

Annual Report and Accounts 2022



allwyn

Welcome from our Chair and CEO

We take this opportunity to offer joint reflections on all that we have achieved in the past year. We are conscious of the very different responsibilities we each hold, while also standing on common ground in ensuring that Allwyn delivers a win for all stakeholders.

Karel Komarek
Chair of the Board



Robert Chvatal
Chief Executive Officer



A ten-year milestone for Allwyn*

2022 marked the ten-year anniversary since our journey to improve lotteries began. In 2012, we purchased the remaining SAZKA stake from PPF Group, giving us full operational control and a strong foundation from which to build. Indeed, our progress in reinvigorating the Czech National Lottery over the years that have followed is positive proof of the effectiveness of our strategy and our team's ability to execute.

Today, Allwyn employs over 6,000 professionals internationally, with the collective mission to grow successful lotteries. It is with huge excitement that we look forward to being the next operator of the UK National Lottery from February 2024, having been formally awarded the Fourth Licence by the Gambling Commission. We look back at the year for Allwyn with great pride at what we have accomplished in what was a collective effort.

Set against a backdrop of geopolitical instability sparked by Russia's unconscionable invasion and occupation of Ukraine, a persistent global cost-of-living crisis, and the lingering effects of the COVID-19 pandemic, these achievements were bittersweet. Such challenges, however, strengthen our collective resolve to be true to the values at the heart of this organisation and we will strive to do more for good causes and those in need than ever before.

Financial highlights

The last year served as an excellent reminder of the importance of working together, and the merits and results of doing so are clear for all to see.

Allwyn achieved another year of strong financial results in 2022, reflecting our continued, successful execution of organic and inorganic growth strategies. Our results demonstrate how much the business has progressed in recent years, with both Total Revenue and EBITDA growing by over 90% since 2019 – during which time we have also deleveraged by more than 1x Adjusted EBITDA, significantly increased our ownership in our existing businesses, strengthened our platform and increased our strategic optionality and diversification with entries into the UK and US markets. While delivering this strong performance, we have remained focused on our responsibilities to all our stakeholders, and on safer gaming.

Our Total Revenue increased by 24% year-on-year, reflecting strong organic growth as well as some impact from COVID-19 on last year's numbers, which was supported by strong progress in digital channels and our ongoing focus on providing a compelling customer proposition and operational efficiency. Demand for our products remained resilient, even in an environment where consumer spending is under significant pressure. We also passed a key milestone

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in Q4, with quarterly Gross Gaming Revenue exceeding €1 billion for the first time. We continued to deliver strong margins and to generate robust, free cashflows, reflecting our favourable cost structure and focus on cost and capital efficiency.

Embedding ESG at the heart of our organisation

The launch of our first ESG Report in June 2022 is a source of pride and reason for optimism. The report marked a crucial step in our development by recognising the ways we impact, and are impacted by, society and broader global trends.

At Allwyn we assert that a sustainable business model leads to a successful economic performance and higher returns for society.

The report focuses on this broad remit of activities relating to how we strive to do business responsibly across the three ESG themes – Environment, Social and Governance. This topic is not new to us – through our subsidiaries we have been undertaking a vast range of ESG-related initiatives over many years, with the social responsibility area highlighted in our previous CSR reports. We acknowledge the growing importance of ESG and the positive impact it creates for all stakeholders in addressing sustainability challenges. We have therefore focused on “connecting the dots” and bringing ESG to the fore of Allwyn’s commercial and corporate strategy.

Our ESG report is part of an ongoing journey and is critical to ensuring our business can achieve our mission statement “to be a trusted and proactive guardian of all that is good in lotteries and casual gaming entertainment”.

Our ESG strategy has been developed with a focus on four key pillars of ‘Playing Responsibly’, ‘Partnering for Impact’, ‘Empowering People’, and ‘Respecting the Planet’. Each pillar relates to several ESG-related material issues that affect our business, helping us to focus on delivering impact in the areas that matter most to our stakeholders. We are committed to working more closely with our stakeholders going forward to conduct regular materiality assessments, ensuring that our approach aligns with their expectations in terms of material themes.

Leading the way in responsible play

Responsible gaming sits at the heart of our strategy for growth. Only by ensuring that we hold ourselves to the highest possible standards, can we demonstrate our commitment to sustainable growth. We know that our role as guardians of all that is good in lotteries has to be earned, and we are confident that the excellence of our teams and the integrity with which we work will support us now and in the years to come.

Building the Allwyn brand

2022 has seen us further develop the Allwyn brand and start to live the values that the brand embodies – Inclusion, Responsibility, Innovation, Winning for all. We are uniquely positioned in the global marketplace to deliver on our commitments, and we take very seriously our role as guardians of all that is good in lotteries. We will further invest in brand development to cement our position as a leading multi-national lottery operator in 2023.

Plans for future growth

We will continue our strategy to grow organically in our markets, supported by inorganic expansion into new, regulated markets. We have substantial know-how and financial resources in place to react decisively to opportunities as they present themselves. Fundamentally, we see lotteries as the main driver of long-term sustainable growth in the gaming sector and our ability to capitalise on this opportunity is unrivalled.

Closing thanks

We would like to thank all our Allwyn colleagues who have contributed to our success over the last year as well as the partners, suppliers and customers who have enabled that success. We truly are building a diverse, international company, that has responsibility at its heart. With our approach, we know that all stakeholders can win. We look forward to doing so much more in 2023.



Karel Komarek
Chair of the Board



Robert Chvátal
Chief Executive Officer

*Allwyn International a.s. (Allwyn)

2022 financial highlights

Allwyn is Europe's largest lottery company.

Total revenue

€4.0bn

Revenue growth

24%

Adjusted EBITDA

€1.2bn

Adjusted EBITDA margin

46%

Online GGR share

24%

Online GGR CAGR from 2019

+140%

2022 business highlights



Winning the UK National Lottery Licence

Allwyn was awarded the next 10-year exclusive UK National Lottery Licence (starting February 2024), following an extensive, competitive tender process. This achievement illustrates our ability to leverage learnings and expertise from across our businesses, and demonstrates that we are the lottery operator of choice for key stakeholders. Allwyn plans to improve the

way the National Lottery operates, generating greater returns for Good Causes, safely improving convenience of participation, and utilising technology to protect players from gambling harm. To facilitate a smooth transition and sustain operational excellence, we also reached agreement to acquire Camelot UK, the current National Lottery operator, with the acquisition closing February 2023.



First step into the US market

We broadened our global presence by making our debut in the US through an agreement to acquire the Camelot LS Group of companies. Camelot Lottery Solutions Group (Camelot LS Group), through its subsidiaries, operates the Illinois Lottery under a 10-year private management agreement and is a partner to the Arkansas Scholarship Lottery as well

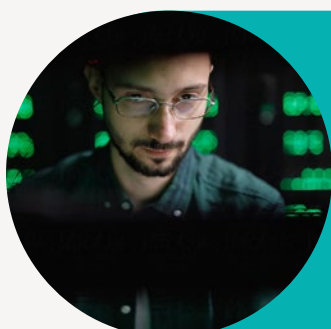
as having a technology arm that provides online lottery technology, content and services to lotteries. We completed the acquisition in March 2023. In addition to establishing our business in the US, the acquisition also strengthens our in-house capabilities with respect to elements of the technology stack that are critical to improving our customers' experience.



Strengthening our position in existing markets

In our existing markets, we further consolidated our position in OPAP through the acquisition of one large minority interest, scrip dividends and open market purchases, resulting in an economic interest of over 50% (net of treasury shares) being reached during 2022.

We are proud of being the strategic shareholder of the champion of the Greek gaming market, and we continue to see its brands, product innovation, digital capabilities and strong financial profile as very attractive. The OPAP brand is among the most renowned in Greece, while the OPAP group holds the leading position in both the land-based and the online market.



Driving organic growth through data and digital transformation

We have achieved success in continuing to grow our online share of revenues, supported by product innovation, data analytics, customer relationship management and online marketing. The Czech Republic serves as a prime example, where nearly half of the Gross Gaming Revenue (GGR) was generated

through online channels. In addition to focusing on online customers, we have continued to improve our data with respect to land-based customers, through loyalty schemes and similar products. Our membership has progressively increased, allowing us to identify, collect data on and target marketing to a group of customers who have historically been anonymous.

Our business

Allwyn is a leading multi-national lottery operator with significant scale.

We operated lotteries in multiple European countries in 2022, including Austria, Czech Republic, Greece and Cyprus, and Italy. We have since added operations in the UK and US (following the acquisitions of Camelot UK and Camelot LS Group in February and March 2023, respectively). We primarily focus

on lotteries, including draw-based and instant-win lottery games, and distribute our products through both physical retail and online channels. We leverage our strong lottery brands, large customer base and extensive physical retail and online distribution networks to provide other entertainment offerings,

including sports betting, online instant-win games, iGaming and video lottery terminals ("VLTs") as a lottery-led entertainment platform. We are able to leverage benefits from sharing best practices across the group to drive operational efficiencies and accelerate growth.



Austria

In Austria, we are the exclusive operator of lotteries, onshore online gaming and land-based casinos.



Czech Republic

In the Czech Republic, we are the market leader for both numerical lotteries and instant lotteries.



Greece



Cyprus

In Greece, we have exclusive licenses to operate numerical lotteries, land-based sports betting, instant games, and VLTs among others; we are market leader in online betting / gaming. OPAP also operates in Cyprus.



Italy

In Italy, we have a minority interest in Lottomatica, which is the exclusive operator of fixed odds numerical lotteries.



United Kingdom

In the UK we operate the UK National Lottery, following our acquisition of Camelot UK in February 2023. During 2022 we were awarded the Fourth Licence to operate the National Lottery for a decade from February 2024.



United States

In the US we operate the Illinois Lottery under a private management agreement as well as providing online lottery technology, content and services to other lotteries following our acquisition of Camelot LS Group in March 2023.

We operate in multiple countries which allow the Group to:

Share best practices to accelerate growth

We are able to leverage benefits from sharing best practices in areas such as:

- Product innovations;
- Online and digital capabilities;
- CRM and marketing initiatives;
- Technology;
- Safer gaming; and
- Regulatory and stakeholder relationships.

Realise cost synergies with suppliers

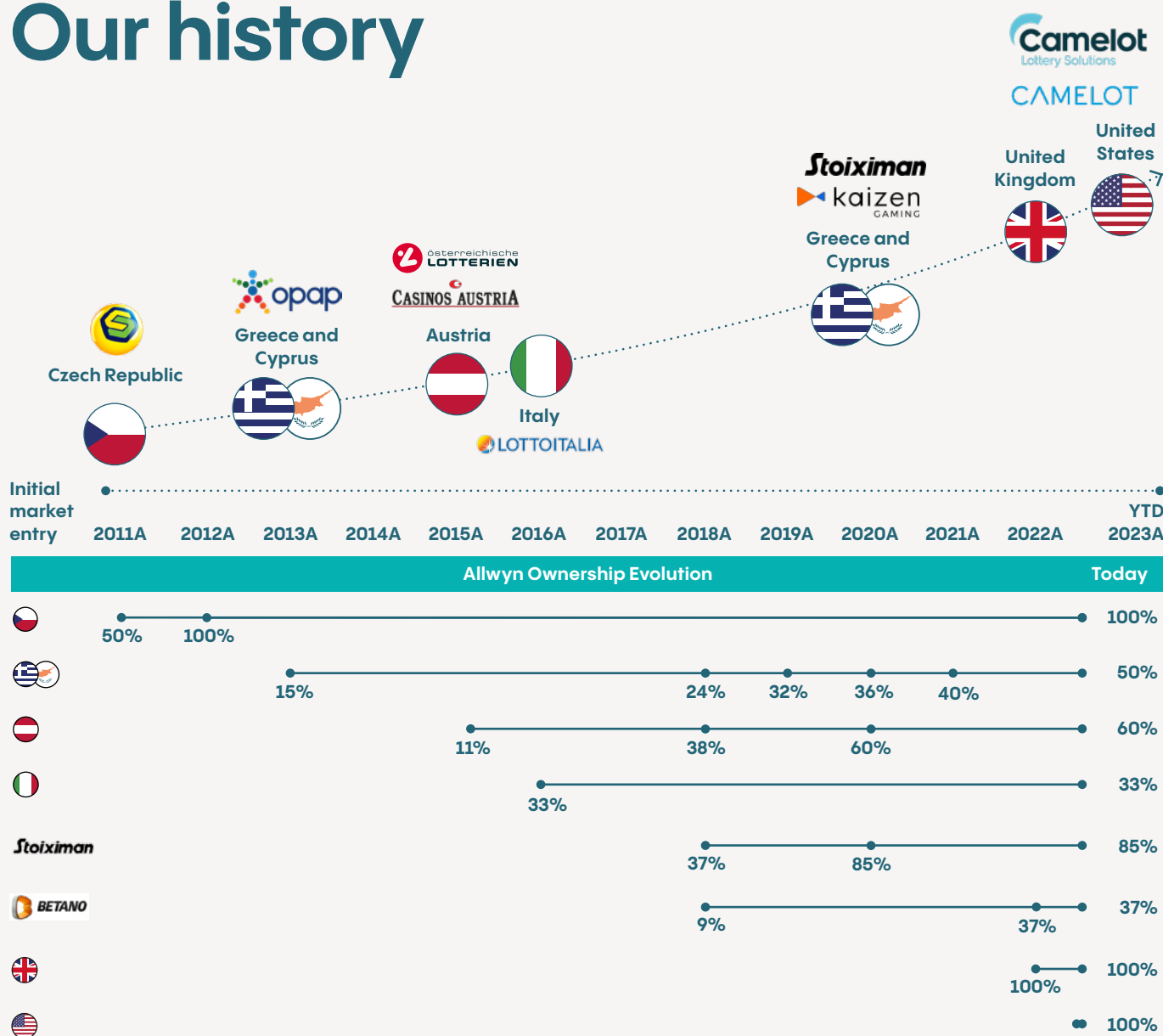
We target purchasing, marketing and cost synergies across our markets.

With respect to technology and content, we have the potential to realise significant cost savings in areas such as key technologies and content suppliers owing to our business scale and purchasing power.

Reduce risk

Our diversified geographic footprint, supported by the breadth of our product and channel mix, reduces risk, whether relating to the macro economy, competition, licence renewals, tax or regulation.

Our history



Austria

In 2015, we acquired an 11.3% interest in Casinos Austria and further increased it to 38.3% in 2018. In 2020, we obtained a majority stake and control over Casinos Austria, currently having a 59.7% interest. 33.2% is held by ÖBAG, an entity owned by the Austrian state.



Czech Republic

In 2011, we acquired a 50% interest in SAZKA a.s. In 2012, we acquired all remaining shares, reaching 100% interest in SAZKA a.s.



Greece



Cyprus

In 2013, we acquired an initial interest in OPAP through its privatisation process. Since 2013, we have been increasing our interest, buying out minorities, acquiring shares in OPAP in the market and electing to reinvest dividends through OPAP's scrip dividend programme, reaching 50.1% (excluding treasury shares) by the end of 2022. In 2020, OPAP acquired an additional interest in and obtained control of the Stoiximan business.



Italy

From 2016, we have had a 32.5% interest in Lottolitalia.



United Kingdom

In 2022, Allwyn UK was awarded the exclusive licence to operate the UK National Lottery from February 2024. In February 2023 we have also acquired Camelot UK, the current operator of the UK National Lottery.



United States

In March 2023 we acquired Camelot LS Group.

Our vision, mission and values

Allwyn's core values of being inclusive, responsible, innovative and enabling a win for all underpin the way we work and are an important part of how we strive to do business responsibly.

At Allwyn, we believe that having a clear vision, underpinned by a values-led purpose is the best enabler of consistent and sustainable growth in the short and long term. We're building lotteries of the future, growing a global trusted business at the same time, creating positive impact for all. We know what it takes to run and grow successful entertainment platforms safely and sustainably.

In line with our rebranding from SAZKA Group to Allwyn, we have reinforced our commitment to maintaining a business model based on responsibility, excellence and societal returns. Allwyn's core values of being inclusive, responsible, innovative and enabling a win for all underpin the way we work and are an important part of how we strive to do business responsibly. They help us to reinforce safer play and prevent player harm, whilst also delivering good for all.

We aim to have a holistic approach and to embed sustainability in all parts of the business, including governance, design of new products, communications, procurement, HR, innovation and new technology.

Our Mission, Purpose and Vision

Our Vision

Our vision is to be a leading global lottery-led entertainment platform.

Our Purpose

Our purpose is to make play better for all.

Our Mission

Our mission is to be a trusted and proactive guardian of all that is good in lotteries and casual gaming entertainment. Changing lives – a little or a lot – but always for the better.



Our Values

Inclusion

This means we design products that are accessible and we employ on an equal opportunities basis, with zero discrimination.

Responsibility

The lens through which we design, build and market our products is always through responsibility and player protection – whether this is in-store or online.

Innovation

We pride ourselves on being truly innovative – with experience across the group being shared and acted upon frequently.

Winning for all

We take a stakeholder-first approach to business. We want all of our stakeholders to benefit from Allwyn doing business.



A commitment to responsible gaming

Our lotteries operate under the European Lotteries and World Lottery Association (WLA) responsible gaming standards. All our companies that offer lotteries have been awarded the Level 4 Responsible Gaming Certification, the highest level issued by the WLA.

Our commitment is to ensure that Allwyn's platforms are the benchmark for the wider industry for how best to protect players in today's digital world. This means we take a proactive approach to participant protection built around our core strategy.

Draw-based games, with their lower risk profile, sit at the heart of our lotteries

Safer games and advertising, discouraging excess and unaffordable play

Protecting vulnerable participants with stringent safeguards, using AI to intervene early, imposing default deposit limits and establishing entry barriers



At a Group level, since 2015, we've increased our funding for player protection initiatives by 29%. This has led to successful initiatives such as:

Greece

The team in Greece has developed a proprietary algorithm to help predict problematic behaviour.

It uses real-time data to detect certain patterns, quickly warning of behaviour that is likely to escalate, before it becomes a problem.

This has increased the probability of spotting this kind of behaviour by up to 3 times, allowing for preventive actions and communication.

Austria

The team in Austria has integrated MENTOR, a software system that uses personal messages to notify players of unusual changes in their playing behaviour and to inform them what they can do about it. It is a valuable tool that supports players in making independent decisions.

MENTOR is based on the latest findings from research into gambling addiction. As an intelligent player protection program, it is able to identify long-term trends and derive suitable recommendations from them.

29%

Increase in funding for player protection initiatives

Player protection

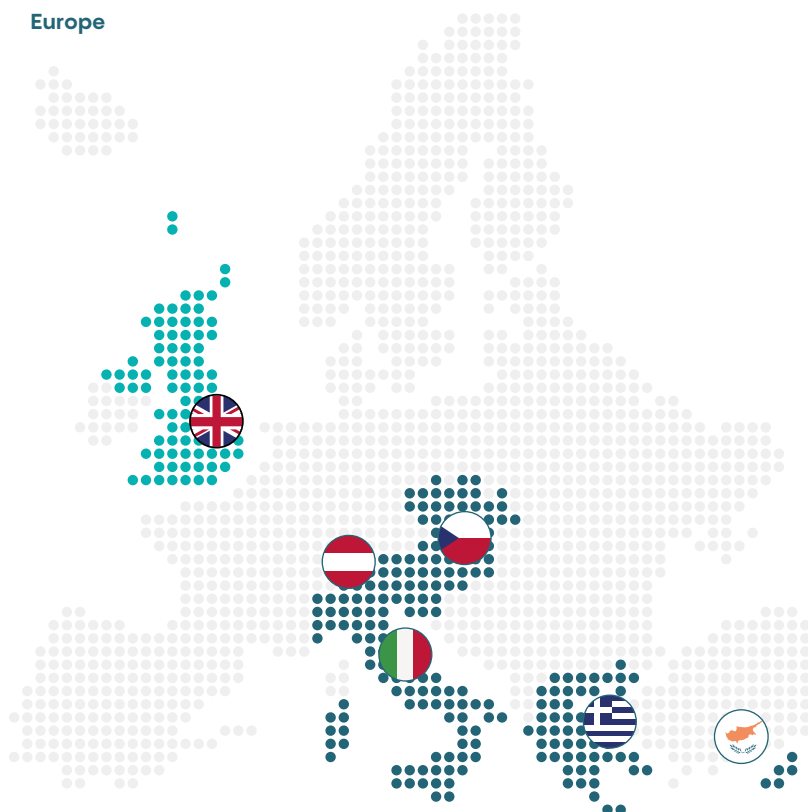


Player protection sits at the heart of our purpose: To make play better for all. Each country of operation has its own initiatives focused on responsible play for a safer gaming experience. Our 12-month mission is to understand, align and strengthen that activity. This will lead to the creation of a global responsible gaming strategy, helping Allwyn to earn wider recognition for the importance it places in player protection.

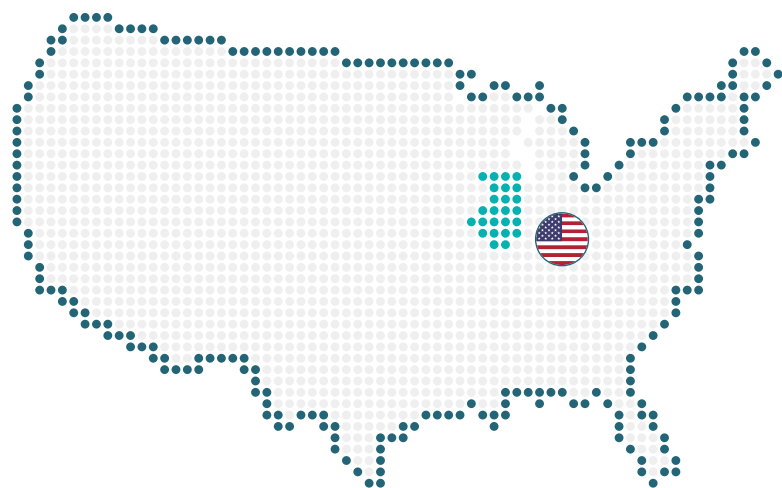
Where we operate

Existing markets New markets

Europe



United States



Existing markets



Austria

#1

Lottery, onshore iGaming and casino operator in Austria

Exclusive lottery licence and operator of casinos; exclusive online gaming licence

Other gaming operations include sports betting and VLTs

5,000 points of sale ("POS")

Brands



Czech Republic

#1

Operator in the Czech Republic

94% market share in numerical lotteries

Other gaming operations include online sports betting and iGaming

12,000 POS

Brands



New markets



Greece and Cyprus

#1

Gaming operator in Greece and Cyprus

Exclusive licences for numerical lotteries, land-based sports betting, passive lotteries and scratch games, horseracing mutual betting and VLTs

Acquired the leading online gaming operator in 2020
16,000 POS

Brands



United Kingdom

#1

Lottery operator in the UK

Exclusive licence to operate the UK National Lottery*

Awarded the Fourth Licence to operate the UK National Lottery for a decade from February 2024

46,000 POS

* Following acquisition of Camelot UK in February 2023

Brands



Italy

#1

Numerical lottery operator in Italy

32.5% stake

Exclusive licence for fixed odds numerical lotteries

34,000 POS

Brands



United States (Illinois)

#1

Lottery operator in Illinois, US*

Operator of Illinois Lottery under a private management agreement

Commercial operating partner for the Arkansas Scholarship Lottery

7,000 POS

* Following acquisition of Camelot LS Group in March 2023

Brands



POS statistics are as of December 31, 2022, and are rounded to the nearest 1,000

Our strengths

We operate in the attractive lottery market and benefit from high barriers to entry, multiple growth levers, a strong financial profile and strong regulatory relations.

1

Focused on attractive lottery market

We operate in the huge global lottery industry, which enjoys steady growth and is resilient through economic cycles.

Lottery's resilience is supported by high participation rates, the potential for life-changing wins and low average spend. Lottery also has a more favourable ESG profile than other gaming segments and benefits from mature, stable regulatory regimes.

€120 bn

2022 global lottery market (GGR; according to H2GC)

2

Leading multi-national operator

We have significant scale and diversification, operating lotteries in five countries in 2022 and having since added the UK and US.

We enjoy leading positions in our markets, through exclusive licenses or as the incumbent with high market share and high brand recognition. Our multi-jurisdictional capabilities set us apart and we are able to leverage benefits from sharing best practices across the group.

7 markets

(Including UK and US acquisitions in 2023)

3

High barriers to entry

Lottery licences and concessions are exclusive in many cases, while lotteries also have a winner-takes-all structure.

Allwyn's deep market knowledge, operational expertise, strong responsible gaming credentials and position as a trusted partner to regulators and stakeholders are also key barriers to entry, alongside its trusted brands and extensive online distribution and POS network.

120k

points of sale (Including UK)

4

Multiple organic and inorganic growth levers

We have a strong track record of delivering a balance of organic and inorganic growth over time.

We have compounded our organic growth by driving digital lottery, retail channel innovations and cross-selling over time. Our inorganic growth is underpinned by increasing our ownership in existing operations, entering new markets via tenders or privatisation processes, and strategic bolt-on M&A.

€637 mn

M&A expenditure in 2022 (inclusive of €103 mn of scrip dividends)

5

Strong financial profile

We have a track record of compounding growth in revenue and profits and strong cash flow conversion.

We are highly profitable and benefit from strong, stable margins. We have a favourable cost structure, with the vast majority of our cost base being variable or discretionary in the short or medium term. We also benefit from high cash flow generation and low ongoing capital expenditure requirements.

94%

Total Revenue and Adj. EBITDA growth from 2019 to 2022 (inclusive of inorganic growth)

6

Strong regulatory relationships, responsible gaming credentials

Our position as a preferred partner for governments is underpinned by our strong commitment to responsible gaming.

Responsible gaming is a key principle across our businesses, while we embed ESG into operations and decision-making. We hold strong regulatory relationships, which is reflective of our approach, our long history of operations, and lottery's favourable ESG positioning.

4WLA

Level of WLA certification of our operations in Austria, Czech Republic, Greece, Italy, UK, US

How we create value

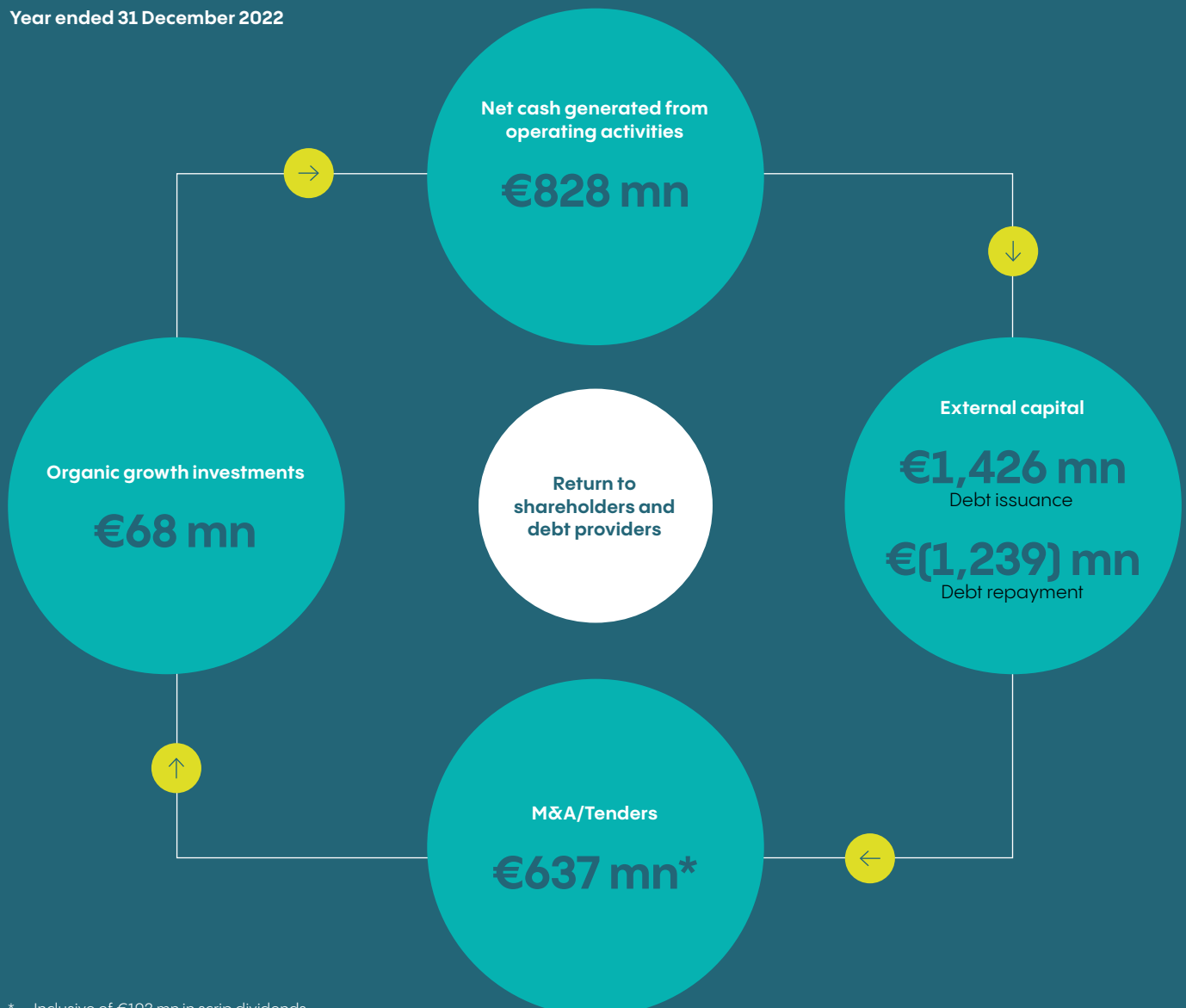
We generate significant cash flow and also have a strong platform for raising capital. We deploy capital to drive organic growth as well as for tenders and privatisations and bolt-on M&A.

We have acquired all of our existing business through a combination of tenders and privatisations as well as M&A.

We drive organic growth through improved revenue and operating performance of acquired businesses, applying our operational expertise as well as sharing knowledge and best

practices from across our geographies. We have a strong track record of delivering a balance of organic and inorganic growth over time.

Year ended 31 December 2022



* Inclusive of €103 mn in scrip dividends

Under one brand: new corporate rebranding

The Allwyn brand has been developed using a robust brand model and in partnership with leading brand experts.

Conventional wisdom suggests that long-term responsibility comes at the cost of short-term business success. We believe that responsible self-regulation builds and protects business success. It stops initiatives with the potential to exploit vulnerable people. This reduces the need for more regulation and other market restrictions leaving room for responsible growth. The Allwyn brand reflects this sentiment.

A brand for all stakeholders

We have developed a brand that reflects our ambition to ensure all our stakeholders win. Externally, the Allwyn brand will become synonymous with best-in-class excellence and responsible play.

Allwyn is also a brand that unites over 6,000 employees across the markets we operate in. The Allwyn brand helps us attract and retain the talent we need. We have created a brand that drives pride in

the company. The Allwyn brand encourages the international perspective on knowledge sharing and career mobility that fuels our continued strong performance. It also helps us retain value from new acquisitions while integrating them into our culture.

What's in a name?

Allwyn means, wise friend, in Anglo-Saxon. It signifies our commitment to ensuring that all stakeholders win.



The Allwyn brand rollout has gone through a rigorous development process:

In order to develop it, we have relied on a series of brand inputs, our brand equity, to inform the expression of the brand.

Where we are now – rollout

Allwyn has a number of market-leading brands across the individual markets it operates in. We recognise that these brands have a long-standing customer loyalty and reputation established in their respective markets. Where appropriate, brands operating under

the Allwyn umbrella may show their association with the Allwyn family through endorsement. First steps have been made, and the intention is to gradually increase the endorsement, while retaining the strong existing equity that exists in those local brands.

Our strategy

We continue to implement our strategy of solidifying our position as a leading multi-national lottery operator, leveraging our platform to capture opportunities in both our existing and new markets as the operator of choice.

Our existing operations are highly cash flow generative. We plan to continue investing in organic growth and in inorganic initiatives: increasing our ownership in existing operations, entering new markets and making strategic bolt-on acquisitions.

Digital and Data

We see growth opportunities in digital channels, digitalisation of land-based retail, and leveraging data. We aim to continue to increase our regulated online presence, as we expect consumer preferences to continue to shift towards online and multichannel gaming. We employ a digital and data-driven approach to land-based retail, both through investing in technology to digitalise the customer experience and improving our

data collection capabilities with loyalty schemes. We seek to leverage our digital capabilities and growing proprietary databases to target our marketing activities and to tailor and personalise content to individual users, increasing customers' time spent on our sites and their lifetime value. We also focus on using data to drive our initiatives to cross-sell adjacent products to existing customers, while also benefiting from our trusted brands.

Product Innovation

We constantly evaluate our product offering and assess opportunities to optimise it or to introduce new products, aiming to offer our customers a full range of lottery, gaming and entertainment products and personalised experiences. For example, we seek to launch innovative new lottery games to deepen our products' appeal, such as daily numerical games, annuity games and multi-national pooled jackpot games where not already

on offer. In physical retail we have innovated through establishing loyalty schemes with features such as a second chance of winning, while in digital we strive to launch new online games in the form of both popular games from third parties as well as bespoke games developed exclusively for our markets. We continue to launch complementary products and constantly seek to apply innovation across geographies, sharing best practices.

Operational Efficiency

We are highly focused on operational efficiency and profitability as important drivers of cash flow and we aim to foster a culture focused on performance and efficiency across our operations. We are able to leverage benefits from sharing best practices across the group, such as product innovations and developments, CRM initiatives and procurement strategies, in order to drive operational efficiencies

and to accelerate growth. We target purchasing, marketing and cost synergies across our markets and pursue significant cost savings in areas such as key technologies and content supplies, leveraging our business scale and purchasing power. We have a strong track record of increasing the profitability of businesses we acquire.

Inorganic Growth

Our inorganic growth strategy is underpinned by three key modes: increasing our ownership in existing operations, entering new markets via tenders or privatisation processes, and strategic bolt-on acquisitions. We believe that our distinctive capabilities, scale and regulatory relationships position us as the operator of choice. Acquisitions are subject to a rigorous set of return criteria and risk analysis, and are focused on lotteries in

regulated and developed markets as well as complementary product offerings, technology and content. We create value from acquired businesses by applying our operating techniques in sectors that are often characterised by slow-moving and undermanaged state-owned lotteries. We also achieve value creation through continual sharing of knowledge, expertise and best practices from across our product verticals and geographies.

ESG

We have a commitment to ESG and CSR and view these as critical to success in the lottery industry alongside our position as a trusted partner across stakeholders. Our Group-wide ESG strategy comprises: Playing Responsibly, Partnering for Impact, Empowering People, and Respecting the Planet. In particular, responsible gaming is a key principle of our business that we implement in all our operations and we expect it to continue to play an important role.

We operate in a highly regulated industry and believe that maintaining strong relationships with governments and regulatory agencies, and a positive perception among these and other stakeholders, is crucial. We also aim to make a positive impact and play an active role in the communities in which we operate, contributing to government revenues and to good causes such as medical care, sports and cultural development.

The operator of choice

As a leading multi-national lottery operator, our strategic goal is to become the operator of choice for governments, regulators, and other stakeholders.

We leverage our multi-jurisdictional B2C-focused platform, operational expertise, and scale to offer distinctive capabilities that benefit all stakeholders in various markets. Our strong financial profile, robust ESG credentials, in particular with respect to responsible gaming, and dedication to CSR activities solidify our position as a trusted partner.



Governments and Gaming Regulators

Our track record of making lotteries bigger, better, and safer has driven higher returns for governments and good causes, providing confidence to governments and gaming regulators to collaborate with us. We consistently generate increased tax revenue and returns to good causes with our expertise in physical retail and online channels, coupled with our product innovation capabilities, allowing us to adapt and grow, offering governments a reliable partner to achieve their objectives. We maintain a strict focus on responsible gaming policies while also contributing significantly to good causes and various CSR activities.

Our multi-jurisdictional expertise and robust financial profile are highly attractive to governments. Our lottery operations across seven countries, inclusive of our recent acquisitions, represents significant scale and is unusual in the lottery industry, where many operators have limited or no experience of operating internationally. We believe this is a significant asset, providing unique capabilities that can be applied across markets. Our strong balance sheet, cash flow generation and access to capital provides comfort to governments that we are financially resilient.

Our strong regulatory relationships in each of our countries of operation reflects our extensive operational history and favorable ESG positioning compared with other gaming verticals. ESG integration into operations and decision-making is crucial for success in the lottery industry, as governments and regulatory authorities increasingly focus on ESG themes in tenders and acquisition processes. We are well positioned in this regard, having focused on key ESG themes for many years.

We collaborate closely with gaming regulators to ensure compliance and promote responsible gaming. All our subsidiaries and equity method affiliates that offer lotteries hold a Level 4 Responsible Gaming Certification, the highest level awarded by the World Lottery Association and the European Lotteries Association, which illustrates our dedication to meeting and exceeding regulatory standards. Our high responsible gaming standards and focus on customer experience allow us to establish a safe and enjoyable gaming environment for our customers.

Our proactive regulatory engagement minimises the risk of more stringent regulations in the future. Furthermore, promoting safer play contributes to a better public perception and overall social acceptance of lotteries, which in turn influences the regulatory environment.



Suppliers

We maintain robust relationships with our key technology and materials suppliers and own technologies in certain key parts of the technology stack necessary for the user experience, allowing us to offer a best-in-class technology solution. Our large scale provides our suppliers high volume and visibility coupled with the opportunity to grow with us as we access new markets. We primarily use a compensation scheme based on a percentage of revenue, aligning our interests in providing a state-of-the-art user experience for our customers.



170m+
number of adults in
addressable market*



Agents

We have strong, long-standing relationships with tens of thousands of agents, including kiosks, convenience stores, tobacconists, supermarkets, petrol stations, and post offices that sell our products. Agents earn a percentage of sales, aligning our interests in offering an exceptional customer experience. We support our agents through various means, such as providing training to their staff, particularly in responsible gaming.

“Responsible gaming sits at the heart of our strategy for growth. Only by ensuring that we hold ourselves to the highest possible standards, can we demonstrate our commitment to sustainable growth.”

Robert Chvatal / Karel Komarek
CEO / Chair of the Board



Local communities

We are committed to supporting local communities and fostering positive social impact, ensuring our lottery operations remain profitable and sustainable in the long term. We actively contribute to society and local communities in two ways: (i) by increasing returns for good causes through taxes and duties or through generating funds that are allocated to good causes under the regulatory regime of specific countries, and (ii) by engaging in CSR and sponsorship activities funded directly by us and our consumer-facing brands.

We play a significant role in supporting culture and sport across our geographies, sponsoring major events and organisations. We also implement significant social initiatives, such as the renovation of the two largest children's hospitals in Greece. Through these and numerous other initiatives, we ensure our company makes a meaningful and tangible positive contribution to the local communities in our markets.

“We’re passionate about changing lives for the better and this extends beyond those who buy a lottery ticket. ”

Pavel Turek

Chief Officer of Global Brand, Corporate Communication, and CSR

* Based on World Bank total population data as of 2021 and the Illinois Department of Health population data as of 2020.

Business review

Our performance has been strong in 2022, reflecting our continued successful execution of our organic and inorganic growth strategies.

Organic growth

We continued to enjoy strong organic growth, driven by digital channels, retail channel innovations, and cross-selling. In digital channels, we have been able to rapidly expand our online customer base and customer spend through product innovation, data analytics, customer relationship management (CRM) and online marketing. In retail lottery, we have grown our sales through product innovation, deanonymisation of the physical retail user base (through loyalty programs), digitalisation of physical retail and new product launches.

Innovation and technology

We have continued to focus on innovation, making our products more attractive to our customers across all geographies. Among others, in the Czech Republic we successfully launched a second Eurojackpot draw and installed new PoS terminals, introducing digital signage and enabling personalization, in Greece we installed beacons to enable in-store betting across retail outlets and revised OPAP's retail sports odds strategy to make it competitive with online odds, and in Austria we launched a retail loyalty scheme and Lotto and EuroMillions gift cards. Across our markets, we continue our trend towards insourcing front-end development of our iGaming products to provide a better user experience and to enable faster implementation of changes.

Product

In FY 2022, numerical lotteries' GGR increased by 11% to €1,547.0 million, instant lotteries' GGR increased by 8% to €282.7 million, sports betting's GGR increased by 17% to €635.6 million, iGaming GGR grew by 23% to €511.1 million, and VLTs and casinos' GGR increased by 85% to €834.9 million. The growth reflects, among other factors, some impact from COVID-19 on last year's numbers (especially on VLTs and casinos), continuing robust organic growth in digital channels and our ongoing focus on providing a compelling customer proposition. All our products demonstrated resilience of demand, even in an environment where consumer spending was under pressure.

Inorganic growth

We continued to deliver on our inorganic strategic growth initiatives underpinned by increasing our ownership in existing operations, entering new markets via tenders or privatisation processes, and strategic bolt-on acquisitions.

Entering the UK market

In March 2022, the Gambling Commission selected Allwyn as the Preferred Applicant for the UK National Lottery Licence starting in February 2024 following a rigorous competition. In September 2022, Allwyn UK was confirmed as the incoming National Lottery operator, replacing Camelot UK for the first time in the National Lottery's 28-year history. In winning the licence to operate the National Lottery illustrates our ability to leverage learnings and expertise from across our businesses, and demonstrates that we are the lottery operator of choice for key stakeholders. We announced the agreement to acquire Camelot UK, the current operator, in November 2022 and completed its acquisition in February 2023.

Entering the US market and strengthening our technology

In December 2022, we announced the agreement to acquire the Camelot LS Group, which operates the Illinois Lottery under a private management agreement through its operating company, Camelot

Illinois LLC. The Camelot LS Group also includes a technology arm that provides online lottery technology, content and services to lotteries. Our acquisition of the Camelot LS Group represents the first opportunity for us to establish our business in the United States and also strengthens our in-house capabilities with respect to elements of the technology stack that are critical to our customers' experience.

Acquisition of Kaizen

In April 2022, the Group announced that it had reached agreement with a wholly owned subsidiary of OPAP to acquire its 36.75% interest in the business activities of Kaizen Gaming Limited outside Greece and Cyprus ("Kaizen"). Kaizen is a fast-growing online sports betting and iGaming operator using proprietary gaming technology. We completed the acquisition in December 2022.

Increasing our OPAP stake

In 2022, we increased our shareholding in OPAP by 9.47% to 49.84% of OPAP's total shares outstanding (including treasury shares) through open market purchases and participation in OPAP's scrip dividend programme. Excluding OPAP's treasury shares from the share count, this represents an economic interest of 50.09%.

€1 bn+
GGR in Q4 2022



Case studies

Winning the UK National Lottery Licence

In March 2022, the UK Gambling Commission announced Allwyn as its Preferred Applicant to operate the UK National Lottery for 10 years starting in February 2024, following a rigorous competitive tender process. In September, our 100% owned subsidiary Allwyn Entertainment Ltd was officially awarded the licence.

The UK National Lottery is one of the most prestigious national lotteries in the world, and we are hugely excited about the opportunity to reinvigorate it. We have exciting plans to make the National Lottery bigger, better and safer, and our team is working collaboratively with the Gambling Commission on our transition plans. Our 2023 acquisition of Camelot UK, the current operator of the UK National Lottery, supports the successful delivery of the National Lottery through 2023 and over the next decade.

→ Find out more at allwynentertainment.com

Acquiring Camelot Lottery Solutions Group

A landmark moment on our journey saw Allwyn purchase Camelot Lottery Solutions Group, which operates the Illinois Lottery under a private management agreement, through its subsidiary Camelot Illinois LLC, and is also a partner to the Arkansas Scholarship Lottery, to enhance its lottery operations. This gives us a foothold in the US market and adds the considerable talent and experience of the team to the rest of Allwyn. Camelot Lottery Solutions Group is also a developer of lottery technology solutions and content, and offers these to other lotteries in Europe and North America. The acquisition is a product borne out of our approach of supporting our organic growth with strategic purchases.

→ Find out more at allwynentertainment.com



Acquiring Camelot UK

In 2022 we announced our intention to acquire Camelot UK from OTPP. The objective was to facilitate a smooth transition in the UK, as well as to add Camelot UK's considerable talent and expertise to Allwyn's team. This acquisition closed in February 2023.

→ Find out more at allwynentertainment.com



From strength to strength in Greece

In 2022, the Company increased its shareholding in OPAP by 9.47% to 49.84% of OPAP's total shares outstanding (including treasury shares) through open market purchases and participation in OPAP's scrip dividend programme. Excluding OPAP's treasury shares from the share count, this represents an interest of 50.09%. OPAP is the leading gaming company in Greece, and is one of the biggest social contributors in the country.

→ Find out more at allwynentertainment.com

Strength across channels

Allwyn's strong track record and its approach of improving lotteries around the world is a result of our focus on using the power of technology and data to digitise lotteries, making them more relevant, more engaging for the consumer, and safer to play. We've continued to see strong growth in online sales across the business – but what we see as a strong validation of our teams' work is the resilience of offline sales. Across all of our markets we have used digital to support our physical retail partners – helping them grow footfall and their own sales. A win for all.



Working with our stakeholders and partners

We operate a business that enables a win for all stakeholders.

This means ensuring that we are aligned with societal and economic expectations and that we regularly engage in a collaborative way with all of our stakeholders.



A strong commitment to people, places, planet

Our ESG Framework works to drive progress, contributing to sustainable growth and an inclusive future.

Our business operations' scale and global reach have a crucial role in helping to address some of the most pressing environmental and social challenges of our time.

The framework is tailored to our business and integrated in all organisational activities in line with regulatory requirements, enabling the continuous involvement and inclusion of all internal and external stakeholders. Its structured and comprehensive approach promotes awareness and regular monitoring, and ensures timely strategic decision making both in the day-to-day operation of the business and over a long term period.

Allwyn is committed to considering its most significant impacts on the economy, environment, and people. It also considers how these impacts are managed in order to meet the needs of the present and future generations. Embedding ESG principles in the operation of our business is crucial for the benefit of our stakeholders, including players, governments, society, investors, colleagues, and suppliers.

We have a robust and holistic approach to embedding our ESG Framework to shape the design and extent of our CSR activities at a local level.

Our ESG Framework is focused on four core areas:



1 Playing responsibly

1. Playing responsibly

Playing Responsibly is a core principle of our business. Allwyn is committed to ensuring its customer base can enjoy playing in a safe, secure, and sustainable environment, while minimizing any potential harm on vulnerable groups and wider society. Information, education, and prevention are considered the forefront of our commitment to responsible gaming. Allwyn adheres to local legislation and business best practices. Moreover, its lottery businesses adhere to the World Lottery Association ("WLA") and the European Lotteries ("EL") Association responsible gaming certifications.

We want our lotteries to be the benchmark for the wider industry on how best to protect players in today's digital-first world. Lotteries are already the safest way to play games of chance. We want to build on that and make them even safer.

Allwyn's guiding principles are:

1. Design A risk-based design approach for games' potential impact on player behaviour along with branding, marketing, and distribution strategies, aiming at creating a safe environment for players through, for example, self-exclusion registers.

2. Digital Using technology to inform our players and provide them with necessary and transparent information. Protecting underaged individuals and other vulnerable groups through age verification systems, training Point of Sale staff and responsible product design.

3. Proactive communication Using digitally-generated warnings to discourage potentially problematic behaviour, to intervene and educate players towards safer playing in real time, through activities such as annual training for our colleagues and information campaigns.

4. Accreditation Working globally to retain our Level 4 Certification, the highest provided by the World Lottery Association and other local responsible standards and best practices.

5. Investment From our Board down to all our colleagues, we dedicate time, resources, and funding to training, internal and external awareness as well as safety-related product development and monitoring.

We are exploring how we can expand on our commitment to strengthening player safety. Our ambition is to drive world-class standards for the industry and we have some exciting plans that will be announced in the course of 2023.

A strong commitment to people, places, planet continued

2

Partnering for impact

Giving back to society and the communities we operate in is the foundation of Allwyn's brand and culture. We are committed to supporting communities by driving greater returns for good causes and by Corporate Social Responsibility (CSR) projects and initiatives funded both centrally and directly by our operating subsidiaries.

Allwyn promotes and supports healthy and active communities by providing access to sports, art and culture, and healthcare. Allwyn encourages and facilitates our colleagues to get involved in local projects and making a positive impact on the ground. The Allwyn distinctive approach to CSR activities provides flexibility for operating subsidiaries, recognising their traditional commitments, projects, and specific market needs.



Overview of Group local activities across regions

We are committed to playing a positive role in society by directly contributing funds and other resources to support local communities. Our local community programmes in every market enable all our colleagues to make a positive impact on the ground. We're passionate about changing lives through empowering local teams to support initiatives across sport, culture and other areas close to their hearts.

In Austria, our teams oversaw 'lottery days' to support cultural institutions. This ensured free access to museums, theatres and festivals when presenting a lottery product at the entrance.

In Greece, OPAP's Corporate Responsibility programmes serve essential social needs. In May 2022, OPAP completed the renovation of the country's two largest and most important children's hospitals. The company delivered the renovated hospitals to the Greek State, having implemented 30 renovation works, which cover an area of 14,960 sq.m. Among other things, these included 23 nursing units, with a capacity of 564 beds, which meet the highest international standards.

Moreover, OPAP successfully implements the 'OPAP Forward' program, which offers fast growing Small and Medium-sized Businesses a unique opportunity to evolve, unleash their full potential, and

generate new jobs. To date, participating companies have increased their total turnover by €242 million and have created 2,260 new direct jobs. Additionally, they support 20,249 indirect jobs, through their partnerships in the market.

In the Czech Republic, Sazka reduced the spend on corporate Christmas gifts and instead financed sports clubs for disadvantaged Czech and Ukrainian children. It also ran a successful eSports video campaign to reduce unacceptable online behaviour among players.

In Austria, during Easter week, from 11 to 17 April 2022, a proportion of all games was donated to a non-profit organisation supporting humanitarian aid initiative for Ukraine. Thanks to a Lotto quadruple jackpot, all expectations were exceeded. Approximately €800,000 was raised initially, which was then doubled on the initiative of the Austrian Federal Government, ensuring a sum of €1.6 million was ultimately donated.

We will continue to activate our ESG Framework on a local level in the months and years ahead.

3 People

We are made up of over 6,000 colleagues, across different time zones and regions. Our colleagues keep us at the forefront of lotteries and are what make Allwyn unique. We believe that creating a diverse and inclusive team is the best way of driving constant innovation. A diverse team leads to diverse thinking; enabling innovation to thrive. We want to retain and develop the best people. We offer exciting career and learning opportunities across our international business.

We have also implemented a number of health days across the business, ensuring that our colleagues have access to free testing and screening for potential issues. Additionally, our Czech National Lottery business, Sazka, was named employer of the decade and ranked among the top employers in Czech Republic in 2021, and we have continued to see strong employee engagement in all our markets.

4 Planet

Allwyn is committed to reducing its greenhouse gas emissions and minimizing its environmental impact, as we believe that climate change and transitioning towards a more sustainable future are the most pressing challenges of our time. Our approach is focused on environmentally-sustainable initiatives that deliver near-term efficiency, value, and health for our business, our people, our stakeholders, and the wider community.

Allwyn encourages its customers, suppliers, and retail network to reduce their impact on the environment by recommending the use of more sustainable materials and processes. We look to comply with current environmental legislation and work to minimise the impact of our activities on the environment. Allwyn reports on progress on its environmental sustainability, collecting, and consolidating data on GHG emissions scope 1 & 2, total energy and water consumption, and waste disposal/recycling.

We're working towards reducing our energy consumption and greenhouse gas emissions, promoting sustainability in our supply chains and reducing our use of resources. Two key priorities for 2022

included setting a target to reduce our overall greenhouse gas (GHG) footprint and developing an Environmental Policy. We continue to implement our environmental and energy management programmes across all our markets. This will minimise the negative impact of our operations on the environment and also ensure the recertification of existing environmental standards.

Some of the initiatives undertaken at a local level to be highlighted include our work in Austria and the UK. In Austria, the fourth quarter of 2022 was marked by an investment in emphasising the importance of climate protection throughout the company and our supply chain. At the beginning of October, a climate protection week was launched, in which a series of content was developed and released to educate and raise awareness around the climate emergency. This was followed by a climate protection event for employees aimed at empowering the team to convey knowledge about the urgency and importance of taking action on climate change.

In the UK, Allwyn has pledged to become a net zero carbon company by 2030 or sooner, and with it, hopes of becoming the world's first net zero lottery company.



Chief Financial Officer's statement



Kenneth Morton
Chief Financial Officer

I am very pleased with the Group's 2022 financial results. We achieved strong growth and high profitability, with Total Revenue increasing 24% year on year and an Adjusted EBITDA margin of 46%. Our solid financial performance during a period of slowing economic activity and rising inflation demonstrates the resilience of our business, which also benefits from product, channel and geographic diversification.

The strong growth in Total Revenue reflected the ongoing delivery of our organic growth strategy to drive digital lottery, retail channel innovations and cross-selling, as well as the impact of COVID-19 in the prior year. We maintained our focus on operational efficiency, supporting high profitability that underpinned strong free cash flow generation.

We also continued to successfully execute our inorganic growth strategy in 2022. We increased our ownership in existing operations, with our economic interest in OPAP increasing to over 50%.

We demonstrated the strength of our credentials as the operator of choice in tender processes with our success in the competition for the Fourth Licence to operate the UK National Lottery. We also acquired a 36.75% stake in Kaizen and announced the acquisitions of Camelot UK and Camelot Lottery Solutions Group, the latter being the operator of the Illinois Lottery under a private management agreement. These acquisitions, alongside the success in the UK National Lottery tender, extend our footprint of lottery operations to seven countries, cementing our position as the largest pan-European lottery operator.

With respect to financing, we issued €600 million senior secured notes during 2022 and signed syndicated loans and facilities totalling ~€1.6 billion, which is testament to the strength of our business and credit.

I would like to thank all our financing partners for their continued strong support as we continue to pursue and deliver on our organic and inorganic growth strategies.

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Financial highlights

We delivered record financial performance in 2022, reflecting strong growth across our geographies and product lines.

We delivered another year of record financial performance in 2022, reflecting strong growth across our geographies and product lines. The strong growth was entirely organic, with no impact on our consolidation perimeter from business combinations during the period or the comparative period: the acquisitions of Camelot UK and the Camelot LS Group closed after the end of the period, while the increase of our interest in Kaizen did not impact our consolidated results. While general consumer sentiment has been impacted by inflationary pressures, we saw only a limited impact due to the low price point of our products and low average spend per customer, as well as our large number of regular players. Year-on-year performance in some businesses also reflected the impact of COVID-19 in the prior year.

Our consolidated Total Revenue increased by 24% to €3,988.2 million. Within this, GGR grew by 24% to €3,811.3 million. Total Revenue growth was driven by strong online growth across our businesses in addition to the very strong performance of our casinos business in Austria and internationally, as well as products across land-based retail in Greece, which were impacted by COVID-19 in the comparative period. Online GGR increased 15% year on year, to €920.6 million, representing 24% of our total GGR. In the Czech Republic, this figure reached 44%, compared with 38% in 2021.

On a geographic basis, the highest growth rates were achieved in Greece and Cyprus, where Total Revenue grew 27% year on year, supported by the recovery across land-based retail as well as product initiatives and good online performance, and in Austria, where Total Revenue grew 24% year on year, supported by the recovery in Casinos and VLTs. The Czech

Republic also saw another year of good growth momentum with Total Revenue increasing 11% year on year driven by growth across lotteries and iGaming.

Net revenue, after gaming taxes, reached €2,531.4 million in 2022, representing an increase of 27% year on year. Operating EBITDA increased by €178.3 million, or 19%, to €1,132.3 million and our Adjusted EBITDA, taking into account one-off items, increased by €200.6 million, or 21%, to €1,167.4 million. The growth in Adjusted EBITDA was primarily driven by the strong Total Revenue growth, with margins broadly stable across our geographies. Against a backdrop of higher inflation, our profitability was supported by a significant portion of our costs being directly linked to revenues and the low proportion of energy in our cost base.

Acquisition of additional interest in OPAP

During 2022, we increased our shareholding in OPAP from 40.37% to 49.84% of OPAP's total shares outstanding (including treasury shares) through open market purchases and participation in OPAP's scrip dividend programme. Excluding OPAP's treasury shares from the share count, this represents an economic interest of 50.09%.

Acquisition of additional interest in Kaizen

In December 2022, we acquired a 36.75% interest in the business activities of Kaizen Gaming Limited outside Greece and Cyprus ("Kaizen") from a wholly owned subsidiary of OPAP. The purchase price comprised (i) an upfront cash consideration of €50.0 million, on a debt free and cash free basis (total consideration paid was €74.3 million), and (ii) performance-based earnout payments. The purchase price corresponds to the fair market value of the

interest, as evaluated by an independent financial advisor.

Kaizen is a fast-growing online sports betting and iGaming operator using proprietary gaming technology. The transaction results in an 18.4% increase in the Group's effective interest in Kaizen, which will continue to be accounted for as an equity method investee of the Group.

Agreement to acquire Camelot UK

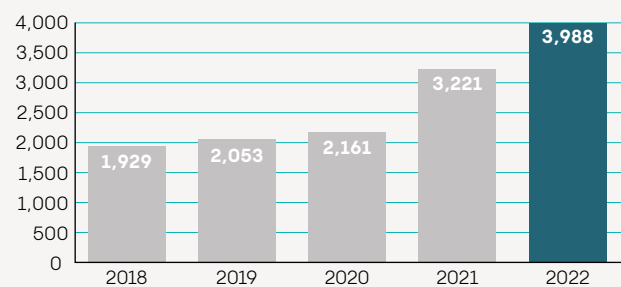
In November 2022, we announced an agreement to acquire Camelot UK Lotteries, the current operator of the National Lottery under a license that runs until 31 January 2024. The acquisition was subsequently completed on 5 February 2023.

Agreement to acquire the Camelot LS Group

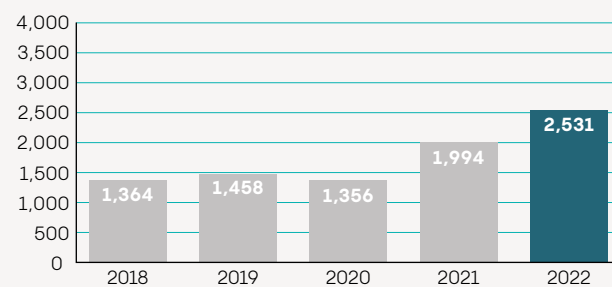
In December 2022, we announced an agreement to acquire the Camelot LS Group. The Camelot LS Group operates the Illinois Lottery under a private management agreement through its operating company, Camelot Illinois LLC, partners with the Arkansas Scholarship Lottery to enhance its lottery operations, and includes a technology arm that provides iLottery products, services and content to lotteries and their players in Europe and North America.

Our financial track record

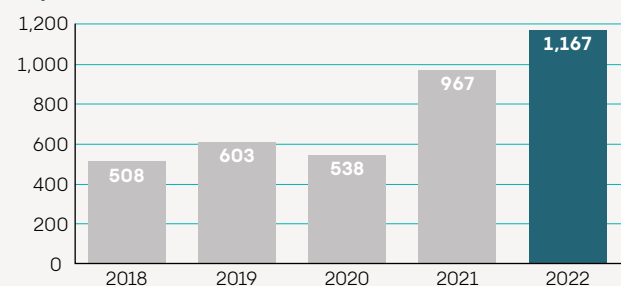
Total Revenue (€m)



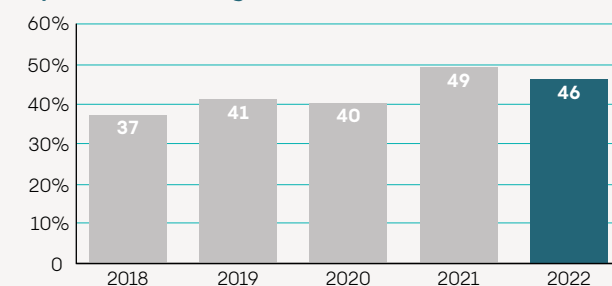
Net Revenue (€m)



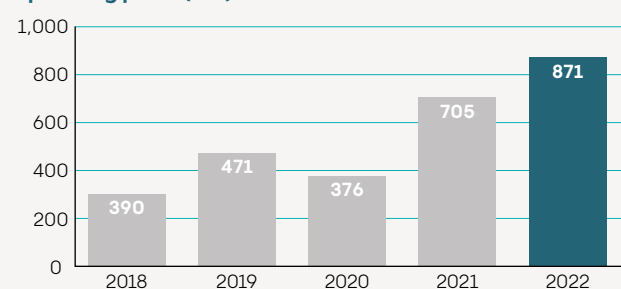
Adjusted EBITDA (€m)



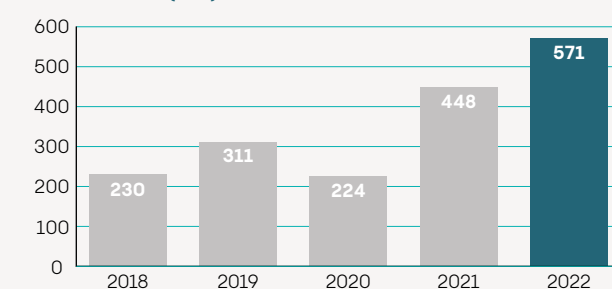
Adjusted EBITDA margin (%)



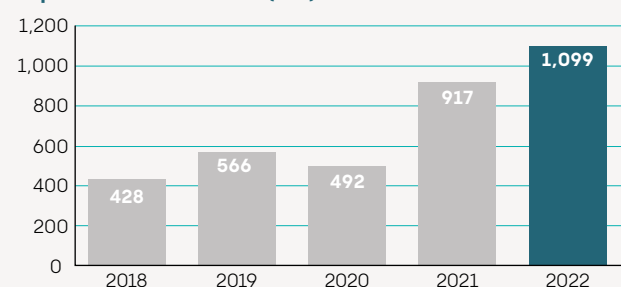
Operating profit (€m)



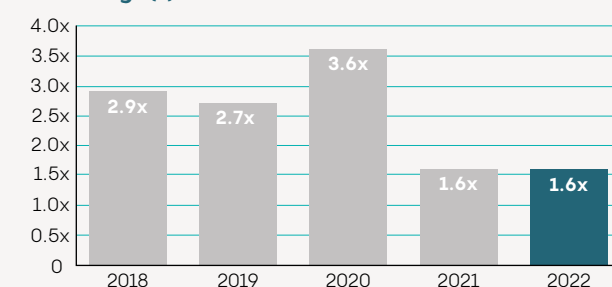
Profit after tax (€m)



Adjusted Free Cash Flow (€m)



Net leverage (x)



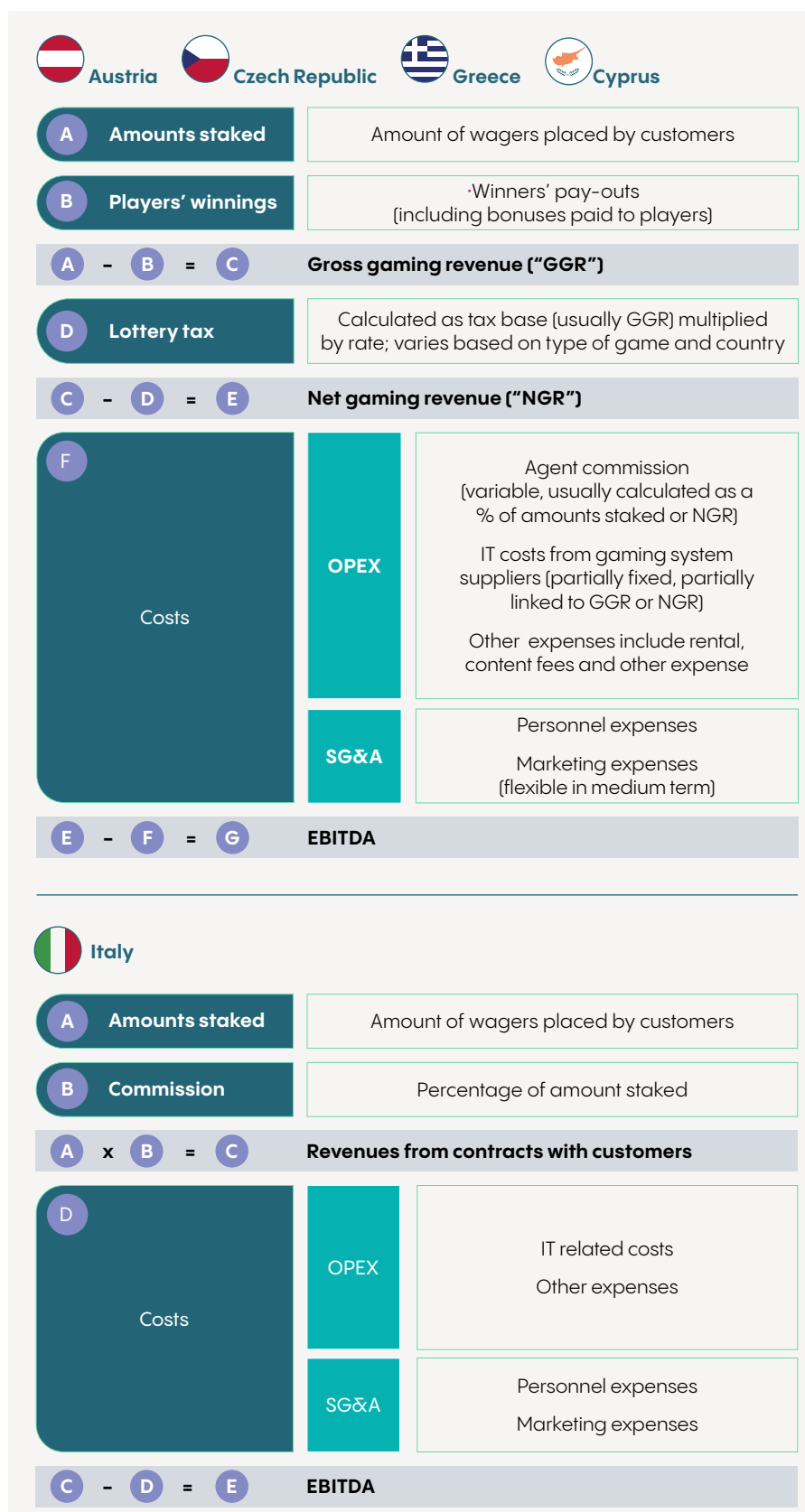
P&L structure by geography

Our lottery operations operate under long-term and in most cases exclusive licences; our other products are offered under exclusive and nonexclusive licences, depending on the product and jurisdictions.

In most markets, our lottery operations generate revenues from product sales, primarily via agents and our own online channels. In Italy, our joint venture Lottolitalia receives a share of revenues from ticket sales collected by the Italian Government from the games operated on its behalf.

Our key operating costs, including taxes and commissions to agents and content providers, are linked to our sales; marketing costs, another major category, are flexible in the medium term.

Our businesses are asset light, with the vast majority of our POS network owned and operated by third parties, and limited maintenance capex.



Management discussion and analysis

Management's discussion and analysis of financial condition and results of operations for the year ended 31 December 2022

The financial and operating information contained in this "Management's discussion and analysis of financial condition and results of operations" ("MD&A") comprises information of Allwyn International a.s. ("Allwyn International" or the "Company" and, together with its subsidiaries, joint ventures and associates, the "Group", "Allwyn" or "we").

You should read the MD&A together with the Group's audited consolidated financial statements for the year ended 31 December 2022. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

This MD&A contains certain forward-looking statements, which are based on assumptions about the Group's future business. The Group's actual results could differ materially from those contained in forward-looking statements as a result of many factors, including, but not limited to, those described under "Forward-Looking Statements".

1 Significant transactions and developments during the year ended 31 December 2022

1.1 Financing

Allwyn financing arrangements

In February 2022, the Company issued €200.0 million in aggregate principal amount of additional senior secured notes due 2027 at an issue price of 99.0% bearing fixed interest of 3.88% and the Group issued €400.0 million in aggregate principal amount of senior secured floating rate notes due 2028 (issued by Allwyn Entertainment Financing (UK) plc) at an issue price of 99.5% with a margin of 4.13%.

In March 2022, the Company's subsidiary SAZKA Group Financing a.s. repaid a bond in the nominal amount of €200.0 million due in December 2022.

In March 2022, the Group (through its subsidiary Allwyn Financing Czech Republic a.s.) prepaid €57.1 million under its syndicated loan.

In June 2022, Allwyn International signed an increase of its existing syndicated loan by €180.0 million.

On 17 November 2022, Allwyn International and Allwyn Entertainment Financing (UK) plc entered into a new €1.6bn Senior Facilities Agreement ("SFA") with a syndicate of international banks. The financing comprised (i) €442 million amortizing Term Loan due 2027, (ii) €442 million bullet Term Loan due 2028, (iii) €300 million revolving credit facility, and (iv) £380 million (€429 million equivalent) multipurpose facility that can be drawn either as bank guarantees or term loan maturing in 2027. Use of proceeds included (i) refinancing of existing €380 million syndicated bank loan, (ii) refinancing and upsizing of existing revolving credit facility, (iii) refinancing of £380 million equivalent bank guarantee facility and providing term financing for the UK National Lottery upfront costs, (iv) refinancing of up to €300 million other indebtedness, and (v) financing general corporate purposes including shareholder distributions and acquisitions. The liabilities under the Senior Facilities Agreement rank pari passu with the existing debt of Allwyn and Allwyn Entertainment Financing (UK) plc under the existing intercreditor agreement.

On 25 November 2022, the Group utilized €580 million under the new SFA. The proceeds were used for repayment of the principal amount of €380 million outstanding under Allwyn International's syndicated bank loan and payment of a dividend of €200 million.

CASAG financing arrangements

In June 2022, Casinos Austria AG made a voluntary prepayment of €35.0 million and scheduled amortisation payment of €5.7 million of its syndicated loan.

OPAP financing arrangements

In January 2022, OPAP S.A. ("OPAP") repaid a €100.0 million revolving credit facility. The revolving credit facility remains available.

In February 2022, Hellenic Lotteries S.A., a subsidiary of OPAP, repaid a €10.0 million revolving credit facility. The revolving credit facility remains available.

In March 2022, OPAP made an early repayment of a €100.0 million bank loan that had an original maturity in November 2023.

In April 2022, OPAP extended a €100.0 million revolving credit facility maturing in May 2022 to May 2023.

In May 2022, OPAP signed a €250.0 million forward loan agreement with a term of 3 years, starting in March 2023 and maturing in March 2026. The new loan agreement extends an existing €250.0 million loan maturing in March 2023 for 3 additional years.

In October 2022, OPAP fully repaid a €50.0 million bank loan.

1.2 Acquisitions

OPAP

In Q1 2022, the Company increased its direct shareholding in OPAP by 0.91% through market purchases. Total consideration paid was €42.0 million.

In February 2022, the Group purchased the remaining minority economic interest in SAZKA Delta AIF Variable Capital Investment Company Ltd, an entity through which the Group holds part of its interest in OPAP, for consideration of €327.4 million.

As a result of these transactions, the Group's effective interest in OPAP (without adjustment for its treasury shares) increased by 7.76% from 40.37% to 48.13% at the end of Q1 2022 and the Group's effective interest become equal to its ownership interest.

In Q2 2022, the Company increased its direct shareholding in OPAP by 0.62% through market purchases. Total consideration paid was €30.6 million. As a result of this transaction, the Group's effective interest in OPAP (without adjustment for its treasury shares) increased by 0.62% from 48.13% to 48.75% at the end of Q2 2022.

In Q3 2022, the Company increased its direct shareholding in OPAP by 0.41% through market purchases. Total consideration paid was €20.4 million.

In August 2022, the Company increased its direct shareholding in OPAP by 0.64% through participation in OPAP'S scrip dividend programme.

As a result of these transactions, the Group's effective interest in OPAP (without adjustment for its treasury shares) increased by 1.05% from 48.75% to 49.80% at the end of Q3 2022. Excluding OPAP's treasury shares from the share count, this represents an economic interest of 50.05%.

In November 2022, the Company increased its direct shareholding in OPAP by 0.04% through participation in OPAP'S scrip dividend programme.

As a result of these transactions, the Group's effective interest in OPAP (without adjustment for its treasury shares) increased by 0.04% from 49.80% to 49.84% at the end of Q4 2022. Excluding OPAP's treasury shares from the share count, this represents an economic interest of 50.09%.

1.3 Strategic

UK National Lottery

In March 2022, the UK Gambling Commission announced the Company as its Preferred Applicant for the fourth UK National Lottery licence following a rigorous competitive tender process. On 20 September 2022, Allwyn Entertainment Ltd, a 100% owned subsidiary of the Company, was officially awarded the license to operate the fourth UK National Lottery for the 10 year period starting from February 2024.

Kaizen

In April 2022, the Group announced that it had reached agreement with a wholly owned subsidiary of OPAP to acquire its 36.75% interest in the business activities of Kaizen Gaming Limited outside Greece and Cyprus ("Kaizen"). The purchase price comprises (i) an upfront cash consideration of €50.0 million, on a debt free and cash free basis (total consideration paid was €74.3 million), and (ii) performance-based earnout payments. The purchase price corresponds to the fair market value of the interest, as evaluated by an independent financial advisor.

Kaizen is a fast-growing online sports betting and iGaming operator using proprietary gaming technology. The transaction results in an 18.4% increase in the Group's effective interest in Kaizen, which will continue to be accounted for as an equity method investee of the Group.

The acquisition was completed on 27 December 2022.

Stoiximan

In June 2022, OPAP made a payment of €106.4 million, representing the substantial majority of the outstanding contingent consideration from its purchase of Stoiximan.

Agreement to acquire Camelot UK

In November 2022, Allwyn announced an agreement to acquire Camelot UK Lotteries, the current operator of the National Lottery under a license that runs until 31 January 2024.

The acquisition was subsequently completed on 5 February 2023.

Management discussion and analysis continued

1 Significant transactions and developments during the year ended 31 December 2022 continued

Agreement to acquire the Camelot LS Group

In December 2022, Allwyn announced an agreement to acquire the Camelot LS Group. The Camelot LS Group operates the Illinois Lottery under a private management agreement through its operating company, Camelot Illinois LLC, partners with the Arkansas Scholarship Lottery to enhance its lottery operations, and includes a technology arm that provides iLottery products, services and content to lotteries and their players in Europe and North America.

The acquisition was subsequently completed on 3 March 2023.

1.4 COVID-19

While all our digital channels operated without interruption throughout the COVID-19 pandemic, some of our physical retail networks were affected by COVID-19 restrictions in the first half of 2021. By the end of the second quarter of 2021, the material restrictions affecting our operations were lifted. In the third quarter of 2021, all our businesses operated without material restrictions. In the fourth quarter of 2021 and the first quarter of 2022, restrictions once again impacted sales in some markets, though to a significantly lesser extent than restrictions in previous periods. These restrictions impacted the physical retail channel in the Greece and Cyprus operating segment, casinos in the Austria segment and (in the first and second quarters of 2022 only) certain categories of POS in Italy. From the second quarter of 2022 to date, all our businesses operated without material restrictions.

In all periods, COVID-19 measures had only a limited impact on the availability of our lottery products through physical retail channels in Austria and the Czech Republic, as key categories of POS remained open. The physical retail channels in Greece and Cyprus and our casinos in Austria and internationally were to a greater or lesser extent affected by COVID-19 related restrictions (in the first quarter, part of the second quarter, and part of the fourth quarter of 2021 and in the first quarter of 2022), as were certain categories of POS in Italy (in the first and second quarter of 2022 only).

Our online businesses performed very well throughout 2021 and 2022, with strong growth in Austria, the Czech Republic, and at Stoiximan in our Greece and Cyprus segment.

1.5 Subsequent events

For developments after 31 December 2022 please refer to the Subsequent events note to the audited consolidated financial statements.

2 Comparison of results of operations for the year ended 31 December 2022

Management analysis of consolidated results

	2022	2021	Change	
			abs	%
Revenue from gaming activities ("GGR")	3,811.3	3,073.2	738.1	24%
Revenue from non-gaming activities	176.9	148.2	28.7	19%
Total revenue	3,988.2	3,221.4	766.8	24%
Gaming taxes	(1,456.8)	(1,227.9)	(228.9)	19%
Net revenue	2,531.4	1,993.5	537.9	27%
Of which: Net gaming revenue ("NGR")	2,354.5	1,845.3	509.2	28%
Other operating income	292.0	356.8	(64.8)	(18%)
Agents' commissions	(523.7)	(415.3)	(108.4)	26%
Materials, consumables and services	(552.4)	(454.9)	(97.5)	21%
Marketing services	(243.8)	(215.3)	(28.5)	13%
Personnel expenses	(379.1)	(309.4)	(69.7)	23%
Other operating expenses	(78.5)	(80.5)	2.0	(2%)
Share of profit of equity method investees	86.4	79.1	7.3	9%
Operating EBITDA	1,132.3	954.0	178.3	19%
Adjustments to Operating EBITDA:				
Inorganic business development and financing costs	14.4	20.2	(5.8)	
UK national lottery transition costs	21.3	—	21.3	
Arbitration gain	—	(13.5)	13.5	
Adjustments in Austria Segment	(5.2)	(20.9)	15.7	
Adjustments in the Greece and Cyprus segment	4.6	23.0	(18.4)	
Adjustments in the Czech Republic segment	—	4.0	(4.0)	
Adjusted EBITDA	1,167.4	966.8	200.6	21%
Adjusted EBITDA margin %	46.1%	48.5%	2.4 p.p.	
Depreciation and amortisation	(213.2)	(222.9)	9.7	(4%)
Impairment of non-financial assets	(35.5)	(16.6)	(18.9)	114%
Other gains and losses	(12.6)	(9.6)	(3.0)	31%
Profit from operating activities	871.0	704.9	166.1	24%
Interest income	8.7	2.9	5.8	200%
Interest expense	(134.6)	(122.4)	(12.2)	10%
Other finance income and expense	(29.0)	(7.6)	(21.4)	282%
Finance costs, net	(154.9)	(127.1)	(27.8)	22%
Profit before tax	716.1	577.8	138.3	24%
Income tax expense	(144.9)	(130.3)	(14.6)	11%
Profit after tax	571.2	447.5	123.7	28%

Management discussion and analysis continued

2 Comparison of results of operations for the year ended 31 December 2022 continued

Revenue from gaming activities ("GGR")

GGR increased by €738.1 million, or 24%, to €3,811.3 million, reflecting continuing organic growth of the Group's businesses, primarily driven by the online channel as well as by strong performance of our casinos business in Austria and internationally, which was impacted by COVID-19 in the comparative period.

GGR by segment—contribution to consolidated GGR	2022	2021	Change	
			abs	%
Austria	1,419.2	1,155.8	263.4	23%
Czech Republic	453.1	407.9	45.2	11%
Greece and Cyprus	1,939.0	1,509.5	429.5	28%
Total GGR	3,811.3	3,073.2	738.1	24%

GGR by product	2022	2021	Change	
			abs	%
Numerical lotteries	1,547.0	1,399.1	147.9	11%
Instant lotteries	282.7	261.6	21.1	8%
Sports betting	635.6	545.8	89.8	16%
iGaming	511.1	415.6	95.5	23%
VLTs and casinos	834.9	451.1	383.8	85%
Total GGR	3,811.3	3,073.2	738.1	24%

Online GGR by product	2022	2021	Change	
			abs	%
Numerical lotteries	151.5	136.4	15.1	11%
Instant lotteries	6.1	5.2	0.9	17%
Sports betting	251.9	246.8	5.1	2%
iGaming	511.1	415.6	95.5	23%
VLTs and casinos	—	—	—	0%
Total online GGR	920.6	804.0	116.6	15%
Share of Online GGR	24%	26%	-2 p.p.	
Share of Online-eligible GGR	31%	31%	0 p.p.	

Revenue from non-gaming activities

Revenue from non-gaming activities increased by €28.7 million, or 19%, to €176.9 million. The increase was primarily driven by the growth of revenues from non-gaming activities in the casinos business of the Austria segment with such revenues being driven by increased activity in the casinos.

Total revenue

Total revenue increased by €766.8 million, or 24%, to €3,988.2 million, as a result of the factors set forth above.

Gaming taxes

Gaming taxes increased by €228.9 million, or 19%, to €1,456.8 million, broadly in line with the increase in GGR.

Net revenue

Net revenue increased by €537.9 million, or 27%, to €2,531.4 million, as a result of the factors set forth above.

Net gaming revenue ("NGR")

NGR increased by €509.2 million, or 28%, to €2,354.5 million, as a result of the factors set forth above.

Other operating income

Other operating income decreased by €64.8 million, or 18%, to €292.0 million. The decrease was primarily attributable to significant one-off income from government subsidies related to COVID-19 in the comparative period and lack thereof in current period.

Agents' commissions

Agents' commissions increased by €108.4 million, or 26%, to €523.7 million, primarily driven by the increase in revenue in the physical retail channel.

Materials, consumables and services

Materials, consumables and services increased by €97.5 million, or 21%, to €552.4 million, primarily driven by the increased sales.

Marketing services

Marketing services increased by €28.5 million, or 13%, to €243.8 million. The increase was primarily driven by increased marketing investments.

Personnel expenses

Personnel expenses increased by €69.7 million, or 23%, to €379.1 million. The increase was primarily driven by the growth in the activity of our land-based casino operations in the Austrian segment, a lower comparative period driven by COVID-19 related government support programs and transition costs incurred in preparation for the start of the UKNL license in February 2024.

Other operating expenses

Other operating expenses decreased by €2.0 million, or 2%, to €78.5 million.

Share of profit of equity method investees

Share of profit of equity method investees increased by €7.3 million, or 9%, to €86.4 million, driven by the strong performance of Betano, which more than offset the weaker performance of Lottitalia.

Operating EBITDA

Operating EBITDA increased by €178.3 million, or 19%, to €1,132.3 million. The increase, driven by revenue growth, is lower than the revenue growth primarily due to transition costs incurred in preparation for the start of the UKNL license in February 2024.

Adjusted EBITDA

Adjusted EBITDA by segment—contribution to consolidated Adjusted EBITDA	2022	2021	Change	
			abs	%
Austria	261.1	210.9	50.2	24%
Czech Republic	120.4	110.5	9.9	9%
Greece and Cyprus	730.1	578.2	151.9	26%
Italy (share of profit of equity method investee)	63.4	74.1	(10.7)	(14%)
Corporate and other	(7.6)	(6.9)	(0.7)	10%
Consolidated Adjusted EBITDA	1,167.4	966.8	200.6	21%

Adjusted EBITDA increased by €200.6 million, or 21%, compared to year ended 31 December 2021. This increase was primarily attributable to organic growth and increase in Operating EBITDA in all operating segments and after considering the adjustment factors described in section 3.4 below.

Depreciation and amortisation

Depreciation and amortisation decreased by €9.7 million, or 4%, to €213.2 million.

Impairment of non-financial assets

Impairment of non-financial assets increased by €18.9 million, or 114%, to €35.5 million, primarily comprising impairment of intangible assets in the Hellenic Lotteries business in the Greece and Cyprus operating segment, and tangible assets in domestic and international casino businesses in the Austria operating segment, in all cases driven by operational challenges caused by COVID-19.

Other gains and losses

Other gains and losses of €12.6 million loss primarily comprises a loss on revaluation of the contingent consideration for the purchase of an interest in Stoiximan of €4.5 million and losses from the revaluation of non-derivative financial instruments accounted at fair value of €7.2 million.

Profit from operating activities

Profit from operating activities increased by €166.1 million, or 24%, to €871.0 million, as a result of the factors set forth above.

Interest income

Interest income increased by €5.8 million to €8.7 million.

Interest expense

Interest expense increased by €12.2 million, or 10%, to €134.6 million, primarily reflecting bank guarantee fees mandatorily incurred as part of our UKNL bid and transition.

Management discussion and analysis continued

2 Comparison of results of operations for the year ended 31 December 2022 continued

Other finance income and expense

Other finance income and expense of negative €29.0 million primarily comprises foreign exchange losses and bank guarantee fees incurred as part of our UKNL bid and transition.

Profit before tax

Profit before tax increased by €138.3 million, or 24%, to €716.1 million. This was primarily driven by the factors set forth above.

Income tax expense

Income tax expense increased by €14.6 million, or 11%, to €144.9 million, primarily driven by the increase in profit before income tax.

Profit after tax

Profit after tax increased by €123.7 million, or 28%, to €571.2 million. This was primarily as a result of the factors set forth above.

Our profit after tax attributable to owners of the Company decreased to €195.8 million compared with €217.5 million in 2021. This reflects the impact of the purchase of OPAP's stake in Kaizen by a subsidiary of the Company. OPAP's gain from the transaction was eliminated in the consolidated financial statements but was allocated between the shareholder and non-controlling interest, resulting in an increase in the profit attributable to non-controlling interest by €90.9 million and a corresponding decrease in the profit attributable to owners of the Company.

2.1 Austria – Segment summary

	2022	2021	Change	
			abs	%
Revenue from gaming activities ("GGR")	1,419.2	1,155.8	263.4	23%
Revenue from non-gaming activities	53.1	28.7	24.4	85%
Total Revenue	1,472.3	1,184.5	287.8	24%
Gaming taxes	(694.4)	(589.9)	(104.5)	18%
Net Revenue	777.9	594.6	183.3	31%
Of which: Net gaming revenue ("NGR")	724.8	565.9	158.9	28%
Other operating income	22.4	91.7	(69.3)	(76%)
Agents' commissions	(96.8)	(100.5)	3.7	(4%)
Materials, consumables and services	(84.0)	(57.8)	(26.2)	45%
Marketing services	(80.6)	(68.1)	(12.5)	18%
Personnel expenses	(239.0)	(200.7)	(38.3)	19%
Other operating expenses	(41.8)	(32.4)	(9.4)	29%
Share of profit of equity method investees	8.2	5.0	3.2	64%
Operating EBITDA	266.3	231.8	34.5	15%
Adjustments to EBITDA (see 3.3)	(5.2)	(20.9)	15.7	(75%)
Adjusted EBITDA	261.1	210.9	50.2	24%
<i>Adjusted EBITDA margin</i>	33.6%	35.5%	1.9 p.p.	
<i>Other selected metrics:</i>				
Interest expense	(7.8)	(8.6)	0.8	(9%)
Current tax expense	(35.6)	(26.1)	(9.5)	36%
CAPEX	20.2	17.2	3.0	17%
Adjusted Free Cash Flow	240.9	193.7	47.2	24%

The Austria segment saw strong year-on-year revenue and EBITDA growth, particularly due to the strong performance of its casino operations in Austria and internationally.

Total revenue of the Austrian segment increased by 24% to €1,472.3 million for the year ended December 31, 2022, reflecting the strong performance of Austrian and international casinos, the impact of COVID-19 on the casinos business in 2021, and continued growth of the iGaming product line.

Adjusted EBITDA increased year-on-year by 24% to €261.1 million, with a margin of 33.6%.

GGR by product	2022	2021	Change	
			abs	%
Numerical lotteries	607.6	626.2	(18.6)	(3%)
Instant lotteries	92.8	94.5	(1.7)	(2%)
Sports betting	19.9	22.8	(2.9)	(13%)
iGaming	182.4	155.8	26.6	17%
VLTs and casinos	516.5	256.5	260.0	101%
Total GGR	1,419.2	1,155.8	263.4	23%

Online GGR by product	2022	2021	Change	
			abs	%
Numerical lotteries	78.1	72.0	6.1	8%
Instant lotteries	6.1	5.2	0.9	17%
Sports betting	6.9	6.2	0.7	11%
iGaming	182.4	155.8	26.6	17%
VLTs and casinos	—	—	—	n/a
Total online GGR	273.5	239.2	34.3	14%
Share of Online GGR	19%	21%	-2 p.p.	
Share of Online-eligible GGR	30%	26%	4 p.p.	

2.2 Czech Republic – Segment summary

	2022	2021	Change	
			abs	%
Revenue from gaming activities ("GGR")	453.1	407.9	45.2	11%
Revenue from non-gaming activities	18.1	17.3	0.8	5%
Total Revenue	471.2	425.2	46.0	11%
Gaming taxes	(156.8)	(143.0)	(13.8)	10%
Net revenue	314.4	282.2	32.2	11%
Of which: Net gaming revenue ("NGR")	296.3	264.9	31.4	12%
Other operating income	1.9	1.7	0.2	12%
Agents' commissions	(43.9)	(36.9)	(7.0)	19%
Materials, consumables and services	(72.7)	(57.3)	(15.4)	27%
Marketing services	(48.8)	(38.2)	(10.6)	28%
Personnel expenses	(26.4)	(24.2)	(2.2)	9%
Other operating expenses	(4.1)	(20.8)	16.7	(80%)
Share of profit of equity method investees	—	—	—	0%
Operating EBITDA	120.4	106.5	13.9	13%
Adjustments to EBITDA (see 3.3)	—	4.0	(4.0)	(100%)
Adjusted EBITDA	120.4	110.5	9.9	9%
<i>Adjusted EBITDA margin</i>	38.3%	39.2%	0.9 p.p.	
<i>Other selected metrics:</i>				
Interest expense	(20.8)	(12.4)	(8.4)	68%
Current tax expense	(18.5)	(17.2)	(1.3)	8%
CAPEX	11.9	13.7	(1.8)	(13%)
Adjusted Free Cash Flow	108.5	96.8	11.7	12%

Management discussion and analysis continued

2.2 Czech Republic – Segment summary continued

The Czech Republic segment continued to deliver growth in GGR and strong profitability, primarily driven by growth in all product lines, with a particularly strong growth in the online channel and iGaming. Appreciation of the Czech crown contributed 4% to the year-on-year growth in Euro terms.

GGR increased by 11% to €453.1 million and, with Adjusted EBITDA margin of 38.3%, Adjusted EBITDA increase by 9% to €120.4 million.

GGR by product	2022	2021	Change	
			abs	%
Numerical lotteries	229.9	223.7	6.2	3%
Instant lotteries	82.0	78.3	3.7	5%
Sports betting	12.0	12.9	(0.9)	(7%)
iGaming	129.2	93.0	36.2	39%
VLTs and casinos	—	—	—	n/a
Total GGR	453.1	407.9	45.2	11%

Online GGR by product	2022	2021	Change	
			abs	%
Numerical lotteries	56.2	48.3	7.9	16%
Instant lotteries	—	—	—	0%
Sports betting	12.0	12.9	(0.9)	(7%)
iGaming	129.2	93.0	36.2	39%
VLTs and casinos	—	—	—	n/a
Total online GGR	197.4	154.2	43.2	28%
Share of Online GGR	44%	38%	6 p.p.	
Share of Online-eligible GGR	44%	38%	6 p.p.	

2.3 Greece and Cyprus – Segment summary

	2022	2021	Change	
			abs	%
Revenue from gaming activities ("GGR")	1,939.0	1,509.5	429.5	28%
Revenue from non-gaming activities	105.7	101.6	4.1	4%
Total Revenue	2,044.7	1,611.1	433.6	27%
Gaming taxes	(605.6)	(495.0)	(110.6)	22%
Net revenue	1,439.1	1,116.1	323.0	29%
Of which: Net gaming revenue ("NGR")	1,333.4	1,014.5	318.9	31%
Other operating income	238.6	239.7	(1.1)	0%
Agents' commissions	(383.0)	(277.9)	(105.1)	38%
Materials, consumables and services	(361.1)	(318.3)	(42.8)	13%
Marketing services	(111.7)	(107.5)	(4.2)	4%
Personnel expenses	(85.5)	(74.5)	(11.0)	15%
Other operating expenses	(25.7)	(22.4)	(3.3)	15%
Share of profit of equity method investees	14.8	—	14.8	100%
Operating EBITDA	725.5	555.2	170.3	31%
Adjustments to EBITDA (see 3.3)	4.6	23.0	(18.4)	(80%)
Adjusted EBITDA	730.1	578.2	151.9	26%
<i>Adjusted EBITDA margin</i>	50.7%	51.8%	1.1 p.p.	
<i>Other selected metrics:</i>				
Interest expense	(31.1)	(38.6)	7.5	(19%)
Current tax expense	(120.7)	(81.3)	(39.4)	49%
CAPEX	20.1	18.8	1.3	7%
Adjusted Free cash flow	710.0	559.4	150.6	27%

The Greece and Cyprus segment continued to deliver strong growth in both GGR and Operating EBITDA, driven by significantly increased sales across most product categories.

Total revenue increased by 27%, to €2,044.7 million with good performance across all products.

Adjusted EBITDA increased by 26% to €730.1 million, with an Adjusted EBITDA margin of 50.7%.

GGR by product	2022	2021	Change	
			abs	%
Numerical lotteries	709.5	549.2	160.3	29%
Instant lotteries	107.9	88.8	19.1	22%
Sports betting	603.7	510.1	93.6	18%
iGaming	199.5	166.8	32.7	20%
VLTs and casinos	318.4	194.6	123.8	64%
Total GGR	1,939.0	1,509.5	429.5	28%

Online GGR by product	2022	2021	Change	
			abs	%
Numerical lotteries	17.2	16.1	1.1	7%
Instant lotteries	—	—	—	—
Sports betting	233.0	227.7	5.3	2%
iGaming	199.5	166.8	32.7	20%
VLTs and casinos	—	—	—	n/a
Total online GGR	449.7	410.6	39.1	10%
Share of Online GGR	23%	27%	-4 p.p.	
Share of Online-eligible GGR	28%	31%	-3 p.p.	

2.4 Italy – Significant equity method investee

	2022	2021	Change	
			abs	%
Gross gaming revenue ("GGR") ¹	2,246.0	2,404.0	(158.0)	(7%)
Revenues from contracts with customers	458.6	500.1	(41.5)	(8%)
Operating EBITDA	373.3	408.8	(35.5)	(9%)
Adjusted EBITDA	373.3	408.8	(35.5)	(9%)
Adjusted EBITDA margin	81.4%	81.7%	-0.3 p.p.	
Group's share of total comprehensive income	63.4	74.1	(10.7)	(14%)

1 Amount wagered less payout is used as a proxy for GGR for Lottolitalia; Lottolitalia's revenue consists of revenue from contract with customers, calculated as 6% of the amount wagered.

Revenue in the Italy segment decreased by 8%, to €458.6 million. This is reflective of a record performance in Q1 and Q2 of 2021 as well as some COVID-19 related restrictions in the first part of 2022.

Italy continues to demonstrate strong profitability, with Adjusted EBITDA of €373.3 million and a margin of 81.4%.

Q4 saw a more positive trend, with Total Revenue and Adjusted EBITDA increasing by 6% and 5% year-on-year, respectively.

Management discussion and analysis continued

3 Consolidated statement of cash flows

Consolidated statement of cash flows	2022	2021
Cash generated from operating activities	1,117.0	844.9
Net cash generated from/(used in) operating activities	828.2	666.2
Net cash generated from/(used in) investing activities	(137.3)	(38.9)
Net cash generated from/(used in) financing activities	(761.5)	(215.8)

Net cash generated from operating activities

Cash generated from operating activities increased by €272.1 million, to €1,117.0 million. The increase was primarily driven by the increase in Operating EBITDA.

Net cash generated from operating activities increased by €162.0 million, to €828.2 million, driven by the increase in cash generated from operating activities, partially offset by higher income taxes and interest paid.

Net cash used in investing activities

Net cash used in investing activities of €137.3 million primarily comprises capital expenditures of €68.2 million and the payment of part of the contingent purchase price for the acquisition of Stoiximan of €106.4 million, which was partially offset by distributions received from equity method investees of €109.7 million.

Net cash used in financing activities

Net cash used in financing activities of €761.5 million primarily comprises purchases of non-controlling interest of €420.9 million (including open market purchases of OPAP shares and the purchase of the remaining minority interest in SDVCIC (see Note 23 to Consolidated Financial Statements), an entity through which the Group holds an indirect interest in OPAP), dividends and distributions paid in the total amount of €502.3 million and proceeds from new loans and borrowings of €1,425.9 million, which were largely offset by repayments of loans and borrowings of €1,238.8 million.

3.1 Net Debt

Net debt as of 31 December 2022	Cash and cash equivalents	Loans and borrowings	Net debt	Lease liabilities	Net debt + leases
Austria	334.2	76.5	(257.7)	55.1	(202.6)
Czech Republic	68.6	0.0	(68.6)	21.9	(46.7)
Greece and Cyprus	724.4	788.4	64.0	47.0	111.0
Corporate	81.1	2,038.5	1,957.4	6.4	1,963.8
Total consolidated	1,208.3	2,903.4	1,695.1	130.4	1,825.5
Italy – as equity method investee	196.0 ²	0.0	(196.0)	0.2	(195.8)

² Includes cash-pooling assets of €195.6 million.

3.2 Dividends, shareholder distributions and intragroup interest payments made

The table below sets out the aggregate amount of dividends, distributions of share capital, and interest paid on and amortisation payments under intragroup loans by the entities below in the periods indicated.

	2022	2021
100 % basis		
Austrian Lotteries	119.5	91.0
CASAG	45.0	—
LottolItalia	321.1	315.5
OPAP	599.0	221.7
SAZKA	84.4	81.1
AGCH	—	6.4
Net to our economic interest as of 31 December 2022	527.0	303.3
<i>of which cash</i>	423.1	197.8
<i>of which OPAP scrip dividend</i>	103.9	105.5
Net to our economic interest at end of the period	527.0	282.2
<i>of which cash</i>	423.1	196.7
<i>of which OPAP scrip dividend</i>	103.9	85.5

3.3 Capital expenditures

The table below presents cash outflows relating to acquisition of property, plant and equipment and intangible assets.

	2022	2021
Acquisition of property, plant and equipment and intangible assets	68.2	49.9

Management discussion and analysis continued

3.4 Reconciliation of non-IFRS measures

Reconciliation from Operating EBITDA to Adjusted EBITDA

	2022	2021
Operating EBITDA	1,132.3	954.0
Austria adjustments		
Casino Linz insurance gain ¹	—	(0.6)
Argentina arbitration gain²	(5.6)	(15.9)
Other ³	0.4	(4.4)
Austria adjustments total	(5.2)	(20.9)
<i>Czech Republic adjustments</i>		
Charitable donation to support disaster relief and other ⁴	—	4.0
Czech Republic adjustments total	—	4.0
<i>Greece and Cyprus adjustments</i>		
Hellenic Lotteries minimum GGR tax adjustment ⁵	—	25.1
Litigation provision ⁶	1.0	(0.7)
COVID-19 related extraordinary costs ⁷	4.4	(4.2)
Other non-recurring costs and write-offs ⁸	(0.8)	2.8
Greece and Cyprus adjustments total	4.6	23.0
<i>Corporate adjustments</i>		
Corporate – business development and other adjustments ⁹	14.4	15.1
Corporate – UK National Lottery transition costs ¹⁰	21.3	—
Corporate – arbitration gain ¹¹	—	(13.5)
Corporate – other	—	5.1
Corporate adjustments total	35.7	6.7
Total adjustments	35.1	12.8
Adjusted EBITDA	1,167.4	966.8

1 Represents insurance income related to a fire incident in the Casino Linz of €0.6 million.

2 Represents a gain from the recognition of the fair value of an award from arbitration against the Government of Argentina in connection with the revocation of a concession in 2013 [see Note 8 to the audited consolidated financial statements for the year ended December 31, 2022], and subsequent adjustments for recorded changes in fair value in 2022.

3 Represents effects of non-cash changes in employee benefit liabilities and provisions and other one-off or non-cash transactions.

4 Represents charitable donation in connection with damage caused by a tornado in the South Moravia region of the Czech Republic.

5 Represents proportionate amounts of accrued minimum GGR tax payment to the Greek State under Hellenic Lotteries' concession agreement. According to Hellenic Lotteries' concession agreement, it has to pay 30% of its annual GGR to the Greek state, subject to a €50 million annual minimum payment amount. Hellenic Lotteries believes the €50.0 million minimum annual fee is not applicable for 2021 as the force majeure clause in the concession agreement was triggered by the pandemic related restrictions imposed by the Greek state. Hellenic Lotteries has therefore filed a request for arbitration. [See Note 30 to the audited consolidated financial statements for the year ended December 31, 2021].

6 Represents non-cash changes in litigation provisions throughout the period.

7 Represents certain one-off expenses related to COVID-19 restrictions (including write-offs of agents' receivables and special support to agents, which represented a form of direct and indirect financial support to the Company's network of agents during COVID-19 related restrictions).

8 Represents certain one-off expenses or non-recurring items, as extracted from Company's financial records.

9 Represents costs associated with inorganic business development and financing projects.

10 Represents transition costs incurred in relation to our future operation of the UK National Lottery. A substantial majority of these costs are expected to be recoverable under the 10 year period of the licence.

11 Represents income from an arbitration award in 2021.

4. Further information

For further information on the Group's liquidity and capital resources and a discussion of material commitments and contingencies and critical accounting policies, please see Notes to the audited consolidated financial statements.

Liquidity is described in the Consolidated statement of financial position, in Note 21 "Cash and cash equivalents" and capital resources are described in Note 24 "Loans and borrowings".

Material commitments and contingencies are described in Note 30 "Contingencies", Note 24 "Loans and borrowings" and in Note 25 "Lease liabilities".

Material accounting policies are set out in relevant chapters and significant changes in accounting policies are described in Note 2.5 "Significant changes in accounting policies". Significant accounting estimates and judgments are described in Note 3 "Significant estimates and judgements".

Pro rata financial information is available in the Investor Relations section of the Group's website.

Definitions

In this document:

"AGCH"	refers to Allwyn Greece & Cyprus Holding Ltd
"Allwyn" or the "Group"	refers to Allwyn International a.s., together with its subsidiaries, joint ventures and associates
"Allwyn International" or the "Company"	refers to Allwyn International a.s.
"Austrian Lotteries"	refers to Österreichische Lotterien Gesellschaft m.b.H.
"Camelot UK"	refers to Camelot UK Lotteries Limited
"Camelot LS Group"	refers to Camelot Global Lottery Solutions Ltd
"CASAG"	refers to Casinos Austria AG
"Lottolitalia"	refers to LOTTOITALIA S.r.l.
"OPAP"	refers to OPAP S.A.
"SAZKA"	refers to SAZKA a.s.
"Stoiximan"	refers to the Greece and Cyprus operations of Kaizen Gaming Limited
"VLT"	refers to video lottery terminal

Management discussion and analysis continued

4. Further information continued

Alternative performance measures ("APMs")

This document contains certain unaudited financial and operating measures that are not defined or recognised under IFRS that we use to assess the performance of our business. For example, in this document, we present non-IFRS financial measures such as Net Revenue, Net Gaming Revenue ("NGR"), Operating EBITDA, Adjusted EBITDA, Adjusted EBITDA margin and Net debt, which we use to, among other things, evaluate the performance of our operations, develop budgets and measure our performance against those budgets. We believe that Net revenue, Operating EBITDA and Adjusted EBITDA assist in understanding our trading performance as they give an indication of our ability to service our indebtedness.

We define:

- Net Revenue as "Total Revenue" less "Gaming taxes";
- Net Gaming Revenue ("NGR") as Revenue from gaming activities ("GGR") less "Gaming taxes", which also equals "Net Revenue" less "Revenue from non-gaming activities";
- Operating EBITDA as "profit before tax from continuing obligations" before "finance cost, net," "depreciation and amortization," "impairment of tangible and intangible assets including goodwill," "restructuring costs," "gain from remeasurement of previously held interest in equity method investee" and "other gains and losses";
- Adjusted EBITDA as Operating EBITDA adjusted, as our management deems relevant, for significant one-off items, non-operating items and business development costs;
- Adjusted EBITDA margin as "Adjusted EBITDA" divided by "Net Revenue";
- Net debt as "External loans and borrowings" less "Cash and cash equivalents";
- Net debt (including leases) as "External loans and borrowings" less "Cash and cash equivalents" plus "Lease liabilities";
- CAPEX as additions to tangible and intangible assets reduced by the changes in liabilities arising from the acquisition, i.e. on cash basis; and,
- Adjusted Free cash flow as "Adjusted EBITDA" less "CAPEX".

As there are no generally accepted accounting principles governing the calculation of non-IFRS financial and operating measures, other companies may calculate such measures differently or may use such measures for different purposes than we do, and therefore you should exercise caution in comparing these measures as reported by us to such measures or other similar measures as reported by other companies. An investor should not consider these non-IFRS measures (a) as a substitute for operating results (as determined in accordance with IFRS) or as a measure of our operating performance, (b) as a substitute for cash flow from or used in operating, investing and financing activities (as determined in accordance with IFRS) or as a measure of our ability to meet cash needs or (c) as a substitute for any other measure of performance under IFRS. These measures may not be indicative of our historical operating results or financial condition, nor are such measures meant to be predictive of our future results or financial condition. Even though the nonIFRS financial measures are used by management to assess our financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under IFRS.

Note that in this document we have made changes to non-GAAP metrics presented in comparison with latest Management's discussion and analysis of financial condition and results of operations. Previously we have defined:

- Adjusted EBITDA margin as Adjusted EBITDA divided by NGR.

The Group has changed the definition of Adjusted EBITDA margin, which is now calculated based on Net Revenue rather than NGR. We believe that the change enhances relevance and usability of the financial information for users.

Forward-looking statements

This Report contains "forward-looking statements" within the meaning of the securities laws of certain jurisdictions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes," "estimates," "anticipates," "expects," "intends," "may," "will," "plans," "continue," "ongoing," "potential," "predict," "project," "target," "seek" or "should" or in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, results of the Group's operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates.

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

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

Many factors may cause the Group's results of operations, financial condition, liquidity and the development of the industry in which it operates to differ materially from those expressed or implied by the forward-looking statements contained in this Report.

These factors include, among others:

- regulatory risks, risk of potential loss of licences or exclusive rights to operate our business activities;
- risk associated with changes in taxation and fees for licences, tax audits and penalties;
- risks associated with changing consumer preferences, changes in technologies and brand loyalty;
- competitive risks;
- political and macroeconomic risks;
- risks associated with new acquisitions and tenders;
- risks associated with our ownership interest in certain subsidiaries and other shareholders;
- risks associated with our corporate structure;
- risks arising from dependence on agents and technology suppliers;
- technological risks;
- risks relating to customer data;
- risk of inadequate compliance procedures and policies;
- risks associated with negative perceptions and publicity about the lottery and gaming industry;
- risks associated with online gaming;
- risks from legal, administrative and arbitration proceedings;
- risks associated with our indebtedness;
- risks associated with outbreak of communicable diseases;
- the impact of the Russian invasion of Ukraine; and,
- other financial risks.

Board of Directors



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1 Karel Komárek Chair of the Board

Mr. Komárek is the Chair of the Board of the Company. He has been involved with the Group since 2011 when KKCG Group became a major shareholder of SAZKA a.s. He is also the chair of the board of directors of various companies forming part of the KKCG Group (including, among other things, KKCG, KKCG a.s. and MND a.s.). He is the founder of the Karel Komárek Family Foundation which focuses on development of community and environmental projects as well as on support of culture and arts education. In 2021, he became a member of the Kennedy Center Presidential Council after four years co-chairing the Kennedy Center International Committee on the Arts.

2 Robert Chvátal Robert Chvátal, Chief Executive Officer and Member of the Board

Mr. Chvátal is a member of the Board of the Company and has been the Chief Executive Officer of the Company and Group since 2021. He is also a member of the board of directors of individual companies that belong to the Group, including OPAP, and serves on the supervisory boards of CASAG and Austrian Lotteries. Mr. Chvátal was previously the Chief Executive Officer of SAZKA a.s., joining in 2013, where he oversaw its transformation from a state-owned lottery business to an innovative, casual gaming entertainment company. He previously worked at Procter & Gamble and Reckitt Benckiser before moving to T-Mobile as Chief Marketing Director (Czech Republic). He was later appointed as Chief Executive Officer of T-Mobile Slovakia and T-Mobile Austria. He is also Member of the Association of European Lotteries. Mr. Chvátal has also held roles as Chief Marketing Officer for RadioMobil/T-Mobile Czech Republic, Marketing Director for the Czech Republic and Slovakia for Lancaster/Coty (Benckiser Group), and Brand Management role for Procter & Gamble in Germany and the Czech Republic. Mr. Chvátal holds a Diplôme d'Ingénieur in Business Administration and International Relations from the Prague University of Economics. He has also completed executive MBA coursework both at Harvard Business School and Stanford Graduate School of Business.

3 Katarina Kohlmayer Member of the Board

Ms. Kohlmayer is a member of the Board of the Company and has been CFO of KKCG since joining in 2014. She oversees the Company's capital markets and other financing activities, M&A and accounting, control and audit operations within the KKCG Group. She is also a member of the board of directors of KKCG and of individual companies that belong to the Group, including OPAP and CASAG, as well as serving on the supervisory boards of CASAG and Austrian Lotteries. Prior to joining KKCG, Ms. Kohlmayer served as managing director with investment banks Morgan Stanley and VTB Capital. During her professional career, she has specialized in M&A transactions and their financing. She holds an MSc in Economics from University of Economics in Bratislava and holds an MBA from Harvard University.

4 Michele Raba Member of the Board

Mr. Raba is a Partner at Apollo having joined in 2010. Since he joined Apollo, Mr. Raba has been involved in various private equity transactions, such as Gala Coral, Gamenet and Lottomatica S.p.A. Mr. Raba currently serves as a director of Italian gaming company, Lottomatica S.p.A., as a supervisory board member of German bank, Oldenburgische Landesbank, as a director of Italian carton board manufacturer, Reno De Medici, as a director of Slovenian leasing company, Summit Leasing Slovenia and as a director of payment services company, Ingenico. Prior to joining Apollo, Mr. Raba was with Goldman Sachs in the Financial Institutions Group in London. Mr. Raba graduated from Bocconi University where he earned both his BA in Financial Institutions and Markets and his MSc in Finance.

5 Pavel Saroch Member of the Board

Mr. Saroch is a member of the Board of the Company and has been CIO of KKCG since 2010, having joined KKCG in 2008. He is also a member of the board of directors of KKCG, and of individual companies that belong to the Group, including OPAP and SAZKA a.s., as well as serving on the supervisory boards of CASAG and Austrian Lotteries. He served in management positions with securities trading firms Ballmaier & Schultz CZ and Prague Securities. From 1999 to 2001, he was a member of the board of directors of I.F.B. In 2001, he was appointed Deputy Chairman of the Supervisory Board of ATLANTIK FT and subsequently became a member of the company's board of directors. Mr. Saroch is an alumnus of Prague University of Economics.

Audit Committee

The Company has established an Audit Committee in accordance with the requirements of the Act on Auditors. The competence of the Audit Committee according to the applicable legislation is:

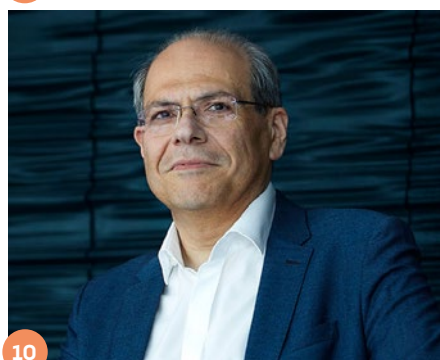
- Monitoring the effectiveness of the internal quality control and risk management systems and monitoring the process of the preparation of financial statements and consolidated financial statements;
- Recommendations to the Supervisory Board as to the auditors which shall be appointed, assessment of their independence and the discussion of any threats to the auditor's independence if need be, including the adoption of necessary safeguards;
- Submitting to the Board of Directors or the Supervisory Board recommendations to ensure the integrity of the accounting and financial reporting and annual reports on the Audit Committee's operations.

The Audit Committee generally meets on a monthly basis; in the year 2022, the Audit Committee held eleven meetings in total. In 2022, the Audit Committee (i) provided several reports to the Supervisory Board of the Company; (ii) supplied a report to the Public Audit Oversight Board; (iii) regularly discussed ongoing transactions of the Company or its subsidiaries in Austria, the Czech Republic, Greece, Italy, and the United Kingdom; (iv) cooperated on the audit planning for the year 2022; (v) regularly received information on the financial performance of the Company and the Group; and (vi) conducted other tasks, as necessary.

The members of the Audit Committee of the Company in the year 2022 were the following persons:

- Roland Ruprecht, independent member – since 1 May 2021 (Chair of the Audit Committee since 28 May 2021);
- Jan Hrazdira, independent member – since 15 May 2020; and
- Zdenek Jurak – since 15 May 2020.

Executive and Senior management



7 Stepan Dlouhy Chief Investment Officer

Mr. Dlouhy joined the Company and the Group as Chief Investment Officer in 2016. He has been leading inorganic growth of the Company through investments and strategic business development. He is also the investment director at KKCG, a role he has held since 2013. Mr. Dlouhy is also a member of the supervisory boards of Austrian Lotteries and CASAG, a member of the management board of Lottolitalia and a member of the board of Camelot Global Services (North America). Prior to joining the Group, Mr. Dlouhy worked for UK private equity firm Chayton Capital LLP, Aetheon Capital and Bank Gutmann. He has also served as Head of Infrastructure Advisory at Deloitte Consulting in the Czech Republic. Mr. Dlouhy holds a MSc in Finance from the University of Economics (VSE) in Prague.

8 Jonathan Handyside Group General Counsel

Mr. Handyside has been the Company's and the Group's General Counsel since 2022. Prior to joining KKCG and the Group in 2020, Mr. Handyside worked as counsel in the London office of international law firm Shearman & Sterling LLP, advising issuers and investment banks on cross-border equity and debt capital market transactions and listed company compliance in EMEA and North America. Mr. Handyside also worked in the Frankfurt and Toronto offices of Shearman & Sterling LLP as an associate. Prior to that, Mr. Handyside was a senior consultant at FTI Consulting. Mr. Handyside holds a JD from Georgetown University Law Center and an Honors B.A. in International Relations and Affairs from the University of Toronto – Trinity College.

9 Iva Horcicova Head of Capital Markets

Ms. Horcicova leads the Capital Markets function of the Group. Ms. Horcicova is responsible for capital markets transactions and corporate finance projects across the Group. Before joining Allwyn Ms. Horcicova was an investment analyst at Napier Park Global Capital and, prior to that, an investment banker at ING, advising corporates and financial sponsors on structuring and execution of leveraged finance transactions.

10 Tony Khatskevich Chief Technology Officer

Dr. Khatskevich has been the Company's Chief Technology Officer since 2018. Before joining the Group, Dr. Khatskevich was the Vice President of Global Products and Delivery at Playtech in Estonia, the world's largest online gaming software supplier. Dr. Khatskevich has extensive experience in Israel, the U.S. and Estonia, leading technology and delivery organizations in a range of industries, including gaming, telecom and information security. Dr. Khatskevich received both his M.Sc. with honours in Computer Sciences & Applied Mathematics and his Ph.D. in Mathematics from Tbilisi State University, Georgia.

11 Jan Matuska Chief Operating Officer

Mr. Matuska has been the Company's and the Group's Chief Operating Officer since 2019, as well as serving on the supervisory board of CASAG. He is responsible for the organic development of the Group's operating companies, monitoring their performance and ensuring best practice within the Group. He oversees and supports the implementation of major strategic initiatives, including implementing the Group's ESG agenda. Mr. Matuska is also responsible for the Group's back office activities. Before joining the Group, Mr. Matuska worked as principal for the global management consulting firm Kearney, with a focus on strategy and operations. Prior to working in consultancy, he gained private equity and M&A experience working for Penta Investments and a number of M&A advisory boutiques. Mr. Matuska has a Master degree in Economics from Vienna University of Economics in Business with a focus on International Finance and Foreign Trade.

12 Kenneth Morton Chief Financial Officer

Mr. Morton has been the Chief Financial Officer of the Company and our Group since 2020, prior to which he was the Head of Corporate Finance at KKCG since 2019. Mr. Morton has spent more than 18 years in various corporate finance positions and has extensive experience in capital markets and M&A. Before joining KKCG, Mr. Morton worked as Corporate Finance Advisor at Thames Water and as an investment banker at Morgan Stanley and Deutsche Bank in London, Moscow and Hong Kong. Mr. Morton received his Bachelor of Arts in Modern History from Oxford University.

13 Antonella Pederiva Head of Government Affairs

Ms. Pederiva is a senior public affairs professional, with long-standing experience in corporate and institutional relations with the European Institutions' representatives, business and civil society organisations. Based in Brussels, Ms. Pederiva has headed the EU office of Allwyn since September 2017. Before joining Allwyn Ms. Pederiva was the Secretary General of a large European Trade Association (CECCM) as well as other organisations active in the agri-food industry and farming.

14 Jan Sterba Chief Marketing Officer

Mr. Sterba has been the Company's and Group's Chief Marketing Officer since 2020, and KKCG's Chief Marketing Officer since 2013. Before joining KKCG and our Group, Mr. Sterba worked as Global Brand Marketing Manager in the London Head Office of Reckitt Benckiser where he was responsible for the strategic development of global brands; prior to that, Mr. Sterba also served as a marketing specialist for the local brands of Opavia/Danone. Mr. Sterba a Chemical Engineering degree from the University of Pardubice in the Czech Republic.

15 Pavel Turek Chief Global Brand, Communications & CSR Officer

Mr. Turek has been the Company's Chief Global Brand, Corporate Communications and CSR Officer for both KKCG and the Group since 2021. Mr. Turek ensures the balance between and strengthening of the Group's global and regional brands, guiding its internal and external communications, and shaping its CSR activities. Before joining the Group, Mr. Turek was the CEO of Automobilist a company he co-founded, from 2018-2021. Earlier, he served as the Marketing Director at SailGP, Commercial Director of Red Bull Air Race, and Director of Coulthard | Douhan | Turek & Partners. Prior to that, Mr. Turek spent seventeen years in Formula 1, participating in more than 250 Grands Prix, working closely with some of the most well-regarded, sponsors, teams, and highest-profile drivers. Mr. Turek holds a Master's degree in International Relations and Affairs from Prague University of Economics and Business.

16 Jana Zabova Head of Human Resources

Ms. Zabova is responsible for overseeing HR agenda for the Company and the Group. Before joining Allwyn, Ms. Zabova was the People and Culture Partner at Roche s.r.o. where she was responsible for the strategic development and driving the HR agenda across the Diagnostic division in the Czech Republic; prior to that, Ms. Zabova also served as an HR manager at Ceska pojistovna and Generali.

Risk factors

We have identified the following risks and uncertainties, the occurrence of any of which, individually or in aggregate, could have a material adverse effect on our business, prospects, results of operations and financial condition. The order in which the risks are presented does not reflect their materiality, potential impact, or probability of occurrence. Please note that the risks described below are not the only risks we face.

1. Regulatory risks, risk of potential loss of licences or exclusive rights to operate our business activities

The lottery and gaming industry is highly regulated, primarily at the national level. Our businesses are subject to a range of complex gaming laws and regulations in the jurisdictions in which they are licensed or operate.

Our businesses are required to obtain, maintain, and comply with the terms of licences and concessions in order to operate gaming businesses in each country where we operate. New games often need to be approved by the relevant regulator. The terms of licences may also require that our direct and indirect shareholders and other relevant persons, such as directors, prove to the regulator's satisfaction that they are and continue to be suitable to be associated with the licensed company or game. Public authorities have the right to unilaterally amend the regulatory framework and terminate licences or concession contracts and have the right to impose sanctions in certain cases. Despite our best efforts to comply with the relevant regulations and to cooperate with regulators, our businesses may be unable to obtain, maintain and renew all necessary registrations, licences, permits and approvals or could incur fines or experience delays in the licensing process.

OPAP's licences in Greece and Cyprus, CASAG's licences in Austria and Lottolitalia's licence in Italy, Camelot UK's and Allwyn UK's licences in the United Kingdom and the private management agreement in Illinois held by the Camelot LS Group provide them with exclusive rights to operate certain lottery and gaming activities in each of their respective jurisdictions. In most cases, the licences and concession agreements in the above-mentioned subsidiaries as well as SAZKA a.s. in the Czech Republic are time-limited and will eventually expire. For example, in Italy, the exclusive licence for the operation of a lottery will expire in November 2025. In Greece, our exclusive licence for the operation of instant lotteries will expire in 2026, and our iGaming license will expire in 2028. In Austria, our exclusive

license for lottery and iGaming expires in 2027. In the Czech Republic, our licence for the operation of lotteries and our licence for the operation of technical games will both expire in June 2027. In the United Kingdom, Camelot UK's licence will expire in 2024, and Allwyn UK's license (for the period following Camelot UK's licence) will expire in 2034. Camelot LS Group's private management agreement in Illinois will expire in 2027. Upon expiration, new licences, concessions or agreements may be awarded to one or more parties through a competitive bidding process. We may be unable to obtain new licences to allow us to continue our current operations or may only be able to do so on less favourable terms. Our businesses also face the risk that regulatory changes may open the market to broader competition.

As a result of this regulatory backdrop, maintaining good relations with relevant governments and government bodies is important to our businesses and any change in governments or deterioration of these relationships could have a material adverse effect on our business, results of operations and financial condition.

In February 2021, the Austrian government announced a proposal to change certain gaming regulations (the "New Austrian Gaming Proposals"). As of the date of this report, full details of the potential changes and any possible effective date are not yet known, but based on information publicly available, the Austrian government may establish an independent gaming regulator and adopt a system to block illegal operators, as well as adopt restrictions on advertising, which could reduce Allwyn's ability to successfully market its products and lead to lower customer demand. The Austrian Constitutional Court also recently repealed certain sections of the Austrian Gaming Act as unconstitutional, resulting in stricter measures on affordability checks and the frequency of playing, in some cases imposing a mandatory interview and counselling session for the player.

In March 2023, the Italian Council of Ministers approved a draft law relating to regulatory reforms in the gambling sector. These reforms are expected to include measures to protect vulnerable players, such as reducing betting limits and winnings, strengthening self-exclusion mechanisms and introducing minimum characteristics for gaming venues. It is also expected to include measures against illegal gambling.

In the United Kingdom, the government has been engaged in a review of gambling regulations under the 2005 Gambling Act. A new white paper on gambling reform was published at the end of April 2023. This may result in stricter regulation relating to player protection.

The regulatory environment in jurisdictions in which we operate may change in the future, and any such change could have a material adverse effect on our business, results of operations, financial condition and prospects. The legal, compliance and regulatory departments of Allwyn strive to ensure compliance with all applicable rules and regulations in the relevant jurisdictions and oversee obtaining, maintaining and compliance with the relevant licences and concessions. However, if we are unable to, or fail to, comply with all applicable regulatory requirements, or if the applicable regulatory environments change in a way that is adverse to us, this could result in a material adverse effect on our business, results of operations, financial condition, and prospects.

2. Risk associated with changes in taxation and fees for licences, tax audits and penalties

Our businesses are required to make payments to the countries where they operate through fees to obtain and/or to maintain licences, taxes on revenues (including VAT imposed on non-gaming products) and general corporate taxes on profits. Our businesses may be subject to increases in these taxes or the introduction of new taxes. For example, with effect from 1 January 2020, the Czech government increased GGR tax from 23% to 35%.

The level of taxation on player winnings can also affect our activities, as it can reduce the attractiveness of the game and the amount of winnings that each player can allocate to future betting.

In addition, when the OPAP Cyprus concession agreement comes into force, we expect that there may be an increase in taxes or levies that OPAP Cyprus would have to pay in Cyprus.

Furthermore, our Czech subsidiary, SAZKA a.s., is part of a VAT group with MND a.s. and MND Energie a.s., related parties that are outside of Allwyn. If MND a.s. or MND Energie a.s. were to fail to pay any VAT they owe, SAZKA a.s. could be liable to pay such amounts. In 2022, the total amount of VAT paid by MND a.s. and MND Energie a.s. was €10.4 million and €44 million, respectively. If the VAT group is ended for any reason, SAZKA a.s. would lose the approximately €6 million annual savings it currently receives from this arrangement. We may also be exposed to a Czech corporate income tax liability on unrealized foreign exchange gains, which are non-cash revenues.

As a result of recent adverse macroeconomic developments, many countries are under increased fiscal pressure, which may increase the probability of adverse changes in general corporate taxation or taxation of lotteries and gaming in particular. Such changes may be more likely to be introduced in the countries where the general corporate taxes on profits and/or the gaming sector taxes, or cash receipts from such taxes, are at relatively lower levels. For example, under OPAP's Lottery and Gaming Concession and pursuant to Greek law, from 13 October 2020 to 12 October 2030, gaming-specific taxes payable in cash by OPAP to the Greek State under this concession amount to 5% of GGR annually, reflecting OPAP's prepayment in 2011 of tax with a value of €1.8 billion. Similarly, pursuant to the New Austrian Gaming Proposals, in February 2021 the Austrian government announced that it intends to adjust gaming taxes and levies. As of the date of this report, the changes that may be introduced in this regard and their impact on CASAG are unclear.

Our businesses are from time to time subject to tax audits and investigations by tax authorities. Although our tax departments aim to ensure compliance with tax regulations, the tax authorities may interpret applicable laws and rules differently or change their interpretation in ways that we have not anticipated, which may result in penalties, assessments of tax for previous periods, and interest on such amounts.

To minimize the risk of any penalties the finance departments of Allwyn together with our advisors monitor developments in the taxation policy of each jurisdiction and create policies and procedures to ensure full compliance with all applicable tax regimes.

3. Risks associated with changing consumer preferences, changes in technologies and brand loyalty

The gaming industry is characterized by rapidly changing technology, including the increasing importance of online and mobile channels, which accelerated during the COVID-19 pandemic and lockdowns.

We already offer a range of online products to our customers. However, our businesses may not be successful in keeping up with the necessary technological advances in the future, or they may not have the financial resources needed to introduce or licence new products or services. In general, the ability of our businesses to compete effectively in the online lottery and gaming industry depends on the acceptance by our customers of the products, technologies, and services we offer, as well as approval by the relevant regulators for any new technology utilised.

Our success also depends on our ability to recognise market trends and opportunities and develop appropriate strategies in response, including the introduction of new games or new ways to play existing games. The introduction of new games or the modification of existing games may require the approval of the relevant regulatory authorities. We may face regulatory conditions and restrictions that limit our ability to create new games, enter into new market segments or otherwise grow our business.

Our future success also depends on attracting and retaining players. In order to achieve this, we aim to maintain the value of the key brands that our businesses own or use in their operations. Failing to maintain the high profile, positive perception and consumer recognition of our brands may prevent expansion of, or lead to losses in, our existing customer base.

4. Competitive risks

Allwyn's businesses compete with other forms of recreational and leisure activities and other gaming vendors, venues and channels.

Allwyn's businesses face competition from a number of domestic and foreign companies, and changes in laws and regulations as well as market liberalisation can increase the number of their competitors and in turn affect Allwyn's future profitability. In particular, Allwyn's businesses face competition from online lottery providers, scratch cards, sports betting, slot machines, online and physical casinos, and other types of games.

While Allwyn's businesses hold exclusive licences and concessions for certain products and games, in certain markets they face intense competition for obtaining and renewing those licences and concessions.

For certain products in certain markets, for example Austria and Greece, the exclusive licences and concessions only cover land-based channels and we face competition from online operators.

Any inability of Allwyn's businesses to compete successfully in their respective markets could have a material adverse effect on Allwyn's business, results of operations, and financial condition.

Allwyn's businesses may be negatively affected by competition from numerous types of operators present in the gaming sector, including private casinos and illegal gaming operations. Allwyn's businesses are affected by illegal gaming activities. Such activities compete for customers with regulated gaming businesses, such as those of Allwyn. Illegal online lotteries, VLTs, slot machines, casinos and sports betting may deprive Allwyn's businesses

Risk factors continued

of significant volumes of business. Illegal gaming structures may be able to circumvent local taxation, thereby enabling them to offer potentially more attractive products by increasing pay-outs to winners.

5. Political and macroeconomic risks

Our businesses operate primarily in Austria, the Czech Republic, Greece and Cyprus, Italy, the United Kingdom and the United States, and we are exposed to the political, economic and financial market conditions in these countries as well as of the EU and other countries into which we may expand. Any material political events or changes may result in changes in regulation, restrictions on business in a given country, and other policy decisions.

In addition, the consequences of the Russian invasion of Ukraine, high levels of inflation and higher energy prices may have a detrimental impact on the economic environment. These factors may lead to lower consumer spending on our products, as reductions in income may lead to players becoming less willing to place bets or decreasing the amounts they bet, and could also result in increases in our costs.

Our businesses are also exposed to global factors and changes such as climate change which may adversely affect the political and economic situation of the countries in which our business operate. Political and economic events or changes may result in changes in regulation, taxes, restrictions on capital flows and dividend payments and on business in any given country, as well as other policy decisions.

Macroeconomic factors in the countries where our businesses operate (such as gross domestic product growth, unemployment rates, wage growth, energy costs and inflation) can affect consumer behaviour and spending patterns. Any material future deterioration in global or local economic conditions in the markets in which our businesses operate and the surrounding countries could lead to a decrease in consumer confidence and spending affecting our products.

We engage with advisors and monitor developments in the political and economic situation, and financial markets on a regular basis to ensure that our policies and strategies are up to date and appropriate.

6. Risks associated with new acquisitions and tenders

Any future acquisitions of companies, investments or partnerships could expose us to a number of risks or result in additional liabilities. The process of integrating businesses may be disruptive to the operations of our existing and new businesses due to unforeseen legal, regulatory, contractual, technological or other issues, difficulties in realising operating synergies, or a failure to maintain the quality of services. The historical account books, records and contracts of acquired or newly consolidated companies may be incomplete or may not have been recorded or performed as required by the relevant legislation. Due to the nature of Allwyn's business, its future acquisitions are exposed to the risk of extensive regulatory approvals and involvement of regulators in the acquisition process.

We may not be successful in winning the tenders or closing the transactions we pursue. Furthermore, companies acquired, or businesses operated under licences that were awarded through tenders may not achieve the levels of returns, profits or productivity expected from them or may require greater than expected investments.

In addition, there are considerable costs and risks associated with participation in public tenders, such as our recent participation in the competition for the next licence to operate the UK National Lottery, and pursuing potential M&A transactions. Upon being awarded the next UK National Lottery licence, Allwyn UK entered into certain agreements with the Gambling Commission and Camelot UK (as outgoing licensee), which govern the transition from Camelot UK to Allwyn UK. The performance of our obligations under these agreements and successful transition depend in part on third parties, as well as on migration of a new lottery system from the existing system and the delivery of the new system on time and in line with budget. We

have incurred and will continue to incur significant costs in the transition process, and not all of these costs may be recoverable by us under the cost recovery mechanism under the terms of the licence, which could adversely affect the potential profitability of Allwyn UK. In addition, ongoing litigation between International Game Technology plc ("IGT") and the Gambling Commission could affect IGT's approach to its obligations as a key supplier to Camelot UK to cooperate in the transition.

7. Risks associated with our ownership interest in certain subsidiaries and other shareholders

Allwyn indirectly owns less than all of the shares of most of the entities that operate its businesses, including CASAG, Austrian Lotteries, OPAP, Betano and Lottitalia. OPAP also holds less than all of the shares in Stoiximan. Allwyn might have interests and views on certain issues that differ from those of other shareholders (for example, relating to business strategy and financial policy, including regarding payment of dividends). In some cases, including Lottitalia, Allwyn's interest is less than a majority.

The other shareholders, former shareholders and directors nominated by such shareholders in the entities in which Allwyn does not have a 100% shareholding interest might face reputational or financial issues that are out of Allwyn's control, but which may negatively influence the business, reputation, or brands of Allwyn's businesses and of Allwyn itself. Although Allwyn screens potential partners and seeks to ensure that they act in accordance with high professional and ethical standards, they may not always do so.

In some cases, Allwyn is party to agreements with the other shareholders prescribing governance rights and other matters which may limit Allwyn's ability to control such entities. As a result, Allwyn may in some circumstances need to reach agreement with the other shareholders who are party to these agreements in order to achieve certain outcomes.

8. Risks associated with our corporate structure

As a holding company that conducts business through its subsidiaries and affiliates and has no significant assets other than the equity interests and the intercompany receivables it holds in its subsidiaries and affiliates, we are dependent on payments from our subsidiaries and other affiliates – mainly dividends and payments on intragroup loans, which depend on the profitability and cash flows of the respective subsidiaries. Even if our subsidiaries and affiliates generate a sufficient amount of cash from their operations, their ability to provide funds to us is subject to, among other factors, local tax restrictions and local corporate law restrictions as well as regulatory restrictions related to earnings, the level of legal or statutory reserves, losses from previous years and capitalisation requirements, capital controls and the terms of any applicable shareholder agreements, or might be further limited by measures implemented by local government authorities.

9 Risks arising from dependence on agents and technology suppliers

Our businesses offer a significant portion of their lottery and gaming products to their customers through authorised POS operators under commercial agency agreements. The responsibilities of POS operators include accepting stakes from customers, paying out small wins, providing information, promoting sales and handling complaints and claims.

Certain key products and services required for the operation of our games (such as hardware, software, and services and support provided by staff with specialist expertise) are provided by a very limited number of suppliers and in many cases our businesses only have one supplier of such services at any particular time. This dependence on single suppliers and the small number of such suppliers can make it difficult or costly to replace them. Moreover, some of our suppliers might also be our direct competitors in different business dealings, including competition for licences and concessions.

Our businesses rely on the products and services of their agents and suppliers to a significant degree and, in the event that they do not or are unable to fulfil their obligations under the applicable contractual arrangements, they may face delays or disruptions in their operations if they need to find a new supplier.

10. Technological risks

The ability of Allwyn's businesses to successfully operate and manage their lottery and gaming products depends on the capacity and reliability of their network, internet infrastructure, and central system operations and the security of their computer hardware, software, and online platform infrastructure, including products and services provided by third parties. There is a risk of interruption caused by human error, problems relating to the network and central systems, software failure, natural disasters, sabotage, computer viruses, hacking, malicious software, phishing attacks, ransomware attacks and similar events.

Any interruption in the technology systems of Allwyn's businesses could have a negative effect on the quality of services offered and, as a result, on consumer demand and therefore the volume of sales. A system interruption, including one caused by third parties, may entitle the relevant regulatory agencies to revoke a concession or require Allwyn to pay damages or compensation under the concession as well as degrade customer experience and cause customers to lose confidence in Allwyn's product offerings.

Our businesses currently secure their systems by means of relevant hardware, software, and robust processes, but any systems interruption, delays or events resulting in reduced levels of service could lead to a reduction in performance or loss of services. Such an event may have a material adverse effect on Allwyn's business, results of operations, and financial condition.

11. Risks relating to customer data

Allwyn's businesses are subject to regulation related to the use of customers' personal data and their debit and credit card information. They work with the sensitive personal data of customers and data about their agents, suppliers, or employees. Allwyn's businesses must comply with the applicable data protection rules in the EU and the country in which they operate. Such examples include the EU General Data Protection Regulation (the "GDPR") and the GDPR retained as domestic law in the United Kingdom. Allwyn's businesses are exposed to the risk that data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by them or on their behalf. If Allwyn's businesses fail to transmit customer information in a secure manner, or if any such loss of personal customer data were otherwise to occur, Allwyn's businesses could face liability and fines under data protection laws. This could also result in the loss of the goodwill of Allwyn's existing customers and deter new customers from using them. Allwyn's businesses are also dependent on contractual relationships with third parties and their employees who manage databases of sensitive data. Any customer data protection and payment data failures by Allwyn's businesses could result in sanctions by the relevant regulators, as well as damage to the reputation of Allwyn's businesses in the eyes of customers. This could have a material adverse effect on their business, results of operations, and financial condition.

12. Risk of inadequate compliance procedures and policies

The operations of our businesses are subject to anti-money laundering, anti-bribery, fraud detection, and data protection laws and regulations, and economic sanctions programmes, including those administered by national regulators, the United Nations and the EU.

Risk factors continued

Our businesses are exposed to the risk of money laundering and fraudulent activities by our customers, employees, agents or other third parties (including criminal organisations), including with respect to our financial and payment service offerings. In addition, our businesses are exposed to a risk of violating anticorruption laws and sanctions regulations applicable in those countries where they, their partners or their agents operate. Failure to comply with the above laws and regulations in these jurisdictions could result in significant fines, loss of licences and damage to the reputation and brand of our businesses.

Allwyn's businesses could also be targeted by third parties, including criminal organisations, for fraudulent activities, such as attempts to compromise the systems that process and collect payment information or to use Allwyn's betting services to engage in money laundering, bribery or fraud.

Compliance systems are established in Allwyn in order to minimize risks in the aforementioned areas. Each relevant subsidiary has units/departments tasked with ensuring compliance with legislation and licence conditions relating to anti-money laundering, anti-bribery and other similar matters. Because of the number of entities within Allwyn, many of which are recently acquired and operate under different reporting routines and systems, significant efforts are required to maintain proper controls over financial reporting. However, despite our internal systems, the policies and procedures of our businesses may not be followed at all times, and they may not always be effective in detecting and preventing violations of applicable laws by one or more of our employees, consultants, agents or partners. As a result, our businesses could be subject to penalties and suffer a material adverse effect on our business, results of operations, and financial condition.

13. Risks associated with negative perceptions and publicity about the lottery and gaming industry

The gaming industry is exposed to negative perceptions and publicity generated by a variety of sources, including citizens' groups, non-governmental organizations, politicians, the media, national and local authorities, and other groups, individuals and institutions. In particular, public attention has been drawn to findings or allegations related to participation or alleged participation in gaming activities by minors, the location and concentration of gaming machines, the features of certain types of gaming machines, online games and online betting, risks related to social ills such as addiction to gaming, risks related to data protection and payment security in connection with online gaming and fraud and alleged associations with money laundering.

Increasing participation in certain games may for some individuals lead to problem gambling, which can have a significant adverse impact on their economic and psychological well-being. The nature of lotteries (which account for the majority of our revenues) limits the frequency players are able to wager, and prize distributions involve a lower frequency of wins compared with other forms of gaming, making the player less likely to form addictive behaviour. This is in contrast to certain other forms of gaming where players are more susceptible to addiction and losing large amounts of money due to the frequency with which they are able to play, more frequent wins and near wins, and larger stake sizes. There is, however, a risk that the public and political representatives do not distinguish between lotteries and other types of gaming and do not recognise that lower risk is associated with lotteries.

Negative perceptions about lotteries and the gaming industry in general, and our business in particular, may result in lower revenues, loss of brand value, loss of customer goodwill, changes in regulation and higher taxes, among other consequences that may be detrimental to our business.

Our businesses monitor our customers' gaming activity and actively communicate with the public and other stakeholders about responsible gaming. Our businesses have faced, and will continue to face, increased scrutiny relating to their performance in meeting environmental, social, and corporate governance standards. Allwyn and our businesses have adopted compliance policies and procedures and are focused on the integrity of their management, employees and third-party suppliers and partners.

Responsible gaming principles are applied throughout our operations. All our subsidiaries and equity method affiliates that offer lotteries have been awarded the Level 4 Responsible Gaming Certification, the highest level of responsible gaming certification issued by the World Lottery Association and the European Lotteries Association. For more information about responsible gaming please refer to "Strategic Report" Section "A commitment to responsible gaming", on page 7 of Annual Report for the year ended 31 December 2022.

14. Risks associated with online gaming

Although the regulatory regime for land-based gaming operations is well established in many countries, regulation in these countries may not necessarily have been amended to take account of the ability to offer gaming services online. Some jurisdictions have introduced regulations attempting to restrict or prohibit online gaming, while others have taken the position that online gaming should be licensed and regulated.

The success of the online offering of our businesses will be affected by, among other things, developments in social networks, mobile platforms, legal and regulatory developments and other factors that we are unable to predict and which are beyond our control. Additionally, as the iGaming industry develops, including with respect to regulation in new and existing jurisdictions, our businesses may become subject to additional compliance-related costs, including in relation to licensing and taxes. Cybercrime also poses a challenge, with hackers potentially infiltrating programs and internal business processes, launching ransomware attacks and manipulating draws.

Our businesses have systems and controls in place seeking to ensure that they offer their gaming products only to players who are legally permitted to access our sites and apps and to purchase our products in the relevant jurisdictions. Despite that, there can be no assurance that our businesses will successfully block customers from accessing our products in countries that restrict or prohibit online gaming or in countries in which our respective businesses are not licensed to conduct online gaming.

15. Risks from legal, administrative and arbitration proceedings

Our businesses operate in a market with a high level of litigation and regulatory and judicial scrutiny, and may be involved in legal, administrative and arbitration proceedings or investigations by government authorities. Such proceedings or investigations may involve various governmental agencies and result in judgment or settlement agreements.

A provision is recognised in the consolidated statement of financial position if Allwyn has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the expected settlement amount. For more information on significant court proceedings, please refer to the Contingencies disclosure in this report (see Note 30 to the Consolidated Financial Statements).

16. Risks associated with our indebtedness

We have substantial indebtedness, and we anticipate that we will continue to have substantial indebtedness for the foreseeable future. This indebtedness requires us to pay interest and principal amounts according to a fixed schedule and contains restrictive covenants and financial maintenance covenants that limit our financial and operational flexibility, as well as events of default and cross-default provisions. In the worst case, an actual or impending inability to pay debts as they become due and payable could result

in insolvency. Events such as a breach of financial covenants or an actual or expected deterioration in financial performance, for example as a result of loss of licences or legal proceedings, could also negatively impact Allwyn's credit ratings. Credit rating downgrades could potentially increase financing costs, or even prevent Allwyn from refinancing debt as it becomes due. In addition, certain existing indebtedness contains restrictions that substantially limit Allwyn's financial and operational flexibility. In particular, these agreements place limits on Allwyn's ability to incur additional indebtedness, grant security interests to third persons, dispose of material assets, undertake organisational measures such as mergers, changes of corporate form, joint ventures or similar transactions, and enter into transactions with related parties. In addition, certain of Allwyn's other financing arrangements also contain certain restrictive covenants, including financial covenants, which can restrict Allwyn's ability to operate its business.

17. Risks associated with outbreak of communicable diseases

The outbreak of communicable diseases on a global scale could significantly affect our businesses. For example, as a result of the COVID-19 global pandemic, government authorities and businesses throughout the world implemented numerous measures intended to contain and limit the spread of COVID-19, including travel bans and restrictions, lockdown orders, business restrictions, shutdowns, and other limitations, which included the suspension or cancellation of substantially all racing and sporting events during some periods of time. As a result of such measures, for some periods in 2020 and 2021, the majority or all of our land-based points of sale in Greece and Cyprus, our casinos in Austria and internationally and our VLT outlets in Austria were closed, whereas our online businesses experienced high rates of growth. If similar pandemics or outbreaks occur in the future, this could result in a material adverse effect on our business, results of operations and financial condition.

18. The impact of Russia's invasion of Ukraine

The current invasion has led to and is expected to continue to lead to disruption, instability and volatility in global markets and the economies of countries including those in which we operate, which could have an adverse effect on our business. The EU, the UK, the USA and other governments have imposed severe sanctions and export controls against Russia and Russian interests. Russia, as a retaliatory action, may impose countersanctions and launch cyberattacks against such countries, their governments, infrastructure and businesses. The credit, financial and commodities markets have experienced extreme volatility and disruptions due to the conflict. The conflict is expected to have further global economic consequences, including the possibility of severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in inflation rates and uncertainty about economic and political stability. The current conflict and its economic consequences may negatively impact consumer spending patterns and contribute to potentially reduced overall demand for our products in the countries in which we operate. Any of the foregoing consequences, including those we cannot yet predict, may cause our business, financial condition or results of operations to be adversely affected.

19. Other financial risks

We are exposed to certain other financial risks, including currency risk, taxation of unrealised foreign exchange gains, credit risk and interest rate risk. For further information on such risks please refer to the "Notes to the consolidated financial statements", Section "Risk management" on page 120 et seq. of the Annual Report for the financial year ended 31 December 2022.

Consolidated Financial Statements

for the year ended 31 December 2022

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

Consolidated statement of comprehensive income

	Note	2022	2021
Revenue from gaming activities ("GGR")	6	3,811.3	3,073.2
Revenue from non-gaming activities	6	176.9	148.2
Total revenue*	6	3,988.2	3,221.4
Other operating income	7	292.0	356.8
Gaming taxes	8	(1,456.8)	(1,227.9)
Agents' commissions	8	(523.7)	(415.3)
Materials, consumables and services	9	(552.4)	(454.9)
Marketing services	10	(243.8)	(215.3)
Personnel expenses	29	(379.1)	(309.4)
Other operating expenses	11	(78.5)	(80.5)
Share of profit of equity method investees	18	86.4	79.1
Depreciation and amortisation	15, 16	(213.2)	(222.9)
Impairment of non-financial assets	17	(35.5)	(16.6)
Other gains and losses	12	(12.6)	(9.6)
Profit from operating activities		871.0	704.9
Interest income		8.7	2.9
Interest expense		(134.6)	(122.4)
Other finance income and expense		(29.0)	(7.6)
Finance costs, net	13	(154.9)	(127.1)
Profit before tax		716.1	577.8
Income tax expense	14	(144.9)	(130.3)
Profit after tax		571.2	447.5

* see Note 2.6

Consolidated statement of comprehensive income continued

	Note	2022	2021
<i>Items that are or may subsequently be reclassified to profit or loss:</i>			
Change in currency translation reserve		9.5	8.4
Remeasurement of hedging derivatives, net of tax	28	(2.3)	8.3
Net change in hedging derivatives reclassified to profit or loss, net of tax	28	1.2	–
Share of other comprehensive income of equity method investees		0.7	1.5
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial remeasurements of defined benefit liabilities, net of tax		26.4	4.6
Revaluation of equity instruments at fair value through OCI (FVOCI)		0.2	(3.7)
Total other comprehensive income/(loss)	22	35.7	19.1
Total comprehensive income		606.9	466.6
Profit after tax attributable to:			
Owners of the Company		195.8	217.5
Non-controlling interests		375.4	230.0
Profit after tax		571.2	447.5
Total comprehensive income attributable to:			
Owners of the Company		220.4	234.7
Non-controlling interests		386.5	231.9
Total comprehensive income		606.9	466.6

The Notes on pages 58 to 132 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

	Note	31/12/2022	31/12/2021*
ASSETS			
Intangible assets	15	2,432.8	2,544.4
Goodwill	15.3	1,082.7	1,056.3
Property, plant and equipment	16	362.7	411.4
Investment property		19.3	17.8
Equity method investees	18	284.8	313.1
Trade and other receivables	19	83.6	89.6
Other financial assets	20	253.0	194.1
Deferred tax asset	14	59.0	46.4
Total non-current assets		4,577.9	4,673.1
Inventories		9.7	8.8
Trade and other receivables	19	285.6	259.7
Current tax asset		11.4	0.2
Other financial assets	20	132.2	127.5
Cash and cash equivalents	21	1,208.3	1,281.0
Total current assets		1,647.2	1,677.2
Total assets		6,225.1	6,350.3
LIABILITIES			
Loans and borrowings	24	2,574.6	2,259.5
Lease liabilities	25	102.6	122.1
Trade and other payables	26	36.9	42.2
Derivative financial instruments	28	—	1.5
Provisions	27	1.5	10.2
Employee benefits liability	29	115.4	132.6
Deferred tax liability	14	428.0	446.7
Total non-current liabilities		3,259.0	3,014.8
Loans and borrowings	24	328.8	433.4
Lease liabilities	25	27.8	26.9
Trade and other payables	26	923.0	892.7
Current tax liability		131.4	112.8
Provisions	27	22.4	11.6
Employee benefits liability	29	72.7	54.8
Total current liabilities		1,506.1	1,532.2
Total liabilities		4,765.1	4,547.0
EQUITY			
Share capital	22	0.1	0.1
Capital contributions	22	108.5	108.5
Other reserves	22	29.1	4.5
Retained earnings		113.5	465.2
Total equity attributable to owners of the Company		251.2	578.3
Non-controlling interest	23	1,208.8	1,225.0
Total equity		1,460.0	1,803.3
Total equity and liabilities		6,225.1	6,350.3

*See Note 2.6

The Notes on pages 58 to 132 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity*

	Note	Share capital	Capital contributions	Other reserves	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2022		0.1	108.5	4.5	465.2	578.3	1,225.0	1,803.3
Profit for the year		–	–	–	195.8	195.8	375.4	571.2
Other comprehensive income for the year	22	–	–	24.6	–	24.6	11.1	35.7
Total comprehensive income for the year		–	–	24.6	195.8	220.4	386.5	606.9
Transactions with owners, recorded directly in equity:								
Purchase of non-controlling interest in subsidiaries	23	–	–	–	(323.7)	(323.7)	(97.2)	(420.9)
Dividends declared to the parent	22	–	–	–	(200.0)	(200.0)	–	(200.0)
Dividends and distributions declared to non-controlling interest	23	–	–	–	–	–	(354.4)	(354.4)
Effect of scrip dividend	23	–	–	–	–	–	37.1	37.1
Effect of change in ownership due to scrip dividend	23	–	–	–	(24.0)	(24.0)	24.0	–
Other movements in equity		–	–	–	0.2	0.2	(12.2)	(12.0)
Total transactions with owners		–	–	–	(547.5)	(547.5)	(402.7)	(950.2)
Balance at 31 December 2022		0.1	108.5	29.1	113.5	251.2	1,208.8	1,460.0

*See Note 2.6

	Note	Share capital	Capital contributions	Other reserves	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2021		0.1	33.5	(12.7)	366.3	387.2	1,124.8	1,512.0
Profit for the year		–	–	–	217.5	217.5	230.0	447.5
Other comprehensive income for the year	22	–	–	17.2	–	17.2	1.9	19.1
Total comprehensive income for the year		–	–	17.2	217.5	234.7	231.9	466.6
Transactions with owners, recorded directly in equity:								
Purchase of non-controlling interest in subsidiaries	23	–	–	–	(101.0)	(101.0)	(40.1)	(141.1)
Dividends and distributions declared to non-controlling interest	23	–	–	–	–	–	(145.2)	(145.2)
Effect of scrip dividend	23	–	–	–	–	–	34.2	34.2
Effect of change in ownership due to scrip dividend	23	–	–	–	(17.9)	(17.9)	17.9	–
Capital contributions from the parent	22	–	75.0	–	–	75.0	–	75.0
Other movements in equity		–	–	–	0.3	0.3	1.5	1.8
Total transactions with owners		–	75.0	–	(118.6)	(43.6)	(131.7)	(175.3)
Balance at 31 December 2021		0.1	108.5	4.5	465.2	578.3	1,225.0	1,803.3

*See Note 2.6

The Notes on pages 58 to 132 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Note	2022	2021
OPERATING ACTIVITIES			
Profit (+) for the year		571.2	447.5
<i>Adjustments for:</i>			
Income tax expense	14	144.9	130.3
Depreciation and amortisation	15, 16	213.2	222.9
Impairment losses on non-financial assets	17	35.5	16.6
Profit (-) / loss (+) on sale of property, plant and equipment and intangible assets		(2.2)	(1.8)
Profit (-) / loss (+) on disposal of investments	12	(0.3)	0.2
Net interest income (-) / expense (+)	13	125.9	119.5
Net foreign exchange profit (-) / loss (+)	13	(1.0)	(1.4)
Share of profit (-) of equity method investees	18	(86.4)	(79.1)
Arbitration gain	7	(5.6)	(15.9)
Revaluation of financial assets at fair value through profit or loss	20	7.2	8.7
Increase (+) / decrease (-) in provisions	27	2.1	0.1
Operating result before changes in working capital		1,004.5	847.6
Increase (-) / decrease (+) in inventories		(0.9)	1.1
Increase (-) / decrease (+) in trade receivables and other assets		(7.5)	(47.4)
Increase (+) / decrease (-) in trade and other payables		120.9	43.6
Cash generated from (+) / used in (-) operations		1,117.0	844.9
Interest paid		(117.3)	(99.7)
Income tax paid		(171.5)	(79.0)
Net cash generated from (+) / used in (-) operating activities		828.2	666.2
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets	15, 16	(68.2)	(49.9)
Acquisition of subsidiaries, net of cash acquired	26, 4	(113.2)	(19.0)
Loans provided	20	(238.5)	(1.6)
Repayment of loans provided	20	166.2	3.4
Acquisition of financial investments	20	(10.4)	(88.2)
Proceeds from disposal of financial investments	20	11.3	6.5
Dividend distributed to equity method investee of the Group	18	(11.3)	(8.6)
Dividends and distributions received from equity method investees	18	121.0	115.4
Proceeds from sale of property, plant and equipment and intangible assets		1.7	1.8
Interest income received		4.1	0.3
Proceeds from fixed-term deposits		–	1.0
Net cash generated from (+) / used in (-) investing activities		(137.3)	(38.9)
FINANCING ACTIVITIES			
Purchase of non-controlling interest in subsidiaries	23	(420.9)	(165.4)
Dividends paid to the parent	22	(200.0)	–
Dividends and distributions paid to non-controlling interest	22	(302.3)	(110.8)
Loans and borrowings received	24	1,425.9	572.9
Repayment of loans and borrowings	24	(1,238.8)	(564.9)
Capital contribution by the parent	22	–	75.0
Repayment of principal element of lease liabilities	25	(27.4)	(22.7)
Net movement in restricted cash related to financing activities	20	2.0	0.1
Net cash generated from (+) / used in (-) financing activities		(761.5)	(215.8)
Net decrease (-) / increase (+) in cash and cash equivalents		(70.6)	411.5
Effect of currency translation on cash and cash equivalents		(2.1)	(2.7)
Cash and cash equivalents at the beginning of the year	21	1,281.0	872.2
Cash and cash equivalents at the end of the year	21	1,208.3	1,281.0

The Notes on pages 58 to 132 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

for the year ended 31 December 2022

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1 General information about the Group

1.1 Description

Allwyn International a.s. ("Allwyn" or the "Company" and, together with its subsidiaries, joint ventures and associates, the "Group"), a joint stock company, was incorporated on 2 April 2012 and registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18161. The Company's registered office is at Evropská 866/71, 160 00 Prague 6, Czech Republic and its Identification Number is 242 87 814. The Company's domicile is the Czech Republic.

The Company carries out management, strategic business development and financing activities for the Group and holds interests in other Group companies. A significant part of the business of the Group and its business strategy is realised through its participation in its joint ventures and associates. They are therefore considered to represent an integral part of the Group's operations. As a result, the share of profit from equity method investees is presented in operating profit. The principal place of business of the Company is Czech Republic.

From 17 March 2021, Allwyn AG (formerly SAZKA Entertainment AG) (registered in Switzerland) is the immediate 100% parent of the Company, prior to which, KKCG AG was the immediate 100% parent. Allwyn AG is controlled by KKCG AG whose ultimate controlling entity pursuant to IFRS standards is Valea Foundation (registered in Liechtenstein). The designated beneficiary of Valea Foundation is Mr Karel Komárek.

1.2 Principal activity

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

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

1.3 Composition of the Group

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

The following table presents the Company's effective ownership interest in major operating components of the Group as of 31 December 2022 and 31 December 2021. For a full list of the Group's ownership interests in subsidiaries, joint ventures and associates see Note 33.

				Effective interest	
	Note	Country of incorporation		31/12/2022	31/12/2021
Major operating entities:					
Allwyn Entertainment Ltd ("Allwyn UK")	(a)	United Kingdom	subsidiary	100.00%	100.00%
Casinos Austria AG ("CASAG") subgroup	(b)	Austria	subsidiary	59.70%	59.70%
including Österreichische Lotterien GmbH ("Austrian Lotteries") subgroup	(c)	Austria	subsidiary	53.52%	53.52%
OPAP S.A. ("OPAP") subgroup ⁽¹⁾	(d)	Greece and Cyprus	subsidiary	49.84%	40.37%
including Stoiximan Ltd ("Stoiximan") ⁽²⁾	(e)	Malta	subsidiary	42.11%	34.11%
SAZKA a.s. ("SAZKA")	(f)	Czech Republic	subsidiary	100.00%	100.00%
Lottolitalia S.r.l. ("Lottolitalia")	(g)	Italy	associate	32.50%	32.50%

(1) Interest is not adjusted for OPAP S.A.'s treasury shares. Excluding OPAP's treasury shares from the share count, this represents an economic interest of 50.09% as of 31 December 2022.

(2) The change in the effective interest of Stoiximan corresponds to the change in the effective share of OPAP.

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

(b) Casinos Austria AG ("CASAG") subgroup is the exclusive operator of lotteries, onshore online gaming and land-based casinos in Austria. Its subsidiaries also operate casinos outside Austria.

(c) Österreichische Lotterien GmbH ("Austrian Lotteries") subgroup holds exclusive licences to provide draw based lottery games, instant lotteries, onshore online gaming, football pools and VLTs in Austria.

(d) OPAP S.A. ("OPAP") subgroup is the exclusive operator of numerical lotteries, instant lotteries, land-based sports betting, VLTs and horse racing in Greece and also operates in Cyprus.

(e) Stoiximan Ltd ("Stoiximan") operates an online gaming business in Greece and Cyprus.

(f) SAZKA a.s. ("SAZKA") is the market leader in the Czech Republic for both numerical lotteries and instant lotteries and a wholly owned subsidiary of the Group.

(g) Lottolitalia S.r.l. ("Lottolitalia") is the exclusive operator of fixed odds numerical lotteries in Italy and an associate of the Group. The Group owns 32.50% of the shares and voting rights.

Notes to the consolidated financial statements continued

1 General information about the Group continued

Changes in the Group

During 2022 and 2021 the Group continued to increase its effective interest in OPAP (see Note 23).

The Group's increases of effective interest in OPAP over past years have resulted in a decrease of accounting shareholder's equity. This is solely driven by the fact that the Group accounts for non-controlling interest as proportionate amount of identified net assets based on historical costs. Because the book value of the net asset of OPAP (historical costs basis) is significantly lower than the equity value of OPAP (market basis), the, book value of non-controlling interest acquired is significantly lower than its fair market value.

For the past two years, this had a cumulative negative impact on shareholder's equity of €424.7 million.

Change of legal names of certain companies within the Group and of the parent company

The legal names of the following companies were changed in connection with the introduction of the Group's new global Group brand "Allwyn" in 2022. The ownership structure and the activities of the companies remain unchanged.

Former Name	New Name
SAZKA Entertainment AG	Allwyn AG
SAZKA Asia a.s.	Allwyn Asia Holding a.s.
CAME Holding GmbH	Allwyn Austria Holding 2 GmbH
Medial Beteiligungs-GmbH	Allwyn Austria Holding 3 GmbH
SAZKA Czech a.s.	Allwyn Czech Republic Holding a.s.
SAZKA Group Financing (Czech Republic) a.s.	Allwyn Financing Czech Republic a.s.
SAZKA Group Financing (Czech Republic) 2 a.s.	Allwyn Financing Czech Republic 2 a.s.
SAZKA Delta Hellenic Holdings Limited	Allwyn Greece & Cyprus Holding Ltd
Rubidium Holdings Limited	Allwyn Greece & Cyprus Holding 2 Ltd
SAZKA Group a.s.	Allwyn International a.s.
Rubidium Holding 2 Ltd	Allwyn Investments Cyprus Ltd
SAZKA Group CZ a.s.	Allwyn Services Czech Republic a.s.
SAZKA Group UK Ltd	Allwyn Services UK Ltd
SAZKA Group UK Holding Ltd	Allwyn UK Holding Ltd
Allwyn Financing (UK) Ltd	Allwyn UK Holding B Ltd

1.4 Significant events during the reporting period

UK National Lottery

In March 2022, the UK Gambling Commission announced the Company as its Preferred Applicant for the UK National Lottery licence following a rigorous competitive tender process. In September 2022, Allwyn UK, a 100% owned subsidiary of the Company, was officially awarded the licence to operate the UK National Lottery for the 10-year period starting from February 2024.

Kaizen

In December 2022, Allwyn (through its wholly owned subsidiary Allwyn Investments Cyprus Ltd) acquired a 36.75% interest in the business activities of Kaizen Gaming Limited outside Greece and Cyprus ("Kaizen") from OPAP Investment Limited (a wholly owned subsidiary of OPAP S.A.).

Kaizen is a fast growing online sports betting and iGaming operator using proprietary gaming technology. The company operates in a number of markets under the Betano brand. The purchase price comprises (i) an upfront cash consideration of €50.0 million, on a debt free and cash free basis, and (ii) performance based earnout payments. The purchase price corresponds to the fair market value of the interest, as evaluated by an independent financial advisor.

The transaction resulted in an 18.43% increase in the Group's effective interest in Kaizen, which will continue to be accounted for as an equity method investee of the Group. The gain from the transaction is eliminated in the consolidated financial statements but is allocated between the shareholder and non-controlling interest, resulting in an increase in the profit attributable to non-controlling interest by €90.9 million and a corresponding decrease in the profit attributable to shareholder for the year ended 31 December 2022.

Camelot UK Lotteries Limited and Camelot Lottery Solutions Group

In November and December 2022, the Group announced that it reached an agreement with Ontario Teachers' Pension Plan to acquire Camelot UK Lotteries Limited ("Camelot UK"), current operator of the UK National Lottery, and the Camelot Lottery Solutions group of companies ("Camelot LS Group"). The Camelot LS Group operates the Illinois Lottery under a private management agreement through its operating company, Camelot Illinois LLC, and partners with the Arkansas Scholarship Lottery to enhance its lottery operations. Furthermore, the group includes a technology arm that provides products and services to lotteries and their players throughout Europe and North America. Both acquisitions were completed in early 2023 (see Note 34).

COVID-19

All the Group's businesses are currently operating without material impact from COVID-19 related restrictions.

War in Ukraine

The Group has not been materially impacted by the war in Ukraine. The Group does not have any operations in Ukraine, Russia or Belarus, and its suppliers have not experienced any material disruptions.

Macroeconomic environment

The impact on demand for the Group's products from the current macroeconomic environment has been limited, reflecting their low price point and low average spend per customer, as well as the Group's large number of regular players.

Current inflation and rising energy prices have a limited impact on the Group's costs, with the Group's largest cost categories directly linked to revenue (e.g. gaming taxes, agents' commissions) and energy and personnel costs accounting for a small proportion of the Group's overall cost base.

Recent increases in base interest rates had no major impact on Group's costs of debt due to the high proportion of fixed rate debt instruments in its capital structure, but may affect the Group's overall cost of debt in future debt financing transactions.

Climate-related matters

Given the nature of Group's operations and the markets in which the Group operates, the Group is exposed to climate-related matters only through the overall impact of climate-related matters on the macroeconomic environment. Climate-related matters have no specific impact on significant accounting estimates and judgements made by the Group.

Notes to the consolidated financial statements continued

2 Basis of preparation

2.1 Statement of compliance

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

Material accounting policies are described within the relevant notes and were used consistently in preparing the consolidated financial statements for the year ended 31 December 2022 and the comparative information for the year ended 31 December 2021.

These financial statements do not include descriptions of all accounting policies applied. The financial statements are prepared for users who have a reasonable knowledge of accounting principles and review the information diligently.

These consolidated financial statements were approved by the Board of Directors on 28 April 2023.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (its "functional currency").

These IFRS consolidated financial statements are presented in Euro (€) as this is the functional currency of the majority of Group companies. All financial information is presented in millions of Euro with one decimal place and rounded to the nearest hundred thousand, unless stated otherwise.

On 17 March 2021, the Company changed its functional currency from Czech Crown (CZK) to Euro (€). The change of the functional currency was triggered by the interposition of a new holding company above the Company, as a result of which the Company became an intermediate holding company and was required to adopt the functional currency of its new parent company.

Any differences between the amounts included in the financial statements and amounts included in the Notes are attributable to rounding.

2.4 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Relevant information about fair value measurement is described in relevant chapters.

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

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

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

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

During 2022 and 2021, the Group did not recognise any transfers between levels of the fair value hierarchy.

2.5 Significant changes in accounting policies

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

In 2022 the Group adopted the new accounting standards and amendments to accounting standards described in Note 2.7. There were no other significant changes in accounting policies.

2.6 Changes in presentation

The Group has made changes to the presentation of certain balance sheet items and other elements of the financial statements and re-presented the comparative period accordingly.

Presentation of Total revenue

The Group recognises revenue from different sources and under different standards. "Revenue from gaming activities ("GGR")" is recognised according to IFRS 9 Financial Instruments and "Revenue from non-gaming activities" is recognised according to IFRS 15 Revenue from Contracts with Customers. While the Group presents both lines in the consolidated statement of comprehensive income, the Group added a subtotal line "Total revenue" to clarify what is the total IFRS revenue generated by the Group.

Changes in classification between gaming and non-gaming revenue

The Group previously presented parts of revenue generated by casino operations, specifically revenue from tokens purchased at the entrance to the casino with a discount, within "Revenue from non-gaming activities", while these are an integral part of revenue from live or slot casino games. Therefore, the Group made a respective reclassification to "Revenue from gaming activities ("GGR")".

Impact on consolidated statement of comprehensive income for the year	2021
Revenue from gaming activities ("GGR")	16.7
Revenue from non-gaming activities	(16.7)
Total revenue	-

Receivable from Argentina arbitration

The Group corrected the presentation of receivables from arbitration in Argentina from current to non-current receivables for the comparative period.

Impact on consolidated statement of financial position as of	31/12/2021
Non-current trade and other receivables	15.9
Current trade and other receivables	(15.9)

Jackpot liabilities

The Group unified the presentation of all liabilities related to future pay-outs from lottery games within current "Trade and other payables". Previously, some liabilities (jackpot liabilities) in some jurisdictions were presented within current "Provisions", while the new presentation better reflects the working capital nature of these balances.

Impact on consolidated statement of financial position as of	31/12/2021	1/1/2021
Current trade and other payables	15.8	10.6
Current provisions	(15.8)	(10.6)

Changes in presentation of individual items of equity

Previously, the Group presented some equity reserves individually in the statement of financial position and within the statement of changes in equity, while other equity reserves were aggregated with capital contributions or retained earnings. The Group simplified the presentation, aggregating all individually immaterial reserves to the new caption "other reserves" in the financial statements, while providing a more transparent breakdown in the notes (see Note 22). Additionally, certain items that correspond in substance to "Retained earnings" are no longer included within the caption "Capital contributions" (previously "Capital contributions and other reserves").

Impact on consolidated statement of financial position as of	31/12/2021	1/1/2021*
Capital contributions	(18.3)	(17.4)
Other reserves	(3.3)	(6.7)
Retained earnings and profit/loss for the period	21.6	24.1

* Impact of the simplified presentation on opening balances in consolidated statement of changes in equity.

Notes to the consolidated financial statements continued

2 Basis of preparation continued

2.7 New standards and amendments applicable within reporting period

The Group has for the first time applied certain standards and amendments to standards that are effective or earlier adopted for annual periods beginning on or after 1 January 2022.

All the new standards and amendments are stated in the following table. Most of these did not have any material impact on the Group's consolidated financial statements; those that are material are described further below.

Standard / Amendment	Title	IASB effective date	EU effective date	Endorsed by EU
Amendments to IFRS 3, IAS 37	Reference to Conceptual framework and cost of fulfilling a contract	01.01.2022	01.01.2022	Yes
Amendments to IAS 16	Proceeds before intended use	01.01.2022	01.01.2022	Yes
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS 2018–2020	01.01.2022	01.01.2022	Yes
Amendments to IAS 1	Disclosure Initiative – Accounting Policies	01.01.2023	01.01.2023	Yes

Amendments to IAS 1 – Disclosure Initiative – Accounting Policies

The IASB effective date is 1 January 2023 with earlier adoption permitted. The amendment was endorsed by the EU with the same effective date.

The Group has decided to use the possibility of earlier adoption with this beginning on 1 January 2022. Based on this amendment, the Group now describes material accounting policies instead of significant ones, which led to a reduction in the volume of descriptions of accounting policies; at the same time, the Group has decided to change its presentation and state accounting policies within the notes that they relate to.

2.8 Standards, interpretations and amendments issued but not yet effective

The following standards and interpretations were issued by the International Accounting Standards Board and were not effective as of 31 December 2022.

Except for the amendment of IAS 1 stated in note 2.7, the Group has not early adopted these standards and interpretations and will apply them as of their IASB effective date, which is expected to be the same as the endorsement by the EU.

The Group does not expect that the following standards, amendments and interpretations will have a significant or material impact on the Group's consolidated financial statements.

Standard / Amendment	Title	IASB effective date	EU effective date	Endorsed by EU
IFRS 17 including amendments to IFRS 17	Insurance Contracts (issued on 18 May 2017) including Amendments to IFRS 17 (issued on 25 June 2020)	01.01.2023	01.01.2023	Yes
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	01.01.2023	01.01.2023	Yes
Amendments to IAS 8	Definition of accounting estimate	01.01.2023	01.01.2023	Yes
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	01.01.2023	01.01.2023	Yes
Amendments to IFRS 16	Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	01.01.2024	To match IASB	No*
Amendments to IAS 1	Classification of liabilities as current or non-current	01.01.2024	To match IASB	No*

* EFRAG expects endorsement process to be finished before the effective date of IASB with EU effective date same as IASB.

3 Significant estimates and judgements

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

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

The Group has made the following significant accounting estimates:

- Estimates related to impairment losses on non-financial assets (see Note 17);
- Estimates related to valuation of employee benefit liabilities (see Note 29); and

The Group has made the following significant accounting judgements:

- Judgement about indefinite useful life of certain intangible assets (see Note 15);
- Judgement in respect of control over OPAP;
- Judgement in respect of control over CASAG; and
- Judgement about the execution of the renewal option with respect to Greece and Cyprus gaming halls (see Note 25).

Control of CASAG

The Group holds a 59.70% effective interest (31 December 2021: 59.70%) and controlled 59.70% of voting rights in CASAG (31 December 2021: 59.70%).

The Group has entered into a shareholders' agreement with Österreichische Beteiligungs AG ("OBAG"), the second largest shareholder of CASAG. The agreement specifies the governance structure and nomination rights of both parties in the key governance bodies. The agreement gives OBAG certain protective minority shareholder rights, including certain protective veto rights, while it also gives the Group certain tools to break a deadlock.

Under the terms of the shareholders' agreement, the Group can make decisions relating to activities in the normal course of business, including decisions about business plans and budgets of CASAG and its subsidiaries, appointment/removal of management board members in some CASAG subsidiaries, taking up additional financial liabilities up to and within an agreed "Target Leverage Range" and dividend distributions within an agreed "Dividend Pay-out Range".

OBAG's protective minority shareholder rights include mainly those in relation to:

- Major capital expenditures;
- Issuance of shares which would result in a decrease of OBAG's interest;
- Ability to issue debt instruments which would increase CASAG's indebtedness above the Target Leverage Range;
- Related party transactions; and
- Fundamental changes to the CASAG business.

Management assesses that OBAG's rights, including veto rights, are protective rather than substantive rights and determines that according to IFRS rules the Group controls CASAG. Therefore, CASAG is fully consolidated in the Group's consolidated financial statements.

Notes to the consolidated financial statements continued

3 Significant estimates and judgements continued

Control of OPAP

Unless otherwise noted, in this document our interest in OPAP is shown without adjustment for the effect of treasury shares held by OPAP, ie the share count is not adjusted to exclude such treasury shares and the interest shown is based on the total shares outstanding.

The Group held a 49.84% effective interest as of 31 December 2022 (31 December 2021: 40.37%) and controlled 49.84% of voting rights (31 December 2021: 47.22%) in OPAP through:

- 33.59% of shares (31 December 2021: 32.98%) held by the Group's subsidiary Allwyn Greece & Cyprus Holding Ltd ("AGCH") (formerly SAZKA Delta Hellenic Holdings Limited ("SDHH")), in which the Group held an effective interest of 100% (31 December 2021: 79.23%), creating an effective interest of 33.59% (31 December 2021: 26.13%); and
- 16.25% of shares held directly by Allwyn (31 December 2021: 14.24%).

Excluding OPAP's treasury shares from the share count, the Group has an effective economic interest of and controls voting rights of 50.09% as of 31 December 2022.

Management determines that according to IFRS rules the Group controls and therefore consolidates OPAP. The key elements and judgements when assessing control according to IFRS are:

- Although the Group's shareholding in OPAP is below 50% and for most of the period was also below 50% of the share count excluding treasury shares, it is by far the largest individual shareholding. The remaining shares are widely dispersed among numerous public market investors. Since the Group acquired its first shares in OPAP in 2013, shareholder attendance at OPAP S.A.'s general meetings of shareholders have never been over 80%, therefore the Group controls the majority of votes present at such meetings;
- All shareholders' resolutions proposed at general meetings that the Group has voted in favour of have been approved; and
- The Group's appointees make up the majority of the OPAP S.A. Board of Directors (including CEO, CFO and Executive Chairman).

4 Business combinations

Business combinations are accounted for using the acquisition method as of the acquisition date – i.e. when control is transferred to the Group. Critical assumptions and judgements with respect to business combinations are described in Note 3.

Goodwill is stated at cost less accumulated impairment losses (see Note 15.3). The Group has consistently applied the partial goodwill method in past acquisitions, with non-controlling interests recognized as proportionate amount of net assets.

4.1 For the period ended 31 December 2022 and 31 December 2021

In the periods ended 31 December 2022 and 31 December 2021, the Group did not have any material business combinations.

Cash flow movement of "Acquisition of subsidiaries, net acquired" represents the movement of contingent consideration from previous periods (see Note 26).

5 Operating segments and alternative performance measures

The Group identifies the following operating segments, which are also reportable segments:

- Austria;
- Czech Republic; and
- Greece and Cyprus.

The geographical segmentation corresponds with the major operating entities of the Group, which are CASAG, SAZKA and OPAP.

In relation to the acquisitions of Camelot UK and the Camelot LS Group, management revised the presentation of the operating segments as of the reporting date. Lottitalia, the Group's associate, is no longer presented as a separate segment, rather its selected financial information is disclosed in Note 18 as a significant equity method investee.

Segment information is presented based on the internal management reports and information provided to Group management, which examines the Group's performance both from a geographical and a product line perspective. The chief operating decision maker ("CODM") uses more than one measure of profit, assets or liabilities for the purpose of assessing performance and allocating resources, therefore these alternative performance measures are part of the operating segment disclosure. All these non-IFRS measures are subtotals or derived directly from lines presented in the income statement, balance sheet and cash flow statement.

Alternative performance measures

Certain alternative performance measures, which are not defined by IFRS, are regularly reported to and monitored by Group management. Definitions of these alternative non-IFRS performance measures are as follows:

"Operating EBITDA" is calculated as "Profit before tax" before "Finance costs, net", "Depreciation and amortisation", "Impairment of non-financial assets", "Restructuring cost", "Gain from remeasurement of previously held interest in equity method investee" and "Other gains and losses". Note that "Profit before tax" before "Finance costs, net" equals "Profit from operating activities". See reconciliation of Operating EBITDA to the IFRS reported balances in the table below.

"Net debt" is calculated as "External loans and borrowings" less "Cash and cash equivalents".

"Net debt + leases" is calculated as "Net debt" plus "Lease liabilities".

"Capital expenditures" is calculated as additions to tangible and intangible assets reduced by the changes in liabilities arising from the acquisition, i.e. on cash basis.

Operating performance of our operating segments

2022	Austria	Czech Republic	Greece and Cyprus	Total reportable segments
Revenue from gaming activities ("GGR")	1,419.2	453.1	1,939.0	3,811.3
Revenue from non-gaming activities	53.1	18.1	105.7	176.9
Total revenue	1,472.3	471.2	2,044.7	3,988.2
Other operating income	22.4	1.9	238.6	262.9
Gaming taxes	(694.4)	(156.8)	(605.6)	(1,456.8)
Agents' commissions	(96.8)	(43.9)	(383.0)	(523.7)
Materials, consumables and services	(84.0)	(72.7)	(361.1)	(517.8)
Marketing services	(80.6)	(48.8)	(111.7)	(241.1)
Personnel expenses	(239.0)	(26.4)	(85.5)	(350.9)
Other operating expenses	(41.8)	(4.1)	(25.7)	(71.6)
Share of profit of equity method investees	8.2	–	14.8	23.0
Operating EBITDA	266.3	120.4	725.5	1,112.2

Notes to the consolidated financial statements continued

5 Operating segments and alternative performance measures continued

2021	Austria	Czech Republic	Greece and Cyprus	Total reportable segments
Revenue from gaming activities ("GGR")*	1,155.8	407.9	1,509.5	3,073.2
Revenue from non-gaming activities*	28.7	17.3	101.6	147.6
Total revenue	1,184.5	425.2	1,611.1	3,220.8
Other operating income	91.7	1.7	239.7	333.1
Gaming taxes	(589.9)	(143.0)	(495.0)	(1,227.9)
Agents' commissions	(100.5)	(36.9)	(277.9)	(415.3)
Materials, consumables and services	(57.8)	(57.3)	(318.3)	(433.4)
Marketing services	(68.1)	(38.2)	(107.5)	(213.8)
Personnel expenses	(200.7)	(24.2)	(74.5)	(299.4)
Other operating expenses	(32.4)	(20.8)	(22.4)	(75.6)
Share of profit of equity method investees	5.0	–	–	5.0
Operating EBITDA	231.8	106.5	555.2	893.5

* See Note 2.6

Reconciliation of Revenue

For the year ended December 31	Total Revenue		of which: Revenue from gaming activities ("GGR")	
	2022	2021	2022	2021
Total reportable segments	3,988.2	3,220.8	3,811.3	3,073.2
Corporate	–	0.6	–	–
Consolidated	3,988.2	3,221.4	3,811.3	3,073.2

Reconciliation of Operating EBITDA from total reportable segments to Consolidated Profit after tax

For the year ended December 31	2022	2021
Total reportable segments Operating EBITDA	1,112.2	893.5
Share of profit of equity method investee – Lottitalia	63.4	74.1
Corporate and other ^(a)	(43.3)	(13.6)
Depreciation and amortisation	(213.2)	(222.9)
Impairment of non-financial assets	(35.5)	(16.6)
Other gains and losses	(12.6)	(9.6)
Interest income	8.7	2.9
Interest expense	(134.6)	(122.4)
Other finance income and expense	(29.0)	(7.6)
Income tax expense	(144.9)	(130.3)
Profit after tax	571.2	447.5

(a) Corporate and other represents the residual contribution to consolidated metrics. It comprises operating result of headquarter functions, the operating result of Allwyn UK, certain other immaterial non-operating entities and intragroup eliminations, in all cases before depreciation, amortization, other finance income and expense and other gains and losses.

Other monitored metrics and their reconciliation to consolidated metrics

31/12/2022	Austria	Czech Republic	Greece and Cyprus	Total reportable segments	Corporate and other	Consolidated total
Cash and cash equivalents	334.2	68.6	724.4	1,127.2	81.1	1,208.3
External loans and borrowings	76.5	–	788.4	864.9	2,038.5	2,903.4
Net debt	(257.7)	(68.6)	64.0	(262.3)	1,957.4	1,695.1
Lease liabilities	55.1	21.9	47.0	124.0	6.4	130.4
Net debt + leases	(202.6)	(46.7)	111.0	(138.3)	1,963.8	1,825.5
Other non-current financial assets	183.5	1.0	1.7	186.2	66.8	253.0
Other current financial assets	116.6	–	5.5	122.1	10.1	132.2
Net assets	805.6	306.8	1,638.9	2,751.3	(1,291.3)	1,460.0
Capital expenditures	20.2	11.9	20.1	52.2	16.0	68.2

31/12/2021	Austria	Czech Republic	Greece and Cyprus	Total reportable segments	Corporate and other	Consolidated total
Cash and cash equivalents	268.6	62.9	860.4	1,191.9	89.1	1,281.0
External loans and borrowings	123.1	–	1,046.7	1,169.8	1,523.1	2,692.9
Net debt	(145.5)	(62.9)	186.3	(22.1)	1,434.0	1,411.9
Lease liabilities	71.3	20.9	50.7	142.9	6.1	149.0
Net debt + leases	(74.2)	(42.0)	237.0	120.8	1,440.1	1,560.9
Other non-current financial assets	186.1	3.0	2.1	191.2	2.9	194.1
Other current financial assets	120.9	–	6.6	127.5	–	127.5
Net assets	736.0	266.6	1,512.7	2,515.3	(712.0)	1,803.3
Capital expenditures	17.2	13.7	18.8	49.7	0.2	49.9

Notes to the consolidated financial statements continued

6 Revenue

Revenue from gaming activities ("GGR")

Gaming contracts of the Group are transactions in which the gaming institution (i.e., the Group) takes a position against its customer. Exceptions in which the Group receives only a service fee but does not take a position against its customers are immaterial. For this reason, all material revenue from gaming contracts is recognised in accordance with IFRS 9 and the revenues, including derivative gains/losses, from gaming contracts are presented in the line "Revenue from gaming activities ("GGR")" or Gross gaming revenue.

Revenue from gaming activities ("GGR") is recognised net as the difference between amount staked and players' winnings.

Revenue from gaming activities ("GGR") from games where the outcome can be estimated accurately (primarily numerical lotteries and instant games) are recognized at a point when stakes from players are received. Accrued pay-outs (winnings) are recognized as "Liabilities from winnings" within Trade and other payables based on the expected pay-out ratio.

Revenue from gaming activities ("GGR") from games where the outcome cannot be estimated reliably (primarily sports betting) are recognized after the uncertainty is resolved (i.e. betting event outcome is known). Received stakes relating to these bets are recorded as prepaid stakes within trade and other payables.

"Player deposits" are funds of online participants, who can use these funds for future lottery or other game stakes or withdraw them.

"Liabilities from winnings" comprises winnings payable to players from lotteries and betting games and accrued winnings from numerical and instant lotteries, including reserve for rolled-over jackpots which have not yet been won. If winnings are not settled whole within 12 months from the reporting date (i.e. games where prizes are paid as an annuity), the non-current portion is presented within non-current trade and other payables.

Unclaimed prizes (expired winnings that the winners failed to claim) are treated in accordance with applicable regulation and lottery licence conditions, which differ from country to country. Generally unclaimed prizes remain recorded as a liability, either to the state or to the gaming participants (in "Liabilities from winnings"). In some cases, expired unclaimed winnings are credited to revenue.

Revenue recognition for different types of games and products is described below:

Draw based games (numerical lotteries)

There are two types of draw based games – fixed odds and parimutuel (jackpot games).

For fixed odds games, the pay-out is a fixed amount. For parimutuel games a pay-out pool is created and, in the event that there is no winner in a given draw, the prize is rolled to the next draw and accounted for as “Liabilities from winnings”.

Revenue is recognised in the period when the bet is placed, net of the obligation to pay the game prizes in the future assessed at fair value.

Instant lotteries (scratch cards)

Revenues from instant lottery ticket sales are recognised in the period when the sale of the lottery ticket to player occurs, net of related winnings obligations. Unpaid winnings obligations are calculated as a percentage of sales, based on the pay-out ratio for each particular instant lottery product.

In certain limited cases unclaimed prizes are retained by the Company and can be recognised as revenue when the winner’s right to claim the prize expires (usually 2-3 years).

Sport betting and other odds bets

Revenue is recognised when the bet event result occurs as amount staked less actual pay-out.

In the case of bets on a series of events, revenue is recognised when the last event result is known (such as, the last football match). Until the last event result is known, placed bets are recognised on the balance sheet as “Prepaid stakes” and no revenue is recognised.

Video lottery terminals (“VLTs”)

Revenue is defined as the net result 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 recognised at net amount (receipts – winnings) of each player’s game session.

Casinos

Revenues from casino games (gaming tables and slot machines) are recognised as the net result of players’ sessions within the casinos. Casino revenues arise when the gaming tables or slot machines are closed. Sold but not used chips (tokens) are recognised as a liability.

iGaming

Revenue from certain games that are solely offered on an online basis are presented as “iGaming” revenue. The iGaming portfolio includes online lottery games, online instant win games, online casino and slot gaming. The revenue recognition depends on the individual games and follows the policies described above.

Lottery and betting games can be offered through physical retail (land-based) distribution or online. When a game is offered both through retail and online channel, Revenues from that games are presented together according to the product line split presented by the Group.

Notes to the consolidated financial statements continued

6 Revenue continued

Revenue from non-gaming activities

Revenue from mobile virtual network operator services

Mobile virtual network operator services are mobile telecommunication services (voice, messages, data) provided to retail customers. On a wholesale basis, the Group purchases a certain volume of voice, message and data services from a telecom company. The Group then sets its own prices for which it offers these services to the retail customer.

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

Unused prepaid credit for telecommunication services represents a performance obligation in accordance with IFRS 15 and is deferred and recognised as revenue when the prepaid period expires.

Revenue from mobile phone top-up services

The mobile phone top-up services are the sale of electronic codes (mobile top-ups through prepaid cards) to retail customers. The Group has two types of customer arrangements in accordance with IFRS 15:

Group acting as principal for the sale of electronic top-up codes to end users: In this category of contracts the Group acquires the ownership of the electronic codes and assumes the risk of inventory. The revenue is recognised when the Group's agents sell the specific codes to end users.

Group acting as agent for the sale of electronic top-up codes to end users: In this category of contracts the Group does not acquire the ownership of the electronic codes and is considered to act as a representative of the suppliers. The revenue recognised in this category is the commissions received from the suppliers.

Revenue from commissions

The Greek New Year's Eve Lottery is issued once a year with the draw on New Year's Eve. Net revenues from this lottery are attributed to the Greek State. Hellenic Lotteries S.A. produces, operates, distributes, promotes and manages it and receives a 17% management fee on the amount staked. The fee covers all company costs related to the organisation of the New Year's Eve Lottery. This commission revenue is recognised once a year in December.

Gaming contracts

Gaming contracts are considered to be financial derivatives under IFRS 9, if in the transaction, the gaming institution takes a position against its customers. The value of the individual contract is contingent on the outcome of a specified event and the gaming institution is not, therefore, normally guaranteed a specific commission or return. The contracts are financial derivatives and not insurance contracts, even though the underlying variable is specific to a party to the contract. The definition of insurance contracts according to IFRS 4 requires exposure to a pre-existing risk that was present before the contract is concluded, which is not met in the case of gaming derivatives.

The derivative gains/losses from gaming contracts are presented on the line "Revenue from gaming activities (GGR)". For revenue recognition of gaming contracts.

Revenue from other non-gaming activities

Other non-gaming revenues relate mainly to services complementary to gaming activities (events, sales of food and beverages) and IT services.

Revenue is recognised when the performance obligation is satisfied by transferring goods or services to the customer. The Group evaluates whether it operates as a principal or as an agent when delivering these services. When the Group determines that it operates as an agent, revenues are recognised on the net basis.

Substantially all non-gaming revenue is recognized at a single point in time.

The table below show the disaggregation of Revenue:

2022	Austria	Czech Republic	Greece and Cyprus	Reportable segments
Revenue from gaming activities ("GGR")*				
Numerical lotteries	607.6	229.9	709.5	1,547.0
Instant lotteries	92.8	82.0	107.9	282.7
Sports betting	19.9	12.0	603.7	635.6
iGaming	182.4	129.2	199.5	511.1
VLTs and casinos	516.5	–	318.4	834.9
Total GGR	1,419.2	453.1	1,939.0	3,811.3
Revenue from non-gaming activities				
Mobile phone top-up services	–	2.8	68.0	70.8
Mobile virtual network operator services	–	11.4	–	11.4
Non-gaming revenue from casinos	47.1	–	–	47.1
Other non-gaming revenue	6.0	3.9	37.7	47.6
Total non-gaming revenue	53.1	18.1	105.7	176.9
Total Revenue	1,472.3	471.2	2,044.7	3,988.2

2021	Austria	Czech Republic	Greece and Cyprus	Reportable segments
Revenue from gaming activities ("GGR")*				
Numerical lotteries	626.2	223.7	549.2	1,399.1
Instant lotteries	94.5	78.3	88.8	261.6
Sports betting	22.8	12.9	510.1	545.8
iGaming	155.8	93.0	166.8	415.6
VLTs and casinos	256.5	–	194.6	451.1
Total GGR	1,155.8	407.9	1,509.5	3,073.2
Revenue from non-gaming activities*				
Mobile phone top-up services	–	3.0	74.2	77.2
Mobile virtual network operator services	–	11.1	–	11.1
Non-gaming revenue from casinos	23.2	–	–	23.2
Other non-gaming revenue	5.5	3.2	27.4	36.1
Total non-gaming revenue	28.7	17.3	101.6	147.6
Total Revenue	1,184.5	425.2	1,611.1	3,220.8

* See Note 2.6

A breakdown of revenue by country where the revenue was generated is presented in the table below:

	2022	2021
Total reportable segments Revenue	3,988.2	3,220.8
Greece	1,902.9	1,501.6
Austria	1,261.6	1,070.7
Czech Republic	471.2	425.2
Cyprus	135.5	108.4
Germany	117.2	64.0
Belgium	54.1	24.5
Other EU countries	20.6	11.1
Other non-EU countries	25.1	15.3

Notes to the consolidated financial statements continued

7 Other operating income

	2022	2021
Other operating income	292.0	356.8
Benefit from extension of concession	230.2	217.4
Income from COVID-19 related government grants	4.8	75.2
COVID-19 related subsidies	4.8	58.3
Discount on tax liabilities	–	9.6
COVID-19 related rent concessions	–	7.3
Arbitration gains	5.6	29.5
Income from leases	5.7	4.1
Recharges to Allwyn AG	29.8	10.4
Other	15.9	20.2

“Benefit from extension of concession” represents the proportionate amount (on accrual basis) of OPAP’s benefit from a relief from gaming tax obligations applicable during the 10-year period from 13 October 2020.

Effect of extension of concession in OPAP S.A.

New terms of an exclusive concession to conduct, manage, organise and operate numerical lottery and sports betting games in Greece become effective for a period of 10 years starting from 13 October 2020, based inter alia on an agreement dated 29 April 2013 between OPAP S.A. and the Greek State. In 2011, OPAP S.A. made an upfront payment of €375 million in connection with the concession extension.

The agreement stipulates that during the extension period, OPAP S.A. will pay cash gaming taxes at a rate of 5% of applicable GGR instead of the headline rate of 30%. Based on the agreement, OPAP benefits from a relief from gaming tax obligation in the aggregate amount of €1,831 million (which is contractually deemed prepaid as part of the upfront payment), plus related adjustments to compensate for income tax effects, over the extension period.

Any difference between:

- The €1,831 million, plus additional compensation related to higher income tax expenses from related benefits; and
- The difference between gaming taxes at 30% and cash gaming taxes at 5% (i.e. gaming tax cash savings) (“additional consideration”) will be settled on 13 October 2030 either as an additional payable from OPAP S.A. to the Greek State, or a receivable of OPAP S.A. from the Greek State.

From 13 October 2020 for the period of 10 years, the Group accounts for the effects of the agreement in the following way:

- Intangible asset of €375 million is amortised over 10 years;
- Other operating income of €1,831 million, plus adjustments to compensate for income tax effects, are recognised on accrual basis over 10 years; and
- Non-current receivables or payables representing a present value of additional consideration reflecting the difference between gaming tax cash savings and the amounts recorded in Other operating income.

From 13 October 2020 as of each balance sheet date, the receivable or payable from the additional consideration which will result in a receipt or payment to the Greek State at the end of the concession period is discounted to present value with the effect of discounting recognised in other finance income or expense as appropriate.

“COVID-19 related subsidies” mainly comprises income from measures implemented by governments to support companies impacted by COVID-19 related restrictions. The Group received support from various programmes, especially support for the cost of furloughed staff, fixed costs subsidy and loss compensation subsidy programmes in Austria.

In the comparative period, “Discount on tax liabilities” represents a 25% discount of certain tax liabilities (primarily gaming tax liabilities) of OPAP. Under measures introduced by the Greek authorities, OPAP was eligible to delay payment of these liabilities or receive this discount if it paid in line with the normal schedule.

In the comparative period, “COVID-19 related rent concessions” represents a 40% discount on payments under leases for certain commercial premises in Greece.

Government grants

Government grants are accounted on a gross basis within other operating income. Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are not subject to possible future refund and the Group is not subject to any material restrictions or covenants in connection with past received grants.

The Group applied an exemption from assessing whether a rent concession related to COVID-19 is a lease modification.

"Arbitration gains" comprises an income of €5.6 million (31 December 2021: €15.9 million) from the fair value of the compensation awarded to Casinos Austria International Holding GmbH Limited by an arbitration court in a case against the Argentine Republic relating to revocation of a gaming licence. Further, in the comparative period, there was an income of €13.6 million from compensation awarded to Allwyn Greece & Cyprus Holding Ltd by an arbitration court in a case against the Hellenic Asset Development Fund.

Lease income

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

8 Gaming taxes and Agents' commissions

Gaming taxes

Gaming taxes are levies on gaming activities as defined by local legislation or regulation. Generally, they are calculated as a fixed percentage of Gross gaming revenue (amounts staked less pay outs) or amounts staked, depending on the game.

The Group recognizes gaming taxes expense and liabilities in the period in which the underlying Revenues from gaming activities are recognized.

Agents' commissions

Agents' commissions are commissions paid to retail agents for their services. They are in most cases calculated as a percentage of amount staked, Revenue from gaming activities ("GGR") or Net gaming revenue ("NGR"). Agents' commissions are recognized in the period in which the underlying Revenues from gaming activities are recognized. Agents' commission payables are netted against receivables from Agents.

NGR is an alternative performance measure used in the gaming industry and is calculated as Revenue from gaming activities ("GGR") less Gaming taxes.

9 Materials, consumables and services

	2022	2021
Materials, consumables and services	(552.4)	(454.9)
Fees to gaming system providers	(147.1)	(107.8)
Services relating to gaming operations	(79.7)	(83.4)
Materials and services related to non-gaming revenue	(76.7)	(78.0)
Advisory and other professional services	(100.3)	(74.0)
IT, software and other operational services	(46.9)	(40.9)
Materials and consumables	(27.9)	(21.5)
Telecommunication services	(17.7)	(17.1)
Short-term, low value and variable lease expenses (see Note 25)	(9.2)	(5.3)
Other services	(46.9)	(26.9)

"Services relating to gaming operations" relates mainly to fees to electronic payment providers and commissions.

"Materials and services related to non-gaming revenue" relates mainly to "Mobile virtual network operator services", "Mobile phone top-up services" and total expenses relating to leases not recognised as right of use assets.

"Other services" mainly comprises utilities and other administrative services.

Notes to the consolidated financial statements continued

10 Marketing services

	2022	2021
Marketing services	(243.8)	(215.3)
Advertising	(206.4)	(182.9)
Sponsorship and donations	(37.4)	(32.4)

11 Other operating expenses

	2022	2021
Other operating expenses	(78.5)	(80.5)
Other taxes	(8.5)	(23.9)
Repair and maintenance	(13.7)	(10.2)
Write-offs and change in credit loss provisions for receivables	(1.2)	(0.7)
Financial support to agents	(1.6)	(2.6)
Other	(53.5)	(43.1)

"Financial support to agents" represents financial support provided by OPAP in order to mitigate the financial impact of COVID-19 on its agents.

"Other" primarily comprises fees, travel expenses and insurance premium.

12 Other gains and losses

	Note	31/12/2022	31/12/2021
Other gains and losses		(12.6)	(9.6)
Loss on change of contingent consideration	26	(7.9)	(2.5)
Gain / (loss) on revaluation of financial assets through profit or loss (FVTPL)	20	(7.2)	(8.7)
Net gain / (loss) from the sale of securities		0.3	(0.2)
Other gains and losses		2.2	1.8

13 Finance costs, net

Interest income and interest expense are recorded applying the effective interest rate method.

Interest expense comprises interest expense on loans, bonds and other borrowings and unwinding of discount of non-current provisions and other liabilities.

Other finance income and expense comprises foreign exchange gains/losses, losses from discounting of accrued receivable related to extension of concession to present value (see Note 7), losses from extinguishment of loans and borrowings, revaluation of derivatives that do not qualify for hedge accounting, bank fees and other charges relating to financing activities.

	2022	2021
Interest income	8.7	2.9
Interest expense	(134.6)	(122.4)
Interest expense on loans, bonds and other liabilities	(129.5)	(117.4)
Interest expense on leases	(5.1)	(5.0)
Other finance income and expense	(29.0)	(7.6)
Finance income from modification of loans	—	—
Foreign exchange gains/(losses)	1.0	1.4
Other finance income	0.2	1.8
Other finance expenses	(30.2)	(10.8)
Finance costs, net	(154.9)	(127.1)

In 2022, material items presented in "Other finance expenses" included fees on bank guarantees issued in connection with the Group's bid to operate the UK National Lottery bid of €14.2 million and a loss of €4.3 million from the early repayment of a bank loan (relating to accelerated amortization of financing fees using effective interest rate) (see Note 24 (a)).

14 Taxes

Income tax

	2022	2021
Current income tax expense	(178.9)	(126.1)
Deferred income tax	34.0	(4.2)
Income tax expense	(144.9)	(130.3)

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

Current tax comprises the tax estimate for 2022 and adjustment to the tax estimate for 2021.

Deferred tax assets and liabilities

	31/12/2022	31/12/2021
Deferred tax asset	59.0	46.4
Deferred tax liability	(428.0)	(446.7)
Deferred tax asset (+) / liability (-)	(369.0)	(400.3)

Deferred tax is calculated using enacted or substantively enacted tax rates that are also expected to be applicable when the asset is realised or the liability settled. The tax rates are country dependent and follow local legislation.

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

Deferred tax is calculated using tax rates applicable to individual companies and deferred tax assets are recognised only to the extent that they are recoverable.

Change in deferred tax

The following tables show the change in deferred tax recognised in the consolidated statement of comprehensive income and other changes that affected deferred tax assets and liabilities:

	Balance at 01/01/2022	Changes in 2022			Balance at 31/12/2022
	Deferred tax liability (-) / asset (+)	Recognised in profit or loss	Recognised in OCI	Other changes	Deferred tax liability (-) / asset (+)
2022					
Deferred tax asset (+) / liability (-)	(400.3)	34.0	(3.5)	0.8	(369.0)
Tangible fixed assets	(14.3)	(4.5)	–	(0.1)	(18.9)
Intangible fixed assets	(428.0)	7.0	–	(0.4)	(421.4)
Financial assets	(0.1)	0.2	–	–	0.1
Receivables	(10.9)	4.4	–	–	(6.5)
Liabilities	36.9	(6.0)	(3.2)	1.8	29.5
Liabilities arising from leases	11.7	9.3	–	0.1	21.1
Provisions	5.6	1.4	–	–	7.0
Tax losses carried forward	0.6	22.2	–	(0.8)	22.0
Hedging derivatives	(1.8)	–	(0.3)	0.2	(1.9)

Notes to the consolidated financial statements continued

14 Taxes continued

2021	Balance at 01/01/2021	Changes in 2021			Balance at 31/12/2021
	Deferred tax liability (-) / asset (+)	Recognised in profit or loss	Recognised in OCI	Other changes	Deferred tax liability (-) / asset (+)
Deferred tax asset (+) / liability (-)	(392.8)	(4.2)	(3.2)	(0.1)	(400.3)
Tangible fixed assets	(10.7)	(3.4)	–	(0.2)	(14.3)
Intangible fixed assets	(449.1)	21.5	–	(0.4)	(428.0)
Financial assets	–	(0.1)	–	–	(0.1)
Receivables	1.5	(12.6)	–	0.2	(10.9)
Liabilities	37.0	2.1	(2.3)	0.1	36.9
Liabilities arising from leases	6.3	5.2	–	0.2	11.7
Provisions	6.5	(1.0)	–	0.1	5.6
Tax losses carried forward	16.5	(15.9)	–	–	0.6
Hedging derivatives	(0.8)	–	(0.9)	(0.1)	(1.8)

Deferred tax assets from tax losses carried forward are recognised only to the extent that future taxable profits will utilise those losses. Future taxable profits are considered based on the five-year business plans prepared and approved by the Board of Directors of operating entities.

Tax losses recognised in 2022 relate mainly to set-up and transition costs incurred by Allwyn UK which will be recoverable from future taxable profits from operation of the UK National lottery. Tax losses recognised in 2020 related mostly to Hellenic Lotteries S.A. and have been substantially utilised in 2021.

Deferred tax asset from other temporary differences is analysed for recoverability based on the existence of future taxable profit or potential with offsetting with deferred tax liabilities.

The majority of deferred tax assets relate to temporary difference in liabilities in Hellenic Lotteries S.A. and Casinos Austria AG. Based on the expected timing of realisation and forecast of future taxable profits in these entities, the Group does not see any substantial recoverability risk for these deferred tax assets.

Unrecognised deferred tax assets are shown in the table below:

Tax base	2022	2021
Tax losses carried forward for which deferred tax asset is not recognised	175.6	176.0
Temporary difference for which deferred tax asset is not recognised	24.3	51.1
	2022	2021
Tax losses carried forward for which deferred tax asset is not recognised	175.6	176.0
Total unrecognised deferred tax asset from tax losses carried forward	39.2	40.4

Unrecognised tax losses expire as follows:

	2022	2021
Tax losses carried forward	175.6	176.0
Expiring in:		
1 year	11.3	16.2
2 years	11.3	12.0
3 years	39.0	12.8
4 years	17.5	42.9
5 years	23.9	23.7
over 5 years	10.4	5.7
Unlimited	62.2	62.7

Tax losses carried forward for which a deferred tax asset is not recognised have arisen in subsidiaries that are loss-making for some time and where there is no evidence of recoverability in the near future according to five-year business plans or in start-up companies with high initial costs.

Reconciliation of effective tax rate

	2022	2021
Profit before tax	716.1	577.8
Tax at statutory income tax rate of the Company (19% in 2022 and 2021)	136.1	109.8
<i>Tax effect of:</i>		
Non-deductible expenses	22.7	17.3
Non-taxable income	(3.0)	(6.9)
Profit or loss of equity method investees	(16.8)	(14.8)
Different tax rate in companies within the Group	23.6	29.0
Effect of change in income tax rate	(17.1)	(13.7)
Tax loss carry-forward claimed during the period for which no deferred tax was previously recognised	(0.2)	(0.2)
Unrecognised deferred tax assets relating to tax losses in the current period	4.3	13.3
Effect of tax relating to prior periods	(1.2)	1.5
Other	(3.5)	(5.0)
Actual income tax expense	144.9	130.3

"Non-deductible expenses" primarily comprises non-deductible interest, non-deductible operating costs and non-deductible foreign exchange losses on the Company level totalling €15.6 million (31 December 2021: €11.2 million).

"Accumulated tax loss claimed in the current period" relates to prior period tax losses, for which deferred tax assets were not recognised due to uncertainty about future recoverability.

"Unrecognised deferred tax assets relating to tax losses in the current period" relates to current period tax losses, for which deferred tax assets were not recognised due to uncertainty about future recoverability.

In 2022, "Effect of change in income tax rate" relates to a reduction of the rate used for calculation of deferred tax from 25% to 24% and 23% in Austria from the years 2023 and 2024, respectively and an increase from 19% to 25% in the United Kingdom from 1 April 2023. In 2021, the rate of corporate income tax and the rate used for calculation of deferred tax reduced to 22% in Greece in 2021, while in the prior year income tax expense was calculated at applicable rate of 24%.

Notes to the consolidated financial statements continued

15 Intangible assets and goodwill

Intangible assets with finite useful life, are measured at acquisition cost and are amortised, except goodwill and other intangibles with indefinite useful life, are amortised on a straight-line basis over their estimated useful life, which are expected to be as follows:

• Licences	The period for which they have been issued or indefinite
• Brands and trademarks	Described individually (generally indefinite)
• Customer relationships, customer contracts	4-21 years
• Software	1-7 years
• Distribution network (contracts with providers)	20 years
• Other intangible assets	3-10 years

Licences relate mainly to the Group's lottery and other gaming businesses.

Major customer relationships, customer contracts, brands and trademarks are capitalised upon the acquisition of companies which are party to such contracts or hold such brands and trademarks.

No intangible assets have been pledged as collateral during the periods presented.

	Note	Licences	Brands and trademarks	Customer relationships, customer contracts	Software	Intangible assets not yet available for use	Other intangible assets	Total intangible assets (excluding goodwill)	Goodwill	Total
2022										
Acquisition cost		1,501.8	1,272.6	133.8	143.1	3.9	2.4	3,057.6	1,077.9	4,135.5
Accumulated amortisation and impairment losses		(387.7)	–	(31.7)	(92.9)	0.2	(1.1)	(513.2)	(21.6)	(534.8)
Net book value at 01/01/2022		1,114.1	1,272.6	102.1	50.2	4.1	1.3	2,544.4	1,056.3	3,600.7
Additions		16.4	0.1	–	20.5	3.9	1.4	42.3	–	42.3
Disposals		–	–	–	(0.1)	–	–	(0.1)	–	(0.1)
Transfers		–	–	–	3.1	(3.1)	–	–	–	–
Amortisation expense		(94.0)	–	(23.3)	(18.2)	(0.1)	(0.1)	(135.7)	–	(135.7)
Impairment		(20.2)	–	–	–	–	–	(20.2)	–	(20.2)
Effect of currency translation		(0.7)	2.3	–	0.4	0.1	–	2.1	12.0	14.1
Other movement	30	–	–	–	–	–	–	–	14.4	14.4
Net book value at 31/12/2022		1,015.6	1,275.0	78.8	55.9	4.9	2.6	2,432.8	1,082.7	3,515.5
Acquisition cost		1,517.6	1,275.0	133.8	165.8	4.8	3.8	3,100.8	1,104.3	4,205.1
Accumulated amortisation and impairment losses		(502.0)	–	(55.0)	(109.9)	0.1	(1.2)	(668.0)	(21.6)	(689.6)

Additions

Following the award of the licence to operate the UK National in September 2022 (see Notes 1.4 and 15.1), the Group recognized the licence as an intangible asset with a carrying value of €14.3 million which includes directly attributable costs of obtaining the licence.

Other additions comprise various individually immaterial investments and upgrades to gaming software across operating segments.

Impairment

In light of operational challenges in Hellenic Lotteries (part of the Greece and Cyprus operating segment) the Group performed an impairment test as of December 2022. The impairment test was performed using the value in use method for the CGU based on forecast covering remaining licence period (April 2026), assuming a Revenue CAGR of 5.4% and a discount rate of 11.1%

Resulting recoverable value in December 2022 of €31.7 million was lower than carrying value, resulting in an impairment of €20.2 million allocated to the carrying value of the Hellenic Lotteries licence.

The Group also performed an impairment test of the licence to operate VLTs in Greece and Cyprus as of December 2022. Impairment test was performed using value in use method for the CGU based on forecast covering remaining licence period of 12 years (until 2034), assuming a Revenue CAGR of 1.6% and a discount rate of 10.8%.

Resulting recoverable value was €405.6 million while the carrying value was €404.9 million. As a result, no impairment was recognized, but a negative change to key input parameters (cash flow projection or discount rate) would result in an impairment.

2021	Note	Licences	Brands and trademarks	Customer relationships, customer contracts	Software	Intangible assets not yet available for use	Other intangible assets	Total intangible assets (excluding goodwill)	Goodwill	Total
Acquisition cost		1,490.2	1,268.5	133.8	127.5	1.9	2.3	3,024.2	1,057.4	4,081.6
Accumulated amortisation and impairment losses		(286.3)	–	(7.5)	(69.4)	–	(1.0)	(364.2)	(21.6)	(385.8)
Net book value at 01/01/2021		1,203.9	1,268.5	126.3	58.1	1.9	1.3	2,660.0	1,035.8	3,695.8
Additions		10.5	0.1	–	14.7	2.8	–	28.1	–	28.1
Disposals		–	–	–	(0.5)	(0.2)	–	(0.7)	–	(0.7)
Transfers		–	–	–	0.6	(0.6)	–	–	–	–
Amortisation expense		(96.3)	–	(24.2)	(22.6)	–	(0.1)	(143.2)	–	(143.2)
Impairment		(4.3)	–	–	(0.3)	–	–	(4.6)	–	(4.6)
Effect of currency translation		0.3	4.0	–	0.2	0.2	0.1	4.8	20.5	25.3
Net book value at 31/12/2021		1,114.1	1,272.6	102.1	50.2	4.1	1.3	2,544.4	1,056.3	3,600.7
Acquisition cost		1,501.8	1,272.6	133.8	143.1	3.9	2.4	3,057.6	1,077.9	4,135.5
Accumulated amortisation and impairment losses		(387.7)	–	(31.7)	(92.9)	0.2	(1.1)	(513.2)	(21.6)	(534.8)

Additions

Additions to licences include licences rights to operate online betting and other online games acquired by OPAP and Stoiximan.

Other additions comprise various individually immaterial investments and upgrades to gaming software across operating segments.

Impairment

In light of operational challenges in Hellenic Lotteries (part of Greece and Cyprus operating segment) caused by the COVID-19 pandemic, the Group performed an impairment test as of December 2021. Impairment test was performed using value in use method for the CGU based on forecast covering remaining licence period (April 2026), assuming Revenue CAGR of 2.5% and discount rate of 10.4%.

Resulting recoverable value was €64.3 million while the carrying value was €68.6 million resulting in the impairment of €4.3 million allocated to the carrying value of the Hellenic Lotteries licence.

15.1 Licences

Carrying value of Licences		Useful life	31/12/2022	31/12/2021
Austrian Lotteries	Licence to operate numerical lotteries in Austria	Indefinite	192.1	192.1
OPAP	Licence to operate VTL games in Greece	12 years	404.9	438.7
OPAP	Licence to operate lottery games in Greece	8 years	290.6	328.1
Hellenic Lotteries S.A.	Licence to operate scratch-card games in Greece	3 years	31.7	64.3
SAZKA	Vendor licence to operate gaming software	9 years	14.8	15.9
Allwyn UK	License to operate UK National lottery	10 years	13.8	–
	<i>Other individually immaterial</i>		67.7	75.0
Total			1,015.6	1,114.1

The licence to operate numerical lotteries in Austria held by Austrian Lotteries, with a carrying amount of €192.1 million, is deemed to have an indefinite useful life. The current licence expires in September 2027, but based on historical evidence there is no indication that Austrian Lotteries will not be able to freely secure the licence in the foreseeable future. At present, no change in the process to secure the licence is expected. Furthermore, no public information exists that the Austrian Government, which is one of the main shareholders in Austrian Lotteries via its interest in CASAG, intends to change the process. Hence it is assumed that Austrian Lotteries is able to obtain prolongation of the licence for future periods and thus the licence is expected to continue as indefinite. The licence is annually tested for impairment through the value in use method for the Austrian Lotteries CGU [see Note 17.1].

15 Intangible assets and goodwill continued

15.2 Brands and trademarks

	31/12/2022	31/12/2021
Austrian Lotteries	296.8	296.8
OPAP	724.4	724.4
Stoiximan	175.4	175.4
SAZKA	78.4	76.0
Total	1,275.0	1,272.6

The determination of the indefinite useful life of "Brands and trademarks" involves historical experience, marketing considerations and the nature of the industries in which the brands are operated. The brands and trademarks of Austrian Lotteries, OPAP, Stoiximan and SAZKA are all well established in their respective markets and have substantial market shares. All brands generate stable cash flows, where the Austrian Lotteries brand is the key brand in Austria, OPAP and Stoiximan brands are among the key brands in Greece and Cyprus and SAZKA is among the key brands in the Czech Republic. The Group continues to invest in brand awareness and brand recognition and expects to use the brands for the foreseeable future. Therefore, the useful life of "Brands and trademarks" is expected to be indefinite and is annually tested for impairment (see Note 17.1).

15.3 Goodwill

The table below shows the allocation of the carrying value of elements of goodwill into individual CGUs and to which operating segments those CGUs belong:

Operating segment	Goodwill allocated to CGU	31/12/2022	31/12/2021
Austria	Austrian Lotteries	136.6	122.2
Czech Republic	SAZKA	399.7	387.7
Greece and Cyprus	OPAP*	221.4	221.4
Greece and Cyprus	Stoiximan	325.0	325.0
Total		1,082.7	1,056.3

* OPAP CGU in the goodwill allocation context means OPAP excluding Stoiximan, as Stoiximan is a separate CGU.

16 Property, plant and equipment ("PPE") and investment property

Property, plant and equipment

PPE and leased assets are measured at acquisition cost, are depreciated on a straight-line basis. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

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

- Buildings – owned 10–60 years
- Buildings – right of use 1–60 years
- Machinery and equipment – owned:
 - Appliances and special technical equipment 3–20 years
 - Fixtures and fittings 3–14 years
 - Vehicles 4–10 years
 - Machinery and equipment 3–20 years
- Machinery and equipment – right of use 1–15 years
- Other tangible assets 2–20 years

Investment property

The Group applies the cost model for valuation of investment property. Investment property is depreciated on a straight-line basis over a period from 12 to 60 years. Land classified as investment property is not depreciated.

The fair value of Investment property is estimated by management and represents Level 3 in the fair value hierarchy. No material income has been generated or expenses incurred in connection with Group's investment property.

No PPE was pledged as collateral during the periods presented.

Notes to the consolidated financial statements continued

2022	Note	Land – owned	Buildings – owned	Buildings – right of use	Machinery and equipment – owned	Machinery and equipment – right of use	Tangible assets under construction	Other tangible assets	Total
Acquisition cost		18.9	191.0	176.9	140.7	12.1	1.1	60.3	601.0
Accumulated depreciation and impairment losses		–	(38.5)	(58.1)	(48.5)	(6.8)	–	(37.7)	(189.6)
Net book value at 01/01/2022		18.9	152.5	118.8	92.2	5.3	1.1	22.6	411.4
Additions		0.8	5.3	7.9	16.3	4.9	1.1	3.9	40.2
Transfers		–	(1.5)	2.0	0.6	–	(1.1)	–	–
Reclassification to investment property		(1.5)	(0.1)	–	–	–	–	–	(1.6)
Disposals		(0.1)	(0.4)	(2.7)	(1.5)	(0.1)	–	(0.2)	(5.0)
Depreciation expense		–	(13.2)	(22.7)	(30.3)	(2.9)	–	(7.8)	(76.9)
Impairment		0.2	(5.9)	(2.2)	(1.3)	(0.2)	–	–	(9.4)
Effect of currency translation		–	0.2	1.2	0.5	(0.1)	–	–	1.8
Modification of leasing		–	–	2.2	–	–	–	–	2.2
Net book value at 31/12/2022		18.3	136.9	104.5	76.5	6.9	1.1	18.5	362.7
Acquisition cost		18.3	191.2	179.5	148.0	15.7	1.1	63.8	617.6
Accumulated depreciation and impairment losses		–	(54.3)	(75.0)	(71.5)	(8.8)	–	(45.3)	(254.9)

Major additions

The additions primarily comprise various individually immaterial investments in adaptation of business premises and technical equipment.

Impairment

Following management's decision to discontinue operation of LIE2 AG in Liechtenstein (part of the Austria operating segment), the Group performed an impairment test and recognised an impairment loss as of 31 December 2022 of €5.3 million allocated to both owned and leased tangible assets. The remaining carrying value of the assets after the impairment is €1.0 million, supported by fair market value estimates derived from concrete purchase offer prices.

Additionally, the Group performed impairment tests for various individually immaterial assets within the Austrian segment (both owned and leased PPE in casino operations), where operational risk following the COVID-19 pandemic were identified and recorded an aggregate impairment of €8.2 million, while also recording reversals of impairments recognized in previous periods of €4.1 million.

In light of the operational performance of Horse Races Single Member S.A. (part of the Greece and Cyprus operating segment) driven by operating costs of Markopoulo race-track premises, the Group performed an impairment test as of 31 December 2022. The recoverable amount of the Horse Races CGU was estimated using the value in use method.

Notes to the consolidated financial statements continued

16 Property, plant and equipment ("PPE") and investment property continued

A key assumption in the valuation was that the company will terminate the lease of Markopoulo race-track by 31 December 2023. Management is discussing such options with all relevant stakeholders and has set as a final deadline for its decisions the 31 December 2023. The recoverable amount of the CGU of €8.3 million exceeded the carrying value of the CGU of €7.8 million and consequently no impairment was recognised. Management assess that change in the key assumption (i.e. not terminating the lease or terminating at later period) would result in an impairment.

2021	Note	Land – owned	Buildings – owned	Buildings – right of use	Machinery and equipment – owned	Machinery and equipment – right of use	Tangible assets under construction	Other tangible assets	Total
Acquisition cost		24.9	200.3	146.6	135.4	12.0	4.5	57.1	580.8
Accumulated depreciation and impairment losses		–	(20.2)	(37.2)	(28.2)	(4.3)	–	(27.6)	(117.5)
Net book value at 01/01/2021		24.9	180.1	109.4	107.2	7.7	4.5	29.5	463.3
Additions		–	7.9	31.9	12.1	1.4	1.2	3.7	58.2
Transfers		–	1.9	–	2.4	–	(4.3)	–	–
Reclassification to investment property		(2.6)	(13.2)	–	–	–	–	–	(15.8)
Disposals		(3.5)	(0.6)	(1.3)	(0.4)	(0.6)	(0.3)	(0.3)	(7.0)
Depreciation expense		–	(14.7)	(21.9)	(29.6)	(3.0)	–	(10.4)	(79.6)
Impairment		–	(9.7)	(2.1)	(0.2)	–	–	–	(12.0)
Effect of currency translation		0.1	0.8	1.4	0.7	0.1	–	0.1	3.2
Modification of leasing		–	–	1.4	–	(0.3)	–	–	1.1
Net book value at 31/12/2021		18.9	152.5	118.8	92.2	5.3	1.1	22.6	411.4
Acquisition cost		18.9	191.0	176.9	140.7	12.1	1.1	60.3	601.0
Accumulated depreciation and impairment losses		–	(38.5)	(58.1)	(48.5)	(6.8)	–	(37.7)	(189.6)

Major additions

The additions to "Buildings – right of use" mainly include the lease of new office space in the Czech Republic. The duration of the lease is ten years, expiring in 2031. Other additions of PPE primarily comprise regular replacement of gaming and office equipment.

Reclassification to Investment property

"Reclassification to investment property" relates to the former headquarters of SAZKA. Due to the relocation to the new leased office space and keeping the building vacant with intention to lease out in future, the building was reclassified to "Investment property" as of 31 December 2021.

The building and land that are being reclassified have the gross carrying value of €26.1 million and accumulated depreciation of €4.1 million. Impairment of €6.2 million was recorded to reduce the carrying value to the fair value of €15.8 million.

Impairment

In light of operational challenges caused by the COVID-19 pandemic in certain domestic casinos owned by CASAG (part of the Austria operating segment), the Group performed an impairment test as of December 2021. An impairment test was performed using the value in use method based on a 5-year cash flow forecast discounted at rate of 8.1%. The recoverable value was €32.9 million and the Group recognised an impairment of €3.5 million allocated to "Buildings – owned".

In light of operational challenges caused by the COVID-19 pandemic in leased casino space in Zell am See and in Switzerland (part of the Austria operating segment) the Group performed an impairment test as of December 2021. An impairment test was performed using value in use method based on 5-year cash flow forecast discounted at rate of 8.1%. The recoverable value was €16.0 million and the Group recognised an impairment of €2.1 million allocated to "Buildings – right of use".

17 Impairment

17.1 Impairment testing of indefinite-lived intangible assets and goodwill

No impairment was recorded in connection with goodwill, brands and trademarks or licences with indefinite useful life.

Impairment testing

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

In accordance with IAS 36, the Group test goodwill and indefinite-lived intangible assets (i.e. brands and trademarks, Austrian lotteries licence) for impairment annually as of 31 December.

The recoverable amount of each CGU was estimated using the value in use method, based on an explicit cash flow forecast prepared based on a business plan covering a period of five years, approved by management and valid at the impairment testing date, with a terminal growth rate of 2%, discounted using weighted average cost of capital relevant for each CGU.

The Group performs sensitivity analysis for following changes in input parameters (roughly 10% relative change):

- +/- 1% change in WACC;
- +/- 1% change in perpetuity growth rate; and
- +/- 2% change in Revenue CAGR (assuming no change in costs that are not directly variable).

Where the resulting recoverable amount of a CGU significantly exceeds the carrying amount including goodwill (above 20% relative difference), the Group does not consider disclosure of sensitivity testing material.

Testing results as of 31 December 2022

Value in use testing in 2022	WACC	Perpetuity growth rate	Revenue CAGR during 5-year forecast period	Recoverable amount of the CGU	Carrying value of the CGU
Austrian Lotteries	9.32%	2%	7.16%	> 2,500	738.6
OPAP*	10.62%	2%	3.87%	> 4,000	1,326.8
Stoiximan	13.34%	2%	5.8%	> 900	520.8
SAZKA	11.38%	2%	7.18%	> 1,000	306.8

* OPAP CGU in the goodwill allocation context means OPAP excluding Stoiximan, as Stoiximan is a separate CGU.

Testing results as of 31 December 2021

Value in use testing in 2021	WACC	Perpetuity growth rate	Revenue CAGR during 5-year forecast period	Recoverable amount of the CGU	Carrying value of the CGU
Austrian Lotteries	9.96%	2%	6.1%	> 1,500	840.0
OPAP*	8.70%	2%	4.1%	> 3,000	1,106.0
Stoiximan	9.75%	2%	6.4%	> 800	675.8
SAZKA	11.00%	2%	6.6%	> 1,000	267.0

* OPAP CGU in the goodwill allocation context means OPAP excluding Stoiximan, as Stoiximan is a separate CGU.

Notes to the consolidated financial statements continued

17 Impairment continued

17.2 Impairment – other

Impairment assessment

At each quarter, management makes an assessment whether there is a risk of impairment in certain individual assets or CGUs and performed impairment testing using the value in use method or fair value less costs of disposal (FVLCD) method.

In the value in use method, the recoverable amount of each CGU is estimated based on an explicit cash flow forecast usually covering a period of five years, approved by management and valid at the impairment testing date, with a terminal growth rate of 2%, discounted using weighted average cost of capital relevant for each CGU.

Fair value less cost of disposal, where used for individual assets, has been determined using Level 3 inputs.

Impairment testing disclosures

When an impairment test does not result in an impairment and reasonable scenarios in sensitivity testing (20% overall relative value impact) would also not result in a material impairment, the Group does not make specific disclosures.

For other impairment refer to the summary table and references below.

Impairment expenses recorded

		Note	2022	2021
Impairment total			35.5	16.6
Hellenic Lotteries	Impairment of Licence	15.1	20.2	4.3
LIE2 AG	Impairment of tangible assets, leased and owned	16	5.3	–
Casino Vesterport Copenhagen	Impairment of equity method investee	18	5.9	–
CASAG domestic casinos	Impairment of tangible and intangible assets of domestic casinos, leased and owned	16	4.1	5.9
SAZKA	Impairment of Buildings and Halls	16	–	6.2
Tora Wallet	Impairment of Software		–	0.2

18 Equity method investees

Equity method investees	Direct subgroup's share	Carrying amount 01/01/2022	Share of profit 2022	Share of OCI 2022	Dividend and other distribution received	Other	Carrying amount 31/12/2022
Total carrying value of equity method investees		313.1	86.4	0.7	(109.7)**	(5.7)	284.8
Lottolitalia	32.50%	201.1	63.4	–	(104.4)	–	160.1
Kaizen	36.75%	8.1	14.9	(0.1)	–	–	22.9
Equity method investees of CASAG		103.9	8.1	0.8	(5.3)	(5.7)	101.8
Reef Casino Trust***	42.00%	27.8	5.0	(0.3)	(1.5)	(2.4)	28.6
Casino Lugano S.A.	28.76%	18.0	(1.5)	0.9	–	–	17.4
Casinos Austria International (Cairns) Pty Ltd.	50.00%	18.8	0.6	–	(0.6)	–	18.8
Casino Copenhagen K/S	50.00%	9.9	0.8	–	–	–	10.7
Casino Vesterport Copenhagen K/S	50.00%	9.2	–	–	–	(5.9)*	3.3
Casinos Austria International Mazedonia d.o.o.	35.00%	16.1	3.2	–	(1.4)	–	17.9
Other individually insignificant	–	4.1	–	0.2	(1.8)	2.6	5.1

* In light of the underperformance of Casino Vesterport Copenhagen, which is part of the Austria operating segment (see Note 5), the Group performed an impairment test as of 31 December 2022. Recoverable value of €4.0 million, estimated by the value in use method with a discount rate of 9.9%, was lower than the carrying value and the Group recognized an impairment of €5.9 million.

** "Dividend and other distribution received" does not include €11.3 million attributable to the Group through its shareholding in CLS and LTB.

*** Reef Casino Trust is listed on the Australian stock exchange, with the "RCT" ticker. As of 31 December 2022, CASAG held 20,916,908 shares, the quoted market price per share was 3.04 AUD, representing a €40.5 million market value.

Equity method investees	Direct subgroup's share	Carrying amount at 01/01/2021	Share of profit 2021	Share of OCI 2021	Dividend and other distribution received	Other	Carrying amount 31/12/2021
Total carrying value of equity method investees		343.2	79.1	1.5	(106.8)*	(3.9)	313.1
Lottolitalia	32.50%	229.5	74.1	–	(102.5)	–	201.1
Kaizen	36.75%	8.1	–	–	–	–	8.1
Equity method investees of CASAG		105.6	5.0	1.5	(4.3)	(3.9)	103.9
Reef Casino Trust**	42.00%	26.3	3.4	0.5	(0.7)	(1.7)	27.8
Casino Lugano S.A.	28.76%	19.5	(2.0)	0.8	(0.3)	–	18.0
Casinos Austria International (Cairns) Pty Ltd.	50.00%	18.9	0.5	–	(0.6)	–	18.8
Casino Copenhagen K/S	50.00%	9.9	–	–	–	–	9.9
Casino Vesterport Copenhagen K/S	50.00%	9.3	(0.1)	–	–	–	9.2
Casinos Austria International Mazedonia d.o.o.	35.00%	15.2	2.7	(0.1)	(1.7)	–	16.1
Other individually insignificant	–	6.5	0.5	0.3	(1.0)	(2.2)	4.1

* Dividend and other distribution received" does not include €8.6 million attributable to the Group through its shareholding in CLS and LTB.

** Reef Casino Trust is listed on the Australian stock exchange, with the "RCT" ticker. As of 31 December 2021, CASAG held 20,916,908 shares, the quoted market price per share was 3.12 AUD, representing a €41.8 million market value.

The following tables represent the assets and liabilities, revenues, profit or loss and total comprehensive income related to significant equity method investees:

Notes to the consolidated financial statements continued

18 Equity method investees continued

18.1 Lottitalia

Lottitalia is the exclusive operator of fixed odds numerical lotteries in Italy. The Group holds a share of 32.50%. The table below shows selected financial information.

	For the year ended 31/12/2022	For the year ended 31/12/2021
Lottitalia		
Revenues from contract with customers	458.6	500.1
Licence fee amortisation	(85.6)	(85.6)
Profit from operating activities	270.9	306.6
Profit for the period	195.2	227.9
Total comprehensive income (100%)	195.2	227.9
Group's share of total comprehensive income	63.4	74.1
Dividends received by subsidiary of the Company	74.1	49.5
Reserve distribution received by subsidiary of the Company	30.3	53.0
Non-current assets	300.1	402.9
Current assets*	211.7	266.7
Non-current liabilities	(0.2)	(0.3)
Current liabilities	(18.9)	(50.6)
Net assets (100%)	492.7	618.7
Carrying amount of interest in associate as of 1 January	201.1	229.5
Group's share of total comprehensive income	63.4	74.1
Dividends received by subsidiary of the Company	(74.1)	(49.5)
Reserve distributions received by subsidiary of the Company	(30.3)	(53.0)
Carrying amount of interest in associate as of 31 December	160.1	201.1

* Includes cash-pooling receivable of €195.6 million (31 December 2021: €257.6 million).

18.2 Kaizen

Kaizen operates online sports betting and iGaming business in multiple countries under the "Betano" brand. The Group holds a share of 36.75%. The table below shows selected financial information.

	For the year ended 31/12/2022	For the year ended 31/12/2021
Kaizen		
Revenue	728.9	183.8
Profit for the period	40.4	(0.4)
Total comprehensive income (100%)	40.2	(0.4)
Group's share of total comprehensive income	14.8	–
Non-current assets	54.8	32.7
Current assets	249.6	84.0
Non-current liabilities	(2.3)	(2.2)
Current liabilities	(228.4)	(80.9)
Net assets	73.7	33.6
Carrying amount of interest in associate as of 1 January	8.1	8.1
Group's share of total comprehensive income	14.8	–
Carrying amount of interest in associate as of 31 December	22.9	8.1

18.3 Equity method investees of CASAG

2022	Reef Casino Trust	Casino Lugano S.A.	Casinos Austria Int. (Cairns) Pty Limited	Casino Copenhagen K/S	Casino Vesterport Copenhagen K/S	Casinos Austria International Mazedonia d.o.o.	Other individually insignificant
	joint venture	associate	joint venture	joint venture	joint venture	joint venture	
Effective ownership by Allwyn	25.07%	17.17%	29.85%	29.85%	29.85%	20.90%	
For the period from 01/01/2022 to 31/12/2022							
Gaming revenues including ancillary revenues	20.0	44.4	55.2	27.7	3.5	39.6	
Other operating income	–	1.5	–	2.0	0.2	0.1	
Gaming taxes	–	(17.8)	(6.9)	(14.3)	(1.3)	(0.8)	
Other operating expenses	(5.2)	(28.0)	(45.4)	(12.6)	(1.6)	(27.6)	
Depreciation, amortisation and impairment losses	(2.6)	(5.1)	(0.3)	(1.0)	(0.7)	(1.1)	
Profit from operating activities	12.2	(5.0)	2.6	1.8	0.1	10.2	
Interest expense	(0.2)	–	(0.7)	(0.1)	(0.1)	–	
Income before tax	12.0	(5.0)	1.9	1.7	–	10.2	
Income tax	–	–	(0.6)	–	–	(1.0)	
Profit for the period	12.0	(5.0)	1.3	1.7	–	9.2	
Total comprehensive income (100%)	11.3	(2.0)	1.2	1.7	–	9.2	
Group's share of total comprehensive income	4.7	(0.6)	0.6	0.8	–	3.2	0.2
Dividends received by subsidiary of the Company	1.5	–	0.6	–	–	1.4	1.8
	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022
Non-current assets	58.3	25.0	10.8	10.3	3.3	8.4	
Current assets	10.5	17.2	8.9	4.8	1.3	21.2	
of which cash and cash equivalents	8.8	14.3	7.4	4.3	1.2	19.1	
Non-current liabilities	(0.2)	(0.7)	(9.8)	(3.4)	(5.1)	(0.6)	
of which financial liabilities (excluding trade payables)	(0.1)	–	(0.5)	–	(4.3)	–	
Current liabilities	(1.3)	(12.1)	(6.4)	(4.7)	(0.6)	(4.4)	
of which financial liabilities (excluding trade payables)	–	–	–	–	–	–	
Net assets (100%)	67.3	29.4	3.5	7.0	(1.1)	24.6	
CASAG's ownership	42.00%	28.76%	50.00%	50.00%	50.00%	35.00%	
Group's share	28.3	8.5	1.8	3.5	(0.6)	8.6	
Goodwill and carrying value licence right	0.3	8.9	17.0	7.2	3.9	11.9	
Retained earnings attributable to the majority shareholders	n/a	n/a	n/a	n/a	n/a	(2.6)	
Carrying amount of interest in associate/joint venture	28.6	17.4	18.8	10.7	3.3	17.9	5.1

Notes to the consolidated financial statements continued

18 Equity method investees continued

2021	Reef Casino Trust	Casino Lugano S.A.	Casinos Austria Int. (Cairns) Pty Limited	Casino Copenhagen K/S	Casino Vesterport Copenhagen K/S	Casinos Austria International Mazedonia d.o.o.	Other individually insignificant
	joint venture	associate	joint venture	joint venture	joint venture	joint venture	
Effective ownership by Allwyn	25.07%	17.17%	29.85%	29.85%	29.85%	20.90%	
For the period from 01/01/2021 to 31/12/2021							
Gaming revenues including ancillary revenues	17.0	29.5	48.3	16.7	2.7	32.9	
Other operating income	–	2.7	–	3.0	0.1	–	
Gaming taxes	–	(11.7)	(6.1)	(8.1)	(1.0)	(0.8)	
Other operating expenses	(4.6)	(22.8)	(39.6)	(10.6)	(1.3)	(22.9)	
Depreciation, amortisation and impairment losses	(3.0)	(3.1)	(0.3)	(1.0)	(0.6)	(1.0)	
Profit from operating activities	9.4	(5.4)	2.3	–	(0.1)	8.2	
Interest expense	(0.1)	–	(0.7)	–	(0.1)	–	
Income before tax	9.3	(5.4)	1.6	–	(0.2)	8.2	
Income tax	–	(0.1)	(0.6)	–	–	(0.6)	
Profit for the period	9.3	(5.3)	1.0	–	(0.2)	7.6	
Total comprehensive income (100%)	10.5	(2.5)	1.0	–	(0.2)	7.4	
Group's share of total comprehensive income	3.9	(1.2)	0.5	–	(0.1)	2.6	0.8
Dividends received by subsidiary of the Company	0.7	0.3	0.6	–	–	1.7	1.0
	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021
Non-current assets	59.3	26.0	10.8	10.9	3.8	9.2	
Current assets	7.6	16.2	8.7	2.8	1.3	14.2	
of which cash and cash equivalents	6.2	13.7	7.4	2.4	1.3	12.1	
Non-current liabilities	(3.2)	(1.4)	(9.6)	(4.1)	(0.9)	(0.6)	
of which financial liabilities (excluding trade payables)	(0.1)	–	(0.5)	–	–	–	
Current liabilities	1.8	(9.7)	(6.3)	(4.3)	(5.3)	(4.2)	
of which financial liabilities (excluding trade payables)	–	–	–	–	–	–	
Net assets (100%)	65.5	31.1	3.6	5.3	(1.1)	18.6	
CASAG's ownership	42.00%	28.76%	50.00%	50.00%	50.00%	35.00%	
Group's share	27.5	8.9	1.8	2.7	(0.6)	6.5	
Goodwill and carrying value licence right	0.3	9.1	17.0	7.2	9.8	11.9	
Retained earnings attributable to the majority shareholders	n/a	n/a	n/a	n/a	n/a	(2.3)	
Carrying amount of interest in associate/joint venture	27.8	18.0	18.8	9.9	9.2	16.1	4.1

19 Trade and other receivables

	31/12/2022	31/12/2021
Non-current trade and other receivables*	83.6	89.6
Non-current receivables – financial	26.6	21.8
Receivables from agents	0.7	2.1
Receivable from arbitration	21.5	15.9
Other receivables – financial	4.4	3.8
Non-current receivables – other	57.0	67.8
Accrued receivable related to extension of concession	29.1	49.8
Prepaid services from VLT vendors	26.4	16.1
Advances for pension benefits	1.5	0.2
Other receivables	–	1.7

* See Note 2.6

"Non-current trade and other receivables" comprises advances and deposits provided that are due more than 12 months after the reporting date.

"Accrued receivable related to extension of concession" represents the present value of additional consideration relating to the 10-year extension of OPAP's lottery and betting concession. Each year up to the expiration of the extension (October 2030) additional consideration due will be calculated based on the concession agreement, which will result in an additional payment to or receipt from the Greek State. The additional payment or refund is due in a lump sum in 2030 (see Note 7).

"Receivables from arbitration" represents the fair value of the compensation awarded to Casinos Austria International Holding GmbH Limited (see Note 7).

	31/12/2022	31/12/2021
Current trade and other receivables*	285.6	259.7
Current receivables – financial	242.7	217.6
Receivables from agents	152.7	142.4
Trade receivables	48.1	23.0
Other receivables – financial	41.9	52.2
Current receivables – other	42.9	42.1
Receivables from VAT and other taxes	3.7	7.5
Prepaid expenses	33.4	29.3
Other receivables	5.8	5.3

* See Note 2.6

"Receivables from agents" are collected on a weekly basis in the Czech Republic and Austria or twice a week in Greece and Cyprus. Agents must deposit cash, which can be set off against a receivable from the agent, to the Group's bank accounts. These deposits are recognised in "Guarantee deposits from lottery agents" (see Note 26). The Group also uses direct debit to transfer money from agents' bank accounts to the Group's bank accounts.

Current "Prepaid expenses" mainly comprise prepaid consultancy fees and prepaid software licence and maintenance fees.

Notes to the consolidated financial statements continued

19 Trade and other receivables continued

Credit risk and ECL provision for trade and other receivables

Measurement of ECLs for Trade and other receivables – simplified approach

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

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

Changes in ECL for Trade and other receivables

Changes in ECL provisions (additions and reversals) are recorded net within other operating expenses (see Note 11).

Change in ECL for Trade receivables

	2022	2021
Receivables provision – as of 1 January	(45.6)	(51.2)
Additions – increase in allowance recognised in profit or loss during the year	(1.5)	(1.6)
Reversals – decrease in allowance recognised in profit or loss during the year	0.3	2.6
Write-offs – derecognition of fully written-off receivables during the year as uncollectible	17.2	4.6
Effect of currency translation	(0.9)	–
Receivables provision – as of 31 December	(30.5)	(45.6)

Change in ECL for receivables from agents and other trade and other receivables in periods presented was primarily driven by the change of underlying gross receivables, rather than by a change in credit risk profile.

Breakdown of ECL provisions – Receivables from agents

	Gross receivable	Debt allowance	Provision matrix %	Net receivable
2022				
Due	153.4	(1.1)	0.72%	152.3
0–90 days	0.4	(0.1)	25.00%	0.3
90–180 days	0.1	–	–	0.1
180–360 days	0.1	(0.1)	100.00%	–
360+	26.2	(26.2)	100.00%	–
Total receivables from agents	180.2	(27.5)		152.7
2021				
Due	143.0	(1.1)	0.77%	141.9
0–90 days	0.6	(0.1)	16.67%	0.5
90–180 days	0.2	(0.2)	100.00%	–
180–360 days	0.4	(0.4)	100.00%	–
360+	41.7	(41.7)	100.00%	–
Total receivables from agents	185.9	(43.5)		142.4

Breakdown of ECL provisions – Trade and other receivables

	Gross receivable	Debt allowance	Provision matrix %	Net receivable
2022				
Due	84.4	–	–	84.4
0–90 days	4.5	(0.1)	2.22%	4.4
90–180 days	0.1	–	–	0.1
180–360 days	0.6	(0.4)	66.67%	0.2
360+	3.4	(2.5)	73.53%	0.9
Total receivables from agents	93.0	(3.0)		90.0
2021				
Due	56.5	–	–	56.5
0–90 days	17.1	–	–	17.1
90–180 days	0.1	–	–	0.1
180–360 days	0.6	(0.2)	33.33%	0.4
360+	3.0	(1.9)	63.33%	1.1
Total receivables from agents	77.3	(2.1)		75.2

Credit risk of trade and other receivables by region

Trade and other receivables	31/12/2022	31/12/2021
Greece	113.2	103.0
Austria	82.1	88.8
Czech Republic	4.8	4.8
Cyprus	3.4	1.9
Germany	1.7	3.2
Switzerland	31.2	12.9
United Kingdom	1.0	0.6
Other EU countries	5.3	2.3
Other non-EU countries	–	0.1
Total	242.7	217.6

Receivable from arbitration

Receivable from arbitration represents the fair value of the compensation awarded to Casinos Austria International Holding GmbH Limited by an arbitration court in a case against the Argentine Republic relating to revocation of a gaming licence.

Argentina is challenging the decision of the arbitration court and has taken various procedural steps to delay the collection of this arbitration award. Management assess that the receivable would be collected at earliest during year 2024. Consequently, the Group classifies the receivable as non-current and measured it in accordance with requirements for credit-impaired assets on its origination.

Purchased or originated credit impaired assets ("POCI instruments")

POCI instruments are assets for which the credit risk is considered very high at initial recognition (i.e. purchase at discount, or against counterparty in significant financial distress). The instrument is measured by analogy to Level 3 impaired assets, at lifetime expected credit loss. Changes in lifetime ECL during the period are recognized separately as impairment gains or impairment losses. In 2022 the Group recognized an impairment gain within Other operating income (see Note 7).

The Group has developed a valuation methodology where lifetime ECL is estimated based on credit risk of Argentina, timing of possible collection scenarios and interest.

The nominal amount of the arbitration award was \$36.1 million as of 31 December 2021, with an additional 4% p.a. of penalty interest. The nominal value of the award is \$37.6 million as of 31 December 2022.

On origination, the Group estimated lifetime ECL at 49.5% of the total award amount, resulting in fair value of the instrument of €15.9 million as of 31 December 2021. During 2022, as a result of credit adjusted effective interest rate lifetime ECL decreased to 39.0% of the award value, resulting in fair value of the instrument of €21.5 million as of 31 December 2022. An impairment gain of €5.6 million is recorded within Other operating income (Note 7).

Notes to the consolidated financial statements continued

20 Other financial assets

Financial assets at fair value through other comprehensive income ("FVOCI")

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

The changes in fair value of FVOCI debt instruments are recognised in other comprehensive income ("OCI"). Any interest income, foreign exchange gains/losses and impairments are recognised immediately in profit or loss. Interest income on these assets is calculated using the effective interest rate method. Fair value changes that have been recognised in OCI are recycled to profit or loss upon disposal of the debt instrument.

On initial recognition of an equity financial instrument, an entity may make an irrevocable election (on an instrument-by-instrument basis) to designate the instrument at FVOCI. This option only applies to instruments that are not held for trading and are not derivatives.

Gains or losses recognised in OCI for such equity instruments are subsequently never reclassified from equity to profit or loss.

Financial assets at fair value through profit or loss ("FVTPL")

An instrument is classified as at fair value through profit or loss if it is held for trading or if the business model of the owner is to manage the financial asset on a fair value basis i.e. to realise the asset through sales as opposed to holding the asset to collect contractual cash flows. This category represents the "default" or "residual" category if the requirements to be classified as amortised cost or FVOCI are not met. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss in "Other gains and losses".

Loans provided

An instrument is classified as instrument at amortised cost when it is held solely to collect payments of principal amount and interest until the maturity.

The Group evaluates that expected credit loss of loans provided to related parties is not material and consequently does not record any ECL provisions. Fair value of loans provided (Level 3) is deemed to be materially similar as their carrying value.

Restricted cash

Restricted cash represents deposits on bank accounts related to obligations under gaming licences in the Czech Republic and Belgium. Current restricted represents cash reserved for payments of interest on certain debt facilities.

	FV Hierarchy	31/12/2022	31/12/2021
Other non-current financial assets		253.0	194.1
Financial assets at fair value through profit or loss ("FVTPL")		167.3	172.0
of which:			
	Level 2	164.5	168.5
	Level 3	2.8	3.5
Financial assets at fair value through other comprehensive income ("FVOCI")	Level 3	13.2	12.2
Loans provided		67.0	2.4
Restricted cash		5.5	7.5

Non-current "Financial assets at fair value through profit or loss ("FVTPL")" primarily comprise CASAG's investments in externally managed funds of €164.5 million (31 December 2021: €168.5 million). The investments are valued based on the net asset value of the funds.

Non-current "Financial assets at fair value through other comprehensive income (FVOCI)" comprises investments in equity securities.

Non-current "Restricted cash" represents deposits on bank accounts relating to obligations under gaming licences in Belgium and the Czech Republic.

	FV Hierarchy	31/12/2022	31/12/2021
Other current financial assets		132.2	127.5
Financial assets at fair value through profit or loss ("FVTPL")	Level 1	115.8	120.0
Loans provided		12.8	3.9
Fixed-term deposits (over 90 days)		3.6	3.6

Current "Financial assets at fair value through profit or loss (FVTPL)" mainly represents deposits in money market funds, of which €27.5 million are related to Austrian Lotteries' participation in the game "EuroMillions".

Reconciliation of movements in financial assets at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI):

	2022	2021
Balance at 1/1	304.2	230.8
Revaluation through profit or loss (FVTPL)	(7.2)	(8.7)
Revaluation through other comprehensive income/loss (FVOCI)	0.2	(3.7)
Additions	10.4	88.2
Disposals	(11.0)	(6.5)
Other non-cash movement (transfer from equity method investees)	(0.3)	4.1
Balance at 31/12	296.3	304.2

Changes of Level 3 fair values assets:

	2022	2021
Balance at 1/1	15.7	23.2
Acquisitions	0.8	–
Reclassification from equity method investee	–	4.0
Revaluation to fair value through other comprehensive income	0.2	(3.7)
Revaluation to fair value through profit and loss	(0.8)	(8.2)
Effect of FX differences	0.1	0.4
Balance at 31/12	16.0	15.7

Breakdown of non-current financial assets at fair value through profit or loss

	31/12/2022	31/12/2021
Non-current financial assets at fair value through profit or loss ("FVTPL")	167.3	172.0
Managed by Raiffeisen Capital Management	32.0	32.4
Managed by Erste Asset Management	29.3	30.0
Managed by Amundi, Fund 1	32.4	33.0
Managed by Amundi, Fund 2	19.6	20.0
Managed by Amundi, Fund 3	16.3	16.7
Managed by Bankhaus Schelhammer Schattera	34.8	36.1
Other	2.9	3.8

Notes to the consolidated financial statements continued

21 Cash and cash equivalents

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

	31/12/2022	31/12/2021
Cash and cash equivalents	1,208.3	1,281.0
Bank accounts	609.6	572.7
Fixed-term deposits	548.0	669.1
Cash in hand	50.7	39.2

Two bank accounts of the Company were pledged as a collateral for borrowings. The balance on the pledged accounts was €12.0 million as of 31 December 2022 (€3.0 million as of 31 December 2021).

Credit quality of cash and cash equivalents

The Group does not account for any expected credit loss for cash balances, as it is considered immaterial. The Group monitors the credit risk associated with banks. The Group only deposits cash with reputable financial institutions that fulfil Basel III criteria.

Credit risk by region

Cash and cash equivalents	31/12/2022	31/12/2021
Greece	677.6	799.8
Austria	255.7	196.2
Czech Republic	97.3	142.7
Cyprus	36.5	53.0
Germany	45.0	43.0
Switzerland	21.8	3.1
United Kingdom	38.7	4.1
Other EU countries	18.9	15.7
Other non-EU countries	16.8	23.4
Total	1,208.3	1,281.0

22 Equity and other comprehensive income/(loss)

Share capital

The Company's share capital as of 31 December 2022 comprises 30 authorised and outstanding ordinary shares in certificated form with a nominal value of CZK 100 thousand per share. The share capital is fully paid up. All shares have the same rights and no restrictions.

Each share represents one voting right.

Rights attached to the shares at the end of each reporting period were as follows:

- the right to share in the profit, if the share of the profit is to be distributed among the shareholders, and the right to share in net assets in the event of liquidation;
- the right to attend the General Meeting and to cast a vote at the General Meeting;
- the right to submit proposals and counter-proposals on matters included on the agenda of the General Meeting;
- the right to invoke the invalidity of a resolution of the General Meeting;
- the right to request the Board of Directors to issue a copy of the minutes of the General Meeting

All ordinary shares rank equally with regard to rights to share the Company's profits and residual net assets in the event of liquidation.

The Company does not own any treasury shares and no shares in the Company are owned by any other entity in the Group.

Capital contributions

Capital contributions represents distributable capital funds of the Company.

Currency translation reserve

Currency translation reserve represents accumulated differences from the translation of the financial statements of subsidiaries whose functional currency of subsidiary is not Euro (€) to the presentation currency Euro (€).

Actuarial reserve

Actuarial reserve represents accumulated adjustments to carrying value of defined benefit liabilities resulting from changes in actuarial assumptions.

Revaluation reserve

Revaluation reserve represents accumulated fair value revaluation of investments through other comprehensive income.

Hedging reserve

Hedging reserve represents the accumulated effect of revaluation of cash flow hedging derivatives to fair value and revaluation of net investment hedges.

Notes to the consolidated financial statements continued

22 Equity and other comprehensive income/(loss) continued

Detail and movements of other reserves

	Currency translation reserve	Actuarial reserve	Revaluation reserve	Hedging reserve	Accumulated share of OCI of equity method investees	Remaining portion	Total Other reserves	Impact on Non-controlling interest	Impact on Total Equity
2022									
Balance at 1 January 2022**	7.0	(2.2)	(4.8)	5.6	1.0	(2.1)	4.5	n/a	n/a
Change in currency translation reserve	10.4	–	–	–	–	–	10.4	(0.9)	9.5
Share of other comprehensive income of equity method investees	–	–	–	–	0.4	–	0.4	0.3	0.7
Change in fair value of hedging derivatives, net of tax*	–	–	–	(2.3)	–	–	(2.3)	–	(2.3)
Net change in hedging derivatives reclassified to profit or loss, net of tax*	–	–	–	0.4	–	–	0.4	0.8	1.2
Revaluation of equity instruments at FVOCI	–	–	0.1	–	–	–	0.1	0.1	0.2
Actuarial gain/(loss), net of tax*	–	15.6	–	–	–	–	15.6	10.8	26.4
Total other comprehensive income/(loss) for year 2022	10.4	15.6	0.1	(1.9)	0.4	–	24.6	11.1	35.7
Balance at 31 December 2022	17.4	13.4	(4.7)	3.7	1.4	(2.1)	29.1	n/a	n/a

* Income tax impact related to movements in other reserves is not material.

** See Note 2.6

	Currency translation reserve	Actuarial reserve	Revaluation reserve	Hedging reserve	Accumulated share of OCI of equity method investees	Remaining portion	Total Other reserves	Impact on Non-controlling interest	Impact on Total Equity
2021									
Balance at 1 January 2021**	(1.2)	(4.7)	(2.6)	(2.2)	0.1	(2.1)	(12.7)	n/a	n/a
Change in currency translation reserve	8.2	–	–	–	–	–	8.2	0.2	8.4
Share of other comprehensive income of equity method investees	–	–	–	–	0.9	–	0.9	0.6	1.5
Change in fair value of hedging derivatives, net of tax*	–	–	–	7.8	–	–	7.8	0.5	8.3
Revaluation of equity instruments at FVOCI	–	–	(2.2)	–	–	–	(2.2)	(1.5)	(3.7)
Actuarial gain/(loss), net of tax*	–	2.5	–	–	–	–	2.5	2.1	4.6
Total other comprehensive income/(loss) for year 2021	8.2	2.5	(2.2)	7.8	0.9	–	17.2	1.9	19.1
Balance at 31 December 2021**	7.0	(2.2)	(4.8)	5.6	1.0	(2.1)	4.5	n/a	n/a

* Income tax impact related to movements in other reserves is not material.

** See Note 2.6

Details for OCI and equity transactions

In 2022

On 22 November 2022, the company paid a dividend of €200.0 million.

In 2021

On 26 July 2021, the Company received a cash contribution of €75.0 million from its sole shareholder (see Note 32.1).

23 Non-controlling interests ("NCI")

The Group measures NCI at the acquisition date as a proportion of the acquiree's identifiable net assets, or at fair value. The choice of method used is made separately for each acquisition.

The Group used a proportion of the acquiree's identifiable net assets method for calculation of the non-controlling interest in all previous business combinations.

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

23.1 Overview of NCI interest held

NCI in OPAP

As of 31 December 2022, the Group held a 49.84% interest in OPAP, creating a 50.16% non-controlling interest in the net assets of OPAP. Additionally, the Group recognised individually immaterial non-controlling interests from OPAP's shareholdings in Hellenic Lotteries S.A. (NCI of 16.50%), Neurosoft S.A. (NCI of 32.28%) and Stoiximan (NCI of 15.51%).

NCI in CASAG

As of 31 December 2022, the Group held a 59.70% interest in CASAG creating a 40.30% non-controlling interest in the net assets of CASAG. Additionally, CASAG holds 73.83% interest in Austrian Lotteries, resulting in an additional internal 26.17% non-controlling interest in Austrian Lotteries, of which 9.45% is indirectly held by Allwyn. The Group applies look-through approach to the consolidation and reflects this additional interest in the NCI calculation for CASAG, see below.

Additionally, the Group recognised individually immaterial non-controlling interests from CASAG's shareholding in Casino Sopron Kft (NCI of 45.00%), CAI Hungary Kft (NCI of 45.00%), CCB Congress Center Baden Betriebs GmbH (NCI of 11.00%) and from Austrian Lotteries' shareholding in Österreichische Sportwetten GmbH (NCI of 44.00%).

Material NCI disclosure & reconciliation

A reconciliation of non-controlling interest is presented in the tables below:

31/12/2022	CASAG Group	OPAP Group	Other (individually immaterial)	Total
Non-controlling interest percentage	40.30%	50.16%		
Non-current assets	1,098.8	2,275.8		
Current assets	554.5	1,018.1		
Non-current liabilities	(365.8)	(835.6)		
Current liabilities	(481.9)	(819.4)		
Net assets	805.6	1,638.9		
Non-controlling interest calculation	324.7	822.1	0.4	
Subgroup's non-controlling interest entering consolidation	45.4*	16.2	—	
Carrying amount of non-controlling interest	370.1	838.3	0.4	1,208.8

* Relates primarily to NCI share in the shares of Austrian Lotteries subgroup. Reflects the fact that part of the NCI from CASAG perspective is held indirectly by Allwyn.

Notes to the consolidated financial statements continued

23 Non-controlling interests ("NCI") continued

A reconciliation of non-controlling interest is presented in the tables below:

31/12/2021	CASAG Group	OPAP Group	Other (individually immaterial)	Total
Non-controlling interest percentage	40.30%	59.63%		
Non-current assets	1,147.6	2,417.5		
Current assets	508.5	1,007.5		
Non-current liabilities	(462.5)	(1,341.0)		
Current liabilities	(457.6)	(571.3)		
Net assets	736.0	1,512.7		
Non-controlling interest calculation	296.6	902.0	(36.0)**	
Subgroup's non-controlling interest entering consolidation	46.8*	15.6	–	
Carrying amount of non-controlling interest	343.4	917.6	(36.0)	1,225.0

* Relates primarily to NCI share in the shares of Austrian Lotteries subgroup. Reflects the fact that part of the NCI from CASAG perspective is held indirectly by Allwyn.

** Relates primarily to NCI share of Allwyn Greece & Cyprus Holding 2 Ltd (formerly Rubidium Holdings Limited), a subsidiary of the Company, in the investor shares of SAZKA Delta Aif Variable Capital Investment Company Ltd ("SDVCIC").

Additional disclosures about material NCI

2022	CASAG Group	OPAP Group	Other (individually immaterial)	Total
Non-controlling interest percentage	40.30%	50.16%		
Revenue from gaming activities ("GGR")	1,419.2	1,939.0		
Profit/(loss) for the year	115.1	592.3		
Other comprehensive income	26.0	1.1		
Total comprehensive income	141.1	593.4		
Profit allocated to non-controlling interest	46.4	303.4*	0.1	
OCI allocated to non-controlling interest	10.5	0.6	–	
Share of profit of subgroup's non-controlling interest entering consolidation	32.8	3.5		
Share of other comprehensive income of sub-group's non-controlling interest entering consolidation	0.3	–		
Indirect share held in Austrian Lotteries subgroup through CLS, LTB	(11.1)	–		
Total comprehensive income attributable to non-controlling interest	78.9	307.5	0.1	386.5
Net cash from operating activities	210.1	659.7		
Net cash from investing activities	(17.1)	(53.2)		
Net cash from financing activities	(127.5)	(742.5)		
Net inflow (+) / outflow (–) of cash and cash equivalents for the year	65.5	(136.0)	–	70.5
Dividends and distributions declared to NCI	41.9	312.4	0.1	354.4

* Profit allocated to non-controlling interest does not mathematically agree to profit multiplied by non-controlling interest percentage due to the changes of interest percentage during the year.

2021	CASAG Group	OPAP Group	Other (individually immaterial)	Total
Non-controlling interest percentage	40.30%	59.63%		
Revenue from gaming activities ("GGR")	1,155.8	1,509.5		
Profit/(loss) for the year	87.7	276.5		
Other comprehensive income	1.8	1.0		
Total comprehensive income	89.5	277.5		
Profit allocated to non-controlling interest	35.3	170.8*	1.2	
OCI allocated to non-controlling interest	0.7	0.6	(0.1)	
Share of profit of subgroup's non-controlling interest entering consolidation	31.2	1.5		
Share of other comprehensive income of sub-group's non-controlling interest entering consolidation	0.7	–		
Indirect share held in Austrian Lotteries subgroup through CLS, LTB	(10.0)	–		
Total comprehensive income attributable to non-controlling interest	57.9	172.9	1.1	231.9
Net cash from operating activities	172.0	493.4	(4.4)	
Net cash from investing activities	(95.3)	(39.1)	20.5	
Net cash from financing activities	(70.4)	(100.8)	(7.4)	
Net inflow (+) / outflow (–) of cash and cash equivalents for the year	6.3	353.5	8.7	368.5
Dividends declared to NCI	16.5	124.1	4.6	145.2

* Profit allocated to non-controlling interest does not mathematically agree to profit multiplied by non-controlling interest percentage due to the changes of interest percentage during the year.

23.2 Overview of material NCI transactions

Effect of scrip dividend

Under the scrip dividend programme of OPAP, shareholders have an option to take cash or receive newly issued shares of OPAP S.A.

Scrip dividends taken by non-controlling interest reduces the impact of dividends declared to non-controlling interest on total consolidated equity, with a corresponding change to the non-controlling interest. The impact on the shareholder's equity is dependent on the scrip taken by the Group and is not calculated separately.

Scrip dividends taken by the Group does not impact total consolidated equity, as intragroup scrip dividends are eliminated in consolidation. The impact on shareholder's equity is dependent on the scrip taken by non-controlling interest.

To reflect the change of ownership interest from scrip dividends, the Group developed a presentation, where residual effect on ownership changes, as a re-allocation between the shareholder's equity and the non-controlling interest is presented separately in the Statement of Changes in Equity as "Effect of change in ownership due to scrip dividend".

Notes to the consolidated financial statements continued

23 Non-controlling interests ("NCI") continued

Increase of interest in OPAP in 2022

During the year, the Group increased its effective interest in OPAP from 40.37% to 49.84%. See the table below for information about individual transactions.

Interest increase	Type of transaction	Date of transaction	Consideration	Impact on total equity	Impact on shareholder's equity	Impact on NCI
1.94%	Open market purchases	During the year	€93.0 million	(93.0)	(63.9)	(29.1)
6.85% ^(b)	Increase of interest in holding entity	17 February 2022	€327.4 million	(327.4)	(259.8)	(67.6)
Purchase of non-controlling interest in subsidiaries – OPAP				(420.4)	(323.7)	(96.7)
0.68% ^(c)	Scrip dividend	8 August 2022, 9 November 2022	€102.5 million ^(a)	37.1	(24.0)	61.1
Effect of scrip dividend				37.1	–	37.1
Effect of change in ownership due to scrip dividend				–	(24.0)	24.0

(a) Represents value of the scrip dividend received, which is reinvested into buying interest in OPAP.

(b) On 17 February 2022, Allwyn Greece & Cyprus Holding 2 Ltd, a subsidiary of the Company, purchased a 20.77% interest in the investor shares of SAZKA Delta Aif Variable Capital Investment Company Ltd ("SDVCIC") from a third party investor. SDVCIC is a holding company through which the Group owns part of its interest in OPAP S.A. As a result, the Group's economic interest in SDVCIC increased to 100%, and its effective interest in OPAP S.A. increased by 6.85%. This purchase is presented in "Purchase of non-controlling interest in subsidiaries" in the consolidated statement of cash flows.

(c) On 9 June 2022 and 6 September 2022, OPAP declared a dividend of €0.5 per share and €0.3 per share, respectively. Shareholders had the option of receiving cash or shares under OPAP S.A.'s scrip dividend. The Group elected to receive scrip.

Increase of interest in OPAP in 2021

During the year, the Group increased its effective interest in OPAP from 36.10% to 40.37%. See the table below for information about individual transactions.

Interest increase	Type of transaction	Date of transaction	Consideration	Impact on total equity	Impact on shareholder's equity	Impact on NCI
3.17%	Open market purchases	During the year	€134.5 million	(134.5)	(93.1)	(41.4)
0.13% ^(c)	Intragroup re-purchase of NCI	6 August 2021	€23.0 million	–	(3.2)	3.2
0.19% ^(c)	Increase of interest in holding entity	16 September 2021	€6.6 million	(6.6)	(4.7)	(1.9)
Purchase of non-controlling interest in subsidiaries – OPAP				(141.1)	(101.0)	(40.1)
0.80% ^(b)	Scrip dividend	3 August 2021, 10 November 2021	€96.6 million ^(a)	34.2	(17.9)	52.1
Effect of scrip dividend				34.2	–	34.2
Effect of change in ownership due to scrip dividend				–	(17.9)	17.9

(a) Represents value of the scrip dividend received, which is reinvested into buying interest in OPAP. This includes share of minority interest in SDVCIC of €14.5 million. Net value of scrip dividend attributable to Allwyn is €82.1 million.

(b) On 3 August 2021 and 10 November 2021, OPAP S.A. paid a dividend of €0.55 per share and €0.10 per share, respectively. Shareholders had the option of receiving cash or shares under OPAP S.A.'s scrip dividend. The Group elected to receive scrip.

(c) The Company purchased 0.59% of shares in OPAP S.A. from Allwyn Greece & Cyprus Holding Ltd. is a holding company through which the Company owned part of its interest in OPAP S.A. As the Company did not own 100% of AGCH at the time, the Group's effective interest in OPAP S.A. increased by 0.13% as a result. Because the transaction is eliminated in consolidation, it does not impact total consolidated equity and is only reflected as movement between non-controlling interest and shareholder's equity.

(d) On 16 September 2021 the company increased its interest in SDVCIC. This purchase is presented in "Purchase of NCI in subsidiaries" in the consolidated statement of cash flows.

Dividends received from subsidiaries with non-controlling interest

Dividends and distributions declared in 2022	Dividends and distributions declared	Dividends and distributions declared to NCI	of which paid / settled	of which outstanding at end of period
Austrian Lotteries	119.5	20.0*	20.0	–
CASAG subgroup (excl. Austrian Lotteries)	53.3	21.9	6.9	15.0
CASAG	45.0	18.2	3.2	15.0***
Other	8.3	3.7	3.7	–
Stoiximan	61.3	9.5	9.5	–
OPAP	600.6	302.9	302.9	–
Other (individually immaterial)	–	0.1	0.1	–
Total	n/a	354.4	339.4	15.0
paid in cash			302.3	
settled by issuance of new shares via OPAP scrip dividend			37.1**	

* Including €(11.3) million attributable to the Group through its shareholding in CLS and LTB (see Note 18).

** The issuance of these shares at a price above their book value per share is reflected in "Effect of change in ownership due to scrip dividend" in the consolidated statement of changes in equity.

*** The outstanding dividend was paid in cash on 23 January 2023.

Dividends and distributions declared in 2021	Dividends and distributions declared	Dividends and distributions declared to NCI	of which paid / settled	of which outstanding at end of period
Austrian Lotteries	91.0	16.5*	16.5*	–
Stoiximan	42.5	4.1	4.1	–
OPAP	221.6	120.0	119.8	0.2
SAZKA Delta (excl. OPAP)	21.5	4.6	4.6	–
Total	n/a	145.2	145.0	0.2
paid in cash			110.8	
settled by issuance of new shares via OPAP scrip dividend			34.2**	

* Including €(8.6) million attributable to the Group through its shareholding in CLS and LTB (see Note 18).

** The issuance of these shares at a price above their book value per share is reflected in "Effect of change in ownership due to scrip dividend" in the consolidated statement of changes in equity.

Notes to the consolidated financial statements continued

24 Loans and borrowings

	31/12/2022	31/12/2021
Non-current loans and borrowings	2,574.6	2,259.5
Bank loans	943.5	1,230.7
Bonds	1,631.1	1,028.8

	31/12/2022	31/12/2021
Current loans and borrowings	328.8	433.4
Current portion of long-term bank loans including accrued interest*	312.7	171.0
Accrued interest on bonds	16.1	10.0
Short-term bonds	–	199.4
Short-term bank loans and borrowings	–	50.8
Overdrafts	–	2.2

* €249.6 million of this amount relates to a loan to OPAP S.A.; OPAP S.A. has entered into a forward starting loan agreement to refinance this amount.

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

	2022	2021
Balance at 1 January	2,692.9	2,662.3
Cash flows		
Loans and borrowings received	1,425.9	572.9
Repayment of loans and borrowings	(1,238.8)	(564.9)
Interest paid	(112.3)	(94.9)
Non-cash changes		
Accrued interest expense	114.7	97.0
Unwinding of financing fees	13.4	9.3
Effect of FX differences	7.6	11.2
Balance at 31 December	2,903.4	2,692.9

For the reconciliation of movements of "Lease liabilities" to cash flows see Note 25.

Material debt instruments – summary

Borrower/Issuer	Note	Currency	Principal amount in millions of EUR 31/12/2022	Maturity	Interest rate	Book value 31/12/2022	Book value 31/12/2021
Loans and borrowings						1,256.2	1,452.5
Allwyn Financing Czech Republic a.s.	(a)	EUR	–	2024	EURIBOR + margin*	–	482.5
Allwyn International a.s. / Allwyn Entertainment Financing UK Plc	(b)	EUR	600.0	2027, 2028	EURIBOR + margin*	589.3	–
Casinos Austria AG	(c)	EUR	75.0	2026	EURIBOR + margin*	74.7	121.0
Hellenic Lotteries S.A.	(d)	EUR	40.0	2024	EURIBOR + margin*	40.2	50.0
OPAP S.A.	(e)	EUR	250.0	2023	Fixed	250.0	248.6
OPAP S.A.	(f)	EUR	–	2023	EURIBOR + margin*	–	97.8
OPAP S.A.	(g)	EUR	–	2022	EURIBOR + margin*	–	50.3
OPAP S.A.		EUR	100.0	2024	EURIBOR + margin*	99.7	99.4
OPAP S.A.	(h)	EUR	200.0	2027	Fixed	200.2	300.3
Other			2.1			2.1	2.6
Bonds						1,647.2	1,238.2
Allwyn Entertainment Financing (UK) Plc – EUR 400m	(i)	EUR	400.0	2028	EURIBOR + 4.13 %	397.9	–
Allwyn International a.s. – EUR 500m	(j)	EUR	500.0	2027	3.88 %	500.9	300.4
Allwyn International a.s. – EUR 300m		EUR	300.0	2024	4.13 %	299.7	298.7
Allwyn International a.s. – CZK 6bn		CZK	248.8	2024	5.20 %	250.6	242.1
OPAP S.A. – EUR 200m		EUR	200.0	2027	2.10 %	198.1	197.6
SAZKA Group Financing a.s. – EUR 200m	(k)	EUR	–	2022	4.00 %	–	199.4
Other – overdrafts						–	2.2
Total						2,903.4	2,692.9

* Margin applicable to the outstanding loans and borrowings as of 31 December 2022 was in the range of 1.2 % – 3.75 % p.a.

Change in debt instruments during the period

(a) On 25 November 2022, Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.) fully repaid this loan. The loss from the early repayment of the loan of €4.3 million was recognized as “Other finance expense” (see Note 13).

The table below shows movements in this loan during twelve months ended 31 December 2022.

	Bullet tranche	Amortizing tranche	Revolving credit facility drawn	Total principal outstanding	Available revolving credit facility
Principal amount at 1/1/2022:	220.0	165.0	100.0	485.0	100.0
Principal repayment – March	(32.6)	(24.5)	–	(57.1)	–
Refinancing – June	82.6	24.5	–	107.1	43.2
Regular repayment – August	–	(55.0)	–	(55.0)	–
Repayment – November	(270.0)	(110.0)	–	(380.0)	(243.2)
Other RCF drawings in the period	–	–	136.6	136.6	(136.6)
Other RCF repayments in the period	–	–	(236.6)	(236.6)	236.6
Principal amount at 31/12/2022:	–	–	–	–	–

Notes to the consolidated financial statements continued

24 Loans and borrowings continued

(b) On 17 November 2022, Allwyn and Allwyn Entertainment Financing (UK) Plc together signed a syndicated bank loan facility in the total amount of €1.6 billion. The facility comprises:

- €290 million amortized tranche (Facility A) due in 2027, amortizing in four equal annual instalments starting in 2024 (fully drawn as of 31 December 2022);
- €290 million bullet tranche (Facility B) due in 2028 (fully drawn as of 31 December 2022);
- €152 million committed amortized tranche (Facility A2) due in 2027, amortizing in four equal annual instalments starting in 2024 (undrawn as of 31 December 2022);
- €152 million committed bullet tranche (Facility B2) due in 2028 (undrawn as of 31 December 2022);
- €300 million revolving credit facility with final maturity in 2027 (€20m drawn as of 31 December 2022); and
- GBP 380 million (€429 million) multi-purpose facility, which can be drawn as guarantee or term loan, due in 2027. GBP 338 million (€382 million) of guarantees were issued as of 31 December 2022. Rest of the facility remained undrawn as of 31 December 2022.

The table below shows movements in this loan during twelve months ended 31 December 2022 (currently includes only drawn facilities and RCF):

	Bullet tranche	Amortizing tranche	Revolving credit facility drawn	Total principal outstanding	Available revolving credit facility
Principal amount at 1/1/2022:	–	–	–	–	300.0
Principal drawings November	290.0	290.0	–	580.0	300.0
Other RCF drawings in the period	–	–	20.0	20.0	(20.0)
Principal amount at 31/12/2022:	290.0	290.0	20.0	600.0	280.0

- (c) On 30 June 2021, Casinos Austria AG made a partial repayment of €5.7 million of this loan. On 31 December 2021, Casinos Austria AG made a partial repayment of €5.7 million of this loan. On 30 June 2022, Casinos Austria AG made a partial repayment of €40.7 million of this loan.
- (d) On 27 October 2021, Hellenic Lotteries A.S. signed a bank loan of €50.0 million. On 23 February 2022, Hellenic Lotteries S.A. made a partial repayment of €10.0 million of this loan.
- (e) In May 2022, OPAP signed a forward loan agreement of €250.0 million for 3 years, starting in March 2023 and maturing in March 2026. The forward loan agreement secured resources for refinancing of the existing loan with maturity March 2023.
- (f) On 23 March 2022, OPAP S.A. fully repaid this loan.
- (g) On 5 October 2022, OPAP S.A. fully repaid this loan.
- (h) On 5 January 2022, OPAP S.A. made a partial repayment of €100.0 million of this loan.
- (i) On 9 February 2022, Allwyn Entertainment Financing (UK) plc, a newly established 100% subsidiary of the Company, issued €400.0 million in aggregate principal amount of senior secured floating rate notes due 2028 at an issue price of 99.5% with a margin of 4.13%.
- (j) On 9 February 2022, the Company issued €200.0 million in aggregate principal amount of additional 3.88% senior secured notes due 2027 at an issue price of 99.0%.
- (k) On 8 March 2022, SAZKA Group Financing a.s. fully repaid this bond.

Undrawn revolving facilities as of 31 December 2022

Borrower / Issuer	Currency	Undrawn amount in millions	Currency	Undrawn amount in millions
Allwyn International a.s. / Allwyn Entertainment Financing UK Plc	EUR	280.0	EUR	280.0
Allwyn UK	GBP	60.0	EUR	69.0
CASAG	EUR	50.0	EUR	50.0
OPAP*	EUR	310.0	EUR	310.0
Total				709.0

* OPAP including its subsidiaries

Fair values of financial liabilities

Estimated fair values of financial liabilities

The fair value of bonds is deemed to be the market value. For other debt instruments the measurement is based on the market value of similar instruments and current interest rates on debt with the same maturity. Inputs other than quoted prices that are observable for the liability are interest rates, yield curves observable at commonly quoted intervals and credit spreads. The fair value of debt with a variable interest rate is deemed to be the carrying amount.

Estimated fair value of financial liabilities as of 31 December 2022:

	Carrying amount	Fair Value	FV Hierarchy Level 1	FV Hierarchy Level 2	FV Hierarchy Level 3
Bonds	1,647.2	1,563.3	1,143.4	–	419.9
Loans, borrowings and other	1,256.2	1,251.3	–	–	1,251.3
Total	2,903.4	2,814.6	1,143.4	–	1,671.2

Other information

Financial covenants

The Group's bonds have certain financial covenants, including covenants based on the financial results of Group companies. Breach of these covenants can lead to immediate maturity of the debt. During the reporting period no breaches of covenants have occurred.

Collaterals and pledges

The following bonds and borrowings are collateralised pari passu:

- 2024 CZK bonds issued by Allwyn CZK 6,000 million (equivalent to €248.8 million);
- 2024 bonds issued by Allwyn of €300 million;
- 2027 bonds issued by Allwyn of €500 million;
- 2028 bonds issued by Allwyn Entertainment Financing (UK) Plc of €400; and
- Syndicated bank loan signed on 17 November 2022 by the Company and Allwyn Entertainment Financing (UK) Plc of up to €1.6 billion (see Note 24 (b) above).

The security is shared under the terms of an intercreditor agreement dated 16 December 2020. The following assets owned directly or indirectly by the Company are pledged:

- Shares in companies: (i) Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.); (ii) Italian Gaming Holding a.s.; (iii) SAZKA Austrian Gaming Holding a.s.; (iv) Allwyn Financing Czech Republic a.s. (v) Allwyn Greece & Cyprus Holding 2 Ltd; (vi) SAZKA a.s.; (vii) Allwyn Austria Holding 2 GmbH; (viii) Allwyn Austria Holding 3 GmbH; (ix) OPAP (shares held directly by Allwyn); (x) Lottolitalia; and
- Receivables: (i) from the bank account of Allwyn to which dividends of subsidiaries are distributed; (ii) from intragroup loans provided to SAZKA a.s., Italian Gaming Holding a.s. and Allwyn Austria Holding 2 GmbH; (iii) of Allwyn Entertainment Financing (UK) Plc from an intragroup loan provided to Allwyn.

The collateral effectively (through ownership interests in consolidated entities) represents substantially all of the Group's assets presented on the consolidated statement of financial position.

Notes to the consolidated financial statements continued

25 Leases

25.1 Group as a lessee

Material leases

Present value of lease liability		31/12/2022	31/12/2021
Casinos – Austria	(a)	25.9	32.5
Gaming Halls – Austria	(b)	6.5	7.3
Gaming Halls – Greece and Cyprus	(c)	14.3	18.7
Markopoulo Park – Greece and Cyprus	(d)	11.9	12.9
Office – Czech Republic	(e)	25.9	25.1
<i>Remaining individual</i>		<i>45.9</i>	<i>52.5</i>
Total lease liability		130.4	149.0

(a) Lease payments for the Group's Austrian casinos are in general adjusted according to the consumer price index.

(b) Lease payments for the Group's Austrian gaming halls are in general fixed.

(c) Lease payments for the Group's Greece and Cyprus gaming halls are adjusted according to the consumer price index. The vast majority of the leasing contracts are of three years' duration and give to the Group the exclusive right to extend the terms up to nine years. Management assessed that renewal option will be exercised.

(d) The Group leases Markopoulo Park where the headquarters of the Group's subsidiary Horse Races Single-Member S.A. (formerly Horse Races S.A.) are located and where all the Greek horse racing activities of the latter take place. The duration of the lease is twenty years, expiring in 2036. The Group has an option to early terminate the lease. The lease payments are fixed.

(e) Lease payments for office space based in Czech Republic are in general adjusted according to the consumer price index. The duration of the lease is ten years, expiring in 2031.

Future variable lease payments

Certain leases are adjusted for variable lease payments that do not depend on an index or a rate. These variable lease payments are not included as a part of the lease liability at the lease commencement date. Variable lease payments are included in profit or loss when the event or condition that triggers the variability occurs.

Estimated future variable lease payments related to leases of gaming machines and gaming halls are €45.1 million (31 December 2021: €44.8 million) over the respective lease periods.

Short-term and low value leases

Leases which have a term of 12 months or less and do not contain a purchase option, leases where the underlying asset has a low value, and variable payments such as turnover rent, property taxes paid by the tenant and insurance paid by the tenant are recorded as lease expense within materials, consumables and services (Note 9).

Leases not yet commenced to which the lessee is committed

As of 31 December 2022, the Company is not committed to any material leases not yet commenced.

Reconciliation of cash flows related to leases

	Note	2022	2021
Lease liability balance as of 1 January		149.0	143.7
Payment of lease liability principal amount		(27.4)	(22.7)
New lease contracts and contract modifications		6.8	26.5
Effect of currency translation		2.0	1.5
Lease liability balance as of 31 December		130.4	149.0
Interest expense from leases that was paid	13	(5.1)	(5.0)
Expense relating to short-term leases		(2.4)	(1.2)
Expense relating to leases of low-value assets		(0.7)	(0.8)
Expense relating to variable lease payments		(6.1)	(3.3)
Total expenses relating to leases not recognised as right of use assets according to practical expedients		(9.2)	(5.3)
Total cash outflow related to leases		(41.7)	(33.0)

"Total cash outflow related to leases" is the sum of "Payment of lease liability principal amount", "Interest expense from leases paid" and "Total expenses relating to leases not recognised as right of use assets according to practical expedients".

25.2 Group as a lessor

The Group leases out certain non-residential premises and movable assets. In 2022 the Group recognised income from leases of €5.7 million (2021: €4.1 million), which represents operating leases of assets currently not used by the Group (see Note 7).

The table below shows future income from existing leases:

	2022	2021
Income from leases in future periods	14.1	16.9
1 year	5.2	5.3
2 years	2.9	3.9
3 years	1.8	2.4
4 years	1.6	1.8
5 years	1.3	1.8
More than 5 years	1.3	1.7

The table below shows the carrying value of assets leased by the Group to counterparties as of 31 December:

	2022	2021
Carrying value	33.8	38.7
Buildings – right of use	14.5	20.9
Investment property	19.3	17.8

Notes to the consolidated financial statements continued

26 Trade and other payables

	31/12/2022	31/12/2021
Non-current trade and other payables**	36.9	42.2
Non-current payables – financial	34.6	39.7
Gaming payables	20.0	18.6
Liabilities from winnings	20.0	18.6
Acquisition related payables	–	2.3
Deferred consideration for the purchase of interest in OPAP	–	2.3
Other	14.6	18.8
Deferred purchase price for intangible assets	12.8	15.1
Other payables	1.8	3.7
Non-current payables – other	2.3	2.5
Other	2.3	2.5
Deferred revenue	2.3	2.5

* The Group holds these financial liabilities at fair value through profit and loss ("FVTPL"). Financial liabilities are categorized to Level 3 in the fair value hierarchy.

** See Note 2.6

Non-current "Liabilities arising from unpaid winnings" represents winnings from certain games which are paid out over an extended period.

"Deferred purchase price for intangible assets" represents a licence to operate gaming software in the Czech Republic. The licence will be repaid in monthly instalments until 2031.

	Note	31/12/2022	31/12/2021
Current trade and other payables		923.0	892.7
Current payables – financial		587.2	615.3
Gaming payables		352.4	328.0
Liabilities from winnings		282.0	261.8
Players' deposits		40.9	37.2
Guarantee deposits from agents		29.5	29.0
Trade payables		169.4	132.8
Trade payables to suppliers		169.4	132.8
Acquisition related payables		16.7	120.7
Contingent consideration for the purchase of interest in Stoiximan*		13.9	114.3
Contingent consideration for the purchase of interest in CASAG*		–	3.4
Deferred consideration for the purchase of interest in OPAP		2.8	3.0
Other		48.7	33.8
Dividends declared to NCI		15.0	0.2
Deferred purchase price for intangible assets		1.4	1.4
Other payables		32.3	32.2
Current payables – other		335.8	277.4
Gaming payables		17.1	17.7
Prepaid stakes		17.1	17.7
Trade and other payables		318.7	259.7
Gaming tax liabilities		174.1	133.7
Gaming tax liabilities – minimum contribution of Hellenic Lotteries S.A.		62.8	62.8
Payables to state (social and health insurance liabilities, other taxes)		58.7	39.5
Vouchers		20.4	20.7
Contract liabilities		2.1	2.2
Deferred revenues		0.6	0.8

* The Group holds these financial liabilities at fair value through profit and loss ("FVTPL"). Financial liabilities are categorized as Level 3 in the fair value hierarchy.

"Liabilities from winnings" comprises payouts due to players from draws and bets and an accrued liability for future estimated future pay-outs including jackpot reserve. See Note 6 for more information about gaming revenue recognition.

For definition of "Player deposits" and "Prepaid stakes" see Note 6.

"Guarantee deposits from agents" represent cash provided by the agents to the Group. The deposit is repayable at the end of the contract.

Contingent consideration is dependent on variable indicators that will be determined based on subsequent events e.g. on EBITDA or other performance indicators of entity purchased. The amount of contingent consideration represents the best estimate of the consideration as at the reporting date. Changes of estimated value are recognised immediately in profit and loss as gain (+) /loss (-) on change of contingent consideration. Contingent consideration is measured at fair value in Level 3 of the hierarchy.

Deferred consideration for investment purchased is measured at amortized cost.

"Dividends declared to NCI" comprises dividends attributable to non-controlling interest (see Note 23).

"Gaming tax liabilities" are due when cash for stakes is accepted. Gaming tax is calculated as the tax base multiplied by a rate, which varies based on the type of game and country by country. The tax base is the amount staked less prizes paid.

"Gaming tax liabilities – minimum contribution of Hellenic Lotteries S.A." represents the difference between the gaming taxes payable on Hellenic Lotteries S.A.'s applicable GGR and the minimum annual amount of €50.0 million, required according to Hellenic Lotteries S.A.'s concession agreement. The Group has not paid this amount on the basis that restrictions imposed due to COVID-19 which impacted actual GGR generation constitute force majeure (see Note 30).

Reconciliation of movements in contingent consideration for the purchase of interest in Stoiximan is as follows:

	2022	2021
Contingent consideration for the purchase of interest in Stoiximan as of 1 January	114.3	128.3
Payment in current period	(106.4)	(19.0)
Unwinding derivate recognised in interest expense	1.5	2.8
Change derivate value recognised in other operating expense	4.5	2.2
Contingent consideration for the purchase of interest in Stoiximan as of 31 December	13.9	114.3

The remaining contingent consideration for the purchase of interest in Stoiximan is payable in cash in 2023 and is determined based on a multiple of the difference between target and actual EBITDA for the year 2021. The settlement of the liability is classified as investing activity.

The table below analyses trade and other payables according to their relationship to cash flows:

	31/12/2022	31/12/2021
Relates to operating cash flow (working capital)	928.2	814.0
Relates to investing cash flow	13.9	117.7
Relates to financing cash flow	17.8	3.2

As of 31 December 2022 and 31 December 2021 "Trade and other payables" were not secured.

Notes to the consolidated financial statements continued

27 Provisions

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

Provisions	Litigation provision	Other provisions	Total
Balance at 01/01/2022	13.6	8.2	21.8
Additions	5.4	6.0	11.4
Utilisation	(0.1)	(6.7)	(6.8)
Release	(1.8)	(0.7)	(2.5)
Balance at 31/12/2022	17.1	6.8	23.9
Balance at 01/01/2021*	14.4	7.3	21.7
Additions	1.3	6.4	7.7
Utilisation	(0.9)	(3.4)	(4.3)
Release	(1.2)	(2.1)	(3.3)
Balance at 31/12/2021*	13.6	8.2	21.8

* See Note 2.6

Provisions	Litigation provision	Other provisions	Total
<i>thereof:</i>			
Non-current provisions	–	1.5	1.5
Current provisions	17.1	5.3	22.4
Balance at 31/12/2022	17.1	6.8	23.9

Provisions	Litigation provision	Other provisions	Total
<i>thereof:</i>			
Non-current provisions	9.2	1.0	10.2
Current provisions	4.4	7.2	11.6
Balance at 31/12/2021*	13.6	8.2	21.8

Litigation provision

The litigation provision includes a €6.5 million (31 December 2021: €6.0 million) provision related to a former agent's claim against OPAP (see Note 30). The remaining portion comprises provisions for other individually immaterial litigations and related legal fees.

28 Derivatives and hedging

Derivatives and hedging

As permitted by the transitional provisions of IFRS 9, the Group has elected to continue to apply the hedge accounting requirements of IAS 39. The effective portion of changes in fair value of cash flow hedges is accumulated in "Hedging reserve" in equity. The cumulative gain or loss previously recognised in equity as a "Hedging reserve" remains there until the forecast transaction occurs.

Currency and interest rate derivatives are used only for economic hedging purposes. When hedge accounting requirements are fulfilled, derivatives are designated and recognised as "Hedging derivatives".

The following table shows the fair values of derivative financial instruments:

	Fair value at 31/12/2022		Fair value at 31/12/2021	
	Hedging derivatives	Other derivatives	Hedging derivatives	Other derivatives
Derivative liabilities	–	–	1.5	–
Non-current	–	–	1.5	–

All financial derivatives at fair value as of 31 December 2022 and 31 December 2021 were categorised to Level 2 in the fair value hierarchy. For valuation techniques see Note 31.6.

Hedging derivatives

The Group held the following hedging derivatives (assets presented as positive/liabilities presented as negative amount):

Hedging derivatives	Due date	Direction	Fixed rate	Notional value as of 31/12/2021	Average fixed rate as of 31/12/2021	Fair value as of 31/12/2021
Interest rate swaps	2023	–	3M EURIBOR	100.0	0.365	(1.5)
Total hedging derivatives				–	–	(1.5)

The Group hedged interest payments on loans and borrowings in principal amount of €100.0 million as of 31 December 2021 and until 23 March 2022 with maturity in 2023. On 23 March 2022, the Group fully repaid this loan and cash settled its outstanding interest rate swap.

As of 31 December 2022, change in fair value of hedging derivatives of €(2.3) million (31 December 2021: €8.3 million), was recognised in other comprehensive income/(loss), of which nil was attributable to non-controlling income (31 December 2021: €0.5 million).

The effect of settlement of hedging derivatives of €1.2 million (31 December 2021: €nil), net of tax, was reclassified to profit or loss, of which €0.8 million (31 December 2021: €nil) was attributable to non-controlling interest.

Notes to the consolidated financial statements continued

28 Derivatives and hedging continued

Interest rate hedge

The Group used interest rate derivatives ("IRS") to mitigate the risk of fluctuating interest rates. Hedged items were the future interest payments under loan agreements, in which interest payments were based on floating rates (EURIBOR). IRS were used to swap these variable rates for fixed rates.

As of 31 December 2021, and until 23 March 2022, hedge accounting criteria were fulfilled, and such derivatives were recognised as "Hedging derivatives" and the changes in the fair value for such derivatives were recognised directly in the consolidated other comprehensive income. The Group applied a dollar offset method to measure the effectiveness of the hedge relationship. The Group did not recognise any hedge ineffectiveness arising from these IRS cash flow hedges in profit or loss.

Net investment hedge of foreign operation

Until March 2021, the Group used non-derivative financial liabilities to hedge foreign currency risks resulting from net investments in foreign subsidiaries, provided that the other financial liabilities met the same requirements as a hedging derivative.

The non-derivative financial liability designated as a net investment hedge was a Eurobond issued by the Company with maturity in 2024, a portion of a Eurobond issued by the Company with maturity in 2027, and a portion of a bond issued by SAZKA Group Financing a.s. with maturity in 2022. The hedging relationship ended as of 31 March 2021 as a consequence of a change of the functional currency of the Company.

The cumulative gain of €3.7 million on this net investment hedge (without change from 31 March 2021) is recognised within "hedging reserve" in equity and will be reclassified to profit or loss on a disposal of the foreign operation.

Hedge effectiveness was determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that the economic relationship existed between the hedged item and the hedging instrument. The Group did not recognise any hedge ineffectiveness from the net investment hedge.

29 Personnel expenses and employee benefit liabilities

Breakdown of personnel expenses

	2022	2021
Personnel expenses	(379.1)	(309.4)
Wages and salaries	(291.9)	(235.7)
State mandated social security and health insurance other than pensions	(34.2)	(29.0)
State mandated pensions – defined contribution plans	(30.2)	(28.1)
Other state mandated social expenses	(6.7)	(5.0)
Private retirement benefit expenses – defined benefit plans	(4.5)	(1.3)
Other long-term employee benefits expense	(11.6)	(10.3)

Breakdown of employee benefit liabilities

	31/12/2022	31/12/2021
Non-current employee benefit liabilities	115.4	132.6
Post-employment benefits	81.1	93.5
<i>Of which: Defined benefit plans</i>	<i>81.1</i>	<i>93.5</i>
Termination benefits	22.8	30.2
Long-term bonuses	11.5	8.9
	31/12/2022	31/12/2021
Current employee benefit liabilities	72.7	54.8
Short term bonuses	25.1	19.0
Current portion of long-term bonuses	6.2	–
Termination benefits	14.3	13.2
Other employee benefit liabilities	27.1	22.6

Short term employee benefits

Short-term employee benefits, including annual bonuses are presented within "wages and salaries".

"Other employee benefit liabilities" are liabilities for wages and salaries, holiday pay, sick leave, meal vouchers and other benefits that are settled wholly within the 12 months after the end of the period in which the service was rendered.

"Short-term bonuses" are liabilities for annual bonuses to employees.

Long-term incentive schemes and bonuses

Incentive schemes and bonus programmes are multi-year programmes which are intended to motivate management, Executive Members of the Board of Directors and other key management personnel of Allwyn and relevant Group subsidiaries to meet specified targets.

Related liabilities are presented within "Long-term bonuses" (if not due within 12 months after the end of the reporting period) or within "Current portion of long-term bonuses".

Post-employment benefits

Defined contribution plans

Mandatory contributions to state pension funds required in certain jurisdictions in which the Group operates are presented as "State mandated pensions – defined contribution plans", with liabilities presented within Trade and other payables as "Payables to state". The Group's legal and constructive obligation for these pension plans is limited to the contributions.

Defined benefit plans

"Post-employment benefits" relates mainly to CASAG and OPAP. Employees of CASAG born prior to 1 January 1945 and existing and former Management Board members are eligible to participate in a defined benefit plan. OPAP employees are eligible to participate in a defined benefit plan.

Under Greek and Austrian labour law, employees are entitled to severance payments in the event of retirement or termination by the employer with the amount of payment varying in relation to the employee's compensation and length of service. The liability arising from the obligation is valued by an independent firm of actuaries. The last actuarial valuations of the OPAP and CASAG defined benefit plans were undertaken as of 31 December 2022. The vast majority of defined benefit plan liability relates to CASAG. The maturity of defined benefit plan obligations coincides with the expected date of retirement of individual employees.

Additionally, under Austrian labour law, the employer contributes 1.53% of the gross wage or salary each month to an employee compensation fund. The pension payments are based on the amounts available in the pensions fund; however, the Group guarantees a certain minimum pension and has an obligation to make additional contributions if the funds available were not sufficient to allow the payment of such minimum pensions. Therefore, the plan is classified as a defined benefit plan.

In Austria there are three types of "Defined benefit plan" obligations: severance plans, pension plans and pension plan with guaranteed minimum pension.

The current service cost, past service cost and any gain or loss on settlement are presented within "Private retirement benefit expenses – defined benefit plan". Net interest on the net defined liability (asset) is recognised in the line "Finance costs, net".

Termination benefits

Termination benefits comprises liabilities in connection with termination plans and a restructuring programme in CASAG ("Restructuring liability"). Historically, the employees of CASAG were able to participate in several termination benefit programmes which qualify as termination benefits under IAS 19, including severance programmes and stand-by-duty programmes, under which an employee agrees to a reduction in wage and reduction of working hours to zero, but can be called to work if needed, until the employee reaches a legal retirement age.

The restructuring programme announced in July 2020 and approved by the workers' union enhanced some of the existing termination programmes as well as introduced new programmes, for example golden handshake type severance packages.

Restructuring liability is measured by discounting estimated future payments to employees participating in the restructuring programmes to the present value.

Notes to the consolidated financial statements continued

29 Personnel expenses and employee benefit liabilities continued

The following table shows a breakdown of the carrying value of defined benefit obligation between various plans:

31/12/2022	Present value of obligation	Fair value of plan assets	Net defined benefit plan
Types of defined benefit plans	233.6	(152.5)	81.1
Severance plan Greece and Cyprus	1.0	n/a	1.0
Severance plan Austria	30.5	n/a	30.5
Pension plan without plan assets	25.4	n/a	25.4
Pension plan with plan assets	72.7	(48.5)	24.2
Pension plans with guaranteed minimum pension	104.0	(104.0)	–

31/12/2021	Present value of obligation	Fair value of plan assets	Net defined benefit plan
Types of defined benefit plans	263.3	(169.8)	93.5
Severance plan Greece and Cyprus	1.0	n/a	1.0
Severance plan Austria	37.7	n/a	37.7
Pension plan without plan assets	14.7	n/a	14.7
Pension plan with plan assets	95.9	(55.8)	40.1
Pension plans with guaranteed minimum pension	114.0	(114.0)	–

Summary disclosure for severance plans and pension plans with no plan assets:

	Note	2022	2021
Opening balance as of 1 January		53.4	71.6
Current service costs		0.5	1.0
Interest costs		1.2	0.6
Settlement cost (result)		1.4	–
Total cost recognised in consolidated statement of comprehensive income		3.1	1.6
Actuarial (gain)/loss arising from demographic assumptions		–	0.3
Actuarial (gain)/loss arising from financial assumptions		(12.2)	(2.6)
Actuarial (gain)/loss arising from experience adjustment		(2.3)	(1.2)
Total actuarial (gain)/loss recognised in other comprehensive income		(14.5)	(3.5)
Transfers		–	(2.2)
Payments		(7.3)	(14.1)
Other movements	30	22.2	–
Closing balance as of 31 December		56.9	53.4

Summary disclosure for pension plans with plan assets:

	Present value of obligation	Fair value of plan assets	Total
Opening balance as of 01/01/2022	95.9	(55.8)	40.1
Current service costs	1.0	–	1.0
Interest costs	1.3	(2.1)	(0.8)
Past service cost	(0.1)	–	(0.1)
Total cost recognised in consolidated statement of comprehensive income	2.2	(2.1)	0.1
Actuarial (gain)/loss arising from financial assumptions	(23.8)	5.1	(18.7)
Actuarial (gain)/loss arising from experience adjustment	1.1	1.2	2.3
Return on plan assets	–	1.5	1.5
Total actuarial (gain)/loss recognised in other comprehensive income	(22.7)	7.8	(14.9)
FX differences	0.2	(0.1)	0.1
Contributions	0.8	(1.5)	(0.7)
Payments	(3.7)	3.2	(0.5)
Closing balance as of 31/12/2022	72.7	(48.5)	24.2

	Present value of obligation	Fair value of plan assets	Total
Opening balance as of 01/01/2021	96.8	(49.3)	47.5
Current service costs	(0.7)	–	(0.7)
Interest costs	0.9	(0.5)	0.4
Total cost recognised in consolidated statement of comprehensive income	0.2	(0.5)	(0.3)
Actuarial (gain)/loss arising from demographic assumptions	(0.2)	–	(0.2)
Actuarial (gain)/loss arising from financial assumptions	(2.7)	(4.2)	(6.9)
Actuarial (gain)/loss arising from experience adjustment	0.8	–	0.8
Total actuarial (gain)/loss recognised in other comprehensive income	(2.1)	(4.2)	(6.3)
Transfer	2.4	(0.2)	2.2
FX differences	0.2	(0.2)	–
Contributions	0.7	(2.8)	(2.1)
Payments	(2.3)	1.4	(0.9)
Closing balance as of 31/12/2021	95.9	(55.8)	40.1

Defined benefit–pension plans – Fair value of plan assets	31/12/2022	31/12/2021
Equity instruments	18.3	22.7
Bonds	13.9	20.1
Cash	4.1	2.6
Other assets	12.2	10.4
Fair value of plan assets	48.5	55.8

Summary disclosure for pension plans with guaranteed minimum pension:

	Present value of obligation	Fair value of plan assets	Total
Opening balance as of 01/01/2022	114.0	(114.0)	–
Current service costs	2.3	–	2.3
Interest costs	1.5	–	1.5
Settlement cost (result)	(1.4)	0.8	(0.6)
Total cost recognised in consolidated statement of comprehensive income	2.4	0.8	3.2
Actuarial (gain)/loss arising from financial assumptions	(1.2)	9.9	8.7
Actuarial (gain)/loss arising from experience adjustment	(7.6)	–	(7.6)
Return on plan assets	–	(1.5)	(1.5)
Total actuarial (gain)/loss recognised in other comprehensive income	(8.8)	8.4	(0.4)
Contributions	–	(2.8)	(2.8)
Payments	(3.6)	3.6	–
Closing balance as of 31/12/2022	104.0	(104.0)	–

	Present value of obligation	Fair value of plan assets	Total
Opening balance as of 01/01/2021	107.4	(107.4)	–
Current service costs	2.2	–	2.2
Interest costs	1.1	(1.1)	–
Settlement cost (result)	(3.5)	2.3	(1.2)
Total cost recognised in consolidated statement of comprehensive income	(0.2)	1.2	1.0
Actuarial (gain)/loss arising from financial assumptions	10.3	(7.1)	3.2
Actuarial (gain)/loss arising from experience adjustment	(0.3)	–	(0.3)
Total actuarial (gain)/loss recognised in other comprehensive income	10.0	(7.1)	2.9
Contributions	–	(0.7)	(0.7)
Payments	(3.2)	–	(3.2)
Closing balance as of 31/12/2021	114.0	(114.0)	–

Notes to the consolidated financial statements continued

29 Personnel expenses and employee benefit liabilities continued

Defined benefit pensions plan with guaranteed minimum pension – Fair value of plan assets	31/12/2022	31/12/2021
Equity instruments	43.2	46.0
Bonds	30.4	41.2
Cash	8.6	7.8
Other assets	21.8	19.0
Fair value of plan assets	104.0	114.0

The principal actuarial assumptions used in the actuarial valuation as of 31 December 2022 and 31 December 2021:

Actuarial assumptions used:	31/12/2022	31/12/2022	31/12/2021	31/12/2021
	Austria	Greece and Cyprus	Austria	Greece and Cyprus
Discount rate	4.16%	1.80%	1.28%	0.60%
Rate of increase in salaries	2.50%	2.20%	2.39%	1.80%
Average service in the company	12.5	–	15.0	5.3
Pension inflation rate	(7.02%)	2.20%	(6.80%)	1.80%

The following table shows the change in actuarial liability of the Group if the discount rate was 0.5% higher or lower (with no other change in input assumptions); or if the expected rate of salary increase was 0.5% higher or lower (with no other change in input assumptions):

Sensitivity analysis	Increase in discount rate by 0.5%	Decrease in discount rate by 0.5%	Increase of expected wages by 0.5%	Decrease of expected wages by 0.5%
Actuarial liability	67.7	95.7	94.2	69.7
Percentage change	(16.54%)	17.93%	16.11%	(14.15%)

Termination benefits

	31/12/2022	31/12/2021
Opening balance as of 1 January	43.4	63.9
Additions	2.3	0.5
Release	(4.8)	(2.3)
Interest cost	0.2	0.3
Total cost/(income) recognised in consolidated statement of comprehensive income	(2.3)	(1.5)
Payments	(4.0)	(19.0)
Closing balance as of 31 December	37.1	43.4

Long-term incentive bonuses

A number of employees in CASAG are entitled to "Long-service bonuses" when they reach a specified number of years of employment with the company.

Executive Members of the Board of Directors of OPAP S.A. and other key management personnel are entitled to a multi-year incentive scheme based on target fulfilment. The current program has been in place from the year 2020.

CEO and key management personnel of Allwyn are granted a 3-year incentive plan based on target fulfilments covering years 2020 to 2022.

30 Contingencies

Legal matters

OPAP

As of 31 December 2022, third party lawsuits against OPAP relating to terminated distribution agent arrangements have been filed for total claims of €308.3 million (31 December 2021: €284.0 million). The majority of these claims relate to old distribution agent arrangements, in relation to which the overwhelming majority of recent court decisions have been in favour of OPAP (rejected claims in the amount of €282.3 million, partially recognised claims in the amount of €0.7 million). Management considers any negative outcome as unlikely and consequently no provision is recognised in connection with these claims.

In early March 2021, an Athens Court of Appeal awarded compensation for loss of profit in favour of a former agent of approximately €3.0 million plus interest from June 2006 to December 2011, in another matter unrelated to disputes mentioned above, for a total of approximately €6.0 million. This is the second decision of the appellate court in the matter after the Supreme Court annulled in 2020 the first decision from 2017, which awarded compensation of €9.0 million plus interest. Following OPAP's petition for cassation, the Judicial Council of the Supreme Court has annulled the appellate court's award of €6.0 million in damages pending its final ruling on OPAP's petition. The respective decision is expected by the end of Q3 2023.

The same former agent also sought compensation for (i) loss of profit from 2012 to 2016 of €11.1 million and an alternative claim of approximately €3.3 million, and (ii) compound interest in an amount of €4.2 million. Moreover, the same former agent also sought compensation for loss of profit from 2017 to 2020 of €8.9 million and an alternative claim of €2.6 million. All of these proceedings have been placed on hold until the final resolution of the proceeding described in the previous paragraph. As of 31 December 2022, management recorded a provision of €6.5 million (2021: €6 million) in connection with the case (see Note 27).

Hellenic lotteries

According to the Hellenic Lotteries S.A.'s concession agreement, it has to pay 30% of annual GGR to the Greek State, subject to a €50.0 million minimum annual amount. Hellenic Lotteries S.A. believes the €50.0 million minimum annual fee is not applicable for 2020, 2021 and 2022 as the force majeure clause in the concession agreement was triggered by the pandemic related restrictions imposed by the Greek State, and asked for a reduction of the obligation to pay €50 million per year to amounts of €44.8 million for 2022, €25.2 million for 2021 and €22.4 million for 2020, or alternatively an indemnity related to initial licence consideration or an extension of the licence. As a prudent measure, gaming taxes and related liability up to €50 million per year have been recorded in the financial statements (see Note 26). The hearing in the case is scheduled for February 2023 and award is expected during Q2 2023.

CASAG

CASAG is target of 26 pending lawsuits initiated by 35 claimants in connection with reductions made to target pension in the employee pension plans. Pension plans of CASAG include pension plans with a guaranteed minimum pension feature and defined benefit plans (see Note 29).

For the claims in connection with pension plans with a guaranteed minimum pension feature, management assess that negative outcome is highly unlikely and has recorded only a provision of €0.5 million to cover legal costs. The assessment is supported by the fact that in January 2022, an appellate court reversed an initial adverse decision of the first instance court from May 2021, stating that only minimum pension is guaranteed.

For the claims in connection with defined benefit plans, management considers the outcome uncertain and reflects this uncertainty in the valuation of the defined benefit liability with the liability assessed assuming a negative outcome (as a result of which a positive outcome in these cases would result in a net gain for the Group).

On 6 May 2022, in a separate branch of the case, which did not deal with the merits of the claims regarding reduction of target pensions described above, CASAG received a final verdict of the Supreme Court, which ruled that a transfer of defined benefit pension obligation (for employees born between 1945-51) from CASAG to a third party (the support institution, which is a separate legal entity supervised by CASAG's workers' council) made in 2002 was void (a matter which had not been considered previously). As a result, the verdict impacted the financial position of CASAG prior to the acquisition by the Company. CASAG additionally recognised a defined benefit liability of €22.2 million, a provision of €1.7 million, a deferred tax asset of €1.2 million, a tax liability of €1.4 million with a corresponding increase in goodwill of €14.4 million and a corresponding decrease of noncontrolling interest of €9.7 million. In addition in 2022, the Group recognised €1.1 million of actuarial gain, net of tax and interest.

Notes to the consolidated financial statements continued

31 Risk management

This section describes the financial and operational risks the Group is exposed to and its risk management methods. The key financial risks the Group faces comprise credit risk, liquidity risk and currency risk. Since the Group has third party financial indebtedness, interest rate risk exposure may also be deemed significant.

31.1 Credit risk

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

The Group's bank accounts are predominantly with international financial institutions. The Group has procedures for the assessment of credit risk which are applied to customers to whom sales are made on credit terms. In addition, the balances of receivables are continuously monitored on an individual and an aggregated level.

One of the key measures to mitigate credit risk in ordinary business activities is deposits received from agents (see Note 26). Receivables from agents are monitored by management on a regular basis. The Group also monitors the credit ratings of the banks and financial institutions with which it transacts.

For details about credit risk exposure see Notes 19, 20 and 21.

31.2 Offsetting arrangements

Effects of offsetting on the balance sheet 31/12/2022	Amounts subject to potential offsetting (master netting or similar arrangements)					
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial instruments	Cash collateral	Net amounts
Assets						
Current trade and other receivables	6.4	(1.0)	5.4	(5.4)	–	–
Cash and cash equivalents	12.0	–	12.0	(12.0)	–	–
Total	18.4	(1.0)	17.4	(17.4)	–	–
Liabilities						
Loans and borrowings	1,599.0	–	1,599.0	(12.0)	–	1,587.0
Current trade and other payables	63.9	(1.0)	62.9	(5.4)	–	57.5
Total	1,662.9	(1.0)	1,661.9	(17.4)	–	1,644.5

Effects of offsetting on the balance sheet 31/12/2021	Amounts subject to potential offsetting (master netting or similar arrangements)					
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial instruments	Cash collateral	Net amounts
Assets						
Current trade and other receivables	6.5	(1.0)	5.5	(5.5)	–	–
Total	6.5	(1.0)	5.5	(5.5)	–	–
Liabilities						
Current trade and other payables	20.7	(1.0)	19.7	(5.5)	–	14.2
Total	20.7	(1.0)	19.7	(5.5)	–	14.2

Amounts subject to master netting arrangements not set off in the consolidated statement of financial position:

As of 31 December 2022, liabilities arising from fees to agents are offset in the balance sheet against receivables from agents of €1.0 million (31 December 2021: €1.0 million).

As of 31 December 2022, deposits received from agents could be offset against receivables from agents of €5.4 million (31 December 2021: €5.5 million).

As of 31 December 2022, the syndicated bank loan signed on 17 November 2022 by Allwyn and Allwyn Financing UK Plc could be offset against cash and cash equivalents of €12.0 million.

31.3 Liquidity risk

Liquidity risk represents the risk that the Company might not be able to fulfil its payment obligations, primarily in respect of amounts due to providers of loans and borrowings.

The Group monitors the risk of having insufficient funds by monitoring the liquidity and maturity of investments and other financial assets and liabilities, projected cash flows from its activities and fulfilment of bank covenants.

The Group maintains free liquidity sources that comprise cash and equivalents and available amounts under credit facilities in currencies in which the future financial needs are expected.

The Group's management minimises liquidity risk through ongoing future cash flow management and planning. The key cash flow planning tool is annual medium-term plans prepared for the period of at least the following five years. The key Group cash flows for the current year are broken down into individual months and updated on an ongoing basis.

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

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

The following table presents contractual cash flows not discounted to net present value and include interest, if applicable.

Liquidity risk analysis (by maturity):

31/12/2022	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years	Due on demand/undefined maturity
Assets						
Non-current trade and other receivables	26.6	26.6	–	26.3	0.3	–
Other non-current financial assets	253.0	259.0	–	72.5	–	186.5
Current trade and other receivables	242.7	242.7	242.7	–	–	–
Other current financial assets	132.2	134.1	18.3	–	–	115.8
Total	654.5	662.4	261.0	98.8	0.3	302.3
Cash	1,208.3	1,208.3	–	–	–	1,208.3
Liabilities						
Loans and borrowings	(2,903.4)	(3,355.2)	(431.6)	(2,209.2)	(714.4)	–
Non-current trade and other payables	(34.6)	(37.0)	–	(17.6)	(19.4)	–
Non-current lease liabilities	(102.6)	(121.5)	–	(81.3)	(40.2)	–
Current trade and other payables	(587.2)	(587.2)	(587.2)	–	–	–
Current lease liabilities	(27.8)	(31.7)	(31.7)	–	–	–
Total	(3,655.6)	(4,132.6)	(1,050.5)	(2,308.1)	(774.0)	–
Net balance – liquidity risk	(1,792.8)	(2,261.9)	(789.5)	(2,209.3)	(773.7)	1,510.6

Notes to the consolidated financial statements continued

31 Risk management continued

31/12/2021	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years	Due on demand/undefined maturity
Assets						
Non-current trade and other receivables	21.8	21.8	–	21.7	0.1	–
Other non-current financial assets	194.1	194.1	–	2.4	–	191.7
Current trade and other receivables	217.6	217.6	217.6	–	–	–
Other current financial assets	127.5	127.6	7.6	–	–	120.0
Total	561.0	561.1	225.2	24.1	0.1	311.7
Cash	1,281.0	1,281.0	–	–	–	1,281.0
Liabilities						
Loans and borrowings	(2,692.9)	(2,951.6)	(500.7)	(1,794.9)	(653.8)	(2.2)
Non-current trade and other payables	(39.7)	(51.5)	–	(29.3)	(22.2)	–
Non-current lease liabilities	(122.1)	(141.0)	–	(87.4)	(53.6)	–
Non-current derivative financial instruments	(1.5)	(1.5)	–	(1.5)	–	–
Current trade and other payables	(615.3)	(615.3)	(615.3)	–	–	–
Current lease liabilities	(26.9)	(30.8)	(30.8)	–	–	–
Total	(3,498.4)	(3,791.7)	(1,146.8)	(1,913.1)	(729.6)	(2.2)
Net balance – liquidity risk	(1,656.4)	(1,949.6)	(921.6)	(1,889.0)	(729.5)	1,590.5

31.4 Interest rate risk

Risks to the Group relating to changes in market interest rates primarily relate to the loans with floating interest rates. The Group monitors developments in financial markets. The risk of an increase in interest rates is continuously monitored and the use of standard instruments to eliminate the risk (for example, interest rate swaps) is considered (see Note 28).

Interest rate sensitivity from the whole loan portfolio is not material. Certain interest rate exposures are hedged by interest rate swaps while other loans and bonds have a fixed interest rate. In relation to unhedged loans, an increase/decrease in interest rates (EURIBOR) by 1 percentage point would cause an increase/decrease of interest cost by €12.0 million (2021: €11.1 million).

	2022	% of total loans	2021	% of total loans
Variable rate borrowings	1,202.1	41.40%	903.5	33.55%
Fixed rate borrowings – maturity dates:	1,701.3	58.60%	1,789.4	66.45%
Less than 1	293.6	10.11%	211.2	7.84%
1-5 years	1,407.7	48.48%	936.0	34.76%
Over 5 years	–	0.00%	642.2	23.85%

31.5 Currency risk

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

The Group monitors currency risks and evaluates the potential impact of fluctuations in exchange rates. A significant part of the foreign exchange exposure is hedged either by natural hedging, e.g. using financing in the same currency as the revenues generated and incurring revenues and expenses in the same currency, or by using FX forward and swap contracts.

Management also evaluates potential currency risks prior to the conclusion of significant contracts or business transactions.

The Group is exposed to foreign exchange risk when financial assets and liabilities are denominated in a currency other than the functional currency in which they are measured. Foreign currency denominated intercompany receivables and payables are eliminated in the consolidated statement of financial position but the effect on profit or loss of their currency revaluation is not fully eliminated if the two Group companies have different functional currencies. Therefore, the total amounts of exposure to foreign exchange risk are not equal to respective items reported on the consolidated statement of financial position. Assets and liabilities denominated in a currency different from the functional currency in which they are measured are presented in the tables below:

31/12/2022	EUR	CZK	USD	Other*
Non-current trade and other receivables	–	147.4	–	3.1
Other non-current financial assets	–	–	–	5.4
Current trade and other receivables	–	27.1	–	22.8
Cash and cash equivalents	1.3	12.5	0.2	26.6
Total assets	1.3	187.0	0.2	57.9
Long-term loans and borrowings	–	(247.1)	–	(1.8)
Non-current lease liabilities	(17.8)	–	–	(9.6)
Non-current trade and other payables	–	–	(12.8)	–
Short-term loans and borrowings	–	(3.5)	–	–
Current lease liabilities	(1.7)	–	–	(1.9)
Current trade and other payables	(1.3)	(5.2)	(2.1)	(5.7)
Total liabilities	(20.8)	(255.8)	(14.9)	(19.0)
Total	(19.5)	(68.8)	(14.7)	38.9

"Other" primarily comprises Swiss Franc and Australian Dollar. Net exposure to other currencies is immaterial.

31/12/2021	EUR	CZK	USD	Other*
Non-current trade and other receivables	–	168.1	–	0.4
Other non-current financial assets	–	–	1.3	12.4
Current trade and other receivables	0.1	35.8	–	6.2
Cash and cash equivalents	0.2	23.9	0.3	23.2
Total assets	0.3	227.8	1.6	42.2
Long-term loans and borrowings	–	(238.7)	–	(1.7)
Non-current lease liabilities	(16.6)	–	–	(12.6)
Non-current trade and other payables	–	–	(15.1)	–
Short-term loans and borrowings	–	(3.4)	–	(0.5)
Current lease liabilities	(1.5)	–	–	(2.3)
Current trade and other payables	(2.6)	(4.0)	(2.6)	(2.2)
Total liabilities	(20.7)	(246.1)	(17.7)	(19.3)
Total	(20.4)	(18.3)	(16.1)	22.9

"Other" primarily comprises Swiss Franc and Australian Dollar. Net exposure to other currencies is immaterial.

A reasonably possible strengthening/(weakening) of EUR, CZK and USD against all other currencies as of 31 December 2022 would have affected the measurement of financial instruments denominated in a foreign currency and affected the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Notes to the consolidated financial statements continued

31 Risk management continued

Effect in millions of Euro	Profit or loss		Equity, net of tax	
	10% currency strengthening + profit/ – loss	10% currency weakening + profit/ – loss	10% currency strengthening + increase/ – decrease	10% currency weakening + increase/ – decrease
31/12/2022				
CZK	(6.9)	6.9	–	–
EUR	(2.0)	2.0	–	–
USD	(1.5)	1.5	–	–
31/12/2021				
CZK	(1.8)	1.8	–	–
EUR	35.2	(35.2)	(30.0)	30.0
USD	(1.6)	1.6	–	–

31.6 Fair value measurement

For trade and other receivables and trade and other payables, the Group considers carrying values to be approximately the fair value.

For other financial assets and liabilities refer to relevant notes.

Valuation techniques used to value financial instruments include:

- For interest rate swaps – the present value of estimated future cash flows based on observable yield curves;
- For FX forwards and FX swaps – the present value of future cash flows based on forward exchange rates at the balance sheet date.

There were no transfers between Level 1 and Level 2 for recurring fair value measurements during 2022 or 2021.

31.7 Capital management

The Group aims to maximise shareholder value, to maintain access to diversified sources of capital to finance its operating and business development needs and to ensure financial resilience.

During 2022 and 2021 the Group fulfilled all the conditions required by its external financing arrangements. Key financial ratios in the Group's external financing arrangements are based on the ratio of EBITDA to net debt and interest cover ratio.

32 Related parties

Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party. Relations between the Group and its related parties include relations with companies related through common shareholders or Directors and key management of the Company.

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

Parent company

The parent company of the Group was KKCG AG before 17 March 2021, when Allwyn AG, a subsidiary of KKCG AG, became the new parent company of the Group.

Directors and key management personnel

"Key management personnel" comprises the C-level (executive) management of the Company (excluding the CEO, who is a member of the Board of Directors). C-level management in years 2022 and 2021 consisted of the CFO, CIO, CTO, COO, Chief Marketing Officer and Chief Global Brand and CSR Officer.

Members of the Board of Directors and Supervisory Board and key management personnel of the Company receive their remuneration from related parties of the Company (either from subsidiaries of the Company or from the shareholder). Remuneration received from the shareholder is considered related to the management function on the Company level and thus, presented in the summary remuneration table.

32.1 Outstanding related party balances and transactions with the parent

Outstanding balance with the parent	31/12/2022	31/12/2021
ASSETS		
Non-current financial assets (loans provided)	64.7*	–
Current trade and other receivables	29.8	11.3
Current financial assets (loans provided)	0.9	–
LIABILITIES		
Current trade and other payables	0.8	–

	Twelve months ended 31 December:	
Transactions with the parent	2022	2021
Other operating income	29.8	10.4
Materials, consumables and services	[0.8]	–
Interest income	1.1	–
Dividend paid	[200.0]	–
Capital contribution	–	75.0

- * On 27 September 2022, Allwyn AG drew a loan of €30.0 million from Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH). Maturity of the loan is 31 December 2024 and interest rate is 6.25%.
- On 11 May 2022, Allwyn AG drew a loan of €10.0 million from Italian Gaming Holding a.s. Maturity of the loan was extended from 31 December 2022 to 31 December 2024. Interest rate is 4.25%. On 12 August 2022, Allwyn AG drew an additional €10.0 million of this loan.
- On 7 October 2022, Allwyn AG drew a loan of €7.0 million from Italian Gaming Holding a.s. Maturity of the loan is 31 December 2024 and interest rate is 6.25%.
- During the period ended 31 December 2022, Allwyn AG drew additional €7.7 million of this loan.

Notes to the consolidated financial statements continued

32 Related parties continued

32.2 Outstanding related party balances and transactions with companies controlled by KKCG AG other than parent and the Group

Outstanding balance with companies controlled by KKCG AG other than parent and the Group:	31/12/2022	31/12/2021
ASSETS		
Non-current trade and other receivables	0.6	3.6
Current trade and other receivables	0.9	1.4
LIABILITIES		
Current trade and other payables	2.3	–

	Twelve months ended 31 December:	
Transactions with companies controlled by KKCG AG other than parent and the Group:	2022	2021
Revenue from non-gaming activities	–	0.1
Other operating income	0.1	0.1
Materials, consumables and services	(6.2)	(9.8)
Marketing expenses	(17.3)	(4.0)
Other operating expenses	–	(1.3)
Interest income*	1.6	0.1
Purchase of tangible assets	(0.2)	(0.1)

* On 14 July 2022 a Group company provided a loan to a company controlled by KKCG AG with a credit facility with a maximum credit limit of €100.0 million and maturity date 31 December 2022. A number of drawdowns took place during the year under this facility, all of which were also repaid during the year. Interest income from loan provided is presented in the table above.

32.3 Outstanding related party balances and transactions with associates and joint ventures

Associates	31/12/2022	31/12/2021
ASSETS		
Non-current financial assets (loans provided)	0.3	--
Current financial assets (loans provided)	9.9*	--

* On 23 December 2022, Kaizen Gaming Limited drew a loan of €9.2 million from Allwyn International a.s. Maturity of the loan is 23 April 2023 and interest rate is 2.5%.

	Twelve months ended 31 December:	
Associates	2022	2021
Dividends received	85.3	58.4
Reserve distributions received	30.3	53.0

	Twelve months ended 31 December:	
Joint ventures	2022	2021
Dividends received	5.4	4.7
Capital injection	–	(0.7)

32.4 Transactions with members of the Company's Board of Directors, Supervisory Board and executive management for the twelve months ended 31 December 2022 and 31 December 2021

Remuneration, bonuses and other benefits provided to the members of the Board of Directors and Supervisory Board and key management personnel of the Company:

	2022		2021	
	Board of Directors and Supervisory Board	Key management personnel	Board of Directors and Supervisory Board	Key management personnel
Total remuneration	2.4	3.8	4.4	5.9
Short-term benefits	0.6	1.3	2.1	2.3
Post-employment benefits	–	–	0.1	0.1
Other long-term benefits	1.8	2.5	2.2	3.5
Termination benefits	–	–	–	–
Share-based payments benefits	–	–	–	–

The following tables summarise the Group securities owned by members of the Board of Directors:

At 31/12/2022	Minimum denomination	Number of notes	Total nominal value (in Euro)
Allwyn International a.s. – CZK 6bn	10,000 CZK	450	186,606
Allwyn International a.s. – EUR 300m	1,000 EUR	750	750,000

At 31/12/2022	Number of notes	Total nominal value (in Euro)
OPAP shares	1,125,446	14,889,651

At 31/12/2021	Minimum denomination	Number of notes	Total nominal value (in Euro)
Allwyn International a.s. – CZK 6bn	10,000 CZK	345	138,777
Allwyn International a.s. – EUR 300m	1,000 EUR	650	650,000
SAZKA Group Financing a.s. EUR 200m	1,000 EUR	120	120,000

At 31/12/2021	Number of notes	Total nominal value (in Euro)
OPAP shares	1,063,077	13,256,570

Notes to the consolidated financial statements continued

33 Group companies

Companies included in the consolidated Group as of 31 December 2022 and 31 December 2021 and the Company's effective interest are as follows.

				Effective interest	
	Note	Country		31/12/2022	31/12/2021
Parent company:					
Allwyn International a.s. (formerly SAZKA Group a.s.)		Czech Republic		n/a	n/a
Group companies:					
	Note	Country		2022	2021
Allwyn Asia Holding a.s. (formerly SAZKA Asia a.s.)		Czech Republic	subsidiary	100.00%	100.00%
Allwyn Austria Holding 2 GmbH (formely CAME Holding GmbH)		Austria	subsidiary	100.00%	100.00%
Allwyn Austria Holding 3 GmbH (formerly Medial Beteiligungs GmbH)		Austria	subsidiary	100.00%	100.00%
Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.)		Czech Republic	subsidiary	100.00%	100.00%
Allwyn Entertainment Ltd ("Allwyn UK")		United Kingdom	subsidiary	100.00%	100.00%
Allwyn Entertainment Financing (UK) plc	a)	United Kingdom	subsidiary	100.00%	–
Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing [Czech Republic] a.s.)		Czech Republic	subsidiary	100.00%	100.00%
Allwyn Financing Czech Republic 2 a.s. (formerly SAZKA Group Financing [Czech Republic] 2 a.s.)		Czech Republic	subsidiary	100.00%	100.00%
Allwyn Greece & Cyprus Holding Ltd (formerly SAZKA Delta Hellenic Holdings Limited)	b)	Cyprus	subsidiary	100.00%	79.23%
Allwyn Greece & Cyprus Holding 2 Ltd (formerly Rubidium Holdings Limited)		Cyprus	subsidiary	100.00%	100.00%
Allwyn Investment Cyprus Ltd (formerly Rubidium Holding 2 Ltd)	a)	Cyprus	subsidiary	100.00%	–
Allwyn Services Czech Republic a.s. (formerly SAZKA Group CZ a.s.)		Czech Republic	subsidiary	100.00%	100.00%
Allwyn Services UK Ltd. (formerly SAZKA Group UK Limited)		United Kingdom	subsidiary	100.00%	100.00%
Allwyn Services US LLC	a)	United States	subsidiary	100.00%	–
Allwyn UK Holding Ltd (formerly SAZKA Group UK Holding Ltd)		United Kingdom	subsidiary	100.00%	100.00%
Allwyn UK Holding B Ltd (formerly Allwyn Financing (UK) Ltd)	a)	United Kingdom	subsidiary	100.00%	–
Allwyn UK Holding C Ltd	a)	United Kingdom	subsidiary	100.00%	
Allwyn US Holding Inc.	a)	United States	subsidiary	100.00%	–
Casinos Austria AG ("CASAG") subgroup		Austria	subsidiary	59.70%	59.70%
AleaX AG		Liechtenstein	subsidiary	59.70%	59.70%
Cachi Valle Aventuras S.A. **		Argentina	subsidiary	59.70%	59.70%
CAI Hungary Kft.		Hungary	subsidiary	32.84%	32.84%
CAI Ontario Inc. **		Canada	subsidiary	59.70%	59.70%
CAIO AG **		Switzerland	subsidiary	59.70%	59.70%
CAIO DK ApS **		Denmark	subsidiary	59.70%	59.70%
Casino Copenhagen K/S		Denmark	joint venture	29.85%	29.85%
Casino Event Immobilien GmbH		Germany	subsidiary	59.70%	59.70%
Casino Lugano S.A.		Switzerland	associate	17.17%	17.17%
Casino Marienlyst A/S		Denmark	joint venture	29.85%	29.85%
Casino Munkebjerg Vejle A/S		Denmark	joint venture	29.85%	29.85%
Casino Sopron Kft.		Hungary	subsidiary	32.84%	32.84%
Casino St. Moritz AG		Switzerland	subsidiary	59.70%	59.70%
Casino Vesterport Copenhagen K/S		Denmark	joint venture	29.85%	29.85%
Casinoland IT-Systeme GmbH		Germany	subsidiary	59.70%	59.70%
Casinos Austria (Swiss) AG		Switzerland	subsidiary	59.70%	59.70%
Casinos Austria AG Liegenschaftsverwaltungs- und Leasing GmbH		Austria	subsidiary	59.70%	59.70%
Casinos Austria International (Cairns) Pty Ltd.		Australia	joint venture	29.85%	29.85%
Casinos Austria International (Mazedonien) Holding GmbH		Austria	subsidiary	59.70%	59.70%
Casinos Austria International Belgium S.A.		Belgium	subsidiary	59.70%	59.70%
Casinos Austria International GmbH		Austria	subsidiary	59.70%	59.70%
Casinos Austria International Holding GmbH		Austria	subsidiary	59.70%	59.70%
Casinos Austria International Ltd.		Australia	subsidiary	59.70%	59.70%

	Note	Country		Effective interest	
				31/12/2022	31/12/2021
Casinos Austria International Macedonia d.o.o.		Macedonia	joint venture	20.90%	20.90%
Casinos Austria Liechtenstein AG		Liechtenstein	subsidiary	59.70%	59.70%
Casinos Austria Management GmbH		Austria	subsidiary	59.70%	59.70%
Casinos Austria of Egypt AG		Liechtenstein	joint venture	29.85%	29.85%
Casinos Denmark A/S		Denmark	joint venture	29.85%	29.85%
Casinos International AG (formerly Casinos Austria VLT AG)	c)	Switzerland	subsidiary	–	59.70%
Casino Odense K/S		Denmark	subsidiary	59.70%	59.70%
CAST Casinos Austria Sicherheitstechnologie GmbH		Austria	subsidiary	59.70%	59.70%
CCB Congress Center Baden Betriebsgesellschaft mbH		Austria	subsidiary	53.13%	53.13%
Cocino GmbH		Germany	joint venture	28.06%	28.06%
Complejo Monumento Güemes S.A. **		Argentina	subsidiary	59.70%	59.70%
Cuisino Ges.m.b.H.		Austria	subsidiary	59.70%	59.70%
Entretencimientos y Juegos de Azar S.A. **		Argentina	subsidiary	59.66%	59.66%
Fortuna 1 Aps		Denmark	subsidiary	59.70%	59.70%
Glücksrad Kft.		Hungary	joint venture	29.25%	29.25%
Inmobiliaria Ovalle S.A.		Chile	subsidiary	59.70%	59.70%
Inversiones Anacaldo S.A. **		Chile	associate	14.93%	14.93%
Leisure & Entertainment S.A. **		Argentina	subsidiary	59.70%	59.70%
LIE2 AG	d)	Liechtenstein	subsidiary	–	59.70%
National Videolottery of the Rep. of Macedonia-Casinos Austria LLC-Skopje		Macedonia	joint venture	10.24%	10.24%
ÖLG Holding GmbH		Austria	subsidiary	59.70%	59.70%
Österreichische Lotterien GmbH ("Austrian Lotteries") subgroup		Austria	subsidiary	53.52%	53.52%
Deutsche Sportwetten GmbH		Germany	subsidiary	29.97%	29.97%
Glücks- und Unterhaltungsspiel BetriebsgesmbH		Austria	subsidiary	53.52%	53.52%
Österreichische Sportwetten GmbH		Austria	subsidiary	29.97%	29.97%
Österreichische Klassenlotterie Vertriebsgesellschaft m.b.H.		Austria	subsidiary	53.52%	53.52%
Rabcat Computer Graphics GmbH	e)	Austria	subsidiary	53.52%	50.85%
Win2day International GmbH **		Austria	subsidiary	53.52%	53.52%
WinWin International GmbH	g)	Austria	subsidiary	–	53.52%
Reef Casino Investments Pty Ltd.		Australia	joint venture	29.85%	29.85%
Reef Casino Trust		Australia	joint venture	25.07%	25.07%
Reef Corporate Services Ltd.		Australia	joint venture	29.85%	29.85%
Revolutionary Technology Systems AG		Switzerland	joint venture	29.85%	29.85%
Spielbanken Niedersachsen GmbH		Germany	subsidiary	59.70%	59.70%
Viage Productions S.A.		Belgium	subsidiary	59.70%	59.70%
CLS Beteiligungs GmbH *		Austria	associate	66.67%	66.67%
Italian Gaming Holding a.s.		Czech Republic	subsidiary	100.00%	100.00%
Kaizen Gaming Limited ("Kaizen")*	f)	Malta	associate	36.75%	14.84%
Lottoitalia S.r.l.		Italy	associate	32.50%	32.50%
LTB Beteiligungs GmbH *		Austria	associate	66.67%	66.67%
OPAP S.A. ("OPAP") subgroup		Greece	subsidiary	49.84%	40.37%
Hellenic Lotteries S.A.		Greece	subsidiary	41.62%	33.71%
Horse Races Single-Member S.A.		Greece	subsidiary	49.84%	40.37%
Kaizen Gaming Limited (Stoiximan business)		Malta	subsidiary	34.07%	27.59%
Neurosoft S.A.		Greece	subsidiary	33.75%	27.34%
OPAP Cyprus Ltd		Cyprus	subsidiary	49.84%	40.37%
OPAP International Ltd		Cyprus	subsidiary	49.84%	40.37%
OPAP Investment Ltd		Cyprus	subsidiary	49.84%	40.37%
OPAP Sports Ltd		Cyprus	subsidiary	49.84%	40.37%
Stoiximan Ltd		Malta	subsidiary	42.11%	34.11%
Tora Direct Single-Member S.A.		Greece	subsidiary	49.84%	40.37%
Tora Wallet Single-Member S.A.		Greece	subsidiary	49.84%	40.37%

Notes to the consolidated financial statements continued

33 Group companies continued

	Note	Country		Effective interest	
				31/12/2022	31/12/2021
SAZKA a.s. ("SAZKA")		Czech Republic	subsidiary	100.00%	100.00%
SAZKA Austrian Gaming Holding a.s.		Czech Republic	subsidiary	100.00%	100.00%
SAZKA Delta Aif Variable Capital Investment Company Ltd	b)	Cyprus	subsidiary	100.00%	79.23%
SAZKA Delta Management Ltd	b), h)	Cyprus	subsidiary	100.00%	79.23%
SAZKA FTS a.s.		Czech Republic	subsidiary	55.00%	55.00%
SAZKA Group Financing a.s.		Slovakia	subsidiary	100.00%	100.00%
SAZKA Mobil 5G a.s.**		Czech Republic	subsidiary	100.00%	100.00%
SAZKA Services s.r.o.		Czech Republic	subsidiary	100.00%	100.00%
SPORTLEASE a.s.		Czech Republic	subsidiary	100.00%	100.00%

* The equity method investees comprise a group of entities.

** Companies in liquidation.

(a) Entities newly incorporated in 2022.

(b) On 17 February 2022, Allwyn Greece & Cyprus Holding 2 Ltd. a subsidiary of the Company, purchased a 20.77% interest in the investor shares of SDVCIC and as a result, the effective ownership interest in Allwyn Greece & Cyprus Holding Ltd and SAZKA Delta Management Ltd increased by this amount (see Note 23).

(c) During Q1 2022 CASAG sold 85.00% of shareholding in Casinos International AG and on 9 December also the remaining 15.00% was sold.

(d) During Q4 2022 LIE2 AG merged with Casinos Austria.

(e) During Q3 2022 Austrian Lotteries acquired the remaining shareholding of Rabcat Computer Graphics GmbH, and consequently, the effective shareholding of the Company increased by 2.67%. The effect of the transaction is presented as a "Purchase of non-controlling interest" in consolidated statement of changes in equity.

(f) On 27 December Allwyn Investment Cyprus Ltd (formerly Rubidium Holding 2 Ltd) acquired a 36.75% interest in the business activities of Kaizen (see Note 1.4).

(g) On 14 February 2022, WinWin International GmbH was wound up and deconsolidated. The impact of the transaction is immaterial.

(h) 66.70% represents voting shares, the Group's effective interest in Sazka Delta Management is 100.00% (2021: 79.23%).

34 Subsequent events

Strategic

Camelot UK

On 5 February 2023, the Group acquired 100% of the share capital of Camelot UK Lotteries Limited ("Camelot UK") and from that date the business is fully consolidated.

Camelot UK is the current operator of the UK National Lottery ("UKNL") until the end of its licence in January 2024. The acquisition should help facilitate a smooth transition of the operation of the UKNL to Allwyn UK, which holds the licence for the UKNL for the 10 years beginning February 2024.

The purchase price of £121.5 million (€136.1 million) was settled in cash. The purchase price allocation and the fair value measurement of assets acquired, and liabilities assumed were not completed before these financial statements were authorised for issue.

On a provisional basis, assets and liabilities of Camelot UK on historical accounts basis as of the acquisition date were as follows:

Camelot UK	5/2/2023
Fixed assets	29.1
Deferred tax asset	24.3
Current trade and trust receivables	707.7
Cash and cash equivalents	240.7
Inventories	2.1
Total assets	1,003.9
Financial liabilities	13.0
Current trade and prize payables	891.2
Current income tax liability	3.4
Provisions	41.7
Total liabilities	949.3
Net assets	54.6

Camelot LS Group

On 3 March 2023, in a single transaction, the Group acquired the Camelot LS Group of companies, through the acquisition of 100% of the share capital of Camelot Global Lottery Solutions Limited and 100% of the share capital of Camelot Global Services (North America) Inc. and from that date both businesses are fully consolidated.

The Camelot LS Group of companies operates the Illinois Lottery under a private management agreement through its operating company, Camelot Illinois LLC, and partners with the Arkansas Scholarship Lottery to enhance its lottery operations. Furthermore, the group includes a technology arm that provides products and services to lotteries and their players throughout Europe and North America.

The purchase price of \$239.0 million (€224.1 million) was settled in cash. The purchase price allocation and the fair value measurement of assets acquired and liabilities assumed were not completed before these financial statements were authorised for issue.

On provisional basis, net assets acquired as of the acquisition date were €46.8 million.

Financing

Czech bonds (CZK 6 billion bonds due 2024)

In January 2023, the bondholders of the Czech bonds approved their transfer from the Company to Allwyn Financing Czech Republic 2 a.s. at a bondholders' meeting. Bondholders who either voted against the transfer or abstained were given an early repayment option, which was exercised by 51.1% of the total bondholders; during February and March, the Company repaid CZK 3,063.9 million (€130.4 million).

On 24 March, the Company transferred the remaining bonds (CZK 2,936.1 million or €125.0 million) to Allwyn Financing Czech Republic 2 a.s. Based on the transfer agreement, the Company now has a corresponding payable to Allwyn Financing Czech Republic 2 a.s. in the carrying value of CZK 2,936.1 million due in 2024, bearing a fixed rate interest of 5.4 %.

Notes to the consolidated financial statements continued

34 Subsequent events continued

Allwyn International a.s. remains the guarantor of the Czech bonds. The Czech bonds have certain financial covenants, including covenants based on the financial results of Allwyn International a.s. as a Group.

Following the Czech bonds transfer, the Company is no longer a public interest entity ("PIE") under the regulatory regime of the Czech National Bank.

Syndicated bank loan

In February 2023, the Company drew €160.0 million under its €300.0 million revolving credit facility (see Note 24 (b)). €120.0 million remains undrawn.

In February and March 2023, the Company and its subsidiary Allwyn Entertainment Financing (UK) Plc drew €132.6 million from the €303.1 million committed facilities A2 and B2 available under the syndicated bank loan (with the principal amount split evenly between them) (see Note 24 (b)). Proceeds were used to repay the bondholders of Czech bonds who exercised their put option. Moreover in March, the Company and its subsidiary Allwyn Entertainment Financing (UK) Plc drew GBP 23.7 million (€27.0 million) from the multi-purpose facility under the syndicated bank loan.

In February 2023, the Company and its subsidiary Allwyn Entertainment Financing Plc increased the size of its syndicated bank loan (Note 24 (b)) with an accordion facility of €250 million, due in 2029. In March 2023, the Company and its subsidiary Allwyn Entertainment Financing Plc drew the full amount of €250 million. Moreover, in March 2023 the Company increased the size of its syndicated bank loan by an additional accordion facility of €85 million, due in 2029, which is currently undrawn.

OPAP financing

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

Bonds issued

In April 2023, the Group issued €665.0 million in aggregate principal amount of senior secured notes due 2030 bearing fixed interest of 7.250% and \$700.0 million in aggregate principal amount of senior secured notes due 2029 bearing fixed interest of 7.875%. The proceeds from the bond offering will be used to (i) redeem in full the €300.0 million in aggregate principal amount outstanding under the 4.125% senior secured notes due 2024 issued by the Company, (ii) to repay the preferred shares issued by the Company's parent Allwyn AG, (iii) to repay drawings of €180.0 million in aggregate principal amount under the revolving credit facility of the Group, (iv) to pay costs, fees and expenses incurred in connection with the bond offering, and (v) for general corporate purposes.

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

Date of authorisation of the financial statements for issue:

28 April 2023

Signature of the authorised representative:



Pavel Šaroč
Member of the Board of Directors



Robert Chvátal
Member of the Board of Directors

Separate financial statements

for the year ended 31 December 2022

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

Separate statement of comprehensive income

	Note	2022	2021
Revenue from services	3	7.8	3.9
Dividend income	4	122.8	101.1
Materials, consumables and services	5	(6.6)	(7.7)
Marketing services		(1.0)	(1.0)
Personnel expenses		–	(0.1)
Other operating expenses		(5.2)	(4.2)
Profit from operating activities		117.8	92.0
Interest income	6	36.3	31.7
Interest expense	6	(92.9)	(74.9)
Other finance income and expense	6	(2.9)	–
Finance costs, net		(59.5)	(43.2)
Profit before tax		58.3	48.8
Income tax expense	7	(3.3)	(0.8)
Profit after tax		55.0	48.0
Items that are or may subsequently be reclassified to profit or loss:			
Change in currency translation reserve		–	9.1
Other comprehensive income / (loss)		–	9.1
Total comprehensive income		55.0	57.1

The Notes on pages 138 to 158 are an integral part of these separate financial statements.

Separate statement of financial position

	Note	31/12/2022	31/12/2021
ASSETS			
Investment in subsidiaries	8	2,089.2	1,554.7
Loans provided	9	472.5	454.7
Total non-current assets		2,561.7	2,009.4
Loans provided	9	40.0	212.0
Trade and other receivables	3, 6	24.0	1.6
Cash and cash equivalents	10	33.1	63.8
Total current assets		97.1	277.4
Total assets		2,658.8	2,286.8
LIABILITIES			
Loans and borrowings	12	2,006.5	1,161.5
Total non-current liabilities		2,006.5	1,161.5
Loans and borrowings	12	35.9	368.6
Trade and other payables		5.9	3.1
Current tax liability		2.4	0.5
Total current liabilities		44.2	372.2
Total liabilities		2,050.7	1,533.7
EQUITY			
Share capital	11	0.1	0.1
Capital contributions	11	129.3	129.3
Retained earnings		478.7	623.7
Total equity		608.1	753.1
Total equity and liabilities		2,658.7	2,286.8

The Notes on pages 138 to 158 are an integral part of these separate financial statements.

Separate statement of changes in equity

	Note	Share capital	Capital contributions	Currency translation reserve	Retained earnings	Total equity
Balance at 01/01/2022		0.1	129.3	–	623.7	753.1
Profit for the year		–	–	–	55.0	55.0
Total comprehensive income for the year		–	–	–	55.0	55.0
Dividends declared	11	–	–	–	(200.0)	(200.0)
Total transactions with owners		–	–	–	(200.0)	(200.0)
Balance at 31/12/2022		0.1	129.3	–	478.7	608.1

	Note	Share capital	Capital contributions	Currency translation reserve	Retained earnings	Total equity
Balance at 01/01/2021		0.1	53.9	(14.9)	581.9	621.0
Profit for the year		–	–	–	48.0	48.0
Other comprehensive income for the year		–	–	9.1	–	9.1
Total comprehensive income for the year		–	–	9.1	48.0	57.1
Capital contribution from the parent	11	–	75.0	–	–	75.0
Total transactions with owners		–	75.0	–	–	75.0
Effect of functional currency change	2.3	–	0.4	5.8	(6.2)	–
Balance at 31/12/2021		0.1	129.3	–	623.7	753.1

The Notes on pages 138 to 158 are an integral part of these separate financial statements.

Separate statement of cash flows

	Note	2022	2021
OPERATING ACTIVITIES			
Profit (+) for the year		55.0	48.0
<i>Adjustments for:</i>			
Income tax expense		3.3	0.8
Net interest expense (+)	6	56.6	43.2
Net foreign exchange ("FX") losses (+)	6	0.9	3.7
Dividend income	4	(122.8)	(101.1)
Operating result before changes in working capital and provisions		(7.0)	(5.4)
Increase (-) / decrease (+) in trade receivables and other assets		(17.7)	7.3
Increase (+) / decrease (-) in trade and other payables		2.8	(8.2)
Cash generated used in (-) operating activities		(21.9)	(6.3)
Interest paid		(82.8)	(62.9)
Income tax paid		(1.4)	(4.6)
Net cash used in (-) operating activities		(106.1)	(73.8)
INVESTING ACTIVITIES			
Increase of investments in subsidiaries	8	(507.7)	(188.3)
Proceeds from sale of property, plant and equipment and intangible assets		–	0.2
Dividends received	4	96.0	74.1
Interest income received	9	26.7	34.3
Loans provided	9	(13.2)	(31.5)
Repayments of loans provided	9	178.6	116.3
Net cash generated from (+) / used in (-) investing activities		(219.6)	5.1
FINANCING ACTIVITIES			
Dividends paid to parent	11	(200.0)	–
Loans and borrowings received	12	1,430.5	124.9
Repayment of loans and borrowings	12	(935.5)	(85.0)
Capital contribution by parent	11	–	75.0
Repayment of principal element of lease liabilities		–	(0.3)
Net cash generated from (+) / used in (-) financing activities		295.0	114.6
Net decrease (-) / increase (+) in cash and cash equivalents		(30.7)	45.9
Effect of currency translation on cash and cash equivalents		–	(0.6)
Cash and cash equivalents at the beginning of the year	10	63.8	18.5
Cash and cash equivalents at the end of the year	10	33.1	63.8

The Notes on pages 138 to 158 are an integral part of these separate financial statements.

Notes to the separate financial statements

for the year ended 31 December 2022

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1 General information about the Company

1.1 Description

Allwyn International a.s. (formerly SAZKA Group a.s.) ("Allwyn" or the "Company") was incorporated on 2 April 2012 and registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18161. The Company's registered office is at Evropská 866/71, 160 00 Praha 6, Czech Republic, and its Identification Number is 242 87 814.

The Company carries out management, strategic business development and financing activities for the Group (the "Group" means Allwyn International a.s. with its subsidiaries, joint ventures and associates) and holds interests in other Group companies.

From 17 March 2021, Allwyn AG (formerly SAZKA Entertainment AG), registered in Switzerland, is the immediate 100% parent of the Company, prior to which, KKCG AG was the immediate 100% parent. Allwyn AG is controlled by KKCG AG whose ultimate controlling entity pursuant to IFRS standards is Valea Foundation (registered in Liechtenstein). The designated beneficiary of Valea Foundation is Mr. Karel Komárek.

The consolidated financial statements of the broadest group of entities to which the Company as a consolidated entity belongs are prepared by KKCG AG with its registered office at Kapellgasse 21, 6004 Lucerne, Swiss Confederation. These consolidated financial statements can be obtained at the registered office of the consolidating entity.

1.2 Principal activity

The Company's principal activity is the strategic management and development of companies directly or indirectly controlled by the Company.

1.3 Change of legal names of certain subsidiaries of the Company

The legal names of the following companies were changed in connection with the introduction of the Company's new global Group brand "Allwyn" in 2022. The ownership structure and the activities of the companies remain unchanged.

Former Name	New Name
SAZKA Entertainment AG	Allwyn AG
SAZKA Asia a.s.	Allwyn Asia Holding a.s.
CAME Holding GmbH*	Allwyn Austria Holding 2 GmbH
Medial Beteiligungs-GmbH*	Allwyn Austria Holding 3 GmbH
SAZKA Czech a.s.	Allwyn Czech Republic Holding a.s.
SAZKA Group Financing (Czech Republic) a.s.	Allwyn Financing Czech Republic a.s.
SAZKA Group Financing (Czech Republic) 2 a.s.	Allwyn Financing Czech Republic 2 a.s.
SAZKA Delta Hellenic Holdings Limited*	Allwyn Greece & Cyprus Holding Ltd
Rubidium Holdings Limited	Allwyn Greece & Cyprus Holding 2 Ltd
SAZKA Group a.s.	Allwyn International a.s.
Rubidium Holding 2 Ltd*	Allwyn Investments Cyprus Ltd
SAZKA Group CZ a.s.	Allwyn Services Czech Republic a.s.
SAZKA Group UK Ltd	Allwyn Services UK Ltd
SAZKA Group UK Holding Ltd	Allwyn UK Holding Ltd
Allwyn Financing (UK) Ltd	Allwyn UK Holding B Ltd

* Table includes also indirect subsidiaries.

Notes to the separate financial statements continued

1 General information about the Company continued

1.4 Significant events during the reporting period

COVID-19

All the Company's businesses are currently operating without material impact from COVID-19 related restrictions.

War in Ukraine

The Company has not been materially impacted by the war in Ukraine. The Company does not have any operations in Ukraine, Russia or Belarus, and its suppliers have not experienced any material disruptions.

Macroeconomic environment

The impact on demand for the Company's products from the current macroeconomic environment has been limited, reflecting their low price point and low average spend per customer, as well as the Company's large number of regular players.

Current inflation and rising energy prices have a limited impact on the Company's costs and energy and personnel costs accounting for a small proportion of the Company's overall cost base.

Recent increases in base interest rates had no major impact on Company's costs of debt due to the high proportion of fixed rate debt instruments in its capital structure, but may affect the Company's overall cost of debt in future debt financing transactions.

Climate-related matters

Given the nature of Company's operations and the markets in which the Company operates, the Company is exposed to climate-related matters only through the overall impact of climate-related matters on the macroeconomic environment. Climate-related matters have no specific impact on significant accounting estimates and judgements made by the Company.

2 Basis of preparation

2.1 Statement of compliance

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

The Company also prepared consolidated IFRS financial statements for the year ended 31 December 2022.

Material accounting policies are described within the relevant notes and were used consistently in preparing the separate financial statements for the year ended 31 December 2022 and the comparative information for the year ended 31 December 2021.

These financial statements do not include descriptions of all accounting policies applied. The financial statements are prepared for users who have a reasonable knowledge of accounting principles and review the information diligently.

These separate financial statements were approved by the Board of Directors on 28 April 2023.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These IFRS separate financial statements are presented in Euro (€), which is the functional currency of the Company from 17 March 2021.

Before 17 March 2021, the Czech koruna (CZK) was the functional currency of the Company. The change of the functional currency was triggered by the interposition of a new holding company above the Company, as a result of which the Company become an intermediate holding company and was required to adopt the functional currency of its new parent company.

The change of the functional currency (for simplicity performed as of 31 March 2021, as there was no material difference from the date of change as of 17 March 2021) was accounted for by translating existing CZK value assets and liabilities, including elements of equity, to EUR as of 31 March 2021 using the FX rate issued by the Czech National Bank. Income and expenses for the period of 1 January – 31 March 2021 were translated using the average FX rate for this period.

All financial information is presented in millions of Euro with one decimal place and rounded to the nearest hundred thousand, unless stated otherwise.

Any differences between the amounts included in the financial statements and amounts included in the Notes are attributable to rounding.

2.4 Measurement of fair values

A number of the Company's disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Relevant information about fair value measurement is described in relevant chapters.

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

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

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

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

2.5 Significant estimates and judgements

The Company has made several significant accounting estimates and judgments. The Company describes these accounting estimates and judgements in detail in the relevant sections of the Notes.

The Company has made a significant accounting judgment related to de-facto control over OPAP S.A., classifying the investment as a subsidiary (Note 8).

The Company has made a significant accounting estimate related to impairment of financial investments (Note 8).

2.6 New standards and amendments applicable within reporting period

The Company has for the first time applied certain standards and amendments to standards that are effective or earlier adopted for annual periods beginning on or after 1 January 2022.

All the new standards and amendments are stated in the following table. Most of these did not have any material impact on the Company's separated financial statements; those that are material are described further below.

Standard / Amendment	Title	IASB effective date	EU effective date	Endorsed by EU
Amendments to IFRS 3, IAS 37	Reference to Conceptual framework and cost of fulfilling a contract	01.01.2022	01.01.2022	Yes
Amendments to IAS 16	Proceeds before intended use	01.01.2022	01.01.2022	Yes
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS 2018–2020	01.01.2022	01.01.2022	Yes
Amendments to IAS 1	Disclosure Initiative – Accounting Policies	01.01.2023	01.01.2023	Yes

Amendments to IAS 1 – Disclosure Initiative – Accounting Policies

The IASB effective date is 1 January 2023 with earlier adoption permitted. The amendment was endorsed by the EU with the same effective date.

The Company has decided to use the possibility of earlier adoption with this beginning on 1 January 2022. Based on this amendment, the Company now describes material accounting policies instead of significant ones, which led to a reduction in the volume of descriptions of accounting policies; at the same time, the Company has decided to change its presentation and state accounting policies within the notes that they relate to.

Notes to the separate financial statements continued

2 Basis of preparation continued

2.7 Standards, interpretations and amendments issued but not yet effective

The following standards and interpretations were issued by the International Accounting Standards Board and were not effective as of 31 December 2022.

Except for the amendment of IAS 1 stated in note 2.6, the Company has not early adopted these standards and interpretations and will apply them as of their IASB effective date, which is expected to be the same as the endorsement by the EU.

The Company does not expect that the following standards, amendments and interpretations will have a significant or material impact on the Company's separated financial statements.

Standard / Amendment	Title	IASB effective date	EU effective date	Endorsed by EU
IFRS 17 including amendments to IFRS 17	Insurance Contracts (issued on 18 May 2017) including Amendments to IFRS 17 (issued on 25 June 2020)	01.01.2023	01.01.2023	Yes
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	01.01.2023	01.01.2023	Yes
Amendments to IAS 8	Definition of accounting estimate	01.01.2023	01.01.2023	Yes
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	01.01.2023	01.01.2023	Yes
Amendments to IFRS 16	Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	01.01.2024	To match IASB	No*
Amendments to IAS 1	Classification of liabilities as current or non-current	01.01.2024	To match IASB	No*

* EFRAG expects endorsement process to be finished before the effective date of IASB with EU effective date same as IASB.

3 Revenues

Revenues are recognised over time, which is generally the period through which the services are rendered and are stated net of discounts and value added tax. Services are accounted for as a single performance obligation which is satisfied over time because the customer simultaneously receives and consumes the benefits of the performance.

	2022	2021
Revenue from services	7.8	3.9

Revenues primarily comprise revenues from services provided to group companies. Related receivable is presented within trade and other receivables.

4 Dividend income

Dividends are recognised as of the date when the Company's right to receive the relevant income was established. Profit share prepayments are recognised in current profit or loss, i.e. in the period when the profit share prepayment was declared.

Dividend income represents received dividends from subsidiaries as per the table below:

	2022	2021
Dividend income	122.8	101.1
OPAP S.A.	45.9	28.4
Allwyn Czech Republic Holding a.s.	41.9	35.1
Italian Gaming Holding a.s.	34.3	37.3
SAZKA Group Financing a.s.	0.4	0.3
Allwyn Financing Czech Republic a.s.	0.3	–

5 Materials, consumables and services

	2022	2021
Materials, consumables and services	(6.6)	(7.7)
Advisory and other professional services	(5.8)	(6.6)
Cost of IT and software services	–	(0.1)
Other services	(0.8)	(1.0)

Advisory and other professional services primarily comprise legal and other advisory fees.

6 Finance costs, net

Interest income and interest expense are recorded applying the effective interest rate method.

Interest expense comprises interest expense on loans, bonds and other borrowings.

Other finance income and expense comprise foreign exchange (losses)/gains, losses from extinguishment of loans and borrowings, revaluation of derivatives that do not qualify for hedge accounting, bank fees and other charges relating to financing activities.

	2022	2021
Interest income	36.3	31.7
Interest expense	(92.9)	(74.9)
Other finance income and expense	(2.9)	–
Foreign exchange losses	(0.9)	(3.7)
Gains/(losses) from financial derivatives, net	–	3.7
Other finance income	16.6	–
Other finance expense	(18.6)	–
Finance costs, net	(59.5)	(43.2)

In 2022, material items presented in “Other finance expenses” included fees on bank guarantees issued in connection with the Group’s bid to operate the UK National Lottery bid of €14.2 million. “Other finance income” includes recharge of the amount to the subsidiary. Related receivable is presented within trade and other receivables.

Additionally, “Other finance expenses” included loss of €4.3 million from the early repayment of a bank loan (relating to accelerated amortization of financing fees using effective interest rate) – see Note 12.

Interest income

Interest income primarily comprises interest from intragroup loans (Note 9). Breakdown of interest income from loans is as follows:

	2022	2021
Interest income	36.3	31.7
SAZKA a.s.	18.9	11.0
Allwyn Austria Holding 2 GmbH	9.3	9.0
Allwyn Greece & Cyprus Holding Ltd	5.6	6.5
Italian Gaming Holding a.s.	2.2	4.7
SPORTLEASE a.s.	0.2	0.3
Other	0.1	–
Allwyn Greece & Cyprus Holding 2 Ltd	–	0.2

Interest expense

Interest expense primarily comprises interest from bonds and bank loans and intragroup loans (Note 12).

Notes to the separate financial statements continued

7 Income tax expense

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

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

As of 31 December 2022, income tax expense of €3.3 million comprises current income tax (31 December 2021: €0.8 million).

According to Czech legislation, the corporate income tax rate was 19% for the 2022 and 2021 financial years.

Reconciliation of the effective tax rate

	2022	2021
Profit before income tax	58.3	48.8
Income tax expense at Company's statutory tax rate of 19%	(11.1)	(9.3)
Tax effects of:		
Non-deductible expenses	(15.5)	(10.4)
Non-taxable income from dividends	23.3	19.2
Non-deductible donations for charitable purposes	(0.2)	(0.1)
Tax relating to prior periods	0.2	(0.2)
Actual effective income tax expense	(3.3)	(0.8)

Non-taxable income from dividends and non-taxable gain from the sale of securities relate to the income which fulfil the conditions stipulated by the Tax Code. Accordingly, expenses related to the non-taxable income are treated as non-deductible expenses. Non-deductible expenses primarily comprises non-deductible interest, non-deductible operating costs and non-deductible foreign exchange losses. Generally, the Company's operating expenses and interest expenses are deductible only to the extent that there is taxable income generated, which is limited to intragroup Revenues and Interest income.

8 Investments in subsidiaries

Subsidiaries are those investees that the Company controls because the Company (i) has power to direct the relevant activities of the investees that significantly affect its returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of its returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Company has power over another entity. For a right to be substantive, the holder must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Company may have power over an investee even when it holds less than the majority of the voting power in an investee. In such a case, the Company assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of the investee's activities or apply only in exceptional circumstances, do not prevent the Company from controlling an investee.

Investments in subsidiaries are carried at cost. The cost is represented by the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire the subsidiaries at the time of their acquisition. Impairment losses are recognised using an allowance account. Allowances are recognised to write down the investment to present value of estimated expected future cash flows.

The following table summarizes the carrying value of investments in subsidiaries as of 31 December 2022 and 31 December 2021 and the Company's interest in those subsidiaries. The principal place of business is the same as the country of incorporation for all subsidiaries.

Subsidiaries	Ref	31/12/2022	31/12/2021	Country	31/12/2022	31/12/2021
Allwyn Asia Holding a.s.		3.1	3.1	Czech Republic	100.00%	100.00%
Allwyn Czech Republic Holding a.s.	a)	34.8	25.6	Czech Republic	100.00%	100.00%
Allwyn Entertainment Financing (UK) Plc	b)	4.1	–	United Kingdom	100.00%	–
Allwyn Financing Czech Republic a.s.	c)	0.1	5.1	Czech Republic	100.00%	100.00%
Allwyn Financing Czech Republic 2 a.s.		0.1	0.1	Czech Republic	100.00%	100.00%
Allwyn Greece & Cyprus Holding 2 Ltd	d)	814.8	430.9	Cyprus	100.00%	100.00%
Allwyn Services Czech Republic a.s.		16.0	12.1	Czech Republic	100.00%	100.00%
Allwyn Services UK Ltd	e)	42.5	29.3	United Kingdom	100.00%	100.00%
Allwyn Services US LLC	f)	2.0	–	United States	100.00%	–
Allwyn UK Holding Ltd	g)	55.4	–	United Kingdom	100.00%	–
Allwyn UK Holding B Ltd	h)	0.1	–	United Kingdom	100.00%	–
Italian Gaming Holding a.s.		353.9	353.9	Czech Republic	100.00%	100.00%
OPAP S.A.	i)	564.4	495.6	Greece	16.25%	14.24%
SAZKA Austrian Gaming Holding a.s.		196.7	196.7	Czech Republic	100.00%	100.00%
Sazka Delta Management Ltd		0.2	0.3	Cyprus	66.70%	66.70%
SAZKA Group Financing a.s.		1.0	2.0	Slovakia	100.00%	100.00%
Total		2,089.2	1,554.7			

The ownership interest is equal to voting rights except for OPAP S.A. for which the voting rights are disclosed in this Note under heading of Control over OPAP S.A.

Changes during the year

- a) In March the Company made a contribution to other reserves of Allwyn Czech Republic Holding a.s. of €9.2 million.
 - b) In January the Company incorporated Allwyn Entertainment Financing (UK) Plc, which issued a bond in February 2022.
 - c) In December Allwyn Financing Czech Republic a.s. reduced the amount of other capital funds in the amount €5.2 million.
 - d) During the year, the Company made a contribution to share premium of Allwyn Greece & Cyprus Holding 2 Ltd of €383.9 million.
 - e) During the year, Allwyn Services UK Ltd issued new shares in the amount of €13.2 million.
 - f) In November the Company incorporated Allwyn Services US LLC, which did not undertake any material activities.
 - g) During the year, Allwyn UK Holding Ltd issued new shares in the amount of €55.4 million.
 - h) In January the Company incorporated Allwyn UK Holding B Ltd.
 - i) During the year, the Company acquired the following additional interests in OPAP S.A.:
 - 1.94% through open market purchases for consideration of €93.0 million;
 - 0.21% as the result of participation in OPAP S.A.'s scrip dividend programme, representing a non-cash increase of €26.7 million.
- The Company's direct shareholding increased from 14.24% as of 31 December 2021 to 16.25% as of 31 December 2022.
- On 6 June 2022 OPAP reduced equity and paid out the Company €51.1 million.

Notes to the separate financial statements continued

8 Investments in subsidiaries continued

Material subsidiaries

Allwyn Czech Republic Holding a.s. is a holding company through which the Company holds its interest in SAZKA a.s.

Allwyn Greece & Cyprus Holding 2 Ltd is a holding company through which the Company holds part of its interests in OPAP (through additional intermediate holding companies in which Allwyn holds an effective interest of 100%; [31 December 2021: 79.23%]).

Allwyn Services Czech Republic a.s. is a service company in the Czech Republic, incurring operational and projects costs in connection with headquarter operations of the Group as a whole. All costs incurred are recharged to Allwyn AG.

Allwyn Services UK Ltd is a service company in the United Kingdom, incurring operational and projects costs (including bid costs related to UKNL) in connection with headquarter operations of Allwyn Group as a whole. All costs incurred are recharged to Allwyn AG or another subsidiary of the Company.

Allwyn UK Holding Ltd is a holding company through which the Company holds its interest in Allwyn Entertainment Ltd, the future operator of the UK National Lottery from February 2024.

Allwyn UK Holding B Ltd is a holding company through which the Company will hold its newly acquired participation in Camelot UK Lotteries Limited ("Camelot UK"), current operator of the UK National Lottery.

Italian Gaming Holding a.s. is a holding company through which the Company holds its interest in Lottolitalia.

OPAP S.A. is the exclusive operator of numerical lotteries, instant lotteries, land-based sports betting, VLTs and horse racing in Greece and also operates in Cyprus.

Control over OPAP – significant accounting judgement

The Company presents its investment in OPAP S.A. within subsidiaries even though owns only direct interest of 16.25% (31 December 2021: 14.24%). The Company also controls an indirect interest of 33.59% (31 December 2021: 32.98%) in OPAP S.A. In total, Allwyn International a.s. controls 49.84% (31 December 2021: 47.22%) of voting rights in OPAP S.A. Excluding OPAP's treasury shares from the share count, the Group has an effective economic interest of and controls voting rights of 50.09% as of 31 December 2022.

The Company makes an accounting judgment that it ultimately controls OPAP S.A. due to factors including: Allwyn International a.s. is, with control over 49.84% (31 December 2021: 47.22%) of voting rights, by far the largest shareholder of OPAP S.A., as the participation in the General Meeting never exceeded 80%, therefore Allwyn International a.s. controls the majority of votes at such meetings.

Additionally,

- all shareholders' resolutions proposed at general meetings that the Company has voted in favour of have been approved;
- the Company's appointees make up the majority of the OPAP S.A. Board of Directors (including CEO, CFO and Executive Chairman);
- and although the Group's shareholding in OPAP is below 50% and for most of the period was also below 50% of the share count excluding treasury shares, it is by far the largest individual shareholding. The remaining shares are widely dispersed among numerous public market investors. Since the Group acquired its first shares in OPAP in 2013, shareholder attendance at OPAP S.A.'s general meetings of shareholders have never been over 80%, therefore the Group controls the majority of votes present at such meetings.

SAZKA Austrian Gaming Holding a.s. is a holding company through which Company holds its interest in Casinos Austria AG ("CASAG") and an additional indirect interest in its subsidiary Österreichische Lotterien GmbH ("Austrian Lotteries") (through additional intermediate holding companies).

Impairment of financial investments

The Company assessed a risk of impairment of its investment in subsidiaries and performed an impairment test in connection with its investment in Italian Gaming Holding a.s.

The recoverable amount was estimated using the value in use method, based on an explicit cash flow forecast prepared based on a business plan of underlying CGU (Lottolitalia) covering a period of five years, approved by management and valid at the impairment testing date, with a terminal growth rate of 2%, discounted using cost of capital for the Company of 8.78%.

Recoverable amount of Italian Gaming Holding significantly exceeded the carrying amount. Evaluation is sensitive to an accounting estimate, that current Lottolitalia license, which will expire in 2025, will be extended. No extension would result in an impairment of €92.3 million (31 December 2021: €23.2 million).

No further impairment indicators were identified in any of Company's investments and consequently, no further impairment testing was performed.

9 Loans provided

An instrument is classified as instrument at amortised cost when it is held solely to collect payments of principal amount and interest until the maturity.

The Company evaluates that expected credit loss of loans provided to related parties is not material and consequently does not record any ECL provisions. Fair value of loans provided (Level 3) is deemed to be materially similar as their carrying value.

		31/12/2022	31/12/2021
Non-current loans		472.5	454.7
Current loans		40.0	212.0

	ref	31/12/2022	31/12/2021
Loans provided		512.5	666.7
Loan to Allwyn Austria Holding 2 GmbH	a)	223.3	214.1
Loan to SAZKA a.s.	b)	174.1	193.6
Loan to Allwyn Greece & Cyprus Holding Ltd	c)	65.1	175.4
Loan to Italian Gaming Holding a.s.	d)	40.8	73.8
Current loan to SPORTLEASE a.s.	e)	–	9.8
Current loan to Kaizen Gaming Ltd	f)	9.2	–

- a) Intragroup loan to Allwyn Austria Holding 2 GmbH in the principal amount of €91.5 million with fixed interest rate. In June 2020, the loan was assigned from the Company to SAZKA Austrian Gaming Holding a.s. as creditor. The loan is due in February 2027. Subsequently additional advances of €98.2 million were provided under this agreement. In December 2020, the loan was reassigned back from SAZKA Austrian Gaming Holding a.s. to the Company as creditor. In January 2021, Allwyn Austria Holding 2 GmbH drawn an additional €23.2 million. In November 2021, principal was increased by capitalized interest of €1.7 million. In December 2021, Allwyn Austria Holding 2 GmbH made a partial principal repayment of €1.4 million. On 30 September 2022, the interest on the loan was capitalized in the total of amount €7.6 million.
- b) Intragroup loan to SAZKA a.s. in the principal amount of CZK 5,670.0 million, equivalent to €215.9 million, with variable interest rate. The loan is repayable in March 2030. SAZKA a.s. made several partial repayments of principle in 2021, for a total of €34.0 million and in 2022, for a total of €25.4 million.
- c) The Company extended the maturity of a previously provided intragroup loan to Allwyn Greece & Cyprus Holding Ltd in the principal amount of €190.0 million with fixed interest rate. In June 2020, Allwyn Greece & Cyprus Holding Ltd made a partial principal repayment of €65.4 million. In December 2020, Allwyn Greece & Cyprus Holding Ltd drawn an additional €57.2 million. In February 2021, Allwyn Greece & Cyprus Holding Ltd made a partial principal repayment of €6.9 million. The outstanding principal amount was €174.9 million as of 31 December 2021. Allwyn Greece & Cyprus Holding Ltd made several partial repayments of principle in 2022, for a total of €110.6 million.
- d) Intragroup loan to Italian Gaming Holding a.s. in the principal amount of €139.0 million with fixed interest rate. The loan is repayable in February 2027. Italian Gaming Holding a.s. made several partial repayments of principle in 2021 for a total of €65.7 million. In May 2022, Italian Gaming Holding made a partial principal repayment of €33.4 million.
- e) On 30 June 2021, an outstanding receivable of €9.6 million from SPORTLEASE a.s. (100% subsidiary of SAZKA Czech a.s.) was converted to an intragroup loan in the principal amount of CZK 238.3 million, equivalent to €9.6 million, with variable interest rate. The loan is repayable on 30 June 2022. In December 2021, the principal was increased by capitalized interest of €0.3 million. The loan was repaid early on 28 March 2022 in the total of amount €10.1 million.
- f) On 23 December 2022, the Company provided an intragroup loan to Kaizen Gaming Ltd in the principal amount of €9.2 million with fixed interest rate. The loan is due in April 2023.

All intragroup loans are made with interest rates derived with reference to the interest rates on the Group's external debt. Margin applicable to the loans provided as of 31 December 2022 was in the range of 3.5% – 4.5% p.a.

For guarantees provided see Note 13.

Notes to the separate financial statements continued

9 Loans provided continued

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

	2022	2021
Balance at 1 January	666.7	731.6
Cash flows		
Loans provided	13.2	31.5
Repayment	(178.6)	(116.3)
Interest paid	(26.7)	(34.3)
Non-cash changes		
Loans provided*	–	9.6
Capitalized interest**	7.7	2.0
Accrued interest receivable	29.4	31.5
Effect of FX differences	0.8	11.1
Balance at 31 December	512.5	666.7

* Non-cash changes in loans provided represent loan provided to SPORLEASE a.s. (see e) above).

** Capitalized interest in 2022 includes the capitalization of interest on the loan to the company Allwyn Austria Holding 2 GmbH.

Credit risk by region

Loans provided	31/12/2022	31/12/2021
Austria	223.3	214.1
Czech Republic	214.9	277.2
Cyprus	65.1	175.4
Other	9.2	–
Total	512.5	666.7

10 Cash and cash equivalents

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

As of 31 December 2022, the Company has bank accounts with a total balance of €33.1 million (31 December 2021: €63.8 million).

Two bank accounts were pledged as a collateral for borrowings. The balance on the pledged accounts was €12.0 million as of 31 December 2022 (31 December 2021: €3.0 million).

Credit quality of cash and cash equivalents

The Company does not account for any expected credit loss for cash balances, as it is considered immaterial. The Company monitors the credit risk associated with banks. The Company only deposits cash with reputable financial institutions that fulfil Basel III criteria.

Credit risk by region

Cash and cash equivalents	31/12/2022	31/12/2021
Switzerland	20.0	–
Czech Republic	13.1	56.8
Greece	–	7.0
Total	33.1	63.8

11 Equity

Share capital

The Company's share capital as of 31 December 2022 comprises 30 authorised and outstanding ordinary shares in certificated form with a nominal value of CZK 100 thousand per share. The share capital is fully paid up. All shares have the same rights and no restrictions.

Each share represents one voting right.

Rights attached to the shares at the end of each reporting period were as follows:

- the right to share in the profit, if the share of the profit is to be distributed among the shareholders, and the right to share in net assets in the event of liquidation;
- the right to attend the General Meeting and to cast a vote at the General Meeting;
- the right to submit proposals and counter-proposals on matters included on the agenda of the General Meeting;
- the right to invoke the invalidity of a resolution of the General Meeting;
- the right to request the Board of Directors to issue a copy of the minutes of the General Meeting

All ordinary shares rank equally with regard to rights to share the Company's profits and residual net assets in the event of liquidation.

On 17 September 2021, by a decision of the sole shareholder, the Company issued 10 new ordinary shares, which have been fully paid by the sole shareholder.

The Company does not own any treasury shares and no shares in the Company are owned by any other entity in the Group.

Capital contributions

The Company's capital contributions comprise past capital increases from its parent company. The funds are freely distributable.

Details for equity transactions

On 26 July 2021, the Company received a cash contribution of €75.0 million to other capital funds from its sole shareholder. No cash contributions were received in 2022.

In 2022, the Company paid a dividend of €200.0 million. No dividends were paid in 2021.

12 Loans and borrowings

	31/12/2022	31/12/2021
Non-current loans and borrowings	2,006.5	1,161.5
Long-term loans	967.5	334.9
Bonds	1,039.0	826.6
	31/12/2022	31/12/2021
Current loans and borrowings	35.9	368.6
Current portion of long-term loans	23.6	359.4
Accrued interest on bonds	12.3	9.2

Notes to the separate financial statements continued

12 Loans and borrowings continued

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

	2022	2021
Balance at 1 January	1,530.1	1,470.4
Cash flows		
Loans and borrowings received	1,430.5	124.9
Repayment of loans and borrowings	(935.5)	(85.0)
Interest paid related to prior year	(12.9)	(10.4)
Non-cash changes		
Accrued unpaid interest	15.9	12.6
Non-cash settlement*	6.7	5.3
Effect of FX differences	7.6	12.3
Balance at 31 December	2,042.4	1,530.1

* Non-cash settlement in 2022 and 2021 includes accrued arrangement fee.

Loans and borrowing overview

	Ref	Currency	Principal amount in millions of EUR 31/12/2022	Maturity	Interest rate / Coupon	Book value 31/12/2022	Book value 31/12/2021
Bonds						1,051.2	841.3
6bn CZK		CZK	248.8	2024	5.200%	250.6	242.1
300m EUR		EUR	300.0	2024	4.125%	299.7	298.8
500m EUR		EUR	500.0	2027	3.875%	500.9	300.4
Loans						549.2	–
Bank loan	a)	EUR	559.8	2027, 2028	EURIBOR + margin*	549.2	–
Intragroup Loans						442.0	688.8
Allwyn Entertainment Financing (UK) Plc	b)	EUR	402.0	2028	EURIBOR + margin*	401.8	–
Allwyn Entertainment Financing (UK) Plc	c)	EUR	40.2	2027, 2028	EURIBOR + margin*	40.2	–
Allwyn Financing Czech Republic a.s.	d)	EUR	–	2024	EURIBOR + margin*	–	482.5
Allwyn Financing Czech Republic a.s.	e)	EUR	–	2024	Fixed	–	5.0
SAZKA Group Financing a.s.	f)	EUR	–	2022	Fixed	–	201.3
Total						2,042.4	1,530.1

* Interest rates on intragroup loans are derived from a Group's external loan and borrowings interest rates. Margin applicable to the outstanding loans and borrowings as of 31 December 2022 was in the range of 3.5% – 4.3% p.a.

a) On 17 November 2022, Allwyn and Allwyn Entertainment Financing (UK) Plc together signed a syndicated bank loan facility in the total amount of €1.6 billion. The facility comprises:

- €290 million amortized tranche (Facility A) due in 2027, amortizing in four equal annual instalments starting in 2024 (fully drawn as of 31 December 2022);
- €290 million bullet tranche (Facility B) due in 2028 (fully drawn as of 31 December 2022);
- €152 million committed amortized tranche (Facility A2) due in 2027, amortizing in four equal annual instalments starting in 2024 (undrawn as of 31 December 2022);
- €152 million committed bullet tranche (Facility B2) due in 2028 (undrawn as of 31 December 2022);
- €300 million revolving credit facility with final maturity in 2027 (€20million drawn as of 31 December 2022); and
- GBP 380 million (€429 million) multi-purpose facility, which can be drawn as guarantee or term loan, due in 2027. GBP 338 million (€382 million) of guarantees were issued as of 31 December 2022. Rest of the facility remained undrawn as of 31 December 2022.

The table below shows movements in this loan during twelve months ended 31 December 2022 (currently includes only drawn facilities and RCF):

	Bullet tranche	Amortizing tranche	Revolving credit facility drawn	Total principal outstanding	Available revolving credit facility
Principal amount at 1/1/2022:	–	–	–	–	300.0
Principal drawings November	290.0	290.0	–	580.0	300.0
Other RCF drawings in the period	–	–	20.0	20.0	[20.0]
Principal amount at 31/12/2022:	290.0	290.0	20.0	600.0	280.0
thereof:					
Allwyn International a.s.	269.9	269.9	20.0	559.8	
Allwyn Entertainment Financing (UK) Plc	20.1	20.1	–	40.2	

- b) On 9 February 2022, the Company received an intragroup loan of €402.0 million from its 100% subsidiary Allwyn Entertainment Financing (UK) Plc. In February 2022 Allwyn Entertainment Financing (UK) Plc issued senior secured floating rate notes due 2028 in the aggregate principal amount of €400.0 million. The Company is the guarantor of these notes.
- c) On 17 November 2022, the Company received an intragroup loan of €40.2 million from its 100% subsidiary Allwyn Entertainment Financing (UK) Plc. The intragroup loan corresponds with a drawdown of part of the syndicated loan by Allwyn Entertainment Financing (UK) Plc.
- d) On 21 December 2020, the Company received an intragroup loan of €450 million from its 100% subsidiary Allwyn Financing Czech Republic a.s.. The intragroup loan corresponds with a drawdown of the syndicated loan by Allwyn Financing Czech Republic a.s. On 25 November 2022, Allwyn Financing Czech Republic a.s. fully repaid this syndicated loan. On 25 November 2022, the Company repaid this intragroup loan. The loss from the early repayment of the loan of €4.3 million was recognized as "Other finance expense" (see Note 6).

The table below shows movements in this 3rd party loan during twelve months ended 31 December 2022.

	Bullet tranche	Amortizing tranche	Revolving credit facility drawn	Total principal outstanding	Available revolving credit facility
Principal amount at 1/1/2022:	220.0	165.0	100.0	485.0	100.0
Principal repayment – March	[32.6]	[24.5]	–	[57.1]	–
Refinancing – June	82.6	24.5	–	107.1	43.2
Regular repayment – August	–	[55.0]	–	[55.0]	–
Repayment – November	[270.0]	[110.0]	–	[380.0]	[243.2]
Other RCF drawings in the period	–	–	136.6	136.6	[136.6]
Other RCF repayments in the period	–	–	[236.6]	[236.6]	236.6
Principal amount at 31/12/2022:	–	–	–	–	–

- e) On 16 January 2021, the Company received another intragroup loan from its 100% subsidiary Allwyn Financing Czech Republic a.s. of €4.9 million. The intragroup loan was fully repaid by Company on 16 December 2022.
- f) On 12 December 2017, the Company received an intragroup loan from its 100% subsidiary SAZKA Group Financing a.s. of €200 million. In December 2017 SAZKA Group Financing a.s. issued senior secured fixed rate notes due 2022 in the aggregate principal amount of €200.0 million. The Company was a guarantor of these notes. On 8 March 2022 the loan was fully repaid.

Notes to the separate financial statements continued

12 Loans and borrowings continued

Fair values of financial liabilities

Estimated fair values of financial liabilities

The fair value of bonds is deemed to be the market value. For other debt instruments the measurement is based on the market value of similar instruments and current interest rates on debt with the same maturity. Inputs other than quoted prices that are observable for the liability are interest rates, yield curves observable at commonly quoted intervals and credit spreads. The fair value of debt with a variable interest rate is deemed to be the carrying amount.

Estimated fair value of financial liabilities as of 31 December 2022:

	Carrying amount	Fair Value	FV Hierarchy Level 1	FV Hierarchy Level 2	FV Hierarchy Level 3
Bonds	1,051.2	988.1	752.9	–	235.2
Loans, borrowings and other	991.2	991.2	–	–	991.2
Total	2,042.4	1,979.3	752.9	–	1,226.4

Other information

Financial covenants

Bonds issued by the Company have certain financial conditions attached to them, including certain financial covenants based on financial results of the Group (comprises subsidiaries and equity method investees of the Company). The Company fulfilled the covenants during 2022.

Collaterals and pledges

Bonds issued by the Company are collateralised pari passu with the following other bonds and borrowings issued by its financing subsidiaries:

- 2028 bonds issued by Allwyn Entertainment Financing (UK) Plc of €400; and
- Syndicated bank loan signed on 17 November 2022 by the Company and Allwyn Entertainment Financing (UK) Plc of up to €1.6 billion (see above).

The security is shared under the terms of an intercreditor agreement dated 16 December 2020. The following assets owned directly or indirectly by the Company are pledged:

- Shares in companies: (i) Allwyn Czech Republic Holding a.s.; (ii) Italian Gaming Holding a.s.; (iii) SAZKA Austrian Gaming Holding a.s.; (iv) Allwyn Financing Czech Republic a.s. (v) Allwyn Greece & Cyprus Holding 2 Ltd; (vi) SAZKA a.s.; (vii) Allwyn Austria Holding 2 GmbH; (viii) Allwyn Austria Holding 3 GmbH; (ix) OPAP (shares held directly by Allwyn); (x) Lottitalia; and
- Receivables: (i) from the bank account of Allwyn to which dividends of subsidiaries are distributed; (ii) from intragroup loans provided to SAZKA a.s., Italian Gaming Holding a.s. and Allwyn Austria Holding 2 GmbH; (iii) of Allwyn Entertainment Financing (UK) Plc from an intragroup loan provided to Allwyn.

13 Contingencies

Guarantees

Financial guarantees require the Company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument or other contract. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the amount of the loss allowance for the guaranteed exposure determined based on the expected loss model and (ii) the remaining unamortised balance of the amount at initial recognition. In addition, an ECL loss allowance is recognised for fees receivable that are recognised in the consolidated statement of financial position as an asset.

The Company provides a guarantee in favor of holders of bonds issued by Allwyn International a.s., and Allwyn Entertainment Financing (UK) Plc and to the secured lenders (banks) providing bank loans under the Senior Facilities Agreement signed on 17 November 2022. The total principal amount of secured obligations is €2,048.8 million.

14 Risk management

This section describes the financial and operational risks the Company is exposed to and its risk management methods. The key financial risks the Company faces comprise credit risk, liquidity risk and currency risk. Since the Company has third party financial indebtedness, interest rate risk exposure may also be deemed significant.

14.1 Credit risk

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

The Company's bank accounts are predominantly with international financial institutions. The Company is primarily exposed to credit risk from the loans provided to its subsidiaries. The risk of loans provided is measured and evaluated by monitoring the financial performance of the Company's investments.

The maximum credit risk exposure regarding financial assets is their carrying amount.

For details about credit risk exposure see (Notes 9, 10).

14.2 Offsetting arrangements

	Amounts subject to potential offsetting (master netting or similar arrangements)				Net amounts
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial instruments	Cash collateral
Effects of offsetting on the balance sheet 31/12/2022					
Assets					
Cash and cash equivalents	12.0	–	12.0	(12.0)	–
Total	12.0	–	12.0	(12.0)	–
Liabilities					
Loans and borrowings	1,599.0	–	1,599.0	(12.0)	–
Total	1,599.0	–	1,599.0	(12.0)	1,587.0

Amounts subject to master netting arrangements not set off in the statement of financial position:

As of 31 December 2022, the syndicated bank loan signed on 17 November 2022 by Allwyn and Allwyn Financing UK Plc could be offset against cash and cash equivalents of €12.0 million.

14.3 Liquidity risk

Liquidity risk represents the risk that the Company might not be able to fulfil its payment obligations, primarily in respect of amounts due to providers of bank loans and bonds.

The Company monitors the risk of having insufficient funds by monitoring the liquidity and maturity of investments and other financial assets and liabilities, projected cash flows from its activities and fulfilment of bank covenants.

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

The Company aims to balance its financing requirements using bonds, bank loans, cash pooling, bank overdrafts and intragroup financing.

The Company minimises liquidity risk through cash flow management and planning. The key cash flow planning tool is annual medium-term plans prepared for the period of the at least following five years. The key Company cash flows for current year are broken down into individual months and updated on an ongoing basis.

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

Notes to the separate financial statements continued

14 Risk management continued

The table below presents an analysis of the Company's financial assets and liabilities classified by maturity. Where early repayment is possible, the Company makes the most prudent assessment possible, reflecting the earliest possible repayment of liabilities and the latest possible repayment of receivables. Assets and liabilities the maturity of which is not contractually specified are grouped under the "due on demand" category.

The following table presents contractual cash flows not discounted to net present value and include interest, if applicable.

Liquidity risk analysis (by maturity)

At 31/12/2022	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years	Due on demand
Assets						
Trade and other receivables and long-term loans provided	535.2	625.5	69.5	508.1	47.9	–
Total	535.2	625.5	69.5	508.1	47.9	–
Cash	33.1	33.1	–	–	–	33.1
Liabilities						
Loans and borrowings	(2,042.4)	(2,445.9)	(122.7)	(1,612.0)	(711.2)	–
Trade and other payables	(5.9)	(5.9)	(5.9)	–	–	–
Total	(2,048.3)	(2,451.8)	(128.6)	(1,612.0)	(711.2)	–
Net balance – liquidity risk	(1,480.0)	(1,793.2)	(59.1)	(1,103.9)	(663.3)	33.1
At 31/12/2021						
Assets						
Trade and other receivables and long-term loans provided	667.7	791.7	236.3	188.0	367.4	–
Total	667.7	791.7	236.3	188.0	367.4	–
Cash	63.8	63.8	–	–	–	63.8
Liabilities						
Loans and borrowings	(1,530.1)	(1,702.4)	(416.6)	(984.0)	(301.8)	–
Trade and other payables	(3.1)	(3.1)	(3.1)	–	–	–
Total	(1,533.2)	(1,705.6)	(419.7)	(984.0)	(301.8)	–
Net balance – liquidity risk	(801.7)	(850.1)	(183.4)	(796.0)	65.6	63.8

14.4 Interest rate risk

The Company is exposed to the risk of interest rate fluctuation.

The risk is primarily attributable to the Company's loans with floating interest rates. As of 31 December 2022, the only such loans were Allwyn and Allwyn Entertainment Financing (UK) Plc syndicated bank loan facility, the intragroup loan from Allwyn Entertainment Financing (UK) Plc, and the intragroup loan provided to SAZKA a.s.

The Company monitors developments in financial markets. The risk of an increase in interest rates is continuously monitored and the use of standard instruments to mitigate the risk is considered.

	2022	% of total loans	2021	% of total loans
Variable rate borrowings	991.2	48.53%	482.5	31.53%
Fixed rate borrowings – maturity dates:	1,051.2	51.47%	1,047.6	68.47%
Less than 1	–	–	210.6	20.10%
1-5 years	1,051.2	100.00%	837.0	79.90%

Increase/decrease in interest rates by 1 percentage point (100bp) would cause an increase/decrease of profit before tax by €8.2 million (31 December 2021: €2.9 million).

14.5 Currency risk

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

The Company monitors currency risks and evaluates the potential impact of fluctuations in exchange rates. A significant part of the foreign exchange exposure is hedged either by natural hedging, e.g. using financing in the same currency as the revenues generated and incurring revenues and expenses in the same currency, or by using FX forward and swap contracts.

Management also evaluates potential currency risks prior to the conclusion of significant contracts or business transactions.

The Company is exposed to foreign exchange risk when financial assets and liabilities are denominated in a currency other than the functional currency in which they are measured. Therefore, the total amounts of exposure to foreign exchange risk are not equal to respective items reported on the consolidated statement of financial position. Assets and liabilities denominated in a currency different from the functional currency in which they are measured are presented in the tables below:

At 31/12/2022	CZK	Other	Total
Trade and other receivables and long-term loans provided	147.4	–	147.4
Trade and other receivables and current portion of long-term loans provided	26.9	21.2	48.1
Cash and cash equivalents	12.2	0.6	12.8
Total assets	186.5	21.8	208.3
Long-term loans and borrowings	(247.1)	–	(247.1)
Current portion of long-term loans and borrowings	(3.5)	–	(3.5)
Trade and other payables	(1.3)	(0.8)	(2.1)
Total liabilities	(251.9)	(0.8)	(252.7)
Total	(65.4)	21.0	(44.4)

At 31/12/2021	CZK	Other	Total
Trade and other receivables and long-term loans provided	168.1	–	168.1
Trade and other receivables and current portion of long-term loans provided	35.5	0.1	35.6
Cash and cash equivalents	21.1	0.1	21.2
Total assets	224.7	0.2	224.9
Long-term loans and borrowings	(238.7)	–	(238.7)
Current portion of long-term loans and borrowings	(3.4)	–	(3.4)
Trade and other payables	(3.0)	–	(3.0)
Total liabilities	(245.1)	–	(245.1)
Total	(20.4)	0.2	(20.2)

A reasonably possible strengthening/(weakening) of EUR against foreign currencies as of 31 December 2022 would have affected the measurement of financial instruments denominated in a foreign currency and affected the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 31 December 2022, a 10% strengthening (weakening) in the EUR would have increased / decreased profit or loss before tax and equity in EUR by the amount of €6.5 million.

As of 31 December 2021, a 10% strengthening (weakening) in the EUR would have increased / decreased profit or loss before tax and equity in EUR by the amount of €2.0 million.

14.6 Capital management

The Company aims to maximise shareholder value, to maintain access to diversified sources of capital to finance operating and business development needs of the consolidated Group, and to ensure financial resilience of the Group.

During 2022 and 2021 the Company fulfilled all the conditions required by its external financing arrangements. Key financial ratios in the Company's external financing arrangements are based on the ratio of Group's EBITDA to net debt and interest cover ratio.

Notes to the separate financial statements continued

15 Related parties

Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party. Relations between the Company and its related parties include relations with companies related through common shareholders or Directors and key management of the Company.

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

Parent company

The parent company of the Company was KKCG AG before 17 March 2021, when Allwyn AG, a subsidiary of KKCG AG, became the new parent company of the Group.

Directors and key management personnel

"Key management personnel" comprises the C-level (executive) management of the Company (excluding the CEO, who is a member of the Board of Directors). C-level management in years 2022 and 2021 consisted of the CFO, CIO, CTO, COO, Chief Marketing Officer and Chief Global Brand and CSR Officer.

Members of the Board of Directors and Supervisory Board and key management personnel of the Company receive their remuneration from related parties of the Company (either from subsidiaries of the Company or from the shareholder). Remuneration received from the shareholder is considered related to the management function on the Company level and thus, presented in the summary remuneration table.

15.1 Outstanding related party balances as of 31 December 2022 and 31 December 2021

The following tables present outstanding receivables and payables from related parties of the Company as of 31 December 2022 and 31 December 2021:

Outstanding balance with the parent	31/12/2022	31/12/2021
ASSETS		
Current trade and other receivables	–	0.3
Outstanding balance with companies controlled by the Company	31/12/2022	31/12/2021
ASSETS		
Non-current loans provided	472.5	454.7
Current loans provided	30.8	212.0
Current trade and other receivables	22.7	0.8
LIABILITIES		
Non-current loans and borrowings	440.2	334.9
Current loans and borrowings	3.2	359.4
Current trade and other payables	1.9	3.1
Outstanding balance with associates of the Group	31/12/2022	31/12/2021
ASSETS		
Current loans provided	9.2	–

See Notes 9 and 12 for detailed split of loans and borrowings according to counterparties.

15.2 Transactions with related parties of the Company for the years ended 31 December 2022 and 31 December 2021

There were no transactions with the parent of the Company with effect on the statement of comprehensive income for the years ended 31 December 2022 and 31 December 2021.

Transactions with companies controlled by the Company	2022	2021
Revenue from services	7.8	3.9
Materials, consumables and services	1.7	1.8
Dividend income	122.8	101.1
Interest income	36.2	31.7
Interest expense	37.1	29.8
Other finance income (+) and expenses (-)	16.3	–

In 2022, material items presented in "Other finance income" includes recharge of the amount of fees on bank guarantees issued in connection with the Group's bid to operate the UK National Lottery bid to the subsidiary.

Transactions with other companies controlled by the KKCG AG	2022	2021
Materials, consumables and services	–	0.2

Materials, consumables and services mainly comprise consulting services, rental costs and rental services, IT services and material and energy consumption.

15.3 Transactions with members of the Company's Board of Directors, Supervisory Board and executive management for the year ended 31 December 2022 and 31 December 2021

Other short-term employee benefits

As "Other short-term employee benefits" are presented liabilities for wages and salaries, holiday pay, sick leave, meal vouchers and other benefits that are settled wholly within the 12 months after the end of period in which the service was rendered.

Remuneration, bonuses and other benefits provided to the members of the Board of Directors and Supervisory Board and key management personnel of the Company:

	2022		2021	
	Board of Directors and Supervisory Board	Key management personnel	Board of Directors and Supervisory Board	Key management personnel
Total remuneration	2.4	3.8	4.4	5.9
Short term benefits	0.6	1.3	2.1	2.3
Post-employment benefits	–	–	0.1	0.1
Other long-term benefits	1.8	2.5	2.2	3.5

There are no outstanding balances between the Company and the executive management.

16 Subsequent events

Significant subsequent events that occurred after 31 December 2022:

Czech bonds (CZK 6 billion bonds due 2024)

In January 2023, the bondholders of the Czech bonds approved their transfer from the Company to Allwyn Financing Czech Republic 2 a.s. at a bondholders' meeting. Bondholders who either voted against the transfer or abstained were given an early repayment option, which was exercised by 51.1% of the total bondholders; during February and March, the Company repaid CZK 3,063.9 million (€ 130.4 million).

On 24 March, the Company transferred the remaining bonds (CZK 2,936.1 million or €125.0 million) to Allwyn Financing Czech Republic 2 a.s. Based on the transfer agreement, the Company now has a corresponding payable to Allwyn Financing Czech Republic 2 a.s. in the carrying value of CZK 2,936.1 million due in 2024, bearing a fixed rate interest of 5.4 %.

Allwyn International a.s. remains the guarantor of the Czech bonds. The Czech bonds have certain financial covenants, including covenants based on the financial results of Allwyn International a.s. as a Group.

Following the Czech bonds transfer, the Company is no longer a public interest entity ("PIE") under the regulatory regime of the Czech National Bank.

Syndicated bank loan

In February 2023, the Company drew €160.0 million under its €300.0 million revolving credit facility (see Note 12 (a)). €120.0 million remains undrawn.

In February and March 2023, the Company and its subsidiary Allwyn Entertainment Financing (UK) Plc drew €132.6 million from the €303.1 million committed facilities A2 and B2 available under the syndicated bank loan (with the principal amount split evenly between them) (see Note 12 (a)). Proceeds were used to repay the bondholders of the Czech bonds who exercised their put option. Moreover in March, the Company and its subsidiary Allwyn Entertainment Financing (UK) Plc drew GBP 23.7 million (€27.0 million) from the multi-purpose facility under the syndicated bank loan.

Notes to the separate financial statements continued

16 Subsequent events continued

In February 2023, the Company and its subsidiary Allwyn Entertainment Financing Plc increased the size of its syndicated bank loan (Note 12 (a)) with an accordion facility of €250 million, due in 2029. In March 2023, the Company drew the full amount of €250 million. Moreover, in March 2023 the Company and its subsidiary Allwyn Entertainment Financing Plc increased the size of its syndicated bank loan by an additional accordion facility of €85 million, due in 2029, which is currently undrawn.

Changes in other loans

In February 2023 the company provided an intragroup loan in the amount of GBP 96.5 million (€108.2 million) to Allwyn UK Holding B Ltd.

In March 2023 the Company provided an intragroup loan in the amount of €7.0 million to Italian Gaming Holding a.s.

Capital contributions to subsidiaries

In January 2023 the Company made following capital contribution to its subsidiaries:

- Allwyn UK Holding B Ltd of GBP 25.0 million (€28.4 million);
- Allwyn UK Holding Ltd of GBP 1.0 million (€1.1 million); and
- Allwyn Services Czech Republic a.s. of CZK 150.0 million (€ 6.3 million).

In March 2023 the Company made following capital contribution to its subsidiaries :

- Allwyn Services UK Ltd. of USD 50.0 million (€46.8 million); and
- Allwyn UK Holding Ltd of GBP 23.7 million (€27.0 million).

Bonds issued

In April 2023, the Company's wholly owned subsidiary Allwyn Financing Entertainment (UK) plc issued €665.0 million in aggregate principal amount of senior secured notes due 2030 bearing fixed interest of 7.250% and \$700.0 million in aggregate principal amount of senior secured notes due 2029 bearing fixed interest of 7.875%. The proceeds from the bond offering will be used to (i) redeem in full the €300.0 million in aggregate principal amount outstanding under the 4.125% senior secured notes due 2024 issued by the Company, (ii) to repay the preferred shares issued by the Company's parent Allwyn AG, (iii) to repay drawings of €180.0 million in aggregate principal amount under the revolving credit facility of the Group, (iv) to pay costs, fees and expenses incurred in connection with the bond offering, and (v) for general corporate purposes.

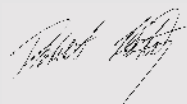
Out of the \$700.0 million senior secured notes due 2029, \$600.0 million was swapped to Euro at an interest rate of 7.01% plus credit charges.

Date:
28 April 2023

Signature of the authorised representative:



Pavel Šaroch
Member of the Board of Directors



Robert Chvátal
Member of the Board of Directors
and Chief Executive Officer

Independent Auditor's Report

To the shareholder of Allwyn International a.s.

Our opinion

In our opinion:

- the consolidated financial statements give a true and fair view of the consolidated financial position of Allwyn International a.s., with its registered office at Evropská 866/71, Praha 6 (the "Company") and its subsidiaries (together the "Group") as at 31 December 2022, and of the Group's consolidated financial performance and consolidated cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the European Union, and
- the separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2022, and of the Company's separate financial performance and separate cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2022,
- the consolidated statement of financial position as at 31 December 2022,
- the consolidated statement of changes in equity for the year ended 31 December 2022,
- the consolidated statement of cash flows for the year ended 31 December 2022, and
- the notes to the consolidated financial statements including material accounting policy information and other explanatory information.

The separate financial statements of the Company comprise:

- the separate statement of comprehensive income for the year ended 31 December 2022,
- the separate statement of financial position as at 31 December 2022,
- the separate statement of changes in equity for the year ended 31 December 2022,
- the separate statement of cash flows for the year ended 31 December 2022, and
- the notes to the separate financial statements including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

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

Independence

We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

Other information

The board of directors is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the consolidated and separate financial statements (together the “financial statements”) and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Group and the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with the applicable legal requirements.

In addition, in the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

Responsibilities of the board of directors, supervisory board and audit committee of the Company for the financial statements

The board of directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The supervisory board of the Company is responsible for overseeing the financial reporting process. The audit committee of the Company is responsible for monitoring the financial statements’ preparation process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit regulations 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Group's and the Company'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 the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



We communicate with the board of directors, supervisory board and audit committee 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.

28 April 2023

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner

A handwritten signature in blue ink, appearing to read "Jiří Zouhar".

Jiří Zouhar
Statutory Auditor, Licence No. 2542

Other regulatory disclosures

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SUMMARY OF REGULATORY INFORMATION REQUIRED BY SECTIONS 21(2) ET SEQ. AND 32G OF THE ACCOUNTING ACT

The Act No. 563/1991 Coll., on Accounting, as amended (the "Accounting Act") requires certain information to be disclosed in the annual financial report of entities that are required to have their financial statements audited. The Company hereby presents a summary containing either the required information or references to the sections of other parts of the annual report where the relevant information is provided.

- Subsequent events occurred after 31 December 2022 that are material to the purpose of the annual report are described in Note 34 to the Consolidated Financial Statements.
- For the future, the Company expects to keep developing its primary business (being lotteries operation) both organically and through acquisitions.
- The Company does not conduct any research or development activities.
- The Company has not acquired any equity shares or equity interests in any other form during the period from 1 January to 31 December 2022. Therefore, the Annual Report does not contain a report on business activities within the meaning of Section 307 of Act No. 90/2012 Coll. on Business Corporations, as amended (the "Business Corporations Act").
- The Company will publish non-financial information pursuant to Section 21(2)(e) and Section 32g of the Accounting Act in a separate report, which will be published no later than 30 June 2023 on the Company's website (<https://www.allwynentertainment.com/investors/sazka-group-debt-investor-hub>).
- As at the date of this Annual Report, the Company does not have a branch or other parts of its business establishment abroad.
- The Report on Relations pursuant to Section 82 of the Business Corporations Act forms part of this Annual Report on page 165 et seq.
- The Company's risk management objectives and methods, including its policy for hedging all major types of forecast transactions for which hedging derivatives are used are described in Note 31 to the Consolidated Financial Statements.
- The price, credit, liquidity and cash flow risks to which the entity is exposed are described in Note 31 to the Financial Statements.
- An overview of assets and liabilities is provided in the Consolidated Financial Statements on pages 120 et seq.
- Since Allwyn Financing Czech Republic 2 a.s., ID No. 09771522, having its registered office at Evropská 866/71, Vokovice, 160 00 Prague 6, Czech Republic, is the issuer of the bonds SAZKA GR. 5,20/24, ISIN: CZ0003522930, as of 24 March 2023, the annual report does not contain a separate report within the meaning of Section 118 of the Act No. 256/2004 Coll., on Capital Market Undertakings, as amended.

Report on relations

Report of the board of directors of Allwyn International a.s. on relations between the controlling entity and the controlled entity and between the controlled entity and other entities controlled by the same controlling entity

Allwyn International a.s. (formerly SAZKA Group a.s.), with its registered seat at Evropská 866/71, Vokovice, 160 00 Prague 6, Identification No. 242 87 814, registered in the Commercial Register maintained by the Municipal Court in Prague under file no. B 18161 (hereinafter the **"Company"**) was considered a controlled entity within the meaning of Section 74 et seq. of Act No. 90/2012 Coll., on Commercial Companies and Cooperatives, as amended (hereinafter the **"Business Corporations Act"**) in the accounting period from 1 January 2022 to 31 December 2022 (hereinafter the **"Accounting Period"**).

In accordance with Section 82 of the Business Corporations Act, the Board of Directors of the Company has therefore drafted this report on relations between the controlling entity and the controlled entity and between the controlled entity and other entities controlled by the same controlling entity for the Accounting Period (hereinafter also the **"Report on Relations"** and **"Related Entities"**). The Report on Relations is structured in accordance with Section 82 (2) and (4) of Business Corporations Act.

1. The structure of relations between the company and other related entities

During the entire Accounting Period, the Company was a part of KKCG group ("KKCG Group"), which is constituted by entities all of which are controlled, directly or indirectly, by KKCG AG, having its registered seat at Kapellgasse 21, 6004 Lucerne, Switzerland, registered under Registration No. CHE-326.367.231 (hereinafter **"KKCG AG"**).

The Company is controlled by KKCG AG indirectly, i.e., through Allwyn AG (formerly SAZKA Entertainment AG), having its registered seat at Weinmarkt 9, 6004 Lucerne, Switzerland, registered under Registration No. CHE-366.705.452 (hereinafter **"Allwyn AG"**).

A list of all entities of KKCG Group that are controlled, directly or indirectly, by KKCG AG, including the Company, constitutes an Annex to this Report on Relations. Information on the entities within the KKCG Group is stated as of 31 December 2022.

2. The role of the company

The role of the Company, as a controlled entity, is to hold and manage equity stakes in companies active in the lottery and gaming sector. In particular, the Company carries out management, strategic business development and financing activities for Allwyn and holds interests in other companies in the Allwyn group.

3. The method and means of control

During the entire Accounting Period, control over the Company was exercised through a 100% share in the voting rights at the Company's general meeting.

4. A summary of significant actions

In the Accounting Period, at the initiative or in the interest of KKCG AG or persons controlled by it the Company took the following actions concerning assets which exceeded 10% of own capital of the Company as determined from the last financial statements preceding the issuance of this report:

- on 9 February 2022 issuing EUR 200 million 3.875% senior secured notes due 2027 (the **"SSN 2027"**), listed on The International Stock Exchange, pursuant to the Indenture (originally dated 5 February 2020), as supplemented by the First Supplemental Indenture dated 16 December 2020, the Second Supplemental Indenture dated 23 December 2020 (each as listed in Section 5.2 below) and the Third Supplemental Indenture dated 9 February 2022 (as listed in Section 5.1 below);
- guaranteeing, on a senior basis, EUR 400 million senior secured floating rate notes due 2028 (the **"FRN 2028"**), listed on The International Stock Exchange, issued by Allwyn Entertainment Financing (UK) PLC pursuant to the Indenture dated 9 February 2022 (as listed in Section 5.1 below);
- drawing EUR 402 million under the Term Facility Agreement with Allwyn Entertainment Financing (UK) PLC dated 9 February 2022 (as listed in Section 5.1 below);
- on 18 August 2022 accepting an extraordinary repayment by Allwyn Greece & Cyprus Holding Ltd of the principal in the amount of EUR 100 million and the interest in the amount of EUR 3 million, under Facility Agreement originally dated 12 February 2020 (as listed in Section 5.2 below);
- drawing EUR 40.2 million facility under the Term Facilities Agreement with Allwyn Entertainment Financing (UK) PLC dated 24 November 2022 (as listed in Section 5.1. below);
- drawing EUR 559.8 million facility under the Senior Facilities Agreement with Allwyn Entertainment Financing (UK) PLC and other contracting parties dated 17 November 2022 (the **"2022 Senior Facilities Agreement"**, as listed in Section 5.1. below);

Report on relations continued

4. A summary of significant actions continued

- issuing guarantees with the nominal value of GBP 197.0 million and USD 48.0 million under the 2022 Senior Facilities Agreement (as listed in Section 5.1 below);
- agreeing, pursuant to a security confirmation letter dated 18 November 2022, that the security provided in connection with the Intercreditor Agreement (dated 16 December 2020, as listed in Section 5.2 below) and the Senior Facilities Agreement (originally dated 16 December 2020, as listed in Section 5.2 below; repaid on 25 November 2022) in favour Kroll Trustee Services Limited (formerly Lucid Trustee Services Limited), as security agent, in the form described below, shall remain in full force and effect and be a continuing security of obligations under the 2022 Senior Facilities Agreement (as listed in Section 5.1. below):
 - a) pledge of all shares in Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), created pursuant to an agreement on pledge of shares dated 18 January 2021;
 - b) pledge of all shares in Allwyn Greece & Cyprus Holding Ltd (formerly Rubidium Holdings Limited), created pursuant to a share pledge and assignment agreement dated 18 January 2021 and a share pledge and assignment agreement dated 23 May 2022;
 - c) pledge of receivables from certain bank accounts of the Company, created pursuant to an agreement on pledge of receivables from bank accounts dated 18 January 2021 and an agreement of pledge of receivables from bank accounts dated 22 October 2021;
 - d) pledge of receivables from certain intra-group loan agreements to which the Company is a party, created pursuant to an agreement on pledge of receivables from relevant contracts dated 18 January 2021;
 - e) pledge of all shares in SAZKA Austrian Gaming Holding a.s., created pursuant to an agreement on pledge of shares dated 18 January 2021;
 - f) pledge of all shares in Italian Gaming Holding a.s., created pursuant to an agreement on pledge of shares dated 18 January 2021 and an agreement on pledge of shares dated 22 October 2021;
 - g) pledge of all shares in Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), created pursuant to an agreement on pledge of shares dated 18 January 2021;
- on 25 November 2022 repaying, before the maturity, the remaining loan in the amount of EUR 380 million and interest in the amount of EUR 160 thousand, under the Senior Facilities Agreement (originally dated 16 December 2020, as listed in Section 5.2 below);
- confirming, pursuant to a Deed of Confirmation dated 18 December 2022 (as listed in Section 5.1. below), the continuing validity and effectiveness of the guarantee and indemnity and its extension to the obligations under the 2022 Senior Facilities Agreement, that was provided by the Company as a co-guarantor together with SAZKA a.s., Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Austrian Gaming Holding a.s., Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH) and Allwyn Entertainment Financing (UK) PLC in favour of each Pari Passu Lender in connection with the Intercreditor Agreement (dated 16 December 2020, as listed in Section 5.2 below);
- providing a guarantee, as a co-guarantor together with SAZKA a.s., Allwyn Financing Czech Republic a.s., SAZKA Group Financing a.s., Allwyn Czech Republic Holding a.s., Italian Gaming Holding a.s. and SAZKA Austrian Gaming Holding a.s. in favour of ING Bank N.V., in connection with the Intercreditor Agreement (dated 16 December 2020, as listed in Section 5.2 below) and the ISDA 2020 Master Agreement entered into by the Company on 5 December 2022, pursuant to a Guarantee relating to Hedging Document for ING Bank N.V. dated 6 December 2022 (as listed in Section 5.1 below);
- providing security in the form of pledge of receivables from a bank account pursuant to an agreement on pledge of receivables from bank account dated 20 April 2022, to secure obligations, up to an aggregate amount not exceeding GBP 1,000 million at any time, under the multicurrency guarantee facility agreement between, inter alia, the Company, Komerční banka, a.s. as global facility coordinator, mandated lead arranger and agent of the other finance parties and certain financial institutions, as lenders, dated 12 October 2021;
- subscribing for additional shares in Allwyn Greece & Cyprus Holding 2 Ltd (formerly Rubidium Holdings Limited) on 17 February 2022 and 1 December 2022, for the aggregate amount of EUR 383.9 million;
- increasing the investment in OPAP S.A. during 2022 by EUR 119.8 million in aggregate;
- distributing and paying to the sole shareholder of the Company a share of the profit from the year 2021 and a portion of the retained profit from the past years, in the aggregate amount of EUR 200 million, pursuant to the resolution dated 18 November 2022.

5. An overview of contracts

5.1 The following contracts were concluded further between the Company and KKCG AG, or the Company and other persons controlled by KKCG AG, during the Accounting Period:

- Agreement on the Assignment of the Framework Agreement on Provision of Advisory Services (dated 16 December 2020) with Allwyn Services Czech Republic a.s. (formerly SAZKA Group CZ a.s.) and Allwyn AG (formerly SAZKA Entertainment AG) dated 14 January 2022;
- Side Letter to the Business Combination Agreement (dated 20 January 2022; terminated 23 September 2022) with Allwyn Entertainment AG, KKCG AG and another contracting party dated 20 January 2022 (terminated 23 September 2022);
- Service Order No. 2 relating to the Framework Agreement for the Provision of Advisory Services (dated 13 January 2021) with Casinos Austria AG dated 25 January 2022;
- Audit Engagement Letter with Casinos Austria AG and another contracting party dated 2 February 2022;
- Auditor Accession Letter with Allwyn Entertainment Financing (UK) PLC and other contracting parties dated 2 February 2022;
- Purchase Agreement in relation to SSN 2027 and FRN 2028 with Allwyn Entertainment Financing (UK) PLC, Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Group Financing a.s., Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA a.s., SAZKA Austrian Gaming Holding a.s., Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH) and other contracting parties dated 2 February 2022;
- Guarantee Fee Agreement with Italian Gaming Holding a.s., SAZKA a.s., SAZKA Austrian Gaming Holding a.s., Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.) and Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.) dated 8 February 2022;
- Agreement on Compensation with Allwyn Services Czech Republic a.s. (formerly SAZKA Group CZ a.s.) dated 8 February 2022;
- Indenture in relation to FRN 2028 with Allwyn Entertainment Financing (UK) PLC, Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Group Financing a.s., Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA a.s., SAZKA Austrian Gaming Holding a.s., Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH) and other contracting parties dated 9 February 2022;
- Third Supplemental Indenture to the Indenture originally dated 15 November 2019 (and supplemented by the First Supplemental Indenture dated 16 December 2020 and the Second Supplemental Indenture dated 23 December 2020) with Allwyn Entertainment Financing (UK) PLC and another contracting party dated 9 February 2022;
- Third Supplemental Indenture to the Indenture originally dated 5 February 2020 (and supplemented by the First Supplemental Indenture dated 16 December 2020 and the Second Supplemental Indenture dated 23 December 2020) with Allwyn Entertainment Financing (UK) PLC, Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Group Financing a.s., Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA a.s., SAZKA Austrian Gaming Holding a.s., Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH) and another contracting party dated 9 February 2022;
- Term Facility Agreement with Allwyn Entertainment Financing (UK) PLC dated 9 February 2022;
- Termination Agreement in respect of the Shareholders' Agreement (originally dated 24 July 2014) with Allwyn Greece & Cyprus Holding 2 Ltd (formerly Rubidium Holdings Limited) dated 17 February 2022;
- Sale and Purchase Agreement with Allwyn Greece & Cyprus Holding 2 Ltd (formerly Rubidium Holdings Limited) dated 17 February 2022;
- Audit Engagement Letter with Casinos Austria AG and another contracting party dated 24 February 2022;
- Agreement on the Provision of a Contribution into Other Capital Funds with Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.) dated 28 March 2022;
- Amendment and Restatement Agreement No. 4 to the Facility Agreement (originally dated 12 February 2020) with Allwyn Greece & Cyprus Holding Ltd (formerly SAZKA Delta Hellenic Holdings Limited) and SAZKA Delta AIF Variable Capital Investment Company Ltd dated 31 March 2022;
- Amendment to the Guarantee relating to Hedging Documents (dated 31 May 2021) with SAZKA a.s., Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA Group Financing a.s., Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Austrian Gaming Holding a.s., Allwyn Entertainment Financing (UK) PLC and another contracting party dated 13 April 2022;
- Amendment to the Guarantee relating to Hedging Documents (dated 30 August 2021) with SAZKA a.s., Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA Group Financing a.s., Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Austrian Gaming Holding a.s., Allwyn Entertainment Financing (UK) PLC and another contracting party dated 14 April 2022;
- Subscription Agreement with Allwyn UK Holding Ltd (formerly SAZKA Group UK Holding Ltd) dated 12 May 2022;
- Amendment and Restatement Agreement in relation to the Senior Facilities Agreement (dated 16 December 2020) with Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.) and other contracting parties dated 13 June 2022 (loan repaid on 25 November 2022);
- Amendment to the Guarantee relating to Hedging Documents (dated 30 November 2021) with SAZKA a.s., Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA Group Financing a.s., Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Austrian Gaming Holding a.s., Allwyn Entertainment Financing (UK) PLC and another contracting party dated 14 June 2022;
- Engagement Letter with Casinos Austria AG, Allwyn AG and another contracting party dated 15 June 2022;

Report on relations continued

5. An overview of contracts continued

- Amendment Agreement no. 1 in relation to the Term and Revolving Facility Agreement (dated 21 December 2020) with Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing Czech Republic a.s.) dated 17 June 2022 (loan repaid on 25 November 2022);
- Amendment Agreement no. 2 in relation to the Term and Revolving Facility Agreement (dated 21 December 2020) with Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing Czech Republic a.s.) dated 27 June 2022 (loan repaid on 25 November 2022);
- Data Processing Agreement with Casinos Austria AG, Österreichische Lotterien Gesellschaft m.b.H and other contracting parties dated 1 July 2022;
- Amendment No. 1 to Cooperation Agreement (dated 13 October 2020) with Allwyn Services UK Ltd (formerly SAZKA Group UK Limited) dated 1 July 2022;
- Subscription Agreement with Allwyn UK Holding Ltd (formerly SAZKA Group UK Holding Ltd) dated 27 July 2022;
- Confidentiality Agreement with OPAP S.A. dated 25 August 2022;
- Subscription Agreement with Allwyn UK Holding Ltd dated 13 October 2022;
- Subscription Agreement with Allwyn UK Holding Ltd dated 14 October 2022;
- Agreement on the Provision of a Contribution into Other Capital Funds with Allwyn Services Czech Republic a.s. dated 17 October 2022;
- Amendment no. 1 to the Facility Agreement (dated 6 February 2020) with Italian Gaming Holding a.s. dated 24 October 2022;
- SAP Software Sublicence Agreement with Casinos Austria AG dated 31 October 2022;
- Limited Liability Company Agreement with Allwyn Services US LLC dated 4 November 2022;
- Senior Facilities Agreement with Allwyn Entertainment Financing (UK) PLC and other contracting parties dated 17 November 2022;
- Deed of Confirmation of the Guarantee and Indemnity under the Intercreditor Agreement (dated 16 December 2020) with Allwyn Czech Republic Holding a.s., SAZKA a.s., Italian Gaming Holding a.s., SAZKA Austrian Gaming Holding a.s., Allwyn Austria Holding 2 GmbH, Allwyn Entertainment Financing (UK) PLC and another contracting party dated 18 November 2022;
- Term Facilities Agreement with Allwyn Entertainment Financing (UK) PLC dated 24 November 2022;
- Guarantee Termination and Release Letter with Allwyn Entertainment Ltd and another contracting party dated 25 November 2022;
- Guarantee relating to Hedging Documents with SAZKA a.s., Allwyn Financing Czech Republic a.s., SAZKA Group Financing a.s., Allwyn Czech Republic Holding a.s., Italian Gaming Holding a.s., SAZKA Austrian Gaming Holding a.s., and another contracting party dated 6 December 2022;
- Assignment Agreement with OPAP Investments Limited dated 27 December 2022.

5.2 The following contracts concluded between the Company and KKCG AG, or between the Company and other persons controlled by KKCG AG, prior to the commencement of the Accounting Period were still in force during the Accounting Period:

- Agreement on Payroll Records Processing with KKCG a.s. dated 1 October 2015;
- Cash Pooling Agreement with KKCG Structured Finance AG dated 20 June 2016, as amended by Amendment No. 1 dated 24. July 2019 and Amendment No. 2 dated 10 December 2020;
- Shareholders' Agreement with Allwyn Greece & Cyprus Holding Ltd (formerly Rubidium Holdings Limited) and other contracting parties dated 24 July 2014, as amended on 17 August 2016, 18 March 2019, 27 June 2019 and 13 September 2021 (terminated on 17 February 2022);
- Joint Venture Agreement with Italian Gaming Holding a.s. and other contracting parties dated 30 April 2016, as amended on 31 May 2017;
- Accession to the Assumption and Guarantee Agreement with Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH) and other contracting parties dated 1 February 2017, as amended by an Extension Agreement dated 5 October 2018;
- Agreement with End-user on the Provision of Services relating to the use of Microsoft Products with DataSpring s.r.o. dated 13 April 2017;
- Framework Agreement on Provision of Accounting Services with KKCG a.s. dated 1 November 2017;
- Project Support Agreement with SAZKA Group Financing a.s. dated 14 November 2017 (terminated due to repayment of bonds on 14 March 2022);
- Meeting Rooms Licence to Hire with Allwyn Services UK Ltd (formerly SAZKA Group UK Limited) dated 1 January 2017;
- Financial Guarantee for obligations of SAZKA Group Financing a.s. dated 14 November 2017 (terminated due to repayment of bonds on 14 March 2022);
- Loan Agreement with SAZKA Group Financing a.s. dated 12 December 2017, as amended by Amendment No. 1 dated 31 May 2018 (loan repaid on 8 March 2022);
- Agreement on the Compensation for Software Extension with KKCG a.s. dated 13 December 2017;
- Confidentiality Agreement with OPAP S.A. dated 15 January 2018, as amended by Amendment No. 1 dated 6 July 2018 and Amendment No. 2 dated 27 August 2020;
- Personal Data Processing Agreement with KKCG a.s. dated 16 July 2018;
- Framework Deposit Agreement with Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.) dated 24 August 2018;
- Framework Deposit Agreement with SAZKA a.s. dated 17 September 2018, as amended by Amendment No. 1 dated 21 December 2018;

- Joint Cooperation and Common Interest Agreement with Allwyn Greece & Cyprus Holding Ltd (formerly SAZKA Delta Hellenic Holdings Limited), OPAP S.A. and KKCG AG dated 22 October 2019;
- Indenture in relation to notes with Allwyn Holding Czech Republic a.s. (formerly SAZKA Czech a.s.) and other contracting parties dated 15 November 2019 as amended by First Supplemental Indenture with Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA Group Financing a.s., Italian Gaming Holding a.s. and another contracting party dated 16 December 2020, Second Supplemental Indenture with SAZKA a.s., SAZKA Austria Gaming Holding a.s., Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH) and another contracting party dated 23 December 2020 and Third Supplemental Indenture with Allwyn Entertainment Financing (UK) PLC and another contracting party dated 9 February 2022;
- Cash Pooling Agreement with Italian Gaming Holding a.s. dated 29 November 2019;
- Indenture in relation to notes with Allwyn Holding Czech Republic a.s. (formerly SAZKA Czech a.s.) and other contracting parties dated 5 February 2020, as amended by First Supplemental Indenture with Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA Group Financing a.s., Italian Gaming Holding a.s. and another contracting party dated 16 December 2020, Second Supplemental Indenture with SAZKA a.s., SAZKA Austrian Gaming Holding a.s., Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH) and another contracting party dated 23 December 2020 and Third Supplemental Indenture dated 9 February 2022;
- Facility Agreement with Italian Gaming Holding a.s. dated 6 February 2020, as amended on 24 October 2022;
- Facility Agreement with Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH) dated 6 February 2020, as amended and restated on 22 June 2020 and assigned on 22 June 2020 and re-assigned on 22 December 2020;
- Facility Agreement with Allwyn Greece & Cyprus Holding Ltd (formerly SAZKA Delta Hellenic Holdings Limited) dated 12 February 2020, as amended by amendment no. 1 on 28 February 2020, amendment no. 2 on 30 April 2020, amendment no. 3 on 10 December 2020 and amendment and restatement no. 4 on 31 March 2022;
- Deed relating to the Shareholders' Agreement (originally dated 17 August 2016) with Allwyn Greece & Cyprus Holding Ltd (formerly Rubidium Holdings Limited) and other contracting parties dated 12 February 2020 (terminated on 17 February 2022);
- Accession to the Flight Tickets Purchase Agreement with KKCG a.s. and another contracting party dated 20 March 2020;
- Framework Agreement on Provision of Advisory Services with SAZKA a.s. dated 16 June 2020;
- Framework Agreement on Provision of Advisory Services with OPAP S.A. dated 16 June 2020;
- Non-Disclosure Agreement with Casinos Austria AG dated 24 August 2020 (expired on 24 August 2022);
- Affiliate Side Agreement regarding provision of advisory services with Allwyn Services UK Ltd (formerly SAZKA Group UK Limited) and another contracting party dated 1 October 2020;
- Co-operation Agreement with Allwyn Services UK Ltd (formerly SAZKA Group UK Limited) dated 13 October 2020, as amended by Amendment no. 1 dated 1 July 2022;
- Investment and Shareholder Agreement with KKCG AG, Allwyn AG (formerly SAZKA Entertainment AG) and another contracting party dated 9 November 2020;
- Side Letter with KKCG AG, Allwyn AG (formerly SAZKA Entertainment AG) and another contracting party dated 9 November 2020;
- Framework Agreement on the Provision of Advisory Services with Allwyn Services Czech Republic a.s. (formerly SAZKA Group CZ a.s.) dated 16 December 2020 (until the assignment to Allwyn AG (formerly SAZKA Entertainment AG) on 14 January 2022);
- ICT Services Agreement with KKCG a.s. dated 16 December 2020;
- Intercreditor Agreement with Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA Group Financing a.s., Allwyn Holding Czech Republic a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Austrian Gaming Holding a.s. (accessed on 23 December 2020), SAZKA a.s. (accessed on 23 December 2020), Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH; accessed on 23 December 2020) and other contracting parties dated 16 December 2020;
- Senior Facilities Agreement with Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), Allwyn Holding Czech Republic a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Group Financing a.s. and other contracting parties dated 16 December 2020, as amended and restated on 13 June 2022 (loan repaid on 25 November 2022);
- Term and Revolving Facility Agreement with Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), dated 21 December 2020, as amended on 17 June 2022 and on 27 June 2022 (loan repaid on 25 November 2022);
- Facility Agreement with SAZKA a.s. dated 21 December 2020;
- Parallel Debt and Local Security Agency Agreement with Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), Italian Gaming Holding a.s., SAZKA Group Financing a.s., SAZKA Austrian Gaming Holding a.s., SAZKA a.s., Allwyn Austria Holding 2 GmbH (formerly CAME Holding GmbH) and other contracting parties dated 23 December 2020;
- Framework Agreement on Provision of Advisory Services with Casinos Austria Aktiengesellschaft dated 13 January 2021;
- Term Facility Agreement with Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.) dated 13 January 2021 (loan repaid on 16 December 2022);
- Deed of Pledge of Shares with Italian Gaming Holding a.s. and another contracting party dated 27 January 2021;
- Side Agreement to the Investment and Shareholder Agreement (dated 9 November 2020) with KKCG AG, Allwyn AG (formerly SAZKA Entertainment AG) and another contracting party dated 8 February 2021;
- Facility Agreement with Rubidium Holdings Limited dated 12 February 2021 (loan repaid on 22 September 2022);
- Framework Agreement on Provision of Advisory Services with Österreichische Lotterien Gesellschaft m.b.H. dated 23 February 2021;
- Non-Disclosure Agreement with Casinos Austria Aktiengesellschaft dated 7 April 2021;
- Restated Information Sharing Memorandum with Casinos Austria Aktiengesellschaft dated 21 April 2021;
- Mutual Confidentiality Agreement with Rabcat Computer Graphics GmbH dated 13 April 2021;
- Engagement Letter with SAZKA Group CZ a.s. and another contracting party dated 17 May 2021;

Report on relations continued

5. An overview of contracts continued

- Guarantee relating to Hedging Documents with SAZKA a.s., Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA Group Financing a.s., Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Austrian Gaming Holding a.s. and another contracting party dated 31 May 2021, as amended on 13 April 2022;
- Facility Agreement with SPORTLEASE a.s. dated 30 June 2021 (loan repaid on 28 March 2022);
- Agreement on the Establishment of Seat with Bořislavka Office & Shopping Centre s.r.o. dated 1 July 2021;
- Guarantee relating to Hedging Documents with SAZKA a.s., Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA Group Financing a.s., Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Austrian Gaming Holding a.s. and another contracting party dated 30 August 2021, as amended on 14 April 2022;
- Letter Agreement with Organisation of Football Prognostics SA (OPAP S.A.) dated 12 November 2021; and
- Guarantee relating to Hedging Documents with SAZKA a.s., Allwyn Financing Czech Republic a.s. (formerly SAZKA Group Financing (Czech Republic) a.s.), SAZKA Group Financing a.s., Allwyn Czech Republic Holding a.s. (formerly SAZKA Czech a.s.), Italian Gaming Holding a.s., SAZKA Austrian Gaming Holding a.s. and another contracting party dated 30 November 2021, as amended on 14 June 2022.

6. Evaluation of advantages and disadvantages resulting from the relations between the related entities

Membership in the KKCG Group, with KKCG AG as the controlling entity, enables the Company to benefit from the sharing of know-how and information (to the extent permitted by law and contractual arrangements with third parties), from the ability to take advantage of the good reputation associated with the KKCG brand and to access intra-group and bank financing (for example, through the possibility for other persons in the group to provide collateral for financial liabilities of the Company).

No detriment occurred to the Company based on the agreements entered into in the Accounting Period between the Company and other entities in the KKCG Group, other acts which were implemented in the interest, or at the instigation, of such entities by the Company in the Accounting Period.

The Company has not identified any disadvantages or any risks arising to it from the relationships between the Related Entities.

Annex: List of Related Entities as of 31 December 2022

In Prague on 31 March 2023

Signature of the authorised representative:



Pavel Šaroch
Member of the Board of Directors



Robert Chvátal
Member of the Board of Directors
and Chief Executive Officer

Annex – List of Related Entities as of 31 December 2022

List of parties controlled by the company KKCG AG, with its registered seat at Kapellgasse 21, 6004 Lucerne, The Swiss Confederation, registration number CHE-326.367.231, as of 31 December 2022

Company	Registered office, identification/registration no.
"Horyzonty" LLC	L'vivska Oblast, L'viv, 79005, Akademika Pavlova 6C, Office 7, Ukraine, reg. No. 36828617
AEC a.s.	Voctářova 2500/20a, Libeň, post code 180 00, Prague 8, Czech Republic, identification No.04772148
AEC s.r.o.	Prievozska 1978/6, post code 821 09, Bratislava, Slovak Republic, identification No. 31384072
AleaX AG (v likvidaci / in liquidation)	Fabrikstraße 4, 9496 Balzers, Liechtenstein, registr. No. FL-0002.629.106-8
Allwyn AG (dříve /formerly SAZKA Entertainment AG)	Weinmarkt 9, 6004 Lucerne, Switzerland, reg. No. CHE-366.705.452
Allwyn Asia Holding a.s. (dříve /formerly SAZKA Asia a.s.)	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No.05266289
Allwyn Austria Holding 2 GmbH (dříve/formerly CAME Holding GmbH)	Universitätsring 10, 1010 Vienna, Austria, reg No. 038898d
Allwyn Austria Holding 3 GmbH (dříve/formerly Medial Beteteiligungs- Gesellschaft m.b.h.)	Universitätsring 10, 1010 Vienna, Austria, reg. No. FN117154k
Allwyn Czech Republic Holding a.s. (dříve /formerly SAZKA Czech a.s.)	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No.24852104
Allwyn Entertainment AG	Weinmarkt 9, 6004 Lucerne, Switzerland, reg. No. CHE-157.119.805
Allwyn Entertainment Financing (UK) Plc	One Connaught Place, 5th Floor, W2 2ET London, United Kingdom, reg. No. 13841508
Allwyn Entertainment Ltd.	One Connaught Place, 5th Floor, W2 2ET London, United Kingdom, reg. No. 13157556
Allwyn Financing Czech Republic 2 a.s. (dříve /formerly SAZKA Group Financing (Czech Republic) 2, a.s.)	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 09771522
Allwyn Financing Czech Republic a.s. (dříve /formerly SAZKA Group Financing (Czech Republic) a.s.)	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 07877838
Allwyn Greece & Cyprus Holding 2 Ltd (dříve /formerly RUBIDIUM HOLDINGS LIMITED)	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, registr. No. HE 287956
Allwyn Greece & Cyprus Holding Ltd (dříve /formerly SAZKA DELTA HELLENIC HOLDINGS LIMITED)	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, registr. No. HE320752
Allwyn International a.s. (dříve /formerly SAZKA Group a.s.)	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 24287814
Allwyn Investments Cyprus Ltd (dříve /formerly RUBIDIUM HOLDING 2 LTD)	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, registr. No. HE432870
Allwyn Services Czech Republic a.s. (dříve /formerly SAZKA Group CZ a.s.)	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 08993165
Allwyn Services UK Ltd (dříve /formerly SAZKA Group UK Limited)	One Connaught Place, 5th Floor, W2 2ET London, United Kingdom, reg. No. 08869774
Allwyn Services US LLC	125 High Street, Suite 1704, Boston, MA 02110, USA
Allwyn Sub AG	Weinmarkt 9, 6004 Lucerne, Switzerland, reg. No. CHE-348.874.140
Allwyn Sub LLC (v likvidaci / in liquidation)	251 Little Falls Drive, New Castle, Delaware 19808, USA
Allwyn UK Holding B Ltd (dříve /formerly Allwyn Financing (UK) Ltd)	One Connaught Place, 5th Floor, W2 2ET London, United Kingdom, reg. No. 13849924
Allwyn UK Holding C Ltd	One Connaught Place, 5th Floor, W2 2ET London, United Kingdom, reg. No. 14530228
Allwyn UK Holding Ltd (dříve /formerly SAZKA Group UK Holding Ltd)	One Connaught Place, 5th Floor, W2 2ET London, United Kingdom, reg. No. 13154201
Allwyn US HoldCo LLC (v likvidaci / in liquidation)	251 Little Falls Drive, New Castle, Delaware 19808, USA
Allwyn US Holding Inc.	251 Little Falls Drive, New Castle, Delaware 19808, USA
Aricoma Brand s.r.o.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 17867096
Aricoma CAD a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 17865522
Aricoma CAD Capital a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 17802733

Report on relations continued

Company	Registered office, identification/registration no.
Aricoma Capital a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 11834587
Aricoma Digital CE a.s. (dříve /formerly Cleverlance Group a.s.)	Vocátřova 2500/20a, Libeň, post code 180 00, Prague 8, Czech Republic, identification No. 04771915
Aricoma España S.L.	Calle Barcas 2 2 - EDIFICIO EPOCA. 46002, Valencia, Spain, reg. No.B72432248
Aricoma Group a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 04615671
Aricoma Group AB	c/o Seavus AB, Scheelevägen 27, post code 223 36 Lund, Sweden, reg. No. 559239-3473
Aricoma Group Finance a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 17848369
Aricoma Group Holding a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 17848601
Aricoma Group International AB	c/o Aspia AB, Sandra Mattsson Flodmark, Box 6350, 102 00 Stockholm, Sweden, reg. No. 559235-9748
AUTOCONT a.s.	Hornopolská 3322/34, Moravská Ostrava, 702 00 Ostrava, Czech Republic, identification No. 04308697
AUTOCONT s.r.o.	Krasovského 14, Bratislava - mestská časť Petržalka, post code 851 01, Slovak Republic, identification No. 36396222
AUTOCONT SRL	Avenue Louise 231, 1050 Bruxelles, Belgium, reg. No. 0767.591.979
Blue Rosemarine Development s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 08797200
Cachi Valle Aventuras S.A. (v likvidaci / in liquidation)	Av. Francisco de Uriondo 330, 4400 Salta, Argentina, registr. No. IGTJ de Salta Folio 71/2 asiento 2465 L10
CAI Hungary Kft.	Lackner Kristóf u. 33/A, 9400 Sopron, Hungary, registr. No. 08-09-027729
CAI Ontario Inc. (v likvidaci / in liquidation)	200 Bay Street, Royal Bank Plaza, M5J 2Z4 Ontario, Canada, registr. No.1164748
CAIO AG (v likvidaci / in liquidation)	c/o Reuss Treuhand AG, Furrengasse 11, 6004 Luzern, Switzerland, registr. No. CHE- 159.186.971
CAIO DK ApS (v likvidaci / in liquidation)	c/o Nordic Gambling ApS, Flæsketorvet 68, 2, 1711 København V, Denmark, registration no. 40909990
Casino Odense K/S	Claus Bergs Gade 7, 5000 Odense C, Denmark, registr. No. 14920293
Casino Sopron Kft.	Lackner Kristóf u. 33/A, 9400 Sopron, Hungary, registr. No. 08-09-009273
Casino St. Moritz AG	Via Veglia 3, 7500 St. Moritz, Switzerland, registr. No. CHE-107.653.178
Casinoland IT-Systeme GmbH	Lister Meile 2, 30161 Hannover, Germany, registr. No. HRB 61326
Casinos Austria (Liechtenstein) AG	Vorarlberger Strasse 210, 9486 Schaanwald, Liechtenstein, registr. No. FL-0002.543.564-5
Casinos Austria (Swiss) AG	c/o Reuss Treuhand AG, Furrengasse 11, 6004 Luzern, Switzerland, registr. No. CHE- 100.189.949
Casinos Austria AG Liegenschaftsverwaltungs und Leasing	Rennweg 44, 1038 Vienna, Austria, registr. No. FN114288x
Casinos Austria Aktiengesellschaft	Rennweg 44, 1038 Vienna, Austria, registr. No. FN99639d
Casinos Austria International (Mazedonien) Holding GmbH	Rennweg 44, 1038 Vienna, Austria, registr. No. FN 400167g
Casinos Austria International Belgium S.A.	Rue Grétry 16-20, 1000 Bruxelles, Belgium, registr. No. 0502.785.246
Casinos Austria International GmbH	Rennweg 44, 1038 Vienna, Austria, registr. No. FN 131441x
Casinos Austria International Holding GmbH	Rennweg 44, 1038 Vienna, Austria, registr. No. FN37681p
Casinos Austria International Ltd.	Sofitel Hotel, Level 3, 249 Turbot Street, 4000 Brisbane, QLD, Australia, registr. No. ACN: 065998807, ABN: 065998807
Casinos Austria Management GmbH	Rennweg 44, 1038 Vienna, Austria, registr. No. FN38657z
CAST Casinos Austria Sicherheitstechnologie GmbH	Rennweg 44, 1038 Vienna, Austria, registr. No. FN94404f
Casinos Event Immobilien GmbH	Lister Meile 2, 30161 Hannover, Germany, registr. No. HRB 201793
"CCB" Congress Center Baden Betriebsgesellschaft m.b.H.	Kaiser Franz Ring 1, 2500 Baden, Austria, registr. No. FN67046y
CES EA s.r.o.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 08028656
Clearcode LLC	222 Broadway, 19th floor, New York, NY 10038, United states of America, reg. No. 4645876
Clearcode Services S.A.	Św. Antoniego 2/4, 50-073 Wrocław, Poland, reg. No. 871153
Cleverlance Deutschland GmbH	Eduard-Schopf-Allee 1, 28217 Bremen, Germany, registration No. 32267
Cleverlance Enterprise Solutions s.r.o.	Vocátřova 2500/20a, Libeň, post code 180 00, Prague 8, Czech Republic, identification No. 27408787

Company	Registered office, identification/registration no.
Cleverlance H2B s.r.o.	Tuřanka 1519/115a, Brno, Slatina, post code 627 00, Czech Republic, identification No. 28223756
Cleverlance Slovakia s.r.o.	Prievozska 1978/6, post code 821 09, Bratislava, Slovak Republic, identification No. 35942487
Cloud4com SK, s.r.o.	Staré Grunty 36, post code 841 04, Bratislava, Slovak Republic, identification No. 50569694
CLS Beteiligungs GmbH	Goldschmiedg. 3, 1010 Vienna, Austria, reg. No. FN84419x
Collington II Limited	Custom House Plaza Block 6, International Financial Services Centre, Dublin 1, Republic of Ireland, reg. No. 506335
Complejo Monumento Güemes S.A. (v likvidaci / in liquidation)	Av. Francisco de Uriondo 330, 4400 Salta, Argentina, registr.No. FOLIO 187/88 ASIENTO 2288 LIBRO 9
Coopera Development s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 08682802
Cuisino Ges. m.b.H.	Rennweg 44, 1038 Vienna, Austria, registr. No. FN54015i
CYANVENUE LIMITED	3096 Limassol, Alasias, 8 CHRISTODOULIDES BUILDING, Republic of Cyprus, reg. No. HE353101
Deutsche Sportwetten GmbH	Karmarschstr. 37+39, D-30159 Hannover, Germany, registr. No. 219939
Društvo za Informatičku Technologiju Seavus DOO	Vojvode Misica 9, 18 000 Nis, Republic of Serbia, reg. No. 20177861 Na príkopě 859/22, Nové Město, post code 110 00 Prague 1, Czech Republic, identification No.03834131
ECC Jenerálka, s.r.o.	
Entretenimientos y Jogos de Azar (EN.J.A.S.A.) S.A. (v likvidaci / in liquidation)	Del Milagro 142, 4400 Salta, Argentina, registr. No. IGTJ de Salta Folio 65/6 asiento 2462 L 10
FM&S Czech a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 04283112 c/o Casino Odense K/S, Claus Bergs Gade 7, 5000 Odense C, Denmark, registr. No. 14909087
Fortuna 1 ApS	
FVE Tichá s.r.o.	Úprkova 807/6, post code 695 01, Hodonín, Czech Republic, identification No. 28605233
Geologichne byreau "Lviv" LLC	L'vivska Oblast, L'viv, 79011, ul. Kubiyovicha 18, Office 6, Ukraine, reg. No. 31978102
Gestate s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 07957912
G-JET s.r.o.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 27079171
Glücks- und Unterhaltungsspiel Betriebsgesellschaft m.b.H.	Rennweg 44, 1038 Vienna, Austria, registr. No. FN241637z
HELLENIC LOTTERIES S.A.	112 Athinon Avenue, GR 104 42, Athens, Greece, registration No.132846101000
HORSE RACES S.A.	112 Athinon Avenue, GR 104 42, Athens, Greece, registration No. 25891401000
IGNIS HOLDING a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 07435304
Inmobiliara Ovale S.A.	Ignacio Carrera Pinto 109, 2720426 San Antonio, Chile, registr. No. 14996/10019
INTERMOS Praha s.r.o.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 63076349
INTERMOS VALVES, s.r.o.	Bratislava-mestská časť Staré Mesto, Karpatská 8, post code 811 05, Slovak Republic, identification No. 35898411
Internet Projekt, s.r.o.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 08526541
IPM – Industrial Portfolio Management a.s.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 04572033
Italian Gaming Holding a.s.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 04828526
JTU Czech, s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 02612020
KAIZEN Gaming Limited (pouze aktivity v Řecku a na Kypru/ only activities in Greece and Cyprus)	Office 1/1007, Level G, Quantum House 75, Abate Rigord Street, Ta'Xbiex XBX 1120 Malta, registr. No. C58362
KBOC Investering B.V.	1101CT Amsterdam, Herikerbergweg 292, Kingdom of the Netherlands, reg. No. 52308944
KKCG a.s.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 27107744
KKCG Development a.s.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 08295484
KKCG Industry B.V.	1101CT Amsterdam, Herikerbergweg 292, Kingdom of the Netherlands, reg. No. 27271144
KKCG Methanol Holdings LLC	400 Capitol Street, Suite 200, Charleston WV 25301, United States of America, EI No. 36- 4831670
KKCG Real Estate Group a.s.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 24291633
KKCG Structured Finance AG	Kapellgasse 21, 6004 Lucerne, Switzerland, reg. No. CHE-292.174.442

Report on relations continued

Company	Registered office, identification/registration no.
KKCG TechLabs s.r.o.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 14042479
KKCG Technologies Finance s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 14038641
KKCG Technologies s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 07171234
KKCG US Advisory LLC	125 High Street, Boston, MA-02110, United States of America, reg. No. 84-2817214
KOMIX Digital s.r.o.	Drtinova 467/2a, Smíchov, post code 150 00, Prague 5, Czech Republic, identification No. 17222184
KOMIX s.r.o.	Drtinova 467/2a, Smíchov, post code 150 00, Prague 5, Czech Republic, identification No. 47117087
KOMIX SK s.r.o.	Plynárenská 1, post code 821 09, Bratislava, Slovak Republic, identification No. 54590345
Kynero Consulting a.s.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 24193461
Leisure & Entertainment S.A. (v likvidaci / in liquidation)	Del Milagro 142, 4400 Salta, Argentina, registr. No. IG TJ de Salta Folio 253/4 asiento 3484 L 13
Liberty One Methanol LLC	400 Capitol Street, Suite 200, Charleston WV 25301, United States of America, El. No.32- 0521898
Liberty One O&M LLC	400 Capitol Street, Suite 200, Charleston WV 25301, United States of America, El. No. 30- 0975326
Liberty Two Methanol LLC	400 Capitol Street, Suite 200, Charleston WV 25301, United States of America, El. No. 30- 0988055
LTB Beteiligungs GmbH	Universitätsring 10, 1010 Vienna, Austria, reg. No. FN84439a
MEDICEM Group a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 07118422
Medicem Inc.	125 High Street, Boston, MA-02110, United States of America, El. No. 38-4126132
MEDICEM Institute s.r.o.	Kamenné Žehrovice, Karlovarská třída 20, post code 273 01, Czech Republic, identification No. 26493331
MEDICEM Technology s.r.o.	Kamenné Žehrovice, Karlovarská třída 20, post code 273 01, Czech Republic, identification No. 48036374
Metanol d.o.o.	Lendava, Mlinska ulica 5, 9220 Lendava – Lendva, Slovenia, reg. No. 6564534000
Mindsquared a.s. (dříve / formerly Media Marketing & Communication, a.s.)	Evropská 866/63, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 09771492
MND a.s.	Úprkova 807/6, post code 695 01, Hodonín, Czech Republic, identification No. 28483006
MND Drilling & Services a.s.	Velkomoravská 900/405, post code 696 18, Lužice, Czech Republic, identification No. 25547631
MND Drilling Germany GmbH	31582 Nienburg, Domänenweg 7, Germany, reg. No. HRB206722
MND Energie a.s.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 29137624
MND Energy Storage a.s. (dříve / formerly MND Gas Storage a.s.)	Úprkova 807/6, post code 695 01, Hodonín, Czech Republic, identification No. 27732894
MND Energy Storage Germany GmbH (dříve / formerly MND Gas Storage Germany GmbH)	64665 Alsbach-Hähnlein, Birkenweg 2, Germany, reg. No. HRB96046
MND Germany GmbH	Lüneburger Heerstraße 77A, 29223 Celle, Germany, reg. No. HRB207844
MND Group AG	Kapellgasse 21, 6004 Lucerne, Switzerland, reg. No. CHE-448.401.517
MND Prodej a.s.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 09002359
MND Ukraine a.s.	Úprkova 807/6, post code 695 01, Hodonín, Czech Republic, identification No. 08957517
Moravia Systems a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 26915189
Musala Services EOOD	36 Dragan Tsankov blvd, Office 505, 1057 Sofia, Bulgaria, reg. No. 205329279
Musala Soft DOOEL	3, Filip II Makedonski, Str., fl.4, office 4003, Skopje 1000, Republic of North Macedonia, reg. No. 7008040
Musala Soft EAD	36 Dragan Tsankov blvd, Office 505, 1057 Sofia, Bulgaria, reg. No. 202569949
Musala Soft Kosovo LLC	Str.Mujo Ulqinaku No 5 - , Ap.10 Qyteza Pejton, 1000 Pristina, Kosovo, reg. No. 810171728
Musala Soft LLC	16 Khartoum St, Floor 4, Heliopolis Cairo, Egypt, reg. No. 180934
NEUROSOFT S.A.	466 Irakliou Avenue & Kiprou Street, 141 22 Iraklio Attikis, Athens, Greece, registration No. 84923002000
Nikolajka Development s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 08797072
NOVECON a.s.	Evropská 866/63, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 08270783
ÖLG Holding GmbH	Rennweg 44, 1038 Vienna, Austria, registr. No. FN268558p
OPAP CYPRUS LTD	128-130 Lemesos Avenue, Strovolos, 2015, Nicosia, Republic of Cyprus, registration No. HE140568
OPAP INTERNATIONAL LTD	128-130 Lemesos Avenue, Strovolos, 2015, Nicosia, Republic of Cyprus, registration No. HE145913
OPAP INVESTMENT LTD	128-130 Lemesos Avenue, Strovolos, 2015, Nicosia, Republic of Cyprus, registration No. HE297411
OPAP S.A.	112 Athinon Avenue, GR 104 42, Athens, Greece, registration No. 3823201000
OPAP SPORTS LTD	128-130 Lemesos Avenue, Strovolos, 2015, Nicosia, Republic of Cyprus, registration No. HE133603
Oriv Holding a.s.	Úprkova 807/6, post code 695 01, Hodonín, Czech Republic, identification No. 11735376

Company	Registered office, identification/registration no.
Österreichische Klassenlotterie Vertriebsgesellschaft m.b.H.	Rennweg 44, 1038 Vienna, Austria, registr. No. FN468412t
Österreichische Lotterien Gesellschaft m.b.H.	Rennweg 44, 1038 Vienna, Austria, registr. No. FN54472g
Österreichische Sportwetten Gesellschaft m.b.H.	Rennweg 44, 1038 Vienna, Austria, registr. No. FN196645i
Pernerova Development s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 08682844
POM Czech, s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 06773800
Precarpathian energy company LLC	Ivano-Frankovska Oblast, Bogorodchany, 77701, ul. Shevchenka, Ukraine, reg. No. 36042045
Rabcat Computer Graphics GmbH	Rennweg 40-50/1/6 (LOG), 1030 Vienna, Austria, registr. No. FN276027y
Relax Rezidence Cihlářka, s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 05662079
Rezervoariji d.o.o	Lendava, Mlinska ulica 5, 9220 Lendava – Lendva, Slovenia, reg. No. 6564470000
Sabris Consulting s.r.o.	Pekařská 621/7, Jinonice, post code 155 00, Prague 5, Czech Republic, identification No. 04701780
SALEZA, a.s. (v konkurzu, v úpadku, zahájeno insolvenční řízení / in bankruptcy, insolvency proceedings initiated)	K Žižkovu 851, post code 19093, Prague 9, Czech Republic, identification No. 47116307
SAZKA a.s.	Evropská 866/69, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 26493993
SAZKA Austrian Gaming Holding a.s.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 04047788
SAZKA DELTA AIF VARIABLE CAPITAL NVESTMENT COMPANY LTD	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, registr. No. HE314350
SAZKA DELTA MANAGEMENT LTD	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, registr. No. HE314151
SAZKA FTS a.s.	Evropská 866/69, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 01993143
SAZKA Group Financing a.s.	Dúbravská cesta 14, 841 04 Bratislava – mestská časť Karlova Ves, Slovak Republic, identification No. 51142317
SAZKA Services s.r.o.	Evropská 866/69, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 05111901
SAZKA mobil 5G a.s.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 07911319
SC Czech ACI, s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 10969551
SC Czech ACJ, s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 10969560
SC Czech ADV, s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 11977051
SC Czech AER, s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 117084458
SC Czech AES, s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 17084539
Seavus DOOEL	11 Oktomvri 33A, 1000 Skopje, Republic of North Macedonia, reg. No. 5323983
Seavus AB	Scheelevägen 27, floor 16, 223 63 Lund, Sweden, reg. No. 556588-5935
Seavus DOO (BA)	Ivana Franje Jukica 7, Banja Luka, Bosnia and Hercegovina, Republic of Serbia, reg. No. 57-01-0252-17
Seavus Educational and Development Center DOO	Vojvode Misica 9, 18 000 Nis, Republic of Serbia, reg. No. 29508429
Seavus Educational and Development Center DOOEL	11 Oktomvri 33A, 1000 Skopje, Republic of North Macedonia, reg. No. 6643140
Seavus FLLC	FLLC SEAVUS, 25A Internatsionalnaya st., office 420, Minsk, 220 030, Republic of Belarus, reg. No. 190835458
Seavus GmbH	Itziker Dorf Strasse 57, 8627 Grüningen, Switzerland, reg. No. CHE-020.4.049.285-2
Seavus S.R.L.	MD-2071, str. Alba-Iulia, 79/1, mun. Kishinev, Republic of Moldova, reg. No. 1020600026584
Seavus SHPK (v likvidaci / in liquidation)	Njësia Bashkiake nr. 5, Rruga Abdyl Frasheri, Ndërtesa 8, Hyrja 7, Ap. 25, 1019 Tirana, Republic of Albania, reg. No. L62225007B
SEAVUS SOFTWARE TECHNOLOGIES J.S.C.	Fulya Mah. Büyükdere Cad. Pekintaş Group Blok No: 32 İç Kapı No: 4 Şişli / İstanbul, Turkey, reg. No. 352133
Seavus Sp. z o.o.	59 Zlota Street, 00-120 Warsaw, Poland, reg. No. 913203
Seavus USA Inc.	2352 Main Street, Suite 200, Concord, MA 01742, United states of America, reg. No. 000873055
Spielbanken Niedersachsen GmbH	Karmarschstraße 37-39, 30159 Hannover, Germany, registr. No. HRB 50373
SPORTLEASE a.s.	Evropská 866/69, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 62361546
Springtide Ventures s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 01726587

Report on relations continued

Company	Registered office, identification/registration no.
Stoiximan Limited	Flat B8, The Atrium West Street Msida, MSD1731 Malta, registr. No. C95597
STR Czech s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 07728344
Stratiteq Sweden AB	Gustav Adolfs Torg 10 A, 211 39 Malmö, Sweden, reg. No. 556622-2682
SUPERMARINE, s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 08062773
Sweetspot CZ s.r.o.	Evropská 866/63, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 09858636
Theta Real s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 27631842
ThreatMark s.r.o.	Hlinky 505/118, Pisárky, post code 603 00, Brno, Czech Republic, identification No. 04222091
ThreatMark, Inc.	19801 Wilmington, New Castle, Delaware, Orange Street 1209, United states of America, reg. No. 6381229
TORA DIRECT S.A.	108 Athinon Avenue and Chrimatistiriou Street, Athens, Greece, registr. No. 5641201000
TORA WALLET SINGLE MEMBER S.A.	108 Athinon Avenue and Chrimatistiriou Street, Athens, Greece, registr. No. 139861001000
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US Methanol Midco LLC	400 Capitol Street, Suite 200, Charleston WV 25301, United States of America, El. No. 81- 1952040
VESTINLOG, s.r.o.	Evropská 866/71, Vokovice, post code 160 00, Prague 6, Czech Republic, identification No. 05629276
Viage Production S.A.	Rue Grétry 16-20, 1000 Bruxelles, Belgium, registr. No. 0474.725.225
Vinohradská 230 a.s.	Vinohradská 1511/230, Strašnice, post code 100 00, Prague 10, Czech Republic, identification No. 26203944
win2day International GmbH (v likvidaci /in liquidation)	Rennweg 44, 1038 Vienna, Austria, registr. No. FN371257t

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