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**“OPAP S.A First Quarter 2022 Financial Results Conference Call”**

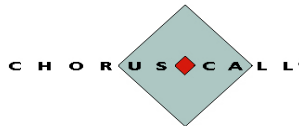
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***Conductors:***

***Mr. Jan Karas, CEO OPAP***

***Mr. Pavel Mucha, CFO, Executive Director OPAP***

Conference Call Conducted by Chorus Call Hellas



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KARAS J: Hello everyone, and welcome to our Q1 2022 Financial Results Update. In this video, likewise previous quarters, Pavel and myself will present you the business and financial update, and we will be waiting you at our regular conference call later today at 4:00 PM Athens Time, to take your questions.

Before we deep dive in our Q1 results, I'd like to highlight a few key points on our latest developments. On the financial front, and amid the inflationary challenges evident since mid Q1, we delivered solid top line performance on the back of lockdown absence this year, partially, unfortunately counterbalanced by green pass limitations still present, that prohibited access to non-vaccinated people and imposed controls and usage of masks to the vaccinated ones. As we speak however, green pass restrictions have been lifted since May 1<sup>st</sup>, and as of today, also masks mandate ended.

Overall, retail recorded in Q1 encouraging performance despite COVID-related limitations, while online sustains its strong contribution despite retail being back to the game with penetration of games offered in both channels at circa 40%. At the same time, we hold a robust cash position with net debt to EBITDA ratio standing at a low 0.1 times.

On the operational front, we are celebrating the first year of our successful loyalty program that has helped us to expand customer retention levels and strengthen our big data asset. The brand new Tzoker.gr front ends introduced in March bring OPAP one step forward to a gamified digital world. Also, in this challenging period, we continue to sit next to our agents,

understanding their needs and providing tangible support to overcome the difficulties.

Last but not least, we are proud with the conclusion of the 8 years' ambitious plan for the full reconstruction of the two largest pediatric hospitals in Athens, and looking to the future we will certainly continue to give back to our society.

With that, I am handing over to Pavel.

MUCHA P:

Thank you, Jan and hello to everyone. Before I go into detail on our financial performance, I would like to briefly point out some of the latest macro developments. Greek economic landscape has been impacted by the war in Ukraine, which brought uncertainty, accelerating inflation and all this influences real disposal income.

According to the latest official estimates, 2022 GDP growth is expected to ease, but remains solid reaching 3.5% year-on-year and inflation is expected to peak in the following months before easing in 2023. That said, we remain cautious for the short to mid-term spending outlook and market dynamics.

Let's get to the facts and figures of our results. Q1, '22 GGR reached €457 million on the back of strong and ongoing online contribution, and on retail being back to the game, as opposed to being closed for the entire Q1, 2021, albeit under green pass restrictions.

Accordingly, our Q1, '22 EBITDA grew reaching €169 million or €175 million on a like-for-like basis, also aided by €57 million

income related to the extension of the concession agreement. While net profit was almost 10 times higher than the respective quarter last year. Consistent with our top line progress, profitability metrics continued to demonstrate high performing levels while the full ease of COVID restrictions in retail is expected to increase the walk-ins.

Moving on to the next slide, let me give you some color on Q1, '22 in the video segments performance that was highlighted by the retail stores full operation, although with green pass limitations. Numerical lotteries accelerated by more than four times on a year-on-year basis, betting almost doubled compared to Q1, 2021, reaching €153 million also helped by strong online contribution with Virtuals and PowerSpin continuing to keep customers' engagement at high levels on the retail front.

VLTs reached €69 million GGR on the back of the estates' full operation. We are already seeing positive effect on this vertical's performance following the latest further ease of COVID restrictions. Instants and passives performance was benefited by return to normalization posting an increase of around 200% year-on-year, while in the online casino front, we recorded revenues of €41 million remaining strong despite retail recovery.

I will walk you down the major elements of our cost structure, and comparables with operating expenses increasing by around 40% in order to support our increased retail operations needs and our ongoing focus on online offering. On the specific elements, payroll expenses in Q1 increased by 8.5% year-on-

year, following the completion of the carve-out and employees' transfer to Stoiximan from Kaizen gaming.

Marketing increased by 45.2% in order to support retail reopening along with a busy and more competitive online offering. Other OPEX marked 54% increase plus 28% on a like-for-like basis excluding one-off items in both quarters. On the profitability side, our recurring Q1, 2022 EBTIDA reached €175 million posting a 260% year-on-year increase leading to a profound 38% margin also aided by the concession extension related income.

Net profit turned into a sizable €94 million of earnings in Q1, 2022, leveraging a more rational effective tax rate indicating a 20.6% net profit margin. Cash flow wise, our increased Q1 profitability also underpinned our operating cash flow generation allowing us to proceed to early debt prepayments of €210 million, resulting at the end of the quarter to a strong cash balance of almost €800 million and a leverage ratio of 0.1 times.

Finally, I would invite you all shareholders to participate at the forthcoming Annual General Meeting scheduled for 9<sup>th</sup> of June, and hopefully approve our shareholders remuneration proposal and the election of our new board.

With that, I am passing you back to Jan.

KARAS J: Thank you, Pavel. Moving now to our business and operational update, let me clearly set out our model and initiatives that bring us one step forward in building entertainment and

expanding our brand identity across channels. Our scratch attack 360 plan and store draw events along with a very successful new "Shake the Pot" tickets deliver upward sellout levels.

At the same time, the new price structure of Laiko Lottery gives players more chances to win, transforming this traditional product to a more appealing one with a strong one out of two tickets win message. Golden 21, was highly appreciated by our customers as the most researched "free to play" game increasing awareness and traffic, while the new casino branded tables drive higher registrations and playability.

Brand new Tzoker campaign, "the Philosopher", is outpacing our expectations as all Greeks have a philosopher within and revamps Tzoker brand promoting the game in a new innovative way beyond jackpots.

Moving on to delivering best in class entertainment and to the next slide. We enhanced the Powerspin by adding two additional wheels, so as to offer more fun, more options to play, and higher winnings to our players with very promising preliminary results. Just a few days ago, the amended long-anticipated online RNG casino regulation came into effect. In only five hours, we adopted the new regulation and since Day 1, we launched hundreds of new games applying the new limits delivering fantastic results.

First early indications show an increase of around 15% on GGR of RNG casino compared to previous week period supported by similar uplift of turnover. On top, our online players can choose

the quick deposit functionality for an accelerated wallet top up, both in Tzoker and in Sportsbook. On the play stores front, OPAP Play Days and Easter celebration is series of playful campaigns and in-store activations are setting the new normal, attracting people back to our stores, extending at the same time visitation duration. Loyalty program just turned one year having already distributed €8.5 million of redeemed value and recording a high 77% customer satisfaction level.

More specifically and turning to the next slide, our base accounted at the end of Q1 around 700,000 registered players. While activity remains strong across consecutive quarters leading at mid 30s with Kino predominantly representing more than 50% of actives. It is of high importance for us that 20% of total amounts played in stores is scanned through loyalty program giving us valuable data and insight of our retail anonymous customers playing habits.

Here we are presenting our regular update of our retail estate for your reference where OPAP network continues to consist the widest network across Greece. Currently, during this challenging period, our key focus is to monitor our partners' individual profitability and operational cost, assisting them tangibly by extending liabilities' payment terms on top of small single-digit euro million subsidies to support them mitigate the impact from high energy prices.

At the same time, we continue developing our network focusing on digitalization upgrade. On the VLT's front, we are happy with the fact that the green pass restriction that has clearly affected this game the most has now been lifted with May's

performance providing with some early signs of optimism. On the optimization front, we are well ahead of our plan, having already replaced 600 machines with a new modern HD cabinets in more than 200 stores. Our target is to replace more than 3,500 machines by the end of this year.

Let's move to online. Our key growth driver that for another quarter captured in Q1 more than €100 million GGR, retaining solid performance despite full retail operations when compared to the respective quarter last year. Online penetration continues its upward trajectory reaching in Q1 37% share on total GGR for games offered in both channels. Equally important is the fact that our customer base continues to increase across both brands, an encouraging and promising development ahead of the World Cup in Q4 this year.

I would like to highlight our brand new Tzoker.gr that with its clean and simple UX and UI sets new standards for customer experience in our i-lottery proposition where we keep focusing on building entertainment for casual and social players. This new online entertainment destination developed fully in-house introduces interactive content, quick play options, and exclusive online features. Our customers embraced the new Tzoker.gr and we expect to capitalize the full potential in the months to come. Besides further optimization of this new i-lottery asset, we are now putting all our in-house front-end development in focus to the new sports book redesign, so as to deliver best-in-class experience across all of our online verticals.



On the sponsorship side, we are actively supporting the Greek community expanding our investment in various initiatives. The previous period, and within the framework of our cooperation with SEGAS, we support the numerous running events around Greece where thousands of people participated. Also bringing OPAP brand one step closer to the younger audience, we support the university basketball tournaments. Additionally, on the corporate responsibility side, we are really happy and proud for the support we offer to small and medium businesses through the OPAP Forward program. Since the launch of the program, 59 companies have been part of our initiatives, with 19 of them having already graduated, expressing their great appreciation of this initiative. And now we are at the final stage of selecting additional 10 new SMEs to be included in the program.

Finally, we continue our work on a local level through the OPAP sports academies. In the past month, we have been visiting the academies along with the coaches and trainers of the program, seeing firsthand its true value for the young athletes.

Last but certainly not least, I'm really proud to share with you the conclusion of a significant project for the Greek society, a plan that has started eight years ago, resulting to the full reconstruction of the two largest pediatric hospitals in Athens. In total, almost 15,000 square meters were renovated, 30 projects were concluded amongst which twenty-three nursing units that have been fully modernized. This is the best example of how we would like to support in the future the country and invest in the best of what we all have, our children. And if a picture is worth 1,000 words, then a video is worth a million.

Therefore, let me end our presentation here and share with you a short video about this amazing project.

Thank you very much for your attention. And we will be waiting for you to take your questions at our regular conference call later today at 4PM Athens time.

**[Video Presentation]**

**Mr. Mitsotakis & Opap Management**

Q&A

OPERATOR: The first question is from the line of Draziotis Stamatios with Eurobank Equities. Please go ahead.

DRAZIOTIS S: Yes, hello. Thank you for taking my questions. I have three things to ask, if I may, please. Firstly, just wondering whether you are happy with the guidance you had provided back in March and you still believe this profitability range is still feasible?

Secondly, you mentioned in the presentation that VLT run rates has improved since the easing of restrictions. I'm just wondering about the other games. Have you noticed any sort of change in punters' behaviour in the aftermath of the war in Ukraine and the mounting inflationary pressures? For example, has there been any impact on footfall, on spending, recycling active accounts since Q1 that is causing any concern?

And lastly, just on the deal, you recently announced the sale of the minority's interest in Betano. Could you confirm what you intend to do with the cash? And when do you expect the transaction to close, please?

KARAS J:

Yes. So we will...thank you for the question. We will answer all three of them. I will start with the first one, referring to our outlook. So we have explained the rationale for providing outlook this year last time when we presented. Given the quite challenging and volatile environment, we thought that we would be transparent and therefore we thought it will be helpful when we envisage the group performance obviously with certain assumptions that we presented. Now as of today, following strong Q1, we still think that our outlook is valid. So we confirm that outlook that we have presented to you in the previous quarterly call. Obviously we are not yet seeing any stabilization of geopolitical tension, neither any improvement on the inflationary front. So despite that, we are still optimistic and positive and confident maybe with the high-end of the range to be a bit challenging. In any case, we will come back with our updated view on this whole macro situation and its impact on our business, as we always do, at our next quarterly call after the summer. So you can...rest assure that we will keep you updated on that front.

The second question was related to what performance we see currently. Again, connected with the previous topic, there is quite a few factors influencing the existing performance. So it's a bit difficult to read the specific factor here, namely the green pass measures you referred to, and its impact because we need to have the big picture here. That is macro, that is

inflation, those are certainly factors that are not helping the continuation of the war conflict. On the other hand, we need to keep in mind many of the positive trends. You mentioned green pass, we already see some positive impact of it, think of single-digit or mid single-digit impact. But very importantly, as I have mentioned just a second ago, the June 1st, today, is the first day when the masks are not mandatory anymore. So if we keep in mind the very important customer perspective, the mask still played a role also in May, and that is something we are excited to see what impact it will have really through normal situation now in our stores going forward. So we remain optimistic about further positive impacts and evolution, also connected with the positive expectations of everyone from the...what is expected to be a very strong touristic season and its macro impact.

On the third question, I will kindly ask Pavel to answer to you.

MUCHA P:

Good afternoon from me. We expect the trend like... transaction to close somewhere within Q3, it is still subject to regulatory approvals and also corporate separation of the Betano business from the Greek and Cypriot business. So the expectation is Q3, and the proceeds will be used to finance the last part of Stoiximan earn-outs during '22 and the remaining to be distributed.

DRAZIOTIS S:

That's great. Thank you so much. And just a follow-up on the current running rate question. On the retail part of the business, I guess, you know from what you are saying, it makes sense to expect an improvement in terms of run rates in the retail business vis-a-vis, 2019 levels, right? So Q4 was

down 13%, if I remember correctly, versus normality, let's call it, Q1 was down 10%. Is it a fair assumption to make that these trends ought to improve as these COVID-related measures get relaxed and probably more than offset the macroeconomic impact?

KARAS J: Yes, your thinking is correct, and we have expectations that are positive. Obviously, we all know in... how difficult times macro economy we live, so the reality remains to be seen. But if we don't face any unpleasant surprises, the trends that we expect are certainly in the positive direction.

DRAZIOTIS S: That's fantastic. Thank you so much.

KARAS J: Thank you.

OPERATOR: The next question is from the line of Memisoglu Osman with Ambrosia Capital. Please go ahead.

MEMISOGLU O: Hello many thanks for your time and the presentation. Going back to...so two on my side; one on VLT, one on online. Just following up on your presentation the 4% comes across as a bit subdued, but maybe you expected to pick up with the masks being lifted from June 1. And also maybe you're seeing some impact from macro angle. So you would have recovered more. I guess, that's the first bit?

And then the second one, you did have the retail opening, so I understand I appreciate the online coming down. How do you see the rest of the quarters for online? Should we see a return back to growth in Q2? And related to this, how is your market

share coming along, obviously it's some new entrants are there. Any colour on that front would be helpful?

And finally, on online, any news, any update on when we should see benefits in the financials from your new products' plans in the online segment? Thank you.

KARAS J:

Let me start with the first question around VLT's performance. VLT is a typical vertical where we certainly have further positive expectations, not just short-term, but also mid to long-term about further opportunities to be explored with VLTs. We see VLTs improving every day. So I think that's the vertical that will certainly benefit the most from the masks being lifted, because if you just imagine the practical situation of spending quite an extensive amount of time in the gaming hall, sitting there with the mask or without the mask, makes quite a big difference in engagement of customer. So we have positive hopes there, and the performance in the last couple of weeks is confirming that with steady growth. So that is hopefully more to be seen. So that's on your first question.

On the online, can you please repeat your question because you were asking about market share?

MEMISOGLU O:

Yes. Well, it's related to growth really. So we had a decline in Q1, and I appreciate that it was a very different operating environment in last year's first quarter. But with potentially competitive side moving around as well, just wanted to get your thoughts on how we should expect online to perform in Q2? Are you seeing a return back to growth? So both overall demand you know, the dynamics between retail and online and

also your market share performance? And you had mentioned, I think, in earlier calls some work being done on new products. Any update on that? When should we see some material benefits from that?

MUCHA P:

Okay. Well, we've seen the new regime... new regulatory regimes in the August, new players entering the market. In that period, we managed really recently to double the market share of OPAP from 3% to 6%. We've launched Live Casino, which is doing very well and with very good product. Combined with Stoiximan, we are holding at the level of 50% market share between OPAP and Stoiximan. The market continues to grow and withholding the share, the whole online business is growing and expected to continue to grow.

You were asking about the dynamic between retail and online? While the online is growing, obviously, we are trying to keep or grow also the retail. We have to bear in mind that these are not two mutually exclusive markets like online and retail that the players would be leaving retail and moving to online permanently. We have like 1.5 million players who are multichannel. They are playing both in online on different occasions, but they are still coming to the shops for different reasons and that will continue to be there. So that's really a bit about the dynamics between retail and online.

KARAS J:

Thank you, Pavel. Just also to add some more flavor, you asked about the innovations and how we continue. I think the most important one, as presented in my deck was Tzoker.gr updates, another confirmation of our commitment to develop really highly competitive and highly attractive... customer

attractive front-ends and user interfaces. So we are very proud of what we have achieved with Tzoker.gr, which is now the second after the casino that we have done at the end of last year. And that's a journey that we continue and pay a lot of attention, a lot of focus to. There is more to come. But for that, we will need to wait for the next call.

MEMISOGLU O: Understood. Thank you.

OPERATOR: The next question is from the line of Chauhan Virendra with AlphaValue. Please go ahead.

CHAUHAN V: Yes, just following up on the question by the previous analyst.

OPERATOR: I am sorry Mr. Chauhan, can you hear me. I apologize to interrupt you. I am sorry can you please speak a little closer to your microphone, because I don't think management can hear you.

CHAUHAN V: Yes, is this better now?

OPERATOR: Yes, thank you so much. Yes, thank you, you may proceed. Thank you.

CHAUHAN V: Yes. So just following up on the question regarding online market share. So if I understood your reply to the previous question, you said OPAP has been taking market share. So could you just give us a sense of what has happened in the broader Greek online market in terms of a growth perspective in Q1? Like how much was the overall market up or down on a year-on-year basis?



KARAS J: If you are referring to Q1 performance specifically, we don't have such a data. There's no such data available and published. You would have to speak to HGC on that.

CHAUHAN V: Okay, no problem. Thank you.

OPERATOR: Ladies and gentlemen, there are no further questions at this time. I will now turn the conference over to Mr. Karas for any closing comments. Thank you.

KARAS J: I am sorry, thank you very much. I apologize, we didn't expect such a quick finish, but I hope it's an indication that we have provided a great presentation and covered your questions during our presentations. Thank you very much even for those questions placed here today. It was a pleasure to be with you. Be safe, enjoy your summer. And we will be looking forward to talking to you again in September for our Q2, 2022 results and/or during our General Assembly Meeting very soon. Thank you and have a great day. Bye-bye.