutual Betting on Horse Races |
| TORA WALLET SINGLE MEMBER S.A. | 100% | Greece | Full consolidation | eMoney Institution |
| NEUROSOFT S.A. | 67.72% | Greece | Full consolidation | Software |
| KAIZEN GAMING LIMITED (former TCB HOLDINGS LTD) | 36.75% | Malta | Equity method | Holding company |
| STOIXIMAN business (Greek and Cypriot operations) | 84.49% | Malta | Full consolidation | Betting company |

On 13.07.2020, OPAP INVESTMENT LTD acquired from KAIZEN GAMING LIMITED (former TCB HOLDINGS LTD) a 51% direct stake in STOIXIMAN business (Greek and Cypriot operations), operated by KAIZEN INTERNATIONAL GAMING LIMITED (former GML INTERACTIVE LTD). As a result of the above acquisition of 51%, the interest of KAIZEN GAMING LIMITED in STOIXIMAN business (Greek and Cypriot operations) decreased from 100% to 49%. Subsequently, the indirect stake of OPAP INVESTMENT LTD in STOIXIMAN business (Greek and Cypriot operations) through its investment in associate KAIZEN GAMING LIMITED decreased from 36.75% to 18.01%

On 18.11.2020, OPAP INVESTMENT LTD acquired an additional 15.49% indirect stake in STOIXIMAN business (Greek and Cypriot operations). Following the above acquisitions, OPAP INVESTMENT LTD effectively holds a 84.49% combined stake (direct & indirect) in STOIXIMAN business (Greek and Cypriot operations).

By virtue of the dated 08.11.2019 Share Purchase Agreement, OPAP INVESTMENT LTD agreed to sell to OPAP S.A. all of its shares in HORSE RACES SINGLE MEMBER S.A., for the aggregate amount of € 10,411 subject to the resolutive condition ("dialytiki airesi") that the effect of the Amendement of the Concession Agreement, dated 23.07.2019 between HORSE RACES SINGLE MEMBER S.A. and HRADF will not be impeded by the Court of Auditors. Given the fact that by virtue of the no 1638/2020 decision of the Hellenic Court of Audit it was held that the execution of the Amendment of the Concession Agreement by the HRADF was not concluded according to the relevant legislation and therefore the above mentioned condition has been met and as a result the entirety of the shares have been reinstated to their original owner, namely OPAP INVESTMENT LTD.

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 concession agreements held by the Group entities and the other business activities of the Group.

The first 6 business segments (Lotteries, Betting (land based), Online betting, Other online games, Instant & Passives and 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 SINGLE MEMBER S.A. and TORA DIRECT SINGLE MEMBER S.A. are included (refer to Note 3.4).

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

| 01.01-31.12.2020 | Lotteries | Betting (land based) | Online Betting | Other online games | Instant & Passives | VLTs | Telecommunication & eMoney services | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue (GGR)** | **518,607** | **268,328** | **42,033** | **23,944** | **76,349** | **200,522** | **-** | **-** | **1,129,783** |
| GGR contribution and other levies and duties | (167,159) | (90,348) | (15,841) | (8,970) | (50,043) | (60,157) | - | - | (392,518) |
| **Net gaming revenue (NGR)** | **351,447** | **177,980** | **26,193** | **14,974** | **26,306** | **140,365** | **-** | **-** | **737,265** |
| Agents' commission | (120,526) | (64,014) | (1,094) | (320) | (21,549) | (48,365) | - | - | (255,869) |
| Other NGR related commission | (533) | (12,175) | (6,299) | (4,050) | (5,174) | (32,002) | - | - | (60,233) |
| Other operating income | 5,989 | 4,854 | 141 | 44 | 788 | 2,308 | 84,600 | 25,086 | 123,811 |
| Other operating income related to the extension of the concession of the exclusive right | 24,875 | 17,590 | - | - | - | - | - | - | 42,465 |
| Other operating cost | - | - | - | - | - | - | (74,407) | (3,202) | (77,610) |
| Share of profit of associates | - | - | 11,549 | 6,608 | - | - | - | - | 18,156 |
| | **261,252** | **124,235** | **30,490** | **17,255** | **371** | **62,306** | **10,193** | **21,884** | **527,986** |
| **Operating expenses** | **(101,422)** | **(55,892)** | **(10,506)** | **(5,848)** | **(24,812)** | **(37,544)** | **(10,255)** | **(21,393)** | **(267,673)** |
| Gain from remeasurement of previously held equity interest | - | - | 107,021 | 35,644 | - | - | - | - | 142,666 |
| Depreciation, amortization and impairment | (28,661) | (39,017) | (777) | (511) | (16,708) | (42,950) | (5,370) | (18,555) | (152,551) |
| **Results from operating activities** | **131,169** | **29,326** | **126,229** | **46,540** | **(41,149)** | **(18,188)** | **(5,433)** | **(18,065)** | **250,428** |

| 01.01-31.12.2019 | Lotteries | Betting (land based) | Online Betting | Instant & Passives | VLTs | Telecommunication & eMoney services | Other | Total |
|---|---|---|---|---|---|---|---|---|
| **Revenue (GGR)** | **778,558** | **387,310** | **8,892** | **147,478** | **297,658** | **-** | **-** | **1,619,896** |
| GGR contribution and other levies and duties | (257,704) | (132,846) | (3,112) | (50,758) | (89,297) | - | - | (533,718) |
| **Net gaming revenue (NGR)** | **520,854** | **254,464** | **5,780** | **96,720** | **208,361** | **-** | **-** | **1,086,178** |
| Agents' commission | (183,930) | (91,417) | (1,012) | (39,149) | (70,585) | - | (1,248) | (387,341) |
| Other NGR related commission | (111) | (15,906) | (2,083) | (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** | **148,545** | **11,155** | **44,789** | **91,981** | **9,553** | **38,659** | **681,493** |
| **Operating expenses** | **(115,064)** | **(59,979)** | **(1,400)** | **(14,715)** | **(41,004)** | **(10,603)** | **(26,148)** | **(268,914)** |
| Depreciation, amortization and impairment | (24,836) | (21,481) | (304) | (16,807) | (41,653) | (301) | (10,933) | (116,315) |
| **Results from operating activities** | **196,912** | **67,084** | **9,450** | **13,267** | **9,324** | **(1,351)** | **1,578** | **296,264** |

Due to the Coronavirus (COVID-19) outbreak, the Opap stores in Greece remained closed for 112 days, from 14.03.2020 to 11.05.2020 and from 07.11.2020 to 31.12.2020, while local lockdowns with respective stores' closure have started in several areas since October. In Cyprus, all Opap stores remained closed for 68 days, from 16.03.2020 to 23.05.2020, while stores in the districts of Limassol and Paphos were ordered to be closed from 12.11.2020 until 30.11.2020.

As far as the OPAP PLAY Gaming Halls are concerned, they resumed on 08.06.2020, after 85 days, and closed again for 54 days, from 07.11.2020 to 31.12.2020. The horse racing activity in Markopoulo restarted on 15.06.2020, after 94 days, and closed again on 07.11.2020 until 31.12.2020.

As a result, the Revenues (GGR) presented in the table above have been affected downwards.

## Geographical Segments

Group's operations are in Greece and Cyprus. Greece is the country of incorporation of the Company and of the subsidiaries HELLENIC LOTTERIES S.A., HORSE RACES SINGLE MEMBER S.A., TORA DIRECT SINGLE MEMBER S.A., TORA WALLET SINGLE MEMBER S.A. and NEUROSOFT S.A.. STOIXIMAN business (Greek and Cypriot operations) also operates in Greece and Cyprus and is incorporated in Malta.

| For the year that ended on 31 December 2020 | Greece | Cyprus | Total |
|---|---|---|---|
| Revenue (GGR) and Other operating income | 1,171,055 | 82,538 | **1,253,593** |
| Net gaming revenue (NGR) | 671,638 | 65,627 | **737,265** |

| For the year that ended on 31 December 2019 | Greece | Cyprus | Total |
|---|---|---|---|
| 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** |

| | Greece | Cyprus | Total |
|---|---|---|---|
| **Segment Assets** | | | |
| For the year that ended on 31 December 2020 | 2,204,271 | 115,935 | **2,320,206** |
| For the year that ended on 31 December 2019 | 2,000,066 | 237,066 | **2,237,131** |
| **Segment Liabilities** | | | |
| For the year that ended on 31 December 2020 | 1,411,547 | 153,773 | **1,565,320** |
| For the year that ended on 31 December 2019 | 1,439,277 | 25,963 | **1,465,239** |

# 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 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** |
| Year that ended on 31 December 2020 | | | | | | |
| **Opening net book amount (1 January 2020)** | **51,536** | **1,003,095** | **4,421** | **6,611** | **70** | **1,065,733** |
| Additions | 9,724 | - | 287 | - | - | 10,011 |
| Acquisitions through business combinations | 1 | - | - | - | - | 1 |
| Disposals | (34) | - | - | - | - | (34) |
| Cost reclassification | 24 | - | - | - | (24) | - |
| Amortization charge | (16,869) | (67,205) | (1,130) | (554) | - | (85,759) |
| Disposals amortization | 3 | - | - | - | - | 3 |
| Impairment | (3,735) | (4,855) | (1,138) | - | - | (9,727) |
| **Net book amount (31 December 2020)** | **40,650** | **931,035** | **2,440** | **6,057** | **45** | **980,228** |

| GROUP | Software | Rights of games | Development costs | Customer relationships | Other | Total |
|---|---|---|---|---|---|---|
| **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** |
| **31.12.2020** | | | | | | |
| Acquisition cost | 199,247 | 1,531,517 | 7,198 | 8,795 | 45 | 1,746,803 |
| Accumulated amortization | (158,596) | (600,482) | (4,758) | (2,738) | - | (766,575) |
| **Net book value 31.12.2020** | **40,650** | **931,035** | **2,440** | **6,057** | **45** | **980,228** |

| COMPANY | Software | Rights of games | Other | Total |
|---|---|---|---|---|
| **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 with OPAP SERVICES S.A. | 484 | 230 | - | **714** |
| Reclassification | (9) | - | 9 | **-** |
| Amortization charge | (14,829) | (42,967) | - | **(57,796)** |
| Amortization acquired through merger with OPAP SERVICES S.A. | (484) | (230) | - | **(714)** |
| **Net book amount (31 December 2019)** | **44,948** | **888,072** | **70** | **933,089** |
| **Year that ended on 31 December 2020** | | | | |
| **Opening net book amount (1 January 2020)** | **44,948** | **888,072** | **70** | **933,089** |
| Additions | 6,782 | - | - | **6,782** |
| Reclassification | 24 | - | (24) | **-** |
| Amortization charge | (15,526) | (50,036) | - | **(65,563)** |
| **Net book amount (31 December 2020)** | **36,228** | **838,036** | **45** | **874,308** |

| COMPANY | Software | Rights of games | Other | Total |
|---|---|---|---|---|
| **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** |
| **31.12.2020** | | | | |
| Acquisition cost | 190,089 | 1,382,783 | 45 | **1,572,917** |
| Accumulated amortization | (153,861) | (544,747) | - | **(698,608)** |
| **Net book value 31.12.2020** | **36,228** | **838,036** | **45** | **874,308** |

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. This license came into force on 12.10.2020.

The Group additions within the current year mainly include:

- Software relating to "Tora app" of € 2,897
- Software upgrading relating to betting platform of € 1,447,
- Software relating to VLTs of € 1,302,
- Software relating to OPAP mobile application of € 875,
- Software, licenses and upgrading of several applications, websites, platforms, virtualization software, digital signage equipment, etc. of € 2,620,
- Capitalization of payroll costs of € 287 of TORA WALLET SINGLE MEMBER S.A. for the development and production of software for own use.

The Group's additions within the comparative year 2019 mainly referred to software and licenses for pamestoixima.gr platform of € 9,300, software for VLTs of € 2,242, software and licenses relating to the operation of Hellenic Lotteries of € 4,960 and software upgrading relating to LOTOS platform of € 967. Additionally, an amount of € 4,991 concerned software, licenses and upgrading of several applications, websites, platforms, the OPAP's data centre and digital signage equipment and finally, an amount of € 1,041 referred to the capitalization of payroll expenses of NEUROSOFT S.A. and TORA WALLET SINGLE MEMBER S.A. for the development and production of software.

The impairment of software and development cost of € 4,873 mainly relates to the application of TORA WALLET SINGLE MEMBER S.A., the so-called "Tora app" of € 4,611. Management, considering the facts and circumstances at the year-end, assessed that the application "Tora app" is not expected to be used and no economic benefits are expected by its use.

The impairment of right of games of € 4,855 (2019: € 4,000) refers to the 20-year exclusive right to organize and conduct mutual race betting of HORSE RACES SINGLE MEMBER S.A.. Following the operational challenges brought on by coronavirus (COVID-19) pandemic, there were indications that the HORSE RACES SINGLE MEMBER S.A. licence carrying value exceeds its recoverable amount and consequently the Management considered that an impairment test should be conducted.

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 until the expiration of the concession agreement (2035). Subjective estimates and judgements by management about the future results of HORSE RACES SINGLE MEMBER 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): 12.3%
- EBITDA margin (on NGR): -59.0% - 29.4%
- discount rate (WACC): 10.31%

Based on the aforementioned impairment test, the recoverable amount calculated was € 22,359 while, the carrying amount of the right and the relevant Right of Use asset before the impairment was € 13,409 and € 27,949, respectively. As a result, the Group recognized a total impairment of € 19,000 of which, the amount of € 4,855 was allocated to the right of game and the remaining amount of € 14,145 to the Right of Use asset (refer to Note 8).

If the discount rate used in the value-in-use calculation had been 0.25% lower than management's estimates as at 31.12.2020, the Group would have to recognize an impairment of € 4,624 (instead of € 4,855). If the discount rate used in the value-in-use calculation had been 0.25% higher than management's estimates as at 31.12.2020, the Group would have to recognize and impairment of € 5,080 (instead of € 4,855).

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 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** |
| **Year that ended on 31 December 2020** | | | | | | | |
| **Opening net book amount (1 January 2020)** | **8,496** | **13,242** | **44,985** | **172** | **31,414** | **-** | **98,308** |
| Additions | - | 155 | 70 | 81 | 8,562 | - | **8,868** |
| Disposals | - | - | - | (17) | (357) | - | **(374)** |
| Depreciation charge | - | (1,651) | (7,192) | (43) | (12,202) | - | **(21,088)** |
| Disposals depreciation | - | - | - | 14 | 355 | - | **369** |
| Impairment | - | - | (460) | - | - | - | **(460)** |
| **Net book amount (31 December 2020)** | **8,496** | **11,746** | **37,403** | **207** | **27,772** | **-** | **85,623** |

| GROUP | Land | Buildings | Machinery | Vehicles | Equipment | Construction in progress | Total |
|---|---|---|---|---|---|---|---|
| **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** |
| **31.12.2020** | | | | | | | |
| Acquisition cost | 8,496 | 34,193 | 120,826 | 2,466 | 119,794 | - | **285,774** |
| Accumulated depreciation | - | (22,446) | (83,422) | (2,259) | (92,023) | - | **(200,151)** |
| **Net book value 31.12.2020** | **8,496** | **11,746** | **37,403** | **207** | **27,772** | **-** | **85,623** |

| COMPANY | Land | Buildings | Machinery | Vehicles | Equipment | Total |
|---|---|---|---|---|---|---|
| **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)** |
| Acquisition through merger with OPAP SERVICES S.A. (acquisition cost) | - | - | - | 1,701 | 37,194 | **38,894** |
| 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 with OPAP SERVICES S.A. (accumulated depreciation) | - | - | - | (1,699) | (21,460) | **(23,159)** |
| **Net book amount (31 December 2019)** | **8,496** | **12,126** | **44,389** | **87** | **30,040** | **95,138** |
| **Year that ended on 31 December 2020** | | | | | | |
| **Opening net book amount (1 January 2020)** | **8,496** | **12,126** | **44,389** | **87** | **30,040** | **95,138** |
| Additions | - | 143 | 21 | 81 | 7,975 | **8,221** |
| Disposals | - | - | - | (15) | (82) | **(97)** |
| Depreciation charge | - | (1,509) | (6,965) | (26) | (11,581) | **(20,082)** |
| Disposals depreciation | - | - | - | 12 | 82 | **94** |
| Impairment | - | - | (460) | - | - | **(460)** |
| **Net book amount (31 December 2020)** | **8,496** | **10,760** | **36,985** | **139** | **26,434** | **82,813** |

| COMPANY | Land | Buildings | Machinery | Vehicles | Equipment | Total |
|---|---|---|---|---|---|---|
| **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** |
| **31.12.2020** | | | | | | |
| Acquisition cost | 8,496 | 32,589 | 119,576 | 2,341 | 106,748 | **269,749** |
| Accumulated depreciation | - | (21,828) | (82,592) | (2,202) | (80,314) | **(186,935)** |
| **Net book value 31.12.2020** | **8,496** | **10,761** | **36,985** | **139** | **26,433** | **82,813** |

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

- equipment for Opap Stores of € 6,833 (2019: € 3,460) out of which € 4,027 are related to REX 2020 project,
- hardware (laptop & desktop) of € 587,
- equipment for VLTs and PLAY Gaming Halls as well as furniture of € 225 (2019: € 1,226),
- equipment for Opap Stores of Cyprus of € 227.

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 |
|---|---|---|---|---|
| Year that ended on 31 December 2019 | | | | |
| **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** |
| Year that ended on 31 December 2020 | | | | |
| **Opening net book amount (1 January 2020)** | **61,611** | **2,418** | **7** | **64,036** |
| Additions | 1,592 | 1,166 | 975 | **3,732** |
| Termination of leases | (2,549) | (43) | - | **(2,591)** |
| Other movements | (380) | (13) | - | **(393)** |
| Depreciation charge | (7,244) | (1,137) | (393) | **(8,775)** |
| Impairment | (14,145) | - | - | **(14,145)** |
| **Net book amount (31 December 2020)** | **38,885** | **2,391** | **588** | **41,864** |

| GROUP | Buildings | Vehicles | Equipment | Total |
|---|---|---|---|---|
| **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** |
| **31.12.2020** | | | | |
| Acquisition cost | 53,083 | 4,649 | 984 | **58,716** |
| Accumulated depreciation | (14,198) | (2,259) | (396) | **(16,852)** |
| **Net book value 31.12.2020** | **38,885** | **2,391** | **588** | **41,864** |

| COMPANY | Buildings | Vehicles | Equipment | Total |
|---|---|---|---|---|
| Year that ended on 31 December 2019 | | | | |
| **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** |
| Year that ended on 31 December 2020 | | | | |
| **Opening net book amount (1 January 2020)** | **30,806** | **1,822** | **-** | **32,627** |
| Additions | 1,698 | 877 | - | **2,575** |
| Termination of leases | (2,458) | (11) | - | **(2,470)** |
| Other movements | (422) | - | - | **(422)** |
| Depreciation charge | (5,305) | (850) | - | **(6,155)** |
| **Net book amount (31 December 2020)** | **24,318** | **1,838** | **-** | **26,155** |

| COMPANY | Buildings | Vehicles | Equipment | Total |
|---|---|---|---|---|
| **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** |
| **31.12.2020** | | | | |
| Acquisition cost | 34,394 | 3,514 | - | **37,908** |
| Accumulated depreciation | (10,076) | (1,677) | - | **(11,753)** |
| **Net book value 31.12.2020** | **24,318** | **1,838** | **-** | **26,155** |

The right-of-use included in the category “Buildings” of the Group mainly refers to the Markopoulo Park, with a NBV of € 13,804 (2019: € 29,560), and PLAY Gaming Halls with a total NBV of € 22,703 (2019: € 29,691).

As far as the impairment of € 14,145 included in the Group’s ‘Buildings’ category is concerned, it relates to the HORSE RACES SINGLE MEMBER S.A. licence valuation under which the carrying value exceeds its recoverable amount and consequently a total impairment of € 19,000 was concluded. Of the aforementioned amount impaired, the amount of € 4,855 was allocated to the Intangible asset and the amount of € 14,145 to the relevant Right of Use asset (refer to Note 6).

Based on the impairment test performed, if the discount rate used in the value-in-use calculation had been 0.25% lower than management’s estimates as at 31.12.2020, the Group would have to recognize an impairment of € 13,773 (instead of € 14,145). If the discount rate used in the value-in-use calculation had been 0.25% higher than management's estimates as at 31.12.2020, the Group would have to recognize and impairment of € 14,508 (instead of € 14,145).

The "termination of leases" included in the category "Buildings" mainly relates to the early termination of contracts for PLAY Gaming Halls.

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Non-current lease liabilities | 50,112 | 57,649 | 22,011 | 27,663 |
| Current lease liabilities | 7,631 | 7,130 | 5,068 | 5,157 |
| **Total** | **57,743** | **64,779** | **27,079** | **32,820** |

Due to the Greek and Cypriot governments' decisions, all of the OPAP stores in Greece were ordered to close for 112 days, from 14.03.2020 to 11.05.2020 and from 07.11.2020 to 31.12.2020, PLAY Gaming Halls for 140 days, from 14.03.2020 to 08.06.2020 and from 07.11.2020 to 31.12.2020, while Opap retail network in Cyprus for 68 days, from 16.03.2020 to 23.05.2020, while stores in the districts of Limassol and Paphos were ordered to be closed from 12.11.2020 until 30.11.2020. Finally, the horse racing activity in Markopoulo restarted on 15.06.2020, after 94 days, and closed again on 07.11.2020 until 31.12.2020.
According to Legislative Act 20.03.2020/2020 of the Greek Government, enterprises whose operation has been mandatorily suspended or temporarily interrupted based on special and extraordinary measures taken for precautionary or repressive purposes in relation to the coronavirus (COVID-19) spread, shall be exempted from paying 40% of the total amount of rent due for the months of March, April, May, November and December 2020 for the commercial premises that they lease.
The effect of the 40% discount provided to lessees by the Greek State as well as discounts offered based on specific lease contracts have been accounted for as negative variable lease payments that are not dependent on an index or a rate and not as a lease modification. The total effect for the Group and the Company, € 1,829 and € 839, respectively, has been recorded in the Income Statement of the period.

Leases excluded from IFRS 16 that got classified under “Other operating expenses” in Income Statement (refer to Note 38) are as follows:

| | ΟΜΙΛΟΣ | | ΕΤΑΙΡΕΙΑ | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| Expense relating to short-term leases | 109 | 459 | 63 | 176 |
| Expense relating to leases of low-value assets | - | 715 | - | - |
| Expense relating to variable lease payments | 962 | 968 | 499 | 746 |
| **Total** | **1,070** | **2,142** | **561** | **922** |

On 01.01.2020, the Group decided to change its accounting policy for the exceptions in application of IFRS 16 it uses and recognizes a right of use asset and a lease liability for leases for which the underlying asset is of low value (lower than € 4.5).

The cumulative impact of the above change on 01.01.2020 was not material, so the information of 2019 was not restated (refer to Note 3.23).

Total payments of lease liabilities regarding capital and interest, amounts to € 8,068 (2019: € 9,681) for the Group and € 5,476 (2019: € 6,478) for the Company.

Income from subleases which refers to the sublease of PLAY Gaming Halls is included in line “Other operating income” of Income Statement (refer to Note 33) and amounts to € 3,191 (2019: € 3,824) at 31.12.2020 for both the Group and the Company.

## 9. Investment property

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **Balance 1 January** | **1,703** | **903** | **1,703** | **903** |
| Transfer from tangible assets | - | 862 | - | 862 |
| Depreciation for the period | (97) | (62) | (97) | (62) |
| **Balance 31 December** | **1,606** | **1,703** | **1,606** | **1,703** |

The income received from leasing these investment properties amounts to € 272 for the year 2020 (2019: € 262).

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 | |
|---|---|---|
| | 31.12.2020 | 31.12.2019 |
| OPAP SPORTS LTD | 8,435 | 8,435 |
| TORA DIRECT SINGLE MEMBER S.A. | 4,249 | 5,749 |
| NEUROSOFT S.A. | 5,215 | 16,092 |
| STOIXIMAN business (Greek and Cypriot operations) | 465,947 | - |
| **Total** | **483,846** | **30,275** |

Goodwill is subject to impairment testing from Management at each reporting date. For this purpose, Management uses external independent valuators.

The recoverable amount of the Group's companies OPAP SPORTS LTD, TORA DIRECT SINGLE MEMBER S.A. and NEUROSOFT 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 were as follows:

**OPAP SPORTS LTD**

| Impairment study assumptions | 31.12.2020 | 31.12.2019 |
|---|---|---|
| WACC | 9.16% | 8.70% |
| Long-term growth rate | 2.00% | 2.00% |
| Period of net cash flows | 5 years | 5 years |

The sensitivity analysis on the above assumptions, notably to a change of 0.25% in the discount rate (WACC) or the long-term growth rate of cash flows, did not show deviations that would point the need to change the carrying value of OPAP SPORTS LTD goodwill.

**TORA DIRECT SINGLE MEMBER S.A.**

| Impairment study assumptions | 31.12.2020 | 31.12.2019 |
|---|---|---|
| WACC | 9.50% | 10.47% |
| Long-term growth rate | 2.00% | 2.00% |
| Period of net cash flows | 5 years | 5 years |

During the period from 01.01.2020 to 31.12.2020, TORA DIRECT SINGLE MEMBER S.A. contributed to the Group earnings before interest, tax, depreciation, amortization and impairment (EBITDA) € 1,117 (2019: € 697) and profits before tax € 317 (2019: € 323).

Following the operational challenges brought on by coronavirus (COVID-19) pandemic, there were indications that the carrying value of the company exceeds the recoverable amount and consequently the Management considered that an impairment test should be conducted.

The recoverable amount of TORA DIRECT SINGLE MEMBER 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 for the five next years (2021-2025). Cash flows beyond the five-year period are then projected to perpetuity using a long-term growth rate of 2% and an EBITDA margin in perpetuity of 1.01%. Additionally, assumptions include that the depreciation and amortization 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 € 95,662 in 2025. 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:

- long-term growth rate: 2.0%
- gross margin of earnings before interest, tax, depreciation and amortization: 0.8% - 1.3%
- discount rate (WACC): 9.50%
- compounded annual revenue growth rate (CAGR): 5%

Based on the above impairment test, the recoverable amount of the CGU was determined to be € 6,810, which is higher than its carrying amount. An impairment charge of € 1,500 was allocated in goodwill and no other class of asset in the CGU was impaired.

The impairment loss of € 1,500 is included in line "Depreciation, amortization and impairment" of Income Statement.

It is mentioned that the impairment amount that was indicated by the value in use model, ranges from € 1,432 to € 1,994 depending on the discount rate +/- 0.25%.

**NEUROSOFT S.A.**

The movement of NEUROSOFT S.A. is as follows:

| NEUROSOFT S.A. Goodwill | 31.12.2020 | 31.12.2019 |
|---|---|---|
| Opening balance | 16,092 | 20,092 |
| Acquisition of DAEDALUS TECHNOLOGIES FZC | 123 | - |
| Impairment loss | (11,000) | (4,000) |
| Closing balance | 5,215 | 16,092 |

On 31.03.2020 the Group, through its subsidiary NEUROSOFT S.A., concluded the acquisition of 100% of DAEDALUS TECHNOLOGIES FZC' share capital. DAEDALUS TECHNOLOGIES FZC is a technology provider of security and ICT systems integration consultancy services, operating in UAE and MENA region.

In 2019, NEUROSOFT S.A. signed a Shares Purchase Agreement under which the purchase price has been agreed for the total maximum amount of € 250, subject to DAEDALUS TECHNOLOGIES FZC revenue accomplishments. The amount of € 50 was paid to the shareholders of DAEDALUS TECHNOLOGIES FZC in 2019, while the amount of € 46 was paid in December 2020.

Goodwill arising from the acquisition of DAEDALUS TECHNOLOGIES FZC from NEUROSOFT S.A. has been recognized as follows:

| | |
|---|---|
| Net Assets (100%) | (28) |
| Consideration on completion | 96 |
| **Goodwill** | **123** |

During the period from 01.01.2020 to 31.12.2020, NEUROSOFT S.A. contributed to the Group losses before interest, tax, depreciation, amortization and impairment (EBITDA) € 942 (2019: € 625) and losses before tax € 2,893 (2019: € 2,938).

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 for the five next years (2021-2025). Cash flows beyond the five-year period are then projected to perpetuity using a long-term growth rate of 2.5% and an EBITDA margin in perpetuity of 9.4%. 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 € 22,550 in 2025. 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:

- long-term growth rate: 2.5%
- gross margin of earnings before interest, tax, depreciation and amortization: 1.0% - 9.4%
- discount rate (WACC): 8.39%
- compounded annual revenue growth rate (CAGR): 8.7%

Based on the above impairment test, the recoverable amount of the CGU was determined to be € 10,552, which is higher than its carrying amount. The impairment charge of € 11,000 was allocated in goodwill and no other class of asset in the CGU was impaired.

The impairment loss of € 11,000 (2019: € 4,000) is included in line “Depreciation, amortization and impairment” of Income Statement.

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 0.25%, i.e. 2.25%, with all other variables held constant, the recoverable amount of the CGU would have been lower, at an amount of € 10,172, while if the free cash flow growth rate was higher by 0.25%, i.e. 2.75%, with all other variables held constant, the recoverable amount of the CGU would have been € 10,966.

In addition, if the future WACC was higher by 0.25%, i.e. 8.64%, with all other variables held constant, the recoverable amount of the CGU would have been € 10,083, while if the future WACC was lower by 0.25%, i.e. 8.14%, with all other variables held constant, the recoverable amount of the CGU would have been € 11,063.

**STOIXIMAN business (Greek and Cypriot operations)**

On 18.12.2018, OPAP INVESTMENT LTD completed the acquisition of a 36.75% stake in the mother company of STOIXIMAN business (Greek and Cypriot operations), KAIZEN GAMING LIMITED.

On 13.07.2020, OPAP INVESTMENT LTD acquired from KAIZEN GAMING LIMITED a 51% direct stake in Stoiximan business (Greek and Cypriot operations), operated by KAIZEN INTERNATIONAL GAMING LIMITED.

On 18.11.2020, OPAP INVESTMENT LTD acquired an additional 15.49% indirect stake in STOIXIMAN business (Greek and Cypriot operations).

Following the above acquisition of the additional 15.49%, OPAP INVESTMENT LTD effectively holds a 84.49% combined stake (direct & indirect) in STOIXIMAN business (Greek and Cypriot operations).

As described in Note 12, the acquisition date for full consolidation purposes of the subsidiary STOIXIMAN business (Greek and Cypriot operations) is 01.12.2020.

In the period from 01.12.2020 to 31.12.2020, STOIXIMAN business (Greek and Cypriot operations) contributed Revenue (GGR) of € 40,187 and profit before tax of € 10,016 to the Group's results.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

**Purchase consideration**

The following table presents a preliminary estimate of the consideration transferred for the total 66.49% (51% and 15.49%) acquired in 2020 at the acquisition date (01.12.2020):

| Purchase consideration for the 66.49% of the shares | |
|---|---|
| Cash paid | 154,735 |
| Outstanding premium | 14,615 |
| Contingent consideration | 113,679 |
| **Total purchase consideration** | **283,028** |

In the event that certain EBITDA amounts are achieved by the subsidiary for the years 2020 and 2021, additional considerations may be payable in cash on 30.06.2021 and 30.06.2022.

The fair value of the contingent consideration of € 113,679 was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 2.7%, which is Company's average borrowings' interest rate for 2020.

**Acquisition-related costs**

Acquisition-related costs are not significant and are included in "Other operating expenses" in the Income Statement.

**Assets and liabilities at acquisition**

The procedure of determining the Purchase Price Allocation in accordance with IFRS 3 "Business Combinations" will be finalized within 12 months from the acquisition date. Accordingly, the provisional fair values of the assets acquired and liabilities assumed as at 01.12.2020 are as follows:

| | |
|---|---|
| Intangible assets | 1 |
| Trade receivables | 1,008 |
| Other current assets | 1,970 |
| Cash and cash equivalents | 64,562 |
| Trade payables | (17,668) |
| Current income tax liabilities | (10,339) |
| Other current liabilities | (19,198) |
| **Net identifiable assets acquired** | **20,338** |

The techniques used or to be used for the fair value valuation of the acquired significant assets and liabilities are the same as those used by the Group.

**Goodwill**

The goodwill from STOIXIMAN business (Greek and Cypriot operations) acquisition has been recognized on a provisional basis as follows:

| | |
|---|---|
| Purchase consideration for the 66.49% of the shares | 283,028 |
| Share of profit of associate for the 51% of the shares for the period 01.07.2020-30.11.2020 (Note 12) | 7,300 |
| Fair value of previously held equity interest (36.75%) | 192,803 |
| Non-controlling interests (15.51%) | 3,154 |
| Net identifiable assets acquired | (20,338) |
| **Goodwill** | **465,947** |

The carrying amount of the previously held equity interest in KAIZEN GAMING LIMITED, acquired in 2018, for the part that relates to STOIXIMAN business (Greek and Cypriot operations) on 30.11.2020 was € 50,137 (refer to Note 12), while the fair value of this interest was determined at € 192,803. According to IFRS 3 "Business Combinations", the gain resulted from the remeasurement to the fair value of the previously held equity interest is € 142,666 and is included in "Gain from remeasurement of previously held equity interest" in Income Statement.

The final amount of goodwill is expected to be defined within 12 months from STOIXIMAN business (Greek and Cypriot operations) acquisition.

## 11. Investments in subsidiaries

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

| Consolidated subsidiary | % of investment | Country of incorporation | 31.12.2020 | 31.12.2019 |
|---|---|---|---|---|
| OPAP CYPRUS LTD | 100% | Cyprus | 1,704 | 1,704 |
| OPAP INTERNATIONAL LTD | 100% | Cyprus | 4,673 | 10,173 |
| OPAP SPORTS LTD | 100% | Cyprus | 9,650 | 9,650 |
| HORSE RACES SINGLE MEMBER S.A. | 100% | Greece | - | 2,075 |
| OPAP INVESTMENT LTD | 100% | Cyprus | 409,385 | 339,385 |
| **Total** | | | **425,412** | **362,987** |

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:

| | 31.12.2020 | 31.12.2019 |
|---|---|---|
| **Opening balance** | **362,987** | **270,725** |
| Share capital increase of subsidiaries | 70,000 | 123,000 |
| Acquisition of HORSE RACES SINGLE MEMBER S.A. | - | 10,411 |
| Disposal of HORSE RACES SINGLE MEMBER S.A. | (10,411) | - |
| Impairment losses | (5,500) | (8,336) |
| Gain from disposal of HORSE RACES SINGLE MEMBER S.A. | 8,336 | - |
| Merger with OPAP SERVICES S.A. | - | (32,813) |
| **Closing balance** | **425,412** | **362,987** |

On 23.04.2020 the share capital of the subsidiary OPAP INVESTMENT LTD was increased by € 70,000. Additionally, the Company impaired its investment in OPAP INTERNATIONAL LTD by € 5,500. Based on the NEUROSOFT S.A. value in use calculations and OPAP INTERNATIONAL LTD's other net asset items, Management estimated OPAP INTERNATIONAL LTD's recoverable amount. The latter is a holding company and an 100% subsidiary of OPAP S.A., which in turn owns the 25.02% of NEUROSOFT S.A. share capital. The carrying amount of the investment was € 10,173 and the estimated recoverable € 4,673.The value in use calculations and assumptions used for the determination of the recoverable amount was the same used for the impairment test of Neurosoft goodwill, while the recoverable amount of the investment ranged from € 4,577 to € 4,939 depending on the discount rate +/- 0.25%.

The aforementioned Company's decision is connected with the impairment of € 11,000 that the Group recognized on the goodwill of NEUROSOFT S.A. (refer to Note 10).

By virtue of the dated 08.11.2019 Share Purchase Agreement, OPAP INVESTMENT LTD agreed to sell to OPAP S.A. all of its shares in HORSE RACES SINGLE MEMBER S.A., for the aggregate amount of € 10,411 subject to the resolutive condition (“dialytiki airesi”) that the effect of the Amendement of the Concession Agreement, dated 23.07.2019 between HORSE RACES SINGLE MEMBER S.A. and HRADF will not be impeded by the Court of Auditors. Given the fact that by virtue of the no 1638/2020 decision of the Hellenic Court of Audit it was held that the execution of the Amendment of the Concession Agreement by the HRADF was not concluded according to the relevant legislation and therefore the above mentioned condition has been met and as a result the entirety of the shares have been reinstated to their original owner, namely OPAP INVESTMENT LTD. As a result, as at 31.12.2020 the Company recognized a gain from disposal of HORSE RACES SINGLE MEMBER S.A. amounting to € 8,336, which in Separate Income statement was classified under ‘Other operating income’.

## 12. Investments in associates

Investments in associates are analyzed as follows:

| | 31.12.2020 | 31.12.2019 |
|---|---|---|
| KAIZEN GAMING LIMITED | 8,079 | 54,158 |
| STOIXIMAN business (Greek and Cypriot operations) | - | - |
| **Total** | **8,079** | **54,158** |

The report date of the Financial Statements of the associates companies, 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 KAIZEN Group, KAIZEN GAMING LIMITED, for a consideration of € 50,000. Consequently, since December 2018, the latter is accounted for as an associate for OPAP Group.

On 13.07.2020, OPAP INVESTMENT LTD acquired from KAIZEN GAMING LIMITED a 51% direct stake in STOIXIMAN business (Greek and Cypriot operations), for an aggregate net consideration of € 92,103. Additionally, OPAP INVESTMENT LTD will pay earn-out payments for 2020 and 2021 subject to the performance criteria set for STOIXIMAN business (Greek and Cypriot operations). Finally, a further premium amount of € 30,000 was agreed between OPAP INVESTMENT LTD and KAIZEN GAMING LIMITED, out of which € 14,988 has already been paid and the outstanding discounted amount as at 31.12.2020 is € 14,615 (refer to Note 28).

As a result of the above acquisition of 51%, the interest of KAIZEN GAMING LIMITED in STOIXIMAN business (Greek and Cypriot operations) decreased from 100% to 49%. Subsequently, the indirect stake of OPAP INVESTMENT LTD in STOIXIMAN business (Greek and Cypriot operations) through its investment in associate KAIZEN GAMING LIMITED decreased from 36.75% to 18.01%, while the combined stake (direct and indirect) reached 69.01% (51% plus 18.01%).

On 18.11.2020, OPAP INVESTMENT LTD acquired an additional 15.49% indirect stake in STOIXIMAN business (Greek and Cypriot operations) for an aggregate consideration of € 47,644. Additionally, OPAP INVESTMENT LTD will pay earn-out payments for 2020 and 2021 subject to the performance criteria set for STOIXIMAN business (Greek and Cypriot operations). Following the acquisition of the additional 15.49%, OPAP INVESTMENT LTD obtained control on STOIXIMAN business (Greek and Cypriot operations) on 18.11.2020.

Following the above acquisition of the additional 15.49%, OPAP INVESTMENT LTD effectively holds a 84.49% combined stake (direct & indirect) in STOIXIMAN business (Greek and Cypriot operations).

It is agreed among shareholders of KAIZEN GAMING LIMITED that acquisition date of 51% was determined to be 01.07.2020 and acquisition date of the additional 15.49% was 01.12.2020. As a result, STOIXIMAN business (Greek and Cypriot operations) was consolidated with the equity method for the period 01.07.2020 - 30.11.2020, while is fully consolidated for the period 01.12.2020-31.12.2020.

Based on its contribution in its profit before taxes, the Group decided that the aforementioned associates are material and thus it discloses its interest in these associates as follows:

**KAIZEN GAMING LIMITED**

| Summarized statement of financial position | 31.12.2020 | 31.12.2019 |
|---|---|---|
| **Current assets** | | |
| Cash and cash equivalents | 32,127 | 46,226 |
| Other current assets | 12,844 | 24,245 |
| **Total current assets** | **44,971** | **70,471** |
| **Total non - current assets** | **26,009** | **20,755** |
| **Current liabilities** | | |
| Financial liabilities (excluding trade payables) | 673 | 637 |
| Other current liabilities | 32,604 | 51,398 |
| **Total current liabilities** | **33,277** | **52,035** |
| **Non-current liabilities** | | |
| Financial liabilities (excluding trade payables) | 2,272 | 2,129 |
| Other non-current liabilities | 1,929 | 1,448 |
| **Total non-current liabilities** | **4,201** | **3,577** |
| **Equity** | **33,502** | **35,614** |

| Summarized statement of profit or loss and other comprehensive income | 01.01-31.12.2020 | 01.01-31.12.2019 |
|---|---|---|
| Net gaming revenue (NGR) | 320,622 | 245,132 |
| Profit after tax | 36,999 | 23,651 |
| Other comprehensive income, net of tax | (158) | (211) |
| **Total comprehensive income** | **36,841** | **23,440** |

Based on the above, the value of investment in associate in KAIZEN GAMING LIMITED results as follows:

| | 31.12.2020 | 31.12.2019 |
|---|---|---|
| **Opening balance** | **54,158** | **50,089** |
| Share of operating profits | 10,856 | 8,470 |
| Dividends received | (6,799) | (4,400) |
| Transfer to subsidiaries | (50,137) | - |
| **Closing balance** | **8,079** | **54,158** |

The “transfer to subsidiaries” amount of € 50,137 relates to the accumulated value of the indirect stake in STOIXIMAN business (Greek and Cypriot operations) through KAIZEN GAMING LIMITED for the period 18.12.2018 – 30.11.2020, as STOIXIMAN business (Greek and Cypriot operations) is fully consolidated from 01.12.2020.

**STOIXIMAN business (Greek and Cypriot operations)**

| Summarized statement of financial position | 30.11.2020 |
|---|---|
| **Current assets** | |
| Cash and cash equivalents | 64,562 |
| Other current assets | 2,978 |
| **Total current assets** | **67,541** |
| **Total non - current assets** | **1** |
| **Current liabilities** | |
| Other current liabilities | 47,204 |
| **Total current liabilities** | **47,204** |
| **Equity** | **20,338** |

| Summarized statement of profit or loss and other comprehensive income | 01.07-30.11.2020 |
|---|---|
| Net gaming revenue (NGR) | 118,110 |
| Profit after tax | 14,314 |
| Other comprehensive income, net of tax | - |
| **Total comprehensive income** | **14,314** |

Based on the above, the value of investment in associate in STOIXIMAN business (Greek and Cypriot operations) results as follows:

| | 30.11.2020 |
|---|---|
| **Opening balance** | - |
| Acquisition cost (Note 10) | 283,028 |
| Share of operating profits for the period 01.07.2020-30.11.2020 | 7,300 |
| Derecognition due to becoming a subsidiary | (290,328) |
| **Closing balance** | - |

It is worth mentioning that by the date of the preparation of the Group Financial Statements, the audit of the financial statements of KAIZEN GAMING LIMITED for the fiscal year 2020 has not been completed. The Group Financial Statements of 2019 also included the unaudited financial statements of KAIZEN GAMING LIMITED. Consequently, any difference arising after the completion of the audit is included in 2020 Group Financial Statements.

## 13. Other non-current assets

Other non-current assets are analysed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Guarantee deposits | 1,263 | 1,387 | 1,133 | 1,161 |
| Prepayments of retirement benefits & housing loans to personnel | 357 | 366 | 357 | 366 |
| Loans receivable | 2,878 | 3,158 | 11,604 | 4,946 |
| Prepayments to suppliers | 19,582 | 22,816 | 19,582 | 22,816 |
| GGR contribution receivable | 22,658 | - | 22,658 | - |
| Other receivables | 379 | 126 | - | - |
| **Total** | **47,117** | **27,855** | **55,334** | **29,290** |

Loans receivable of the Group refer to loans that the Company and its subsidiary, OPAP INVESTMENT LTD, have granted of € 2,854 and € 24 (2019: € 1,446 and € 1,712), respectively. The maturity of these loans is until December 2024.

At Company level, loans receivable also include loans of € 3,500 granted to TORA DIRECT SINGLE MEMBER S.A. and € 7,000 granted to HORSE RACES SINGLE MEMBER S.A. (2019: € 3,500 και € 0, respectively). These loans to subsidiaries bear interest rate of 3.50%. The Company recognized an impairment loss of € 1,750 on the loans receivable from HORSE RACES SINGLE MEMBER S.A., taking into consideration current market conditions and how these affect operating activities of HORSE RACES SINGLE MEMBER S.A.. As a result, the net amount of loans receivable from HORSE RACES SINGLE MEMBER S.A. as at 31.12.2020 is € 5,250. The impairment is included in “Net impairment losses on financial assets” of Income Statement (refer to Note 45).

The prepayments to suppliers of € 19,582 (€ 22,816 in 2019) 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.

GGR contribution receivable constitutes the discounted additional consideration relating to the 10-year extension of the Company’s license which refers to the exclusive right to conduct certain numerical lottery and sports betting games. The specific receivable with maturity date the end of the extended period of the licence (2030) amounts to € 24,177, and has been discounted for 124 months using the spot interest rate as at 31.12.2020 of a bond of the Greek Government ending in 2030. It is mentioned that from now on and on an annual basis up to the expiration of the extension the additional consideration will be calculated based on the agreement which may result to receipt or payment to the Greek State. The additional payment or refund is due in lump sum in 2030.

## 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 | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Deferred tax asset | 35,467 | 19,894 | - | - |
| Deferred tax liability | (26,642) | (23,528) | (24,833) | (21,015) |
| **Net deferred tax asset/(liability)** | **8,824** | **(3,633)** | **(24,833)** | **(21,015)** |

The movement in deferred taxes is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| **Opening balance, net deferred tax asset/(liability)** | **(3,633)** | **1,897** | **(21,015)** | **(12,701)** |
| Charge recognised in profit or loss (Note 41) | 12,377 | (5,884) | (3,890) | (10,052) |
| Charge recognised in other comprehensive income (Note 41) | 81 | 354 | 72 | 353 |
| Acquisition through merger with OPAP SERVICES S.A. | - | - | - | 1,384 |
| **Closing balance, net deferred tax asset/(liability)** | **8,824** | **(3,633)** | **(24,833)** | **(21,015)** |

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 2020 | Recognised in profit or loss (Note 41) | Recognised in Other Comprehensive Income (Note 41) | Balance at 31 December 2020 |
|---|---|---|---|---|
| **Analysis of deferred tax assets (before set - offs)** | | | | |
| Property, plant and equipment | 762 | (457) | - | 305 |
| Intangible assets | 4,188 | 1,199 | - | 5,387 |
| Right-of-use assets | 307 | 3,601 | - | 3,908 |
| Deferred expenses | - | 142 | - | 142 |
| Employee benefits | 717 | 104 | 27 | 848 |
| Provisions | 2,298 | 1,150 | - | 3,448 |
| Accrued liabilities | 17,701 | (6,185) | 54 | 11,570 |
| Tax losses | - | 15,921 | - | 15,921 |
| | **25,973** | **15,476** | **81** | **41,529** |
| **Analysis of deferred tax liabilities (before set - offs)** | | | | |
| Property, plant and equipment | - | (297) | - | (297) |
| Intangible assets | (27,288) | (4,571) | - | (31,859) |
| Deferred expenses | (2,319) | 1,773 | - | (546) |
| Accrued liabilities | - | (3) | - | (3) |
| | **(29,607)** | **(3,099)** | **-** | **(32,705)** |
| **Net deferred tax asset/(liability)** | **(3,634)** | **12,377** | **81** | **8,824** |

| COMPANY | Balance at 1 January 2020 | Recognised in profit or loss (Note 41) | Recognised in Other Comprehensive Income (Note 41) | Balance at 31 December 2020 |
|---|---|---|---|---|
| **Analysis of deferred tax assets (before set - offs)** | | | | |
| Property, plant and equipment | 107 | (107) | - | - |
| Right-of-use assets | 174 | 143 | - | 318 |
| Employee benefits | 617 | 95 | 18 | 730 |
| Provisions | 2,217 | 1,103 | - | 3,321 |
| Accrued liabilities | 1,877 | (482) | 54 | 1,449 |
| | **4,993** | **753** | **72** | **5,818** |
| **Analysis of deferred tax liabilities (before set - offs)** | | | | |
| Property, plant and equipment | - | (297) | - | (297) |
| Intangible assets | (24,816) | (4,992) | - | (29,808) |
| Deferred expenses | (1,192) | 647 | - | (546) |
| | **(26,008)** | **(4,642)** | **-** | **(30,650)** |
| **Net deferred tax liability** | **(21,015)** | **(3,890)** | **72** | **(24,833)** |

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

| GROUP | Balance at 1 January 2019 | Recognised in profit or loss (Note 41) | Recognised in Other Comprehensive Income (Note 41) | 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 | (4,415) | - | (20) | 2,298 |
| Accrued liabilities | 21,116 | (1,696) | 301 | (2,020) | 17,701 |
| | **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 41) | Recognised in Other Comprehensive Income (Note 41) | 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)** |

On 31.12.2020, certain Group entities had accumulated tax losses of € 128,514 (€ 48,502). HELLENIC LOTTERIES S.A. recognised deferred tax asset amounting to € 15,921 (2019: € 0), attributable to losses amounting to € 66,337, as this deferred tax asset will be recoverable using the estimated future taxable income based on approved business plans. For the remaining € 62,177 (2019: € 48,502) carried-forward 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.

Current income tax asset for the Group and the Company as at 31.12.2020 amounts to € 2,359 and € 0, respectively (2019: € 4,436 and € 4,429, respectively).
Current income tax liabilities for the Group and the Company as at 31.12.2020 amounts to € 27,755 and € 13,119, respectively (2019: € 1,755 and € 0, 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.

## 15. Inventories

The analysis of inventories is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| GHs construction cost | 2,669 | 2,140 | 2,669 | 2,140 |
| Consumable materials | 3,500 | 4,822 | 1,343 | 606 |
| **Total** | **6,169** | **6,962** | **4,011** | **2,745** |

In the Group's inventories are included:

- OPAP S.A. inventories of € 2,669 related to PLAY Gaming Halls stores under construction that will be sold after their completion (2019: € 2,140).
- TORA DIRECT SINGLE MEMBER S.A. inventories of € 1,947 (2019: € 3,357) related mainly to phone cards and Internet.
- NEUROSOFT S.A. inventories of € 147 (2019: € 814) related to production consumables.
- HORSE RACES SINGLE MEMBER S.A. inventories of € 63 (2019: € 45) related to veterinary clinic consumables.
- OPAP S.A. lottery and athletic events prognoses games tickets, coupons for PAME STOIXIMA game etc. of € 1,343 (2019: € 606).

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

## 16. Trade receivables

The analysis of trade receivables is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Receivables from agents | 64,068 | 143,465 | 17,834 | 51,801 |
| Discounted short term receivables from agents (accounts under arrangement from agencies) | 535 | 123 | - | - |
| Doubtful receivables from agents | 39,837 | 37,387 | 37,960 | 35,801 |
| Other receivables | 8,896 | 14,642 | 11,194 | 15,422 |
| **Sub total short term trade receivables** | **113,336** | **195,618** | **66,988** | **103,024** |
| Less provisions for short term doubtful debts and for accounts under arrangement | (44,856) | (41,575) | (40,142) | (38,953) |
| **Total short term trade receivables** | **68,480** | **154,042** | **26,846** | **64,071** |
| Discounted long term receivables from agents | 8,496 | 5,795 | 7,249 | 4,328 |
| Less provisions for doubtful long term receivables from agents | (1,247) | - | - | - |
| **Total long term trade receivables** | **7,249** | **5,795** | **7,249** | **4,328** |
| **Total trade receivables** | **75,728** | **159,837** | **34,094** | **68,400** |

The significant variation in the trade receivables of the Group mainly comes from OPAP S.A. and HELLENIC LOTTERIES S.A., due to decreased activity derived from the nationwide lockdown imposed on 05.11.2020 from the Greek government and resulted to a temporary suspension of business activity for a series of sectors, including OPAP stores and PLAY Gaming Halls, for the period from 07.11.2020 until 31.12.2020.

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. Specifically, during the last 7 years the Group and the Company created additional provisions for doubtful debts of € 10,725 and € 4,763, respectively.

The Management considers that the main credit risk of the Group comes from bad debts from the agents. Aiming to cover the aforementioned risk, the Group increased the provision for short term doubtful debts by € 4,136 resulted from the Company's additional provision of € 2,044 and from the subsidiaries' HELLENIC LOTTERIES S.A., HORSE RACES SINGLE MEMBER S.A., TORA DIRECT SINGLE MEMBER S.A., TORA WALLET SINGLE MEMBER S.A. and NEUROSOFT S.A. additional provision of € 1,691, € 267, € 13, € 6 and € 115, respectively in the context of the IFRS 9 application. Furthermore, the Company's used provision amounts to € 855 due to the write-off of the relevant receivables.

Discounted long term receivables include arrangements with agents that will be settled until June 2029. In 2020, HELLENIC LOTTERIES S.A. recognized  a provision impairment of € 1,247 for specific agents.

Additional information about the impairment of trade receivables and the Group's exposure to credit risk are included in Note 45.

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

## 17. Other current assets

The analysis of other current assets is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Housing loans to personnel | 28 | 44 | 28 | 44 |
| Other receivable - revenue receivable | 7,537 | 7,311 | 7,068 | 10,875 |
| Prepaid expenses | 18,628 | 13,105 | 16,429 | 11,934 |
| Intercompany transaction of winners profits with OPAP CYPRUS LTD | - | - | 2,174 | 1,424 |
| Receivables from taxes | 10,362 | 19,777 | 10,358 | 6,193 |
| Loans receivable | 4,063 | 19,967 | 2,314 | 2,790 |
| **Total** | **40,618** | **60,204** | **38,370** | **33,259** |

Other receivable – revenue receivable of the Group as of 31.12.2020 mainly includes receivable from leases of OPAP S.A. of € 900 (2019: € 1,956) as well as other income provisions created by the Company of € 187 (2019: € 437) and the subsidiaries of € 4,452 (2019: 2,507). Also, at the Company level, there is a dividend receivable from OPAP CYPRUS LTD of € 4.000 (2019: 6,000). Finally, it should be mentioned that within 2020, the Group and the Company, in accordance with IFRS 9 requirements, recognized an additional impairment on the leases receivable of € 1,594 (2019: 2,245) as the Management's estimations indicated that the total gross receivable of € 4,738 (2019: 4,201) is not fully recoverable. The aforementioned impairment, in the consolidated and separate Income Statement was classified under "Net impairment losses on financial assets".

Prepaid expenses mainly include the current portion of prepayment to VLTs vendor of amount € 3,439 (2019: € 2,914 ) (refer to Note 13), prepaid services for use and maintenance of software of € 3,494 (2019: € 2,691), prepaid sponsorships of € 3,654 (2019: € 1,040), prepaid promotional activities of € 2,249 (2019: € 1,777) and third party fees of € 916 (2019: € 991). There is also an amount of € 760 which represents prepaid loan expenses for an undrawn credit facility of the Company (refer to Note 23).

Receivables from taxes of the Group and the Company as at 31.12.2020 mainly include tax returns receivable from Greek tax authorities relating to OPAP SERVICES S.A. (merged to OPAP S.A. in December 2019). More specifically, the tax audit for the year 2012 conducted to OPAP SERVICES S.A. resulted in extra fines and surcharges of a total amount of € 2,773. Part of the aforementioned amount and specifically € 2,297 had been fully repaid in 2016. Following the above decision, OPAP SERVICES S.A. formed a provision of € 5,201 relating to tax fines and surcharges after the submission of corrective VAT statements with proviso, for the period from January 2013 to January 2014. The amount which was finally paid on 31.03.2017 was € 5,477. OPAP SERVICES S.A. then has enforced its legal right to receive the above as undue payments. The court decision issued in 2020 was positive for the Company. As a result an income of € 9,707 was recognised and represents the principal amount and the respective interests. In the Income Statement, the amount of € 1,743, which represents interest income, is classified under "Other operating income", while the remaining amount is presented under "Other operating expenses" . Additionally, the prepaid expenses of the Company, for both presented periods, include withholding tax on dividends of € 2,607. Finally, in 2019, HELLENIC LOTTERIES S.A. presented a 30% prepaid contribution on gross gaming revenue (GGR) which was related to subsequent periods of € 13,584. The Management estimations relating to the performance of HELLENIC LOTTERIES S.A. up to the end of the Concession Agreement (April 2026) indicated that most probably the asset will not be recovered and as a result the aforementioned amount was fully impaired in 2020. In the Income Statement the relevant impairment was classified under "Net impairment losses on financial assets".

Loans to third parties of the Group refer to loans that the Company and the subsidiary OPAP INVESTMENT LTD have granted of € 2,314 (2019: € 2,540) and € 1,750 (2019: € 17,428), respectively. Also, a loan from OPAP INVESTMENT LTD of € 16,000 was fully repaid.

For the current period no need for credit allowance relating to loan receivables from third parties was indicated (2019: € 19).

At Company level, loans receivable include a loan of nominal amount € 8,250 from HORSE RACES SINGLE MEMBER S.A. (2019: € 250), for which the Company recognized an equal impairment in 2020, taking into consideration current market conditions and how these affect operating activities of HORSE RACES SINGLE MEMBER S.A.. This impairment of € 8,250 is included in "Net impairment losses on financial assets" of Income Statement (refer to Note 45).

## 18. Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Cash in hand | 1,087 | 3,463 | 685 | 1,770 |
| Short term bank deposits | 505,785 | 630,352 | 278,806 | 448,527 |
| **Total** | **506,873** | **633,815** | **279,491** | **450,297** |

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.

Short term bank deposits of the Group and the Company also include amounts from electronic payment processors, of € 25,807 and € 3,200 respectively, which, at the time of purchase, are readily convertible to known amount of cash and that there is an insignificant risk of changes in value.

Fixed deposits with maturity between 3 and 12 months from the date of acquisition of € 4,629 (2019: € 8,915) are included in "Short-term investments" in Consolidated Statement of Financial Position, while fixed deposits with maturity greater than 12 months of € 0 (2019: € 1,000) are included in “Long-term investments”.

Short term bank deposits include restricted cash of amount € 206 (2019: € 189), mainly due to legal decisions, which is analysed as follows: OPAP S.A. € 146, HORSE RACES SINGLE MEMBER S.A. € 50 and NEUROSOFT S.A. € 9.

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.

## 19. Share capital and Share Premium

The total number of the authorized ordinary shares is:

| | GROUP & COMPANY | |
|---|---|---|
| | 31.12.2020 | 31.12.2019 |
| Ordinary shares of € 0.30 each | 341,426,387 | 321,623,443 |
| | 341,426,387 | 321,623,443 |

The shares issued and fully paid are as follows:

| | Number of shares | Share capital | Share premium |
|---|---|---|---|
| Balance at 31 December 2019 | 321,623,443 | 96,487 | 24,294 |
| Dividend reinvestment plan | 19,802,944 | 5,941 | 194,532 |
| Balance at 31 December 2020 | 341,426,387 | 102,428 | 218,826 |

The Board of Directors, at its meeting dated 06.02.2020, decided to issue 13,084,373 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 extra-ordinary dividend. As a result thereof, the share capital of the Company was increased by € 3,925 and amounted to € 100,412, divided to 334,707,816 common, registered, voting shares, of nominal value of € 0.30 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.

Additionally, the Board of Directors, at its meeting dated 07.08.2020, decided to issue 6,718,571 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 dividend for the financial year 2019. As a result thereof, the share capital of the

Company was increased by € 2,016 and now amounts to € 102,428, divided to 341,426,387 common, registered, voting shares, of nominal value of € 0.30 each. As the issue price of the Company's new shares amounted to € 7.91 (in absolute amount), the total above par value of the new shares, amounting to € 51,128, was transferred to the account Share premium.

## 20. Reserves

Reserves are analyzed as follows:

| GROUP | Statutory reserves | Cash flow hedge reserve | Foreign currency translation reserve | Total |
|---|---|---|---|---|
| **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** |
| Statutory reserve | 1,980 | - | - | **1,980** |
| Loss from valuation of hedging derivatives | - | (224) | - | **(224)** |
| Deferred tax | - | 54 | - | **54** |
| Exchange differences | - | - | (3) | **(3)** |
| **31.12.2020** | **35,399** | **(2,067)** | **(3)** | **33,329** |

| COMPANY | Statutory reserves | Cash flow hedge reserve | Total |
|---|---|---|---|
| **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 reserve | 1,980 | - | **1,980** |
| Loss from valuation of hedging derivatives | - | (224) | **(224)** |
| Deferred tax | - | 54 | **54** |
| **31.12.2020** | **34,143** | **(2,067)** | **32,075** |

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 € 1,980.

## 21. Treasury shares

Initially, the Annual Ordinary General Assembly of the Company's Shareholders that was held on 20.04.2015, the Annual Ordinary General Assembly on 27.04.2017 and finally the Annual Ordinary General Assembly on 22.05.2019 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. 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 the scopes and uses allowed by the law, in accordance with the specific stipulations of articles 49 and 50 of Law 4548/2018, as in force today, and in connection to the provisions of 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 22.05.2019 General Assembly, namely the latest by 21.05.2021, and will be implemented at a maximum acquisition price of € 15.00 (in absolute amount) per share and a minimum acquisition price equal to the nominal value price of each share, i.e. € 0.30 (in absolute amount) 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 31 December 2019** | **1,829,624** | **14,497** | **0.6%** |
| **Balance at 31 December 2020** | **1,829,624** | **14,497** | **0.5%** |

## 22. Non-controlling interests

The Group's non-controlling interests amount to € 15,281 as of 31 December 2020 (2019: € 18,104), arising from HELLENIC LOTTERIES S.A., NEUROSOFT S.A. and STOIXIMAN business (Greek and Cypriot operations). They represent the 16.5% of HELLENIC LOTTERIES S.A. equity, which is owned by SCIENTIFIC GAMES GLOBAL GAMING S.R.L., 32.28% of NEUROSOFT S.A. and 15.51% of STOIXIMAN business (Greek and Cypriot operations).

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, 2020 | HELLENIC LOTTERIES S.A. | NEUROSOFT S.A. | STOIXIMAN business (Greek and Cypriot operations) | Total |
|---|---|---|---|---|
| NCI percentage | 16.5% | 32.28% | 15.51% | |
| Non-current assets | 114,422 | 8,665 | 24 | |
| Current assets | 91,543 | 5,930 | 85,492 | |
| Non-current liabilities | (50,413) | (2,741) | (18) | |
| Current liabilities | (100,855) | (5,029) | (59,364) | |
| Net assets | 54,698 | 6,825 | 26,135 | |
| Net assets attributable to NCI | 9,025 | 2,203 | 4,052 | 15,281 |

| Summarized income statement and other comprehensive income for the year ended December 31, 2020 | HELLENIC LOTTERIES S.A. | NEUROSOFT S.A. | STOIXIMAN business (Greek and Cypriot operations) | Total |
|---|---|---|---|---|
| Revenue (GGR) | 76,349 | - | 40,187 | |
| Other operating income | 788 | 15,296 | 0 | |
| Profit/(loss) after tax | (36,270) | (2,734) | 5,797 | |
| Other comprehensive income, net of tax | (1) | (28) | - | |
| Total comprehensive income | (36,270) | (2,762) | 5,797 | |
| Profit/(loss) after tax attributable to NCI | (5,984) | (882) | 899 | (5,968) |
| Other comprehensive income, net of tax attributable to NCI | () | (9) | - | (9) |
| Dividends paid to NCI | - | - | - | - |

| Summarized cash flow information for the year ended December 31, 2020 | HELLENIC LOTTERIES S.A. | NEUROSOFT S.A. | STOIXIMAN business (Greek and Cypriot operations) |
|---|---|---|---|
| Cash flows from operating activities | 16,500 | (177) | 17,948 |
| Cash flows from investing activities | (15) | (247) | 55 |
| Cash flows from financing activities | (63) | (335) | - |
| Net increase/(decrease) in cash and cash equivalents | 16,422 | (760) | 18,002 |

| 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 income statement 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/(loss) after tax | 1,722 | (2,899) | |
| Other comprehensive income, net of tax | 1 | 9 | |
| Total comprehensive income | 1,724 | (2,890) | |
| Profit/(loss) after tax attributable to NCI | 653 | (936) | (283) |
| Other comprehensive income, net of tax attributable to NCI | 0.17 | 3 | 3 |
| 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. |
|---|---|---|
| Cash flows from operating activities | 11,687 | (170) |
| Cash flows from investing activities | (4,999) | (762) |
| Cash flows from financing activities | (10,089) | 8 |
| Net decrease in cash and cash equivalents | (3,401) | (924) |

On 18.11.2020, OPAP INVESTMENT LTD concluded the acquisition of 84.49% total stake (direct & indirect) of STOIXIMAN business (Greek and Cypriot operations). As described in Note 12, the acquisition date for full consolidation purposes of the subsidiary STOIXIMAN business (Greek and Cypriot operations) is 01.12.2020. The carrying amount of net assets STOIXIMAN business (Greek and Cypriot operations) prior to the acquisition date (i.e. as at 30.11.2020) was € 20,338, resulting to the recognition of non-controlling interests on acquisition of € 3,154 (refer to Note 10).

## 23. Borrowings

The analysis of borrowing is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| **Total long-term loans** | **1,007,830** | **1,045,580** | **957,440** | **995,301** |
| **Short-term loans** | | | | |
| Current portion of long term loans | 32,748 | 8,996 | 52,690 | 23,983 |
| Short-term loans (overdraft accounts) | 289 | 1,784 | 2 | 4 |
| **Total short-term loans** | **33,036** | **10,780** | **52,692** | **23,987** |
| **Total loans** | **1,040,866** | **1,056,360** | **1,010,132** | **1,019,288** |

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

| GROUP | Year of maturity | 31.12.2019 Book value | New Loans | Repayments | Payments of interest of previous year | Provision of Interest | Amortization of expenses | Modification gain | 31.12.2020 Outstanding nominal value | 31.12.2020 Book value |
|---|---|---|---|---|---|---|---|---|---|---|
| Loan, amount € 916 | 2025 | 573 | - | (92) | - | 4 | - | - | 481 | 485 |
| Bond Loan, amount €250,000 | 2023 | 249,393 | - | - | (323) | 289 | 1,430 | (3,625) | 250,000 | 247,163 |
| Bond Loan, amount €200,000 | 2020 | 200,133 | - | (200,000) | (1,925) | - | 1,792 | - | - | - |
| Bond Loan, amount €200,000 | 2027 | - | 200,000 | - | - | 758 | (3,705) | - | 200,000 | 197,053 |
| Bond Loan, amount €300,000 | 2024 | 298,812 | - | - | (243) | 199 | (444) | - | 300,000 | 298,324 |
| Bond Loan, amount €50,000 | 2023 | 49,828 | - | - | (121) | 125 | 293 | - | 50,000 | 50,125 |
| Bond Loan, amount €5,000 | 2020 | 5,055 | - | (5,000) | (55) | - | - | - | - | - |
| Bond Loan, amount €100,000 | 2023 | 100,029 | - | - | (266) | 242 | 1,087 | (4,471) | 100,000 | 96,621 |
| Bond Loan, amount €50,000 | 2022 | 50,190 | - | - | (330) | 314 | 46 | - | 50,000 | 50,219 |
| Bond Loan, amount €100,000 | 2024 | 100,565 | - | - | (733) | 725 | 30 | - | 100,000 | 100,587 |
| Bond Loan, amount €100,000 | 2021 | - | 100,000 | (100,000) | - | - | - | - | - | - |
| Bond Loan, amount €200,000 | 2020 | - | 200,000 | (200,000) | - | - | - | - | - | - |
| Overdraft, amount € 1,500 | | 280 | - | - | - | 7 | - | - | 280 | 287 |
| Overdraft, amount € 3,000 | | 1,500 | 1,500 | (3,000) | - | - | - | - | - | - |
| Overdraft, amount € 15,000 | | 4 | - | (2) | - | - | - | - | 2 | 2 |
| **Total** | | **1,056,360** | **501,500** | **(508,094)** | **(3,996)** | **2,663** | **529** | **(8,096)** | **1,050,763** | **1,040,866** |

| COMPANY | Year of maturity | 31.12.2019 Book value | New Loans | Repayments | Payments of interest of previous year | Provision of Interest | Amortization of expenses | Modification gain | 31.12.2020 Outstanding nominal value | 31.12.2020 Book value |
|---|---|---|---|---|---|---|---|---|---|---|
| Bond Loan, amount €250,000 | 2023 | 249,393 | - | - | (323) | 289 | 1,430 | (3,625) | 250,000 | 247,163 |
| Bond Loan, amount €200,000 | 2020 | 200,133 | - | (200,000) | (1,925) | - | 1,792 | - | - | - |
| Bond Loan, amount €200,000 | 2027 | - | 200,000 | - | - | 758 | (3,705) | - | 200,000 | 197,053 |
| Bond Loan, amount €300,000 | 2024 | 298,812 | - | - | (243) | 199 | (444) | - | 300,000 | 298,324 |
| Bond Loan, amount €100,000 | 2023 | 100,029 | - | - | (266) | 242 | 1,087 | (4,471) | 100,000 | 96,621 |
| Loan, amount €20,000 | 2020 | 20,163 | - | - | (163) | 163 | - | - | 20,000 | 20,163 |
| Bond Loan, amount €50,000 | 2022 | 50,190 | - | - | (330) | 314 | 46 | - | 50,000 | 50,219 |
| Bond Loan, amount €100,000 | 2024 | 100,565 | - | - | (733) | 725 | 30 | - | 100,000 | 100,587 |
| Bond Loan, amount €100,000 | 2021 | - | 100,000 | (100,000) | - | - | - | - | - | - |
| Bond Loan, amount €200,000 | 2020 | - | 200,000 | (200,000) | - | - | - | - | - | - |
| Overdraft, amount € 15,000 | | 4 | - | (2) | - | - | - | - | 2 | 2 |
| **Total** | | **1,019,288** | **500,000** | **(500,002)** | **(3,983)** | **2,690** | **236** | **(8,096)** | **1,020,002** | **1,010,132** |

The average borrowings' interest rate of both, the Group and the Company, is 2.7% (2019: 3.0%).

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 the Bondholder Agent Appointment Agreement dated 08.03.2017. The bondholders received €1 per bond and the accrued interest generated on 23.03.2020.

On 27.03.2020, the Company issued and collected a bond loan of € 100,000 from Alpha Bank with maturity date on 27.03.2021 and an extension option for 12 months. On 02.10.2020, the bond loan was fully repaid, earlier and without extra cost. These bonds were not cancelled by the Company. The extension option was exercised by the Company, Alpha bank consented to this request and the bond loan is available for withdrawal until 27.02.2022.

On 31.03.2020, the Company issued an additional bond loan of € 200,000 from Eurobank with maturity date on 01.10.2020 which was collected on 01.04.2020. On 01.07.2020, the Company proceeded to a partial repayment of € 50,000 while, on 29.10.2020, the bond loan was fully repaid without extra cost.

On 04.05.2020, the Company signed another bond loan agreement of € 100,000 with Piraeus Bank with maturity date on 04.05.2022, which may be extended for 12 months. The respective amount as at 31.12.2020 has not been collected. The relevant arrangement fees of € 760 were payable to Piraeus Bank upon signing the new loan agreement. Currently, this amount is included in "Other current assets" and will be recognised as transaction cost when the facility is drawn down.

The Board of Directors of the Company, in its meeting dated 13.10.2020, resolved on the issuance of a common bond loan of an amount up to € 200,000 and minimum amount of € 150,000, in accordance with Law 4548/2018 and applicable provisions of Law 3156/2003, the disposal of the relevant bonds through a public offer in Greece and their listing to trade on the Fixed Income Securities Trading Segment of the Regulated Market of the Athens Exchange. Following the completion of the Public Offer that took place between 21 and 23 October 2020, in accordance with article 17 para. 2 of the Regulation (EU) 2017/1129, the Company on 23.10.2020 announced that 200,000 common, bearer bonds with a nominal value of € 1 each (the Bonds) have been allocated and as a result funds of € 200,000 have been raised.

On 07.12.2020, HORSE RACES SINGLE MEMBER S.A. repaid its bond loan of €5,000 to Eurobank.

Moreover, it should be mentioned that the Company has a bond loan from Alpha bank of € 100,000, with first maturity date on 04.10.2021 and option to be extended until 04.10.2024. 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 01.09.2021 and an option of further extension until 01.09.2023, which is intended to be exercised.

In addition, the Company has a bond loan from Eurobank of € 300,000 payable in instalments up to 2024. Finally, the Company renegotiated two of its existing loan facilities to take advantage of lower interest rates.

The above resulted in the recognition of a modification gain of € 8,096, which is included in Finance income in the Income Statement (refer to Note 39).

As at 31.12.2020, the Group and the Company have total undrawn borrowing facilities of € 242,218 and € 234,998, respectively, which expire beyond one year.

The Group agreed with Eurobank and National Bank of Greece for short-term financial covenants adjustments for December 2020, while obtained waiver for HELLENIC LOTTERIES S.A.'s bond loan prior to the reporting date.

All loan agreements of the Group and the Company do not contain mortgages and pledges on the assets. It should be noted that the Company has granted a corporate guarantee of € 41,750 in favor of HELLENIC LOTTERIES S.A. for its bond loan from Alpha bank of € 50,000.

## 24. Employee benefit plans

The analysis of employee benefit plans is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Long Term Incentive Scheme | 1,152 | 3,578 | 1,152 | 3,578 |
| Defined Benefit Plan | 3,533 | 2,989 | 3,042 | 2,570 |
| **Total employee benefit plans** | **4,685** | **6,567** | **4,194** | **6,148** |

**Long Term Incentive Scheme for the years 2020-2022**

The 20th Ordinary General Meeting of the Company, following a recommendation of the Remuneration and Nomination Committee and in accordance with article 109 of Law 4548/2018, as in force and the Company Remuneration Policy, on 22.05.2019, 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. The targets relate to a. the EBITDA of the Company for the 3 year period b. the total shareholders' return (TSR).

The relevant liability as at 31.12.2020 amounts to € 1,152 and is classified under non-current liabilities.

**Long Term Incentive Scheme for the years 2017-2019**

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 targets relate to a. the profitability of the Company for the 3 year period b. the Company's share price increase in the Athens Stock Exchange.

The relevant liability as at 31.12.2019 amounted to € 3,578 and was classified under current liabilities. The amount that was finally paid in July 2020 regarding the relevant scheme amounted to € 2,772.

**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 2020.

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| **Opening balance** | **2,989** | **2,502** | **2,570** | **2,104** |
| Current service cost | 488 | 456 | 420 | 401 |
| Interest cost | 34 | 35 | 30 | 30 |
| Settlement cost (result) | 954 | 4,229 | 703 | 3,646 |
| **Total cost recognized in Statement of Comprehensive Income** | **1,477** | **4,720** | **1,153** | **4,077** |
| Actuarial loss arising from financial assumptions | 89 | 157 | 50 | 135 |
| Actuarial loss arising from experience adjustment | 23 | 64 | 26 | 83 |
| **Total actuarial loss recognized in Equity** | **112** | **221** | **76** | **218** |
| Liability from the merger with OPAP SERVICES S.A. | - | - | - | 10 |
| Payments | (1,045) | (4,455) | (757) | (3,840) |
| **Closing balance** | **3,533** | **2,989** | **3,042** | **2,570** |

The principal actuarial assumptions used in the actuarial valuations as at 31.12.2020 and 31.12.2019 are the following:

| | 2020 | 2019 |
|---|---|---|
| Discount rate | 0.60% | 1.15% |
| Expected salary increase percentage | 1.50% | 2.00% |
| Average service in the company | 20.21-29.23 | 22.16-29.07 |
| Inflation rate | 1.50% | 1.50% |

The estimated service cost for the next fiscal year amounts to € 387 for the Company and € 478 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% | 3,170 | -10% |
| Decrease in discount rate by 0.5% | 3,944 | 12% |
| Increase of the expected wages' increase by 0.5% | 3,915 | 11% |
| Decrease of the expected wages' increase by 0.5% | 3,190 | -10% |

| Sensitivity analysis (Company) | Actuarial liability | Percentage change |
|---|---|---|
| Increase in discount rate by 0.5% | 2,732 | -10% |
| Decrease in discount rate by 0.5% | 3,393 | 12% |
| Increase of the expected wages' increase by 0.5% | 3,372 | 11% |
| Decrease of the expected wages' increase by 0.5% | 2,747 | -10% |

## 25. Provisions

The analysis of provisions is as follows:

| | GROUP | COMPANY |
|---|---|---|
| **Balance as at 31.12.2019** | **8,517** | **8,515** |
| Provisions of the period | 6,029 | 6,029 |
| Provision reversal | (670) | (670) |
| Used provision | (3,662) | (3,662) |
| **Balance as at 31.12.2020** | **10,214** | **10,212** |

The amount of € 10,214 mainly relates 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 € 9,776 and for the Group of € 9,778. The total amount of these claims for the Company amounts to € 19,149 and for the Group to € 19,248.

The total cumulative provision as at 31.12.2020 is analyzed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Labor disputes | 2,439 | 2,145 | 2,439 | 2,145 |
| Lawsuits from individuals or legal entities | 7,340 | 5,937 | 7,337 | 5,934 |
| **Total provision** | **9,778** | **8,081** | **9,776** | **8,079** |

Furthermore, according to the Legal Counsel third party lawsuits against the Group and the Company have been filed of a total claim of € 363,085 and € 362,166, respectively (2019: € 366,696 and € 365,778). However, no provision has been recorded as the outcome expected is positive for the Group.

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 | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Derivative (interest rate swap) | 2,748 | 2,524 | 2,748 | 2,524 |
| Grants | 669 | 837 | - | - |
| Additional consideration for the acquisition of STOIXIMAN business (Greek and Cypriot operations) | 95,894 | - | - | - |
| Other liabilities | 465 | - | - | - |
| **Total** | **99,776** | **3,361** | **2,748** | **2,524** |

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 31.12.2020.

Grants relate to capital expenditure investments performed by HORSE RACES SINGLE MEMBER S.A. against operating lease payable to ODIE S.A. for the horse race course and its ancillary premises at Markopoulo, Attica.

The amount of € 95,894 represents the long term contingent consideration relating to the acquisition of the subsidiary STOIXIMAN business (Greek and Cypriot operations). The amount presented is discounted by using the Company's average borrowing interest rate as at 31.12.2020 (refer to Note 10).

Other liabilities include an amount of € 138 which is repayable state cash advance of NEUROSOFT S.A. and an amount of € 327 which is payout to winners of HELLENIC LOTTERIES S.A. relating to Scratch game.

## 27. Trade payables

The analysis of trade payables is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Suppliers (services, assets, etc.) | 51,597 | 48,060 | 30,673 | 37,430 |
| Payout to the winners and unclaimed winnings | 89,833 | 121,189 | 19,618 | 31,152 |
| Other payables (salaries – subsidies) | 1,636 | 1,984 | 1,301 | 1,044 |
| Contracts' liabilities | 6,379 | 10,033 | 807 | 4,735 |
| **Total** | **149,444** | **181,267** | **52,400** | **74,362** |

Trade payables are non-interest bearing and are normally settled within 60 days for both the Group and the Company. In the current reporting period, the Group's trade payables have been increased by the amount of € 23,599 which represents the STOIXIMAN business (Greek and Cypriot operations) trade payables. Excluding the aforementioned amount, for the rest entities of the Group the trade payables are presented significantly decreased compared to 31.12.2019, mainly due to the decreased operating activity resulting from the coronavirus (COVID-19) pandemic.

More specifically, as at 31.12.2020, at Group level, the payout to winners amounts to € 30,959 (2019: € 33,693), of which € 11,674 relates to STOIXIMAN business (Greek and Cypriot operations), the unclaimed winnings amount to € 19,476 (2019: € 22,332) and finally the payout provision of scratch amounts to € 39,398 (2019: € 65,165).

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

The analysis of other current liabilities is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Donations | 2,276 | 1,022 | 2,276 | 1,022 |
| Sponsorships | 7,038 | 9,465 | 681 | 672 |
| Guarantee deposits from agents | 10,188 | 10,054 | 7,846 | 7,994 |
| Wages and salaries | 8,800 | 8,215 | 7,944 | 7,781 |
| Dividends and interim dividends payable | 2,401 | 2,055 | 2,401 | 2,055 |
| Insurance contributions payable | 3,274 | 3,069 | 2,437 | 2,459 |
| Other liabilities | 49,957 | 15,334 | 6,597 | 19,097 |
| Contribution on the net revenues | 21,090 | 60,632 | 2,234 | 45,502 |
| Other taxes (withholding, VAT) | 10,769 | 9,259 | 6,195 | 6,132 |
| Additional consideration for the acquisition of STOIXIMAN business (Greek and Cypriot operations) | 32,400 | - | - | - |
| **Total** | **148,194** | **119,105** | **38,611** | **92,714** |

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

In Other liabilities of the Group, a provision of € 37,721 has been incorporated, which represents the variation between the actual paid contribution on the net revenues of HELLENIC LOTTERIES S.A. for the current period and the minimum amount required by the Concession Agreement of € 50,000, in case that HELLENIC LOTTERIES S.A will be forced to pay (refer to Note 30).

At Group and Company level, the variation observed in contribution on the net revenues between the comparative periods is attributed to the decreased operating activity resulted from the coronavirus (COVID-19) pandemic.

Finally, the amount of € 32,400 represents the short term outstanding premium amount of € 14,615 and the short term contingent consideration of € 17,785 relating to the acquisition of the subsidiary STOIXIMAN business (Greek and Cypriot operations). Both amounts have been discounted using the Company's average borrowing interest rate as at 31.12.2020 (refer to Note 10).

## 29. Dividends

The Board of Directors of the Company, at its meeting on 08.01.2020 decided the distribution of an extra-ordinary dividend of € 1.00 per share (in absolute amount). The total amount approved for distribution amounted to € 319,794, out of which shareholders who were eligible to receive € 147,330 exercised their option and participated to the reinvestment program of the extra-ordinary dividend. From the remaining amount for distribution (€ 172,464), an amount of € 171,984 has already been paid through cash.

Additionally, the 20th Annual Ordinary Shareholders General Meeting, held on 25.06.2020 approved the distribution of a total gross dividend of € 0.30 per share (in absolute amount) for the financial year 2019. The total amount approved for distribution amounted to € 99,863, out of which shareholders who were eligible to receive € 53,144 exercised their option and participated to the reinvestment program of the dividend of the financial year 2019. From the remaining amount for distribution (€ 46,719), an amount of € 46,568 has already been paid through cash. Moreover, within 2020, an amount of € 167 has been paid to shareholders through cash for dividends of previous years.

## 30. GGR contribution and other levies and duties

At Company's level, 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. As per the article 2 of the L. 4093/2012, where it is stated that exceptionally, the 35% contribution on gross gaming revenue for the games (legacy games) conducted by OPAP S.A. pursuant to the agreement of 15.12.2000 and its amendment of 12.12.2011, was in force until 12.10.2020. Onwards, the Company's GGR contribution relating to the legacy games returns to the rate of 30% (refer to Note 2.2).

At Group level and specifically, according to the relevant concession agreements of the subsidiaries HELLENIC LOTTERIES S.A. and HORSE RACES SINGLE MEMBER 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 and STOIXIMAN business (Greek and Cypriot operations) for its Cypriot operations. It is noted that STOIXIMAN business (Greek and Cypriot operations) for its Greek operations is charged with 35% contribution on net revenue. 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 2020 for the Group amounts to € 392,518 (€ 2019: € 533,718), of which the amount of € 15,784 relates to STOIXIMAN business (Greek and Cypriot operations), and for the Company amounts to € 311,640 (2019: € 464,716). The significant variation observed between the comparative periods is mainly attributed to the reduced operating activity resulting from the coronavirus (COVID-19) pandemic.

Finally, a provision of € 37,721 has been recorded by HELLENIC LOTTERIES S.A. for GGR contribution to reach the € 50,000 minimum annual amount required by the Concession Agreement. However, it is noted that HELLENIC LOTTERIES S.A. disagrees with the payment of this provisioned amount and for this reason has already appealed to the London Court of International Arbitration (refer to Notes 28 and 48).

## 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 agents' commissions are calculated as percentage on wagers depending on the game and especially for HELLENIC LOTTERIES S.A, the sales' channel. (wholesalers, mini markets, OPAP S.A. sales' network etc.). The significant variation observed between the comparative periods is attributed to the reduced operating activity resulting from the coronavirus (COVID-19) pandemic.

## 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 significant variation observed between the comparative periods is attributed to the reduced operating activity resulted from the coronavirus (COVID-19) pandemic.

## 33. Other operating income

The analysis of other operating income is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| Commission on New Year's Eve Lottery | - | 1,983 | - | - |
| Revenues from prepaid cards, mobile top-ups and bill payments | 84,260 | 93,943 | - | - |
| Income from IT services | 7,496 | 7,513 | - | - |
| Management fees | - | - | 23,903 | 31,482 |
| Income from subsidies | 14,360 | 376 | 12,321 | - |
| Other income | 17,694 | 45,546 | 22,320 | 33,273 |
| **Total** | **123,811** | **149,361** | **58,545** | **64,754** |

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. For the current period, due to the impact of coronavirus (COVID-19), HELLENIC LOTTERIES S.A. did not conduct the relevant draw.

Revenues from prepaid cards, mobile top-ups and bill payments include the revenues from TORA DIRECT SINGLE MEMBER S.A. and TORA WALLET SINGLE MEMBER S.A.. Specifically, from the total amount of € 84,260, (2019: € 93,943), the amount of € 76,826 (2019: € 87,960) refers to revenues where the aforementioned subsidiaries act as principals, the amount of € 3,967 (2019: € 3,895) refers to commissions where they act as agents and finally, the amount of € 3,468 (2019: € 2,088) 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 SINGLE MEMBER S.A. which are eliminated for Group purposes.

At Group level, the income from subsidies mainly includes the 25% discount on certain tax liabilities of € 12,251 and the 40% leases discount of € 1,829, which both relate to the measures introduced by the Greek authorities against to coronavirus (COVID-19) impact.

Additionally, the 2020 Group's other income, among others, includes € 2,593 which represents tax return from Maltesian tax authorities, € 1,743 which is the interest income relating to the court decision in favor of OPAP SERVICES S.A. (refer to Note 17), € 2,207 income from sales of PLAY Gaming Halls and Opap Stores construction (2019: € 12,242) and € 4,600 (2019: € 4,771) income from the Opap Stores and PLAY Gaming Halls for services provided to the them.

The Company's other income, among others, includes a gain of € 8,336 relating to the disposal of HORSE RACES SINGLE MEMBER S.A. (refer to Note 11).

Finally, the Group's and the Company's other income of the comparable period include, among other, the net effect of litigation provision amounting to € 16,079 and € 16,082, respectively.

## 34. Other operating income related to the extension of the concession of the exclusive right

As per the Supplementary agreement between the Company and the Hellenic Republic Asset Development Fund (HRADF) dated 12.12.2011 and its amendment of 29.04.2013 relating to the Company's 10-year extension of the exclusive right i.e. until 12.10.2030, the 80% of the absolute consideration which amounted to € 375,000 represents a GGR contribution prepayment of the Company for the extended period. The 80% of the Absolute consideration equals to € 300,000 the future value of which defined at € 1,831,200. For the period from 13.10.2020 to 31.12.2020 the portion of the prepaid contribution of € 1,831,200, adjusted for any corporate tax impact, amounts to € 42,465 and has been incorporated as an expense under 'GGR contribution and other levies and duties' and simultaneously, as an income under 'Other operating income related to the extension of the concession of the exclusive right'.

## 35. Other operating cost

The other operating cost of the Group includes the consumption of TORA DIRECT SINGLE MEMBER S.A. phone cards amounting to € 74,407 (2019: € 85,090), the cost of the sold PLAY Gaming Halls of OPAP S.A. of € 1,559 (2019: € 8,049) as well as the consumption of NEUROSOFT S.A. goods of € 1,643 (2019: € 2,379) for the production and development of software and IT systems.

## 36. Payroll expenses

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| Wages and salaries | 61,545 | 60,603 | 50,643 | 49,833 |
| Social security costs | 13,081 | 13,390 | 10,659 | 10,783 |
| Other staff costs | 1,413 | 1,480 | 1,099 | 1,163 |
| Employee benefit plans | 1,641 | 1,649 | 1,572 | 1,594 |
| Termination compensations | 964 | 5,184 | 703 | 4,601 |
| **Total** | **78,643** | **82,306** | **64,676** | **67,974** |

The number of employees of the Company as at 31.12.2020 and 31.12.2019 is 1,158 for both comparative periods, while the employees of the Group at the same dates are 1,503 and 1,557 respectively.

## 37. Marketing expenses

Marketing expenses are as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| CSR and sponsorships | 17,940 | 19,255 | 12,984 | 14,199 |
| Advertising | 36,913 | 41,684 | 26,693 | 32,151 |
| **Total** | **54,853** | **60,939** | **39,677** | **46,350** |

The Company's CSR expense for the year 2020 amounts to € 4,973 (2019: € 4,118) and the sponsorships expense to € 8,010 (2019: € 10,071). At Group level, the relevant expenses are € 5,007 and € 12,933 respectively (2019: € 4,155, € 15,100).

## 38. Other operating expenses

The analysis of other operating expenses is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| IT related costs | 22,770 | 20,919 | 26,944 | 26,009 |
| Utilities & Telecommunication costs | 11,373 | 14,398 | 11,452 | 11,027 |
| Rentals | 1,070 | 2,142 | 561 | 922 |
| Other | 73,818 | 74,437 | 47,126 | 52,554 |
| Inventory consumption | 3,691 | 5,509 | 3,377 | 5,191 |
| **Total** | **112,722** | **117,405** | **89,460** | **95,702** |

The Group IT related cost, among others, includes fees for technological support of information systems of € 8,740 (2019: € 7,723), repair and maintenance of software and hardware of € 8,214 (2019: € 8,220) and use of software licenses of € 4,448 (2019: € 3,481).

The rentals classified under the other operating expenses refer to short term leases which are excluded from the IFRS 16 accounting treatment. In 2019, rentals also included low value leases, however, on 01.01.2020, the Group decided to change its accounting policy for the exceptions in application of IFRS 16 it uses (refer to Notes 3.23 and 8).

The subcategory 'other' of both, the Group and the Company, for the current period has been reduced by an income of € 7,520 which represents the nominal amount relating to the court decision in favor of OPAP SERVICES S.A. (refer to Note 17). Additionally, it includes the extraordinary financial support that the Company paid to its agents' network of € 5,161 in relation to the measures undertaken due to the coronavirus (COVID-19) impact and a wide range of expenses, operating or not, such as professional fees of € 35,017 (2019: 31,127), taxes (other than Income tax) of € 2,292 (2019: € 2,292), consumables of € 2,485 (2019: € 2,720) , extraordinary and prior year expenses of € 1,586 (2019: € 8,214) etc.

The subcategory 'other' of the Group and the Company, for the current period, has been increased by the net effect of litigation provision of € 5,373 and € 5,359, respectively. In the comparative period, the Group and the Company recognized an income from litigation provision (refer to Note 33).

Finally, the Company's other expenses include the impairments made relating to its investments in subsidiaries. For the current year, OPAP S.A. impaired its investment in OPAP INTERNATIONAL LTD by € 5,500. In 2019 the Company recorded an impairment to its investment in OPAP INVESTMENT LTD of € 27,202.

## 39. Finance income / (costs)

The analysis of finance income and cost is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| Interest expense from lease | (2,269) | (2,347) | (1,031) | (1,073) |
| Interest and expenses of bond loans | (36,812) | (25,066) | (35,444) | (23,601) |
| Other financial expenses | (2,213) | (2,662) | (1,043) | (991) |
| Capital cost of employee benefit plans | (34) | (116) | (30) | (111) |
| Discounting interest | (2,437) | - | (2,435) | - |
| **Finance costs** | **(43,766)** | **(30,190)** | **(39,983)** | **(25,776)** |
| | | | | |
| Bank deposits | 1,266 | 1,380 | 797 | 972 |
| Interest income from loans to third parties | 740 | 1,588 | 594 | 277 |
| Other financial income | 8,279 | 139 | 8,136 | 27 |
| **Finance income** | **10,286** | **3,108** | **9,527** | **1,276** |
| **Net finance costs** | **(33,481)** | **(27,083)** | **(30,456)** | **(24,500)** |

At Group and Company level, the current period interest and expenses of bond loans are presented significantly increased compared to the previous period mainly due to the cost of the loans that were issued and repaid within 2020 of € 4,894 and the cost of the loans that were issued during the last quarter of 2019 of € 13,092 (2019: € 1,331). On the contrary, in the current period the cost relating to the loans that were repaid within the last quarter of 2019 and the first quarter of 2020 is decreased by € 6,062. Finally, the cost relating to the new corporate bond loan issued in the last quarter of 2020 amounts to € 844.

The discounting interest of the Group and the Company includes the discounting of the 'Additional consideration' relating to the license extension 2020-2030 of € 1,519 which, as of 31.12.2020 is a receivable amounting to € 22,176 and has been discounted for 124 months. Moreover, the Company discounted the long term receivable of the agents relating to the construction cost of € 7,249 and the respective interest cost amounts to € 916.

Additionally, the increase that the Group and the Company present at the current period in other financial income, is attributed to the modification gain of € 8,096 resulting from the renegotiation of the interest rate of two loans (refer to Note 23).

## 40. Dividend income

The Company, in 2020, presents dividend income from subsidiaries amounting to € 5,500 (2019: € 7,500). Specifically, the dividend from OPAP CYPRUS LTD is of € 4,000 (2019: € 6,000) and from OPAP SPORTS LTD € 1,500 (2019: € 1,500).

## 41. Income tax expense

The income tax charged to the Statement of profit or loss and other comprehensive income for the years ended 31 December 2020 and 2019 is analysed as follows:

**Amounts recognised in profit or loss**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| Current tax | (29,947) | (61,199) | (24,328) | (52,651) |
| Deferred tax | 12,377 | (4,199) | (3,890) | (10,219) |
| Deferred tax effect from tax rate change | - | (1,685) | - | 167 |
| **Income tax expense** | **(17,570)** | **(67,083)** | **(28,218)** | **(62,702)** |
| **Effective tax rate** | **8.1%** | **24.9%** | **21.8%** | **23.4%** |

**Amounts recognised in other comprehensive income**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| Deferred tax | 81 | 367 | 72 | 367 |
| Deferred tax effect from tax rate change | - | (13) | - | (14) |
| **Total** | **81** | **354** | **72** | **353** |

According to law 4646/2019, the corporate income tax rate in Greece is 24% for fiscal year 2019 onwards. The corporate income tax rate in Cyprus is 12.5% and in Malta 35%.

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.

On 31.12.2020, certain Group entities had accumulated tax losses of € 128,514 (2019: € 48,502).

In the year 2020, the losses for which deferred tax asset was recognised amounted to € 66,337, as this deferred tax asset (€ 15,921) will be utilised in the foreseeable future using the estimated future taxable income based on approved business plans. Additionally, the losses of 2020 for which no deferred tax asset was recognized amounted to € 15,145 (2019: € 11,769), as the Group does not consider that future tax profit is expected against which unused tax losses may be used.

The Group cumulative tax losses for which also no deferred tax asset was recognized, amounted to € 62,177 (2019: € 48,502). Tax losses can be offset against future taxable earnings over the next 5-year period.

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 | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| **Profit before tax** | **216,948** | **269,181** | **129,384** | **268,315** |
| Tax calculated at the Company's statutory tax rate (24%) | (52,067) | (64,604) | (31,052) | (64,396) |
| Tax adjustments in respect of: | | | | |
| Impairment of investment in subsidiaries | - | - | (1,320) | (2,001) |
| Gain from disposal of subsidiary | - | - | 2,001 | - |
| Impairment loss in goodwill for which no deferred tax is recognized | (3,000) | (960) | - | - |
| Gain from remeasurement of previously held equity interest for which no deferred tax is recognized | 34,240 | - | - | - |
| Effect of participating in share of profit of associates | 4,358 | 2,033 | - | - |
| Tax effect of non-deductible expenses | (5,770) | (3,911) | (5,913) | (2,490) |
| Tax effect of non-taxable income | 6,013 | 2,684 | 6,469 | 1,800 |
| Effect of accumul. tax loss claimed in the current period | 55 | 5,873 | - | 5,824 |
| Effect of unrecognized deferred tax asset on tax carry forward losses | (3,286) | (3,638) | - | - |
| Effect of different tax rates in other countries | 290 | 2,349 | - | - |
| Other taxes | 568 | 11 | 537 | 84 |
| Tax relating to prior periods | 1,060 | (245) | 1,061 | (245) |
| Effect from tax rate change | - | (1,685) | - | 167 |
| Other items for which no deferred tax asset is recognized | (31) | (4,990) | - | (1,446) |
| **Income tax expense** | **(17,570)** | **(67,083)** | **(28,218)** | **(62,702)** |

## 42. Earnings per share

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| Net profit attributable to the shareholders of the Company (in €) | 205,346,172 | 202,381,138 | 101,166,421 | 205,612,372 |
| Weighted average number of ordinary shares | 334,289,647 | 318,413,816 | 334,289,647 | 318,413,816 |
| **Basic and diluted earnings per share (in €)** | **0.6143** | **0.6356** | **0.3026** | **0.6457** |

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

The weighted average number of shares on 31.12.2020 is calculated as follows:

| | 2020 | 2019 |
|---|---|---|
| Issued ordinary shares at 1 January | 321,623,443 | 319,000,000 |
| Effect of treasury shares held | (1,829,624) | (1,829,624) |
| Effect of new shares issuance | 14,495,828 | 1,243,440 |
| **Weighted-average number of ordinary shares at 31 December** | **334,289,647** | **318,413,816** |

## 43. Related party disclosures

The Group's Financial Statements for the year 2020 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 2020 and 2019 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 | |
|---|---|---|---|---|
| | 01.01-31.12.2020 | 01.01-31.12.2019 | 01.01-31.12.2020 | 01.01-31.12.2019 |
| OPAP SPORTS LTD | 1,500 | 1,500 | - | - |
| OPAP SERVICES S.A. | - | 67 | - | 5,053 |
| OPAP CYPRUS LTD | 24,446 | 31,138 | 765 | 700 |
| OPAP INVESTMENT LTD | - | - | - | 16 |
| HELLENIC LOTTERIES S.A. | 3,325 | 6,126 | - | - |
| HORSE RACES SINGLE MEMBER S.A. | 411 | 356 | 9 | 4 |
| TORA DIRECT SINGLE MEMBER S.A. | 391 | 330 | 309 | 307 |
| TORA WALLET SINGLE MEMBER S.A. | 202 | 299 | 534 | 231 |
| NEUROSOFT S.A. | - | - | 8,209 | 8,525 |
| **Total** | **30,275** | **39,816** | **9,826** | **14,837** |

| GROUP | Expenses - Assets' Purchases | | Income | |
|---|---|---|---|---|
| | 01.01-31.12.2020 | 01.01-31.12.2019 | 01.01-31.12.2020 | 01.01-31.12.2019 |
| Other related parties | 3,540 | 2,532 | 144 | - |
| **Total** | **3,540** | **2,532** | **144** | **-** |

| COMPANY | Receivables (excl. loans) | | Payables (excl. loans) | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| OPAP CYPRUS LTD | 11,669 | 15,318 | 63 | - |
| OPAP INVESTMENT LTD | - | - | - | 10,411 |
| HELLENIC LOTTERIES S.A. | 3,362 | 2,985 | 11 | 27 |
| HORSE RACES SINGLE MEMBER S.A. | 300 | 950 | 10 | 10 |
| TORA DIRECT SINGLE MEMBER S.A. | 323 | 205 | 94 | 131 |
| TORA WALLET SINGLE MEMBER S.A. | 661 | 1,384 | 296 | 113 |
| NEUROSOFT S.A. | - | - | 1,295 | 1,361 |
| **Total** | **16,315** | **20,842** | **1,770** | **12,054** |

| GROUP | Payables | | Receivables | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Other related parties | 1,402 | 374 | 144 | - |
| **Total** | **1,402** | **374** | **144** | **-** |

| COMPANY | Loans to subsidiaries | |
|---|---|---|
| | 31.12.2020 | 31.12.2019 |
| HORSE RACES SINGLE MEMBER S.A. | 5,250 | 250 |
| TORA DIRECT SINGLE MEMBER S.A. | 3,500 | 3,500 |
| | **8,750** | **3,750** |

| COMPANY | Loans from subsidiaries | |
|---|---|---|
| | 31.12.2020 | 31.12.2019 |
| OPAP CYPRUS LTD | 20,163 | 20,163 |
| | **20,163** | **20,163** |

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.

Additionally, the Company has granted total corporate guarantees of € 104,375 in favor of HELLENIC LOTTERIES S.A.. From this amount, € 41,750 is a corporate guarantee for the loan of HELLENIC LOTTERIES S.A. from Alpha bank and € 62,625 is a guarantee to HRADF.

Finally, the Company intends to provide financial support to any of its subsidiaries, if it is deemed necessary.

| MANAGEMENT PERSONNEL | GROUP & COMPANY | |
|---|---|---|
| | 01.01-31.12.2020 | 01.01-31.12.2019 |
| Salaries | 4,453 | 4,390 |
| Other compensations | 10 | 15 |
| Cost of social insurance | 226 | 215 |
| **Total** | **4,688** | **4,620** |

| BOARD OF DIRECTORS | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 01.01-31.12.2020 | 01.01-31.12.2019 | 01.01-31.12.2020 | 01.01-31.12.2019 |
| Salaries | 828 | 881 | 358 | 371 |
| Cost of social insurance | 88 | 101 | 65 | 65 |
| **Total** | **916** | **982** | **423** | **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** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| BoD and key management personnel | 141 | 268 | 139 | 176 |
| **Total** | **141** | **268** | **139** | **176** |

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

## 44. 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. | 2011-2020 |
| HELLENIC LOTTERIES S.A. | 2014-2020 |
| TORA DIRECT SINGLE MEMBER S.A. | 2011-2020 |
| TORA WALLET SINGLE MEMBER S.A. | 2017-2020 |
| NEUROSOFT S.A. | 2011-2020 |
| HORSE RACES SINGLE MEMBER S.A. | 2016-2020 |

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 SINGLE MEMBER S.A and TORA WALLET SINGLE MEMBER 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 – 2020 |
| OPAP SPORTS LTD | 2017 – 2020 |
| OPAP INTERNATIONAL LTD | 2004 – 2005 & 2012 – 2020 |
| OPAP INVESTMENT LTD | 2012 – 2020 |
| STOIXIMAN business (Greek and Cypriot operations) | 2020 |

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. This amount has already been paid to the respective authorities.

Regarding the legal right that OPAP SERVICES S.A. exercised in the past for the fiscal year 2012, the court decision that issued in 2020 was positive for the Company and as a result an income of € 9,707 was recognised which represents the nominal amount and the respective interests. In the Income Statement, the amount of € 1,743 which refers to the interest income was classified under "Other operating income" and the rest under "Other operating expenses".

### 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,** | **2020** | **2019** | **2020** | **2019** |
| Receivables securing | 21,064 | 27,956 | 2,372 | 6,198 |
| **Guarantees received** | **21,064** | **27,956** | **2,372** | **6,198** |
| | | | | |
| Guarantees to HRADF | 78,500 | 53,500 | - | - |
| Other guarantees | 48,435 | 46,066 | 106,456 | 84,218 |
| **Guarantees granted** | **126,935** | **99,566** | **106,456** | **84,218** |

It is noted that out of the total of the above guarantees to HRADF, € 75,000 (2019: € 50,000) are related to HELLENIC LOTTERIES S.A. and € 3,500 (2019: € 3,500) to HORSE RACES SINGLE MEMBER S.A. and refer to the obligations arising from the respective concession agreements.

Additionally, the Company has granted total corporate guarantees of € 104,375 in favor of HELLENIC LOTTERIES S.A.. From this amount, € 41,750 is a corporate guarantee for the loan of HELLENIC LOTTERIES S.A. from Alpha bank and € 62,625 is a guarantee to HRADF.

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 SINGLE MEMBER 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.

## 45. 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 | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| **Financial assets** | | | | |
| Loans receivable | 6.942 | 23.126 | 6.942 | 23.126 |
| Trade receivables | 75.728 | 159.837 | 75.728 | 159.837 |
| Cash and cash equivalents | 506.873 | 633.815 | 506.873 | 633.815 |
| Housing loans to personnel | 189 | 189 | 189 | 189 |
| Guarantee deposits | 1.263 | 1.387 | 1.263 | 1.387 |
| Lease receivable | 900 | 1.956 | 900 | 1.956 |
| Investments | 4.629 | 9.915 | 4.629 | 9.915 |
| **Financial liabilities** | | | | |
| Long term borrowings | 1.007.830 | 1.045.580 | 1.024.809 | 1.046.580 |
| Short term borrowings | 33.036 | 10.780 | 32.252 | 10.780 |
| Trade payables (excluding contracts' liabilities) | 143.065 | 171.234 | 143.065 | 171.234 |
| Liabilities arising from derivatives (swap) | 2.748 | 2.524 | 2.748 | 2.524 |
| Lease liabilities | 57.743 | 64.779 | 57.743 | 64.779 |
| Other financial liabilities | 69.925 | 35.875 | 69.925 | 35.875 |

| COMPANY | Carrying value | | Fair value | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| **Financial assets** | | | | |
| Loans receivable | 13.918 | 7.736 | 13.918 | 7.736 |
| Trade receivables | 34.094 | 68.400 | 34.094 | 68.400 |
| Cash and cash equivalents | 279.491 | 450.297 | 279.491 | 450.297 |
| Housing loans to personnel | 189 | 189 | 189 | 189 |
| Guarantee deposits | 1.133 | 1.161 | 1.133 | 1.161 |
| Lease receivable | 900 | 1.956 | 900 | 1.956 |
| **Financial liabilities** | | | | |
| Long term borrowings | 957.440 | 995.301 | 973.924 | 996.301 |
| Short term borrowings | 52.692 | 23.987 | 52.040 | 23.987 |
| Trade payables (excluding contracts' liabilities) | 51.592 | 69.627 | 51.592 | 69.627 |
| Liabilities arising from derivatives (swap) | 2.748 | 2.524 | 2.748 | 2.524 |
| Lease liabilities | 27.079 | 32.820 | 27.079 | 32.820 |
| Other financial liabilities | 17.400 | 28.785 | 17.400 | 28.785 |

The fair value of long-term and short-term loans is based on either quoted (unadjusted) prices or on future cash flows discounted. The fair value of other financial assets and financial liabilities approximates 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 31.12.2020.

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 is exposed to interest rate risk due to the unhedged portion of its outstanding debt. The Group follows all market developments concerning the interest rate environment and acts accordingly. The existing debt facilities, as of 31.12.2020, stand at € 1,040,866 and € 1,010,132 for the Group and the Company respectively, which are analysed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Fixed rate borrowings | 595,215 | 599,919 | 564,966 | 570,254 |
| Floating rate borrowings | 445,651 | 456,442 | 445,166 | 449,034 |
| **Total** | **1,040,866** | **1,056,360** | **1,010,132** | **1,019,288** |

Floating-rate borrowings include loan agreements which have been hedged through interest rate swap and represent the 22% (2019: 22%) of total floating-rate borrowings of the Group and the Company, respectively.

The Group follows all market developments and acts in a timely manner when needed.

The effect of interest rate swap on the financial statements of the Group and the Company is as follows:

| **Interest rate swap** | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Carrying amount (non-current liability) | 2,748 | 2,524 | 2,748 | 2,524 |
| Notional amount | 100,000 | 100,000 | 100,000 | 100,000 |
| Maturity date | 2023 | 2023 | 2023 | 2023 |
| Hedge ratio | 1:1 | 1:1 | 1:1 | 1:1 |
| Change in fair value of outstanding hedging instruments since 1 January | (224) | (1,253) | (224) | (1,253) |

The following table demonstrates the sensitivity to a change in interest rates on loans to the income statement.

If interest rates were to increase by 1.0%, the impact would be:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| **Impact on profit after tax** | **(2,381)** | **(163)** | **(2,353)** | **(134)** |

If interest rates were to decrease by 1.0%, the impact would be:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| **Impact on profit after tax** | **315** | **92** | **315** | **92** |

## 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 maintains a solid capital structure, taking also into consideration the effect of coronavirus (COVID-19), as depicted in the Net Debt/EBITDA ratio of 2.3x as of 31.12.2020.

Net debt includes short-term and long-term borrowings as well as long-term and short-term lease liabilities, less cash and cash equivalents and short-term and long-term investments.

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 2020 and 2019 is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on December 31** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Long-term borrowings | 1,007,830 | 1,045,580 | 957,440 | 995,301 |
| Short-term borrowings | 33,036 | 10,780 | 52,692 | 23,987 |
| Long-term lease liabilities | 50,112 | 57,649 | 22,011 | 27,663 |
| Short-term lease liabilities | 7,631 | 7,130 | 5,068 | 5,157 |
| **Total debt** | **1,098,609** | **1,121,140** | **1,037,211** | **1,052,108** |
| Minus : Cash and cash equivalents | (506,873) | (633,815) | (279,491) | (450,297) |
| Minus : Short & long-term investments | (4,629) | (9,915) | - | - |
| **Net debt** | **587,107** | **477,410** | **757,720** | **601,811** |
| Total Equity | 754,886 | 771,892 | 638,267 | 756,579 |
| Profit before interest, tax, depreciation and amortization (EBITDA) last twelve months | 260,313 | 412,579 | 246,696 | 365,032 |
| **Total debt / Total Equity** | **145.5%** | **145.2%** | **162.5%** | **139.1%** |
| **Net debt / Profit before interest, tax, depreciation, amortization and impairment (EBITDA)** | **2.3** | **1.2** | **3.1** | **1.6** |

## Credit risk

The Group's exposure to credit risk arises from its operating activities and more specifically on the collection process of its franchise-like model of operation. The above-mentioned process leaves the Group exposed to the risk of financial loss if one of its counterparties fails to meet its financial obligations. The carrying value of financial assets at each reporting date is the maximum credit risk to which the Group is exposed. In order to mitigate the aforementioned risk, OPAP established and implements a credit risk management policy. The main characteristics of the policy are:

- The establishment of a Credit Committee responsible to approve and/or to make recommendations to the BoD for credit risk related matters.
- The classification of agents based on a credit risk scoring model which is continuously updated.
- The establishment of credit limits per agent based on their individual credit ratings.
- The immediate suspension of operation in case of overdue amounts.

**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 receivable from 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,** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| ***Financial Assets Categories*** | | | | |
| Loans to third parties | 6,942 | 23,126 | 13,918 | 7,736 |
| Trade receivables | 75,728 | 159,837 | 34,094 | 68,400 |
| Cash and cash equivalents | 506,873 | 633,815 | 279,491 | 450,297 |
| Housing loans to personnel | 189 | 189 | 189 | 189 |
| Guarantee deposits | 1,263 | 1,387 | 1,133 | 1,161 |
| Lease receivable | 900 | 1,956 | 900 | 1,956 |
| Investments | 4,629 | 9,915 | - | - |
| **Total** | **596,524** | **830,225** | **329,725** | **529,739** |

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 16) and are covered through provisions. In addition, part of other receivable-revenue receivable is due and impaired (refer to Note 17).

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

| Provisions for short-term and long-term bad and doubtful debts | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| **Opening balance** | **41,575** | **38,255** | **38,953** | **35,707** |
| Increase in loss allowance recognised in profit or loss during the year | 5,383 | 3,321 | 2,044 | 3,046 |
| Acquisition through merger with OPAP SERVICES S.A. | - | - | - | 200 |
| Used provision | (855) | - | (855) | - |
| **Closing balance** | **46,104** | **41,575** | **40,142** | **38,953** |

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

| Impairment of other current assets | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| **Opening balance** | **4,712** | **-** | **2,245** | **-** |
| Increase in loss allowance recognised in profit or loss during the year | 15,399 | 4,712 | 10,107 | 2,245 |
| **Closing balance** | **20,111** | **4,712** | **12,353** | **2,245** |

During the year, the following losses were recognised in income statement in relation to impaired financial assets:

| Net impairment losses on financial assets | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Impairment losses on short term trade receivables | (4,136) | (2,299) | (2,044) | (2,024) |
| Impairment losses on long term trade receivables | (1,247) | - | - | - |
| Impairment losses on other non-current assets | - | - | (1,750) | - |
| Impairment losses on other current assets | (15,399) | (4,829) | (10,107) | (2,245) |
| Reversal of previous impairment losses | 19 | - | - | - |
| Write-off of short term trade receivables | (691) | (1,136) | (628) | (1,068) |
| **Total** | **(21,455)** | **(8,264)** | **(14,529)** | **(5,337)** |

## 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 performing a detailed forecasting analysis of the inflows and outflows of the Group on a yearly basis.

The aforementioned exercise takes into account:

- Revenues forecast based on expected payout ratios of the games
- Tax obligations and other financial commitment towards the government
- Financial obligations arising from the Group's loan portfolio
- Operating Expenses
- Capital Expenditure
- Extraordinary inflows and outflows

The Group liquidity position is monitored on a daily basis from the Treasury Department and if needed makes recommendations to the CFO and the Board of Directors to assure no cash shortfalls.

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 |
|---|---|---|---|---|---|---|
| Period that ended on December 31, 2020 | Less than 6 months | 6 to 12 months | 1 to 2 years | 2 to 5 years | Over 5 years | |
| Long term borrowings | - | - | 80,092 | 740,298 | 200,000 | **1,020,389** |
| Short term borrowings | 46 | 30,328 | - | - | - | **30,374** |
| Trade payables (excluding contracts' liabilities) | 103,668 | 39,398 | - | - | - | **143,065** |
| Liabilities arising from derivatives (swap) | - | - | - | 2,748 | - | **2,748** |
| Lease liabilities | 5,301 | 5,231 | 9,690 | 22,295 | 30,860 | **73,377** |
| Other financial liabilities | 52,249 | 17,211 | 111 | 302 | 65 | **69,938** |
| **Total** | **161,264** | **92,168** | **89,892** | **765,643** | **230,925** | **1,339,892** |

| COMPANY | Short Term | | Long Term | | | Total of undiscounted liabilities |
|---|---|---|---|---|---|---|
| Period that ended on December 31, 2020 | Within 6 months | 6 till 12 months | 1 to 2 years | 2 to 5 years | Over 5 years | |
| Long term borrowings | - | - | 80,000 | 690,000 | 200,000 | **970,000** |
| Short term borrowings | - | 50,002 | - | - | - | **50,002** |
| Trade payables (excluding contracts' liabilities) | 51,592 | - | - | - | - | **51,592** |
| Liabilities arising from derivatives (swap) | - | - | - | 2,748 | - | **2,748** |
| Lease liabilities | 3,528 | 3,481 | 6,540 | 14,216 | 5,330 | **33,095** |
| Other financial liabilities | 8,663 | 8,737 | - | - | - | **17,400** |
| **Total** | **63,784** | **62,220** | **86,540** | **706,964** | **205,330** | **1,124,838** |

| GROUP | 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 borrowings | - | - | 30,000 | 1,020,000 | 573 | **1,050,573** |
| Short term borrowings | 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 borrowings | - | - | 30,000 | 970,000 | - | **1,000,000** |
| Short term borrowings | 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** |

## Coronavirus (COVID-19) potential effects

The outbreak of coronavirus (COVID-19) has affected business and economic activity around the world, including in Greece and in Cyprus. The rapid evolution of the virus and the subsequent Governments' interventions along with the related restrictions have resulted in the suspension of the Company's and Group's retail operations and significantly impacted the Group's financial results and operational performance in the reporting period, since OPAP's business is heavily weighted towards retail. OPAP stores remained closed for almost four months, and VLTs activity for approximately five moths throughout 2020. Stores closure resulted to revenues drop in 2020 by 32.7% compared to 2019, with profitability being also significantly affected.

In this environment, OPAP proceeded with the implementation of a set of decisive actions following Government guidelines in response to coronavirus (COVID-19) to proactively protect its employees and support its network while at the same time assuring its business continuation. The Group Management implemented work from home for employees. At the same time, business trips were limited to the absolutely necessary and trainings and meetings were carried out remotely. Moreover, the cleaning and disinfection of the facilities, as well as the guidance of the human resources in the field of personal hygiene was intensified.

During the lockdown periods, the OPAP's online product portfolio was enhanced with new games, such as Virtual games and Casino, along with increased penetration of online Tzoker. On top, OPAP increased its participation in STOIXIMAN business (Greek and Cypriot operations) with its stake standing now at 84.49%, and it retains its 36.75% stake in KAIZEN GAMING LIMITED (international operations).

At this stage, despite the coronavirus (COVID-19) impact, the Group maintains a strong financial position. OPAP has implemented a number of measures to ensure normal operations, invoking business continuity plans where appropriate, that will also safeguard a quick ramp-up of the business once limitations will be released and store will re-open.

The Group and the Company Management took limited advantage of government supporting measures, such as tax reliefs or tax offset advantages and rent reduction payments as well, while the Group proceed in the process of materializing cost mitigation actions throughout the year 2020. The Group has improved its liquidity position, as on 27.03.2020 the Company issued new loan of € 100,000 that was repaid on 02.10.2020 and remains currently as a committed credit line. Furthermore on 04.05.2020, signed an additional loan of € 100,000 which remains currently undrawn. Finally, on 27.10.2020 the Company has raised funds of € 200,000 following the retail bond loan issuance through public offer which replaced a previous more expensive retail bond of € 200,000.

Moreover, the Group managed to secure necessary waivers meeting year end covenants tests where necessary.

As a result, the timely implementation of the aforementioned actions together with the generation of positive cash flows on a YTD level led the Group's cash reserves at € 506,873 as at 31.12.2020 and € 491,986 as at 29.03.2021.

On top to the abovementioned actions, the Group has considered the impact of coronavirus (COVID-19) on the measurement of non-financial and financial assets and the related disclosures. In measurement of non-financial assets, the Group used adjusted cash flows projections based on the revised financial budgets to calculate the Value in Use (VIU), ie the recoverable amount of the cash generating units. The impairment testing, at the Group level, resulted in impairment of goodwill, of intangible assets and Right-of-use and at the Company level, resulted in impairment in investments in subsidiaries. The Management reassessed as well the recoverability of trade and other receivables, including intergroup receivables, taking into account the future economic conditions and proceeded recording respective impairments where considered those receivables are not fully recoverable.

Despite the above facts, the Group managed to record positive results as at 31.12.2020 and at this stage, besides the coronavirus (COVID-19) impact, the Group financial position maintaining strong.

Nevertheless, as the lockdown remains still in effect, 2021 carries a material degree of uncertainty, primarily as to the stores' reopening timing and the restrictive measures under which our stores will operate once open. The Management is closely monitoring the developments around the coronavirus (COVID-19) and is constantly assessing its implications on the Group's performance. It is also taking pre-emptive actions to ensure the health and safety of its employees and partners, as well as, the continuity of its business as mentioned above. Having satisfactory cash reserves, the Management expects that the Group will be enabled to meet the financing costs and working capital needs, and its ability to continue as going concern will not be affected.

## 46. Audit and other fees

The auditors of the Company as well as its subsidiaries in Greece, for the years 2020 and 2019 was the audit firm PRICEWATERHOUSECOOPERS S.A.. The audit and other fees of the Company and the Group concerning the PricewaterhouseCoopers network are analyzed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Period that ended on December 31,** | **2020** | **2019** | **2020** | **2019** |
| Fees for auditing services | 519 | 603 | 345 | 473 |
| Fees for the Tax Certificate | 140 | 148 | 73 | 81 |
| Other audit fees | 179 | 41 | 166 | 40 |
| Other services | 33 | - | 18 | - |
| **Total** | **871** | **792** | **602** | **594** |

## 47. Reclassifications

For comparativeness between the periods, in the Statement of Financial Position of the Group and the Company for the period 2019, € 2,787 and € 2,505, respectively, have been reclassified from "Trade Payables" to "Trade receivables".

Moreover, for comparative purposes between 2019 and 2020, in the Statement of Financial Position of the Group and the Company for the period 2019, € 3,996 and € 3,983 have been reclassified from "Other current liabilities" to "Short-term borrowings", as it relates to accrued interest.

In the Statement of Financial Position of the Group for the period 2019, the amount of € 5,630 has been reclassified from "Long – term investments" to "Short – term investments", as the remaining maturity of these fixed deposits at the reporting date was less than 12 months.

In addition, in the Statement of Financial Position of the Group and the Company for the period 2019, € 4,328 have been reclassified from "Trade receivables" to "Long-term receivables".

For comparability purposes, at the Group's and the Company's trade receivables table, € 1,022 have been reclassified at the comparative period from line "Receivables from debtors" to line "Provisions for bad and doubtful debts and for accounts under arrangement". Furthermore, at trade receivables table, € 1,977 have been reclassified from line "Receivables from debtors" to line "Other receivables".

At the Group's and the Company's Income Statement of the comparative period, € 1,136 and € 1,068, respectively, have been reclassified from "Other operating expenses" to "Net impairment losses on financial assets".

Finally, at the Group's and the Company's financial expenses table, € 712 have been reclassified at the comparative period from line "Other financial expenses" to line "Interest and expenses of bond loans".

## 48. Subsequent events

### Online betting – OPAP SPORTS LTD

On 01.01.2021, OPAP SPORTS LTD was granted a Class "B" license from the National Betting Authority of Cyprus and now can provide electronic (online) betting services.

### Request for Arbitration of HELLENIC LOTTERIES S.A.

HELLENIC LOTTERIES S.A. has formally contested that it owes anything more than € 12,279 to the Hellenic Republic under the Concession Agreement. That amount represents 30% of the annual GGR of HELLENIC LOTTERIES S.A. and it has already been remitted by HELLENIC LOTTERIES S.A. to the Hellenic Republic, pursuant to the Concession Agreement. HELLENIC LOTTERIES S.A. has formally taken the position vis-à-vis the Hellenic Republic, supported by advice by external counsel, that no additional amount is due to reach the € 50,000 Minimum Annual Fee provided for in Clause 11.2 of the Concession Agreement, given the impact of pandemic-related restrictions imposed by the State on the operation of HELLENIC LOTTERIES S.A.. This position is based on the Force Majeure clause of the Concession Agreement and applicable provisions of Greek law regarding impossibility of performance and unforeseeable changes in circumstances. For these reasons HELLENIC LOTTERIES S.A. has filed a Request for Arbitration against the Hellenic Republic and the Hellenic Asset Development Fund under the LCIA Arbitration Rules, pursuant to Clause 32 of the Concession Agreement. HELLENIC LOTTERIES S.A.'s principal claim seeks declarations that the Minimum Annual Fee is not due; and also an extension of the term of the Concession Agreement and/or a refund of part of the upfront € 190,000 Financial Consideration (both to be quantified at a later stage). The matter is therefore pending before the competent tribunal, which has exclusive jurisdiction to pronounce in a final and binding manner. On prudential grounds, however, HELLENIC LOTTERIES S.A. has formed a provision, notably in the light of collateral undertakings per Clause 26.3 of the Concession Agreement.

| Chairman | Board Member and Chief Executive Officer | Board Member and Chief Financial Officer | Operational Finance Director |
|---|---|---|---|
| **Kamil Ziegler** | **Jan Karas** | **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 27.10.2020 to 31.12.2020

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 13.10.2020 and the approval of the content of the Prospectus from the Hellenic Capital Market Commission dated 16.10.2020, a total net amount of two hundred million euros (€200,000 th.) was raised. The cost of the issuance amounted to € 3,350 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 29.10.2020.

The table below presents the specific use of the raised funds per category of use/investment, the timetable of the utilization of the funds raised as well as the use of raised funds until 31.12.2020:

| (amounts in thousands of euro) | | | |
|---|---|---|---|
| **Use of Proceeds** | **2020-2022** | **Amount of Raised Funds that utilized during the period 27.10.20-31.12.20** | **Remaining amount to be utilized 2021-2022** |
| Repayment of loan until 31.12.2020 | 150,000 | 150,000 | 0 |
| Funding needs in Working Capital until 31.12.2022 | 50,000 | 0 | 50,000 |
| **Total** | **200,000** | **150,000** | **50,000** |

Athens, 30 March 2021

| **Chairman** | **Board Member and Chief Executive Officer** | **Board Member and Chief Financial Officer** |
|---|---|---|
| **Kamil Ziegler** | **Jan Karas** | **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 27.10.2020 to 31.12.2020"**

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 27.10.2020 to 31.12.2020", from the issuance of a Non-Convertible Bond Loan, in 2020.

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 16 October 2020.

3. We examined whether the amounts referred to in the Report as the "Amount of Raised Funds that utilized during the period 27.10.20-31.12.20", agree, per category of use/investment, 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 4.1.2 of the Prospectus issued by the Company on 16 October 2020, by examining documentation 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.

2. The content of the Report is consistent with what is disclosed in the Company's Prospectus issued on 16 October 2020.

3. The amounts referred to in the Report as the “Amount of Raised Funds that utilized during the period 27.10.20-31.12.20”, agree, per category of use/investment, to the amounts recorded in the Company’s books and records

4. 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 4.1.2 of the Prospectus issued by the Company on 16 October 2020.

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 2020, for which we have issued a separate Audit Report on 31 March 2021.

Athens, 31 March 2021

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