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**“OPAP S.A Fourth Quarter & Full Year 2023 Financial Results Conference
Call”**

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Conductors:

Mr. Jan Karas, Chief Executive Officer OPAP

Mr. Pavel Mucha, Chief Financial Officer, Executive Director OPAP

Conference Call Conducted by Chorus Call Hellas



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OPERATOR: Ladies and Gentlemen, thank you for standing by. I am Gelly, your Chorus Call operator.

Welcome and thank you for joining the OPAP S.A conference call and Live Webcast, Question and Answer Session to discuss the Fourth Quarter & Full Year 2023 Financial Results. Please note a video presentation has been distributed and is also available on the OPAP Investor Relations website.

At this time, I would like to turn the conference over to Mr. Jan Karas, CEO of OPAP S.A.

Mr. Karas you may now proceed.

KARAS J: Hello everyone and welcome to our Q4 and full year 2023 financial results update. Likewise previous quarters I'm joined by our CFO Pavel and we will present you in this video the business and financial update and we will be waiting you at our scheduled conference call later today at 4 p.m. Athens time to take your questions. First of all, I would like to provide you with a high-level overview of our 2023 achievements before Pavel takes you through our financials.

2023 marked a year in which OPAP embraced change through implementing a broad set of enhancements and improvements in customer proposition. We leveraged new digital technologies to make our offering more personalized, fun and easy to access while upgrading the overall customer experience both in retail and online. In addition, we proceeded with the transformation of our traditional games to make them more relevant to the latest trends in gaming.

These actions, which are aligned and consistent with our fast forward strategy, have been perceived positively by our always expanding customer base leading our Full Year 2023 GGR above the EUR2 billion threshold for the first time. In addition, fully recurring EBITDA landed at EUR745 million exceeding our latest outlook.

We are always committed to generating the maximum value to our shareholders and alongside a robust cash position we are glad to proceed to a total shareholders remuneration for the year of EUR1.85 per share out of which EUR1 has already been paid as interim dividend. Now let's dive into our operational developments. First of all, everyone at OPAP is excited with the most recent edition of Eurojackpot in our games portfolio, a historical milestone for both our company and the Greek gaming market. I will share with you more details in my presentation.

Another innovation that showcases our constant focus on upgrading and digitalizing the retail experience is Tipsters, the first digital sports betting community provided by a gaming company in Greece aiming to generate even more social interactions among our players and elevating the entertainment notion of our OPAP stores.

Finally, our legacy games Lotto and Tzoker recorded promising early signs of growth following the recent revamp through the offering of more attractive propositions, whereas OPAPonline.gr revenues jumped by more than 40% year over year and continues to enjoy our players preference while at the same time satisfies their appetite for digital entertainment. Before handing over to Pavel that will present our financials I would like to point out that for 2024 we are

expecting another year of growth coupled with a solid commercial plan in both retail and online channels. Pavel over to you.

MUCHA P:

Thank you Jan and hello to everyone. Before we move on to the results I would like to briefly comment on the market and the overall economy side. The Greek economy remained robust in 2023 despite persisting high inflation and high interest rates and costs associated with natural disasters, while on the other hand benefited by increased investment levels, solid tourism revenues and prudent fiscal position.

The trajectory is projected to continue in 2024 with solid growth and further fiscal discipline, while private consumption is forecasted to pick up on the back of lower headline inflation, increased employment level and wage improvements. Within this environment OPAP recorded solid financial performance thanks to its affordable proposition and diversified earnings profile and we are well positioned for another successful year.

Turning now to our Q4 2023 facts and figures GGR landed to record high levels of EUR581 million up by 7.5% year on year on the back of normalized sportsbook payout aided also by positive early signs from the revamp of Lotto and Tzoker while online posted strong growth. Q4 EBITDA increased by 3.7% year on year shaping at EUR210 million benefited by the uplifted revenues, while impacted by higher costs.

Net profit came in at EUR101 million, decreased by 67.2% or by 13.9% on a recurring basis compared to the respective quarter last year mainly due to one-off profit in Q4 '22, which includes EUR181 million from Betano disposal.

Moving to the next slide and our Full Year results. Full year '23 GGR landed to EUR2.88 billion, higher by 7.7% versus last year, mainly attributed to strong retail performance alongside solid growth in online.

Gross profit from gaming operations increased by 6.7% year-on-year driven by top line growth with margin remaining at strong levels. EBITDA marginally decreased by 0.8% while remaining broadly stable on a like-for-like basis on the back of opex pickup.

And finally, net profit decreased by 31.1% or increased by 0.7% on a recurring basis recording healthy margins. Following a track record of solid growth rates, we are optimistic for another year of growth in both revenues and profitability.

We expect OPAP to organically grow outperforming Greek GDP consensus and more specifically GGR to range between EUR2.15 billion and EUR2.2 billion, while EBITDA is projected to come in between EUR750 million and EUR770 million.

The projections are, of course, subject to the assumptions of a stable macro environment and the absence of any unexpected and material changes on the legal, regulatory and taxation regime.

Moving on to the next slide, our top line is moving from strength to strength while our profitability showcases resilience with a positive momentum across all key performance indicators.

On the next slide and shedding more light on the Q4 performance of individual segments, numerical lotteries

increased by 1.9% year-on-year mainly attributed to strong Tzoker performance and the impressive Lotto upside following its transformation into an annuity game.

Betting up by 12.4% year-on-year, on the back of solid sports betting performance aided by the normalization of Sportsbook payout, while Virtuals and Powerspin continued their upward momentum recording strong growth.

VLTs increased by 3% year-on-year posting elevated quarterly performance accompanied by increased walk-ins also aided by the ongoing machines' optimization which is bringing positive result.

Instant & Passives slipped by 5.2% year-on-year marking the end of a transitional year for the games and anticipating to re-attract players' interest in 2024. Online casino grew significantly by 25.7% year-on-year, on the back of higher gaming demand and broadened customer base.

Commenting now on the cost side, increased GGR resulted to higher revenue related costs, while opex increased on the back of elevated operational activity.

On the specific elements, payroll expense in full year 2023 increased by 8.6% year-on-year due to higher wages to alleviate the increased cost of living of our employees and to attract talent in a tight job market.

Marketing expense increased by 10.4% year-on-year, on the back of higher costs to support both our retail and online activity, to promote new propositions and secure new sponsorship agreements.

While other opex marked a 17.5% year-on-year increase, mostly associated with increased litigation expenses, while excluding this, other opex marked a much lower rise of 6% year-on-year.

In the next slide and our profitability analysis, recurring full year '23 EBITDA shaped at EUR745 million remaining at the same with the last year levels, while margin remains high at around 36%. Moreover, recurring net profit in full year '23 grew by 0.7% year-on-year with margin at 21%.

Finally on my last slide, OPAP's cash position remained strong at the end of the year at EUR487 million with net debt/EBITDA shaping at a very low 0.23x while the company generated solid operating cash flows and retained flexible funding sources.

Our prudent financial performance allows us to propose to the General Meeting, which is scheduled to take place on the 25th of April, the distribution of a total remuneration to the shareholders of EUR1.85 per share, broken down to EUR0.60 as remaining dividend, EUR0.25 as capital return, and the EUR1 interim dividend already paid back in November 2023. Regarding our share buyback program, as of 8th of March we have acquired approximately 3.4 million shares of a total value of EUR52.5 million. Those, together with previously acquired treasury shares, bring our own holding to 1.41% of share capital. Subsequently, circa EUR98 million euro remain to be paid out until the end of the year. With that I am passing you back to Jan.

KARAS J:

Thank you, Pavel. Now please allow me to provide you with further details on our business and operational

developments. 2023 was overall a really successful year, where we reaffirmed our commitment to strengthen our brand, continue to disrupt our customers by offering innovative propositions throughout our entertainment portfolio and repositioned some of our traditional offerings to uplift engagement and playability levels.

Now let me mention some of our 2023 highlights regarding our retail operations. First of all, we revamped our legacy games, Lotto and Tzoker, and the new propositions have been highly welcomed by our players so far. In addition, we enriched our Pame Stoixima offering, supported by a new platform, resulting in record high customer base over the last years, further boosting betting performance, while,

OPAP Store app, the pillar of our retail digitalization process, upgraded overall players' experience and had positive appeal to younger, tech-oriented audience. Moreover, the continuous refreshment of the VLTs cabinets with new, modern ones, with larger HD screens and new games, is well on track, leading to increased walk-ins in our Play stores.

On top of that, online entered a new era with the launch of opaponline.gr, our iLottery platform, offering the best-in-class entertainment experience and uplifting engagement while the replatforming of our sportsbook enhanced the elements of speed and fun to the game. We are excited with the performance of our online casino games. Their portfolio has exceeded 3,000 different games which continue attracting new audiences, especially female and Gen-Z.

It is noted that our online casino recorded increased activity rates by 36% year-over-year, supported by gamification

elements that consist an important part of our online strategy, with 40% of our casino active base having engaged last year with our free-to-play games.

Now I would like to share with you the very positive early performance of our rejuvenated draw-based games proposition. As you may remember, back in October we proceeded with the transformation of Lotto from jackpot game to an annuity game, which led to a significant increase in winners per draw and refreshed players' interest in the game. We are happy that Lotto continues recording very positive results with the game generating 114% higher turnover, 81% higher GGR and a 7% increase in columns versus the pre-launch period.

Now, regarding Tzoker, we repositioned the game in December, which now awards a guaranteed EUR100,000 prize to the second category winners, while it continues giving millions of euro to the first category winners. We are very glad about the game's early-stage results, with a 39% increase in GGR, despite a 31% decrease in columns versus pre-launch.

Let me also remind you that, in both games we have increased the column price from EUR0.50 to EUR1. We are very pleased with the way the players have welcomed our revamped games and we are optimistic about their future performance in the new era of our draw-based games portfolio.

Now, I am thrilled to present you a milestone proposition from OPAP, the highly anticipated multi-million Euro jackpot game, which is now, since last week, offered also in Greece,

aiming to elevate players' experience and significantly expand our clientele base.

The game awards from EUR10 million up to EUR120 million prizes and is played exclusively in OPAP stores, where you can play also via OPAP Store app. The Eurojackpot has its draws twice a week, every Tuesday and Friday, and the winning pool is fed from bets by 19 European countries, now including Greece.

We will follow up on this exciting endeavor in the first quarter 2024 results update, in which we will have the first numbers available.

In the next slide let me introduce you to Tipsters, the first bettors' community in Greece provided by a gaming company. Tipsters phygital community is available in our stores through the OPAP Store app, aiming to upgrade the retail experience and strengthen the image of our stores as entertainment destination, adding an additional layer in the in-store experience and supporting socialization.

With more than 65,000 registered Tipsters, 70% of which are active publishers and 22,000 average bets published on a daily basis so far, Tipsters has apparently captured bettors' community interest and boosted engagement levels. We are very proud about this innovative fascinating initiative, which upgrades betting to a unique social network of fellow players who share insights, compete with each other and enjoy the thrill of the game.

Next, on our regular retail estate update, our stores have consolidated their position as a point of reference for high-

quality affordable entertainment, technological innovation and social meeting point in every neighborhood.

We are confidently implementing our plan to offer an - unparalleled in-store digital experience to our players, boosting their engagement levels and spending. Finally, ties with local communities keep strengthening further through thousands of events and promos that take place in our network all over Greece.

Moving on to the OPAP Store app now. We are excited with the 250% plus year-over-year increase in “play on device” players and the continuous upward trend recorded in active scanners. This is a clear evidence that the retail de-anonymization process is well on track as our players appreciate the digital experiences of the OPAP Store app more-and-more. Our FreeWin proposition has contributed a lot to this success, and we look forward to building on this development in order to upgrade players’ experience further. OPAP Store app continues to be the forefront of our retail digitalization process.

Next and on to the VLTs front. In Q4 2023 VLTs posted healthy growth compared to the respective quarter last year, achieving record high revenues, while the average GGR per machine per day stood at EUR44. Also, almost 2,000 cabinets from our new vendor - EGT - with very popular games amongst our customers are already in the market.

With that, in total almost 9,000 cabinets have been replaced by new, modern ones, uplifting gaming experience and leading to higher playability and spending.

Now on to online, our key driver for growth. Online in total recorded strong growth in Q4 2023, with its contribution to total Group revenues shaping at 27%. In specific, online lottery experienced robust growth, continuing to expand its customer base, attracting new customers, while online casino vertical closed the year with a 26% growth compared to Full Year 2022.

On the sports betting side, normalization of payout in Q4, together with the strong performance in the first half of the year, counterbalanced the weak third quarter ending with a 9% full year growth.

Additionally, on the activity side we marked record high active players in both of our brands. Overall, we are happy with the evolution of our online business segment and remain committed to enrich the proposition further aiming to capitalize on its growth potential.

Concluding my presentation, let me remind you once again that it's not only financial performance and operational excellence that makes OPAP a benchmark in the Greek market.

We are also very proud of our deep commitment to corporate responsibility and social contribution, which is also recognized by acclaimed stakeholders and organizations, both locally and internationally. In 2023 we enthusiastically continued our OPAP Forward initiative, a program that led to 2,847 new direct jobs creation and EUR470 million increase in turnover for participating companies.

In addition, we actively supported through our local agents the people affected by the catastrophic floods in central Greece and fires in Rhodes island, while we celebrated the 10-year anniversary of OPAP's Wishing Ornaments, realizing 10,000 wishes of children from "The Smile Of The Child".

Finally, I'd like to mention that OPAP is always a proud sports ambassador in Greece and supports young athletes via its Sports Academies and OPAP Champions program that in 2023 included 200 academies.

That's all from our side. Thank you very much for your attention and we will be waiting you to take your questions at our regular conference call, later today at 4 pm Athens time.

Q&A

JAN KARAS: Good evening or good morning to everyone and welcome to our regular Full Year 2023 results conference call. I'm excited with the set of results announced, delivering in Q3 '23 -- Q4 '23, I'm sorry, record high quarterly GGR and achieving a full year GGR record surpassing the EUR2 billion threshold for the first time. On top of that, we concluded the year with full year recurring EBITDA that exceeded our latest outlook, landing at EUR745 million.

2023 was a year of change for OPAP, in which a broad set of enhancements and improvements in our customer propositions were implemented, while we leveraged new digital technologies to upgrade the overall customer experience, both in retail and online, and proceeded with the transformation of our traditional games to make them more

relevant to the latest trends in gaming. New Tzoker, new Lotto, launch of OPAPonline.gr, new platform for both retail and online Pame Stoixima are just some indicative examples.

We're also glad to announce a generous shareholders' remuneration of EUR0.85 that comes on top of the EUR1 already distributed as interim dividend in November 2023. We anticipate 2024 to be another year of solid financial and operational performance benefited by OPAP's unique proposition and strategy.

Hopefully, you have reviewed and enjoyed the results recorded video we shared with you earlier today. So, we will jump directly to our Q&A session. Gelly, over to you.

OPERATOR: The first question is from the line of Draziotis Stamatis with Eurobank Equities.

DRAZIOTIS S: Hello there, thank you for taking my questions. Could I start with a question, an operational one on -- regarding online and particularly regarding the performance of OPAP digital, excluding Stoiximan. I'm just wondering that momentum does not seem to be -- to have been as strong as maybe one could have anticipated this year. And certainly, it has been more tepid, if you like, relative to Stoiximan. So, if you could comment on that and why this has been the case, and the areas you think could maybe drive the performance and improve the momentum in 2024, maybe online KINO, for example. So that's the first question.

Secondly, on VLTs. VLTs actually, just on the cost side, I noticed that the agent commissions seem to have ticked a

bit higher as a percentage of the revenues. Could you tell us why this was the case? Does it have to do with the mix of machines? And lastly, on the shareholder remuneration policy, you talked about maximizing returns for shareholders. And indeed, this is what you've been doing with the 1.85 return in 2023.

Could you maybe tell us how we should think about cash returns in '24? You are saying that the bulk of net profit will be distributed as dividend. But given free cash flow is likely to exceed net profit, is there a scope for you to pay a dividend in excess of net profits? Yes, that's pretty much it. Thank you.

KARAS J:

Thank you very much for your questions. We will start from the first one. So, in terms of OPAP online performance, it's a slightly different story vertical by vertical. We -- starting with the OPAPonline.gr, we have achieved a year-over-year growth of 40% that we certainly consider as a very healthy development and evolution. The whole OPAPonline.gr proposition, it's in its really early stage.

Last year was about adding new games into the portfolio. This year, we have a lot of additional enhancements to the customer proposition in our sleeves, and we are expecting that this year, we will be focusing more on growing the penetration, the base as well as growing the ARPU of the existing customers.

So, I cannot share with you now what is that we will be doing, but rest assured that we are far from concluding on this exercise. On the contrary, we want to be building what we call online entertainment destination. And I think we have

a pretty attractive cocktail there because a sense of our business is giving people a chance to fulfill their dreams and that's always the key reason why they will be coming and playing. But gaming in online is about so much more than that.

So, a lot of social networks, familiar features, gamification, loyalties, programs, discussion forums and more entertainment is what we will be adding to the cocktail. So, there is more to come here, and we expect that very healthy double-digit growth to continue. When it comes to casino, the evolution of our vertical has certainly been, at least, at market trends, if not above. So, we like the casino performance.

On sports betting, as we have communicated, we have changed the sports betting platform itself, which was very important for the -- one of the essential elements of sports betting, and there is stability and quality of the core. We still believe that we have a space for improvement on the proposition itself to be competitive with the top-tier players, and we certainly continue on that journey.

So again, here, a lot is coming, especially now before the Euro, despite of this proposition. And hopefully, we will see a much bigger growth in both active base as well as in revenues from this vertical in the foreseeable future. So that's on the online.

In terms of the VLTs, could you please repeat the question because I was not sure if you are referring to revenue shares for our VLT vendors or revenue sales for the retail network?

DRAZIOTIS S: Yes, it's actually with regards to the network, the agents effectively. If I've done the math correctly, the commissions as a percentage of revenues have increased a bit. I think there is a different structure, right, if machines are in your betting outlets or if they are in gaming halls. If you could just shed some light as to why at the consolidated level, we've seen this uptick?

KARAS J: Thank you very much. That's a very good question, indeed. So, when it comes to revenues or commissioning schemes, as we call it, for the retail network, the agents, those who operate the gaming venues, we haven't made any major change in the commissioning scheme there. However, commissioning scheme is not fixed percentage from the GGR. It's much more complex.

That is -- there are a set of subsidies, there are different bonus schemes reflecting size of the revenues generated by the specific gaming host, etc. So, it's a variable commissioning scheme that is reflecting the performance and several other commercial factors.

As such, we always take care of the healthy P&L of the network, and we are paying a lot of attention to the sustainability of the network, which was a big topic for us throughout COVID, but obviously, it's something that we keep an eye even now. So that might be an explanation for some of the year-over-year differences that you are seeing, but there is no major change in the commissioning scheme. And the third question, I'll hand over to Pavel.

MUCHA P: Good afternoon from me. So, we remain committed to our standing dividend policy that is to distribute the maximum

100% of the net profits with a minimum of EUR1 dividend per share. Additionally, we might go to any further special dividend distributions.

And, of course, we are now complementing this dividend policy with the share buyback, which we started in September last year, which -- where we really use any additional surplus cash after maximum dividend was paid. So that remains in place, dividend and share buyback with no change.

DRAZIOTIS S: I'm so sorry, I kind of lost you. So, could you just repeat the question? I'm sorry for the rest of the audience. My line got cut off. Sorry about that. I just lost you when you started to respond, sorry.

MUCHA P: Okay. So, what I said that we are committed to our dividend distribution policy to distribute 100% of our net profit with a minimum of EUR1 dividend per share. We may complement it in future with any special dividend distribution, like we did in the past and like we have a good track record.

And we are complementing this dividend policy with additional share buyback, which we started in September last year, but we only use any additional surplus cash after maximum dividend has been paid. So, we want to continue to pay maximum shareholder returns also going forward.

DRAZIOTIS S: Okay, got it. Thank you so much.

OPERATOR: The next question is from the line of Pointon Russell with Edison Group. Please go ahead.

POINTON R: Good afternoon, all. A couple of questions. Just going back to the previous question, you said that the casino market share has gone up in the online world. Could you just give a view of what's happened in sports betting? Have you increased market share? And you referenced that there will be some improvements to drive that business forward. Could you just talk about what those improvements are? Is it the odds? Is it the platform itself?

My second question is on marketing. Now if you look back over the last three years, relative to revenue, it's been a pretty consistent percentage, which is, I would say, is pretty good given online, which is more competitive, has increased in the mix. So, could you just talk about the trends for that going forward, especially in light of essentially you're guiding to a flat margin year-on-year?

And my third question is just on Instant & Passives, which had a challenging fourth quarter that followed a weak Q3. Now apologies, I've got about halfway through your presentation so far. So, if you've addressed it there, I apologize. It would just be good to get a feel for why you think Instant & Passives will improve in 2024? Thank you.

KARAS J: So, starting with the sports betting, where we are and where we are improving. If you're a bit familiar with sports betting, you will probably understand that there is no golden egg to be fixed to become successful in sports betting. It's a rather complex agenda and you need to do many things right to meet and exceed the customer expectations.

So, starting from the end of your question, the platform, as I said, we now, after the change last year, have a very solid

base to build on with our partner, OpenBet. But it's not only about the platform. That's an important base. It's about what you build on that and very importantly also how you enhance your front ends and overall support and operations of the game.

So, the key areas where we are aiming for improvement, meticulously following the customer research we are doing to understand where our gaps are, is across all the important elements of a good and successful sports betting proposition.

Starting from the basic layer of reliability, speed, cash-in, cash-out functionality, registration process, etc, going on to the next level of loyalty schemes where we will be launching a very competitive one very soon, taking care of your VIPs, your call center services and how much attention you pay to taking care of any problems along the way. You mentioned odds - very correctly - having competitive odds is always very high on our agenda and always agenda that you need to continuously follow. So, there is no specific thing that I would say we will change next month and things will dramatically change in terms of performance.

It is really about that continuous improvement across many fronts that we are aiming for. In a nutshell, the proposition that you will see or customers will be able to enjoy during Euro I believe will put us in a really good place in terms of competitiveness on Greek market. Yes, handing over to Pavel, if I covered you, I don't know if you are there.

POINTON R:

And that was the -- Sorry, could you just clarify, was market share online? Was that positive in the year or did you lose share or was it stable?

KARAS J: We have been -- in terms of sports betting we have been likely losing market share but overall, we didn't. I mean across the non-competitive, non-competitive world and very importantly on a Group level, which is our dual brand strategy that we follow, we continue to keep a strong market share of 50% plus.

POINTON R: Okay, thank you.

MUCHA P: Now on your marketing question, there are some trends. We are always trying to have prudent management of course across all categories including marketing. Obviously, we need to continue to invest into our business.

We just launched Eurojackpot so naturally you can expect that it's a new important vertical which is trying to address also non-players. So, we will continue. This is a new thing on Eurojackpot.

Also we have Euro in 2024 ahead of us. We have a competitive world in the online where obviously we have to react to the competition and also there are certainly inflationary pressures and also really all the assets in terms of sponsorship, there is also high inflation there. So, across all these fronts there is sort of upward trend but you shouldn't expect anything dramatic and we are always trying to be prudent and diligent.

And the third question on instant and passives. Can you please just repeat that? Would you be so kind?

POINTON R: Sorry, I think also a bit of bad luck on the lines there. My third question was with respect to the Instants and again I apologize. I'm halfway through watching the video for your

presentation so if I've missed something I do apologize. Could you talk about why you think Instants and Passives will improve in 2024, the initiatives you're doing? Thank you.

KARAS J: Scratch and passives is certainly a category where we continue to see an opportunity to increase penetration in the market, innovate the product, innovate the way we present it in the point of sale. So, there is quite a plethora of activities that we will be doing but just highlighting some of the key ones. It's a complete refresh of the way we present Scratch product in OPAP stores.

So, even now if you come to OPAP store you will see Eurojackpot communication all over the place but the counter where the spontaneous purchase happens is fully dedicated to Scratch and that's just the beginning. We will be doing much more with Scratch in OPAP stores to really strengthen its presence and stimulate the spontaneous purchase.

Likewise in the indirect networks we are increasing the presence so you may see in mini markets and tobacco shops increased presence of Scratch visibility again for the same reason.

Last but not least, the portfolio we see opportunity in further growing the families of Scratch where there is a lot of synergy between similar products that are for a specific target group and cherry on the cake an essential new element of our strategy is the gifting proposition where Scratch is being established as something that people use as a gift on different occasions not only on Christmas but Christmas would be the main period of time.

So that's in a nutshell about Scratch. Passives is a slightly different story and that's a product that is really making us happy.

We have done an innovation of the product last year, a refreshment of the product in terms of the winning structure logic but equally we are paying attention to the general positioning and evolution of the product so you will see modernized design, refreshed communication so that we make the product, rather traditional product, more relevant to the new generation customers also with different special editions etc. So that's hopefully giving you an answer to your question.

POINTON R: Thank you very much.

KARAS J: Welcome.

OPERATOR: The next question is from the line of Nekrasov Maxim with Citi. Please go ahead.

NEKRASOV M: Yes, hello. Thanks a lot for taking my question and congratulations for the good results. I have actually a couple of questions on guidance. So, the first one is regarding your top line. And your top line guidance of 3%-5% seems to be ahead of GDP and private consumption expectations next year.

So, I was wondering what segments and products specifically do you expect to drive that growth and also what are your offline versus online growth assumptions?

The second question is regarding margins. So, your EBITDA guidance of 750, 770 implies a bit lower growth versus top

line if we compare it to your recurring EBITDA of 745 million in 2023. So, does it mean that you expect to see also additional investments into growth initiatives that could affect margins in 2024?

KARAS J: Thank you for your questions. So, in terms of the -- where the growth comes from, we -- the primary growth driver is obviously online with our dual brand strategy. That's where we see a lot of opportunities. But also in retail, we see it not only sustainable, but even in retail, we see an opportunity for single-digit, low to mid, high numbers or percentage growth.

So that's where primarily VLTs are expected to continue to shine. And over and beyond that, it's not any specific vertical, but rather the nurturing and evolving the entertainment notion of retail experience, where the element of affordable entertainment seems to be something that is resonating really well with our customers, and that's what we want to play with, giving people this every day disconnection from the everyday worries and problems and letting them enjoy the experience in OPAP stores for affordable money. On the second question, Pavel wants to share.

MUCHA P: Okay. Well, when you look at our reported EBITDA, obviously, our EBITDA growth and the range which we provided is pretty much in line with the GGR guidance. True, when you take into consideration the recurring EBITDA, it's coming to a bit lower percentage to which you refer to. But basically, we plan to remain at the same margin. So, the margin, which you saw for the Full Year '23, we expect to have similar level of mid-30-ish margin in 2024.

But obviously, we are continuing to invest into growing our business. So it's -- that's definitely something what we do. We can see as we are planning some increase in sponsorship and CSR activities, we will grow in the marketing expenses, as I mentioned, Eurojackpot, Euro and some other. There are also persistent inflationary pressures across all the categories. But overall, we believe we provided a conservative margin and basically -- obviously, last year, we came with a guidance.

And because of very volatile payout in sports betting, we were revising it in our Q3 call. Finally, Q4 ended up well. But we prefer to give a bit on a conservative level and realistic to that guidance throughout the year.

NEKRASOV M: Thank you so much.

KARAS J: Thank you.

OPERATOR: The next question is from the line of Mantzavras Paris with Pantelakis Securities. Please go ahead.

MANTZAVRAS P: Yes, thank you. Good afternoon and thanks for taking my question. Actually, a couple of questions if I may. The first refers to the suspension of operations for the domestic horse racetrack. I understand this was a loss-making activity for you. So, the fact that you suspended this activity, and other things being equal, should benefit your profitability. Could you give a bit more color on the size of these benefits?

And the second question refers to the latest trading update. If you could give us some color on what's happened in the first couple of months of the year, whether we are seeing any volatility in sportsbook payout? Thank you very much.

MUCHA P: Thank you. So, horse racing, look, over the years, we have taken the best efforts for the revival and good development of the horse racing activity, and we did major investments there. But ultimately, there was dramatic decline in the number of registered horses and basically, that led us to the decision to terminate the lease of the horse racing facility, and we stopped organizing the horse races all in line with the concession agreement.

Although we invested in the past and we tried, I must say, in the last -- certainly, in the last year, we tried to optimize the level of investment. So, you should not expect any dramatic improvement of the profitability. It was a low -- very low single-digit loss, which we discontinued. So, it will not be major boost to the P&L. And what I just remind, we continue to have the Concession Agreement in place. And what we offer to our players is the foreign races. So that one, we continue to do and this one, is marginally positive.

KARAS J: Now on your second question, as to how is it going so far? All I can share with you at this stage is that so far, it's meeting our expectations, and we are evolving towards the provided guidance. So, it's going well. We are obviously, these days, extremely excited about our new baby, the Eurojackpot that I'm sure you will be pleased to hear that we have after many months of preparation successfully launched without any problems. And even here, so far, the results are meeting our expectations.

And when I'm referring to results, I'm not referring to primarily to the financial ones, even though they are also on expectations, but to much more than that, excitement of our agents, the retail network, the commitment, we see there,

early reactions of customers, the campaign being positively received. So, all of the key KPIs, let's say, not only the financial ones, but also non-financial ones are on a good track. So, I'm looking forward to share with you more in our next quarterly call.

MANTZAVRAS P: That's very clear, thank you very much.

KARAS J: Thank you.

OPERATOR: We have another question from Draziotis Stamatis with Eurobank Equities. Please go ahead. Mr. Draziotis, can you hear us?

DRAZIOTIS S: Apologies. I was on mute. Sorry. I was just wondering, do you have any anecdotal data or maybe data that you've discussed with the relevant commission regarding the legal market? Are they relevant authorities? Have they been – have they – are they continuing their efforts to curb illegal gambling? Any granularity you could provide would be very helpful.

KARAS J: Thank you for your question. We have -- in terms of numbers and your question, you may have noticed there was an indicative number provided around EUR2 billion turnover being the size of the illegal market. That is obviously something that concerns us. As with our responsible approach, we prefer our customers to enjoy the games in a very different way than in illegal venues.

As we stated many times before, an important part of our ESG strategy is active cooperation with the state authorities to fight illegal betting, and our activities on this front never stopped. But we need to remind ourselves that it's the state

authorities' call and their action to fight against illegal betting. So, I don't want to comment on their initiatives and their success, but it's an initiative that keeps continuing, rest assured.

DRAZIOTIS S: Thanks very much. Thank you.

KARAS J: You're welcome. Thank you for your question.

OPERATOR: The next question is from the line of Puri Karan with JP Morgan. Please go ahead.

PURI K: Hi, everyone. Just a quick one from my side, please. The guidance that you've given for GGR growth, 3% to 5%, does it already reflect your expectation of revenue contribution from the Eurojackpot product? Just to get a better understanding of that, please.

MUCHA P: Yes, it does. Yes.

KARAS J: Simple answer, yes.

PURI K: Thank you so much.

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: Thank you very much, Gelly. And thank you very much to all of you for being with us today and for your questions. Our IR team will be looking forward to answer any other questions you may have and deep dive into your inquiries offline. So, we will be looking forward to talk to you again in a couple of months upon the Q1 2024 results announcement,

where we will have further updates from our Eurojackpot launch, among others. Thank you.