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“OPAP S.A Second Quarter 2024 Financial Results Conference Call”

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Conductors:

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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 Second Quarter 2024 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 Q2 2024 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 while we will be waiting for you at our scheduled conference call later today at 4 p.m. Athens time to take your questions. Before Pavel takes you through our financials, I would like to provide you the Key Highlights of our Q2 2024 Achievements.

The second quarter performed strongly with online recording strong growth and retail showcasing resilience while both were benefited by Euro 2024 tournament that contributed to a robust Sports Betting performance. Online continues its strong upward momentum contributing in Q2 almost 30 percent of the Group's revenues, which is a new record reflecting the successful execution of our Digital Strategy. On the Profitability side, Q2 demonstrated a high EBITDA margin at the levels of around 35 percent allowing us to be confident on the delivery of our guidance for 2024.

Finally, our strong cash position enables us to continue our generous shareholders' remuneration, proceeding with the EUR0.60 per share interim dividend distribution.

Now regarding our Operational Developments, I couldn't start with anything more important than the 15 years exclusive concession agreement recently signed with the Republic of Cyprus for lottery games bolstering OPAP's already long-established presence in the country. This development is a clear proof of OPAP's management's ability to renew Gaming licenses.

More details on this will follow later in my presentation. Additionally, EuroJackpot, the most recent addition to our Games portfolio, continues its upward trend while also leading the transformation of our Draw-Based Games portfolio. Moreover, our well-positioned and with new elements and features enriched sportsbook offering - especially on the online front - managed to satisfy players' increased appetite for betting during Euro 2024 while offering an unparalleled experience level.

Finally, our iLottery proposition is gaining momentum and recording high penetration levels, boosted by our innovative loyalty program and our upgraded and expanded portfolio of Free2play games. With that, I'm handing over to Pavel that will guide you through our financials.

MUCHA P:

Thank you Jan and hello to everyone. Before we continue to the results, I would like to share with you the recent Macro developments. After recording a solid expansion in the first half of 2024, the Greek economy is forecasted to continue growing

facilitated by strong private consumption and robust tourism sector performance.

We have also seen steady normalization of inflation. Moreover, the anticipated interest rate cuts are expected to improve overall economic sentiment and boost investments. In this macro environment, OPAP with this well-rounded business model and diversified portfolio remains well placed to deliver on another set of strong results this year.

Turning now to our Q2 2024 Facts and Figures. GGR landed to 533 million Euro, up by 7% year-on-year, aided by strong online performance and healthy retail contribution, while both channels were boosted by Euro 2024. Q2 2024 EBITDA increased by 3% year-on-year both reported and recurring basis, shaping at EUR183 million benefited by the elevated revenues and the deceleration of Opex increase despite higher marketing expenses to support offerings ahead of major summer events.

Net profit stood at EUR118 million increased by 11.1% year-on-year or decreased by 0.8% on a recurring basis, adjusted for one-off finance income related to the accounting treatment of the new concession agreement of OPAP Cyprus.

Moving on to the next slide and to our H1 2024 Figures. GGR in the first half of 2024 reached EUR1.083 billion, higher by 5.6% versus last year, benefited by solid online contribution and robust performance of Draw-Based Games in retail. Gross profit from gaming operations increased by 6.6% year-on-year driven by top-line growth with margin remaining at high levels. EBITDA remained broadly unchanged on both reported and

recurring basis on the back of increased revenue and elevated opex.

Net profit shaped at EUR232 million, increased by 3.2% year-on-year or decreased by 1.6% on a recurring basis.

Moving on to the next slide, both our Top-Line and Profitability showcase solid performance. On the next slide, let me deep dive into the Q2 Performance of our individual segments. Numerical Lotteries decreased marginally by 0.3% year-on-year with Online channel increasing its penetration, while EuroJackpot is gaining momentum.

Betting recorded significantly strong performance increasing by 19.7%, boosted by the robust performance of our sports betting offering also benefited by the strong contribution of Euro'24. VLTs decreased by 1.2%, negatively affected by the more cautious consumer environment amid persisting inflationary pressures. Instant and Passives slipped by 16.6% maintaining circa 5% weight on total GGR. Online Casino continues growing significantly increasing by 19.6% year-on-year on the back of enriched casino offering and higher gaming demand.

Commenting now on the Cost side. New product launch, promotional activities of our offering for the major summer sporting events and increased headcount resulted in higher Opex. On the specific elements: Payroll expense in H1 '24 increased by 10% year-on-year, reflecting the wage increases and uplifted headcount to support Operations.

Marketing expense increased by 34.3% on the back of higher costs to promote our propositions for Euro '24 and EuroJackpot

launch, trend that is expected to normalize during the second half of the year, while other Opex recorded a 7% increase, mainly attributed to increased operations.

In the next slide, and regarding our Profitability. H1 '24 EBITDA shaped at EUR376 million, reflecting solid revenue generation in both channels and recording a high margin of around 35%. Net profit in H1 '24 slipped slightly at EUR222 million while margin remained at 21% levels.

Finally, regarding our Cash Position Analysis. OPAP continues to deliver good conversion of Operational performance to Cash, which alongside minimal Capex requirements and very low leverage, as is evident by the very low net debt / EBITDA ratio at 0.26x, results to a robust cash position at the end of H1 '24 of EUR450 million.

Therefore, we are glad to announce an interim dividend of EUR0.60 per share to be paid on the 11th of November. This distribution, supplemented by our ongoing share buyback program, highlights our commitment to generous remuneration for shareholders.

Regarding our Share Buyback Program update. As of August 30th, we have acquired approximately 7.9 million shares of a total value of EUR123.3 million. Those, together with previously acquired treasury shares, bring our own holding to 2.64% of share capital. Subsequently, 82% of the program has been completed and circa EUR27 million remain to be allocated to our share buyback program until the end of the year.

With that, I'm giving the floor back to Jan.

KARAS J: Thank you, Pavel. Now please allow me to provide you with an update on our Business and Operational Developments. The successful implementation of our strategy is clearly reflected on the enrichment of our entertainment portfolio with innovative digital propositions boosting engagement and playability levels.

In line with this, during the First Half of 2024, we have consolidated our efforts to offering an unparalleled experience both in Online and Retail for the Euro '24 competition and meeting players' high expectations and increased gaming demand.

Euro 2024 succeeded at all fronts with record-high number of regular players and strong GGR, with Bet Builder and enhanced cash out features elevating betting experience. In addition, for our regular players, we introduced KINO PARA1 option, available on KINO game, offering significant winnings even if the big prize is missed for just one number.

This new feature has already contributed 4% on total KINO turnover. In addition, KINO 24/7 engaged 20% of players during off-peak hours and contributed significantly to the overall revenue by generating 16% of total game's online turnover.

Now let's continue with some additional highlights of our Retail Operations.

First of all, we expanded our Virtual Games portfolio with a new channel with real NBA footage pushing the limits of virtual gaming further and making players' experience even more

joyful while achieving an 8% GGR increase in Virtual Basketball. Also, Play Stores introduced local jackpots to enhance players' winnability resulting to a six-fold increase in winners.

On top of that, our Online offering has been developed further with the upgraded Free2Play games that uplift entertainment to new higher levels while boosting engagement with almost 25% of Actives already having played.

Moreover, we have considerably enriched Casino offering with the addition of 1,200 new slot games and exclusive OPAP branded roulettes from Playtech and Evolution, leading to 16% year over year GGR increase. We enthusiastically continue our focus towards Online, which consists the key growth driver going forward and working relentlessly to increase its contribution to total GGR.

In this slide, I would like to deep dive into the positive impact of Euro '24 on our Sports Betting. We are really glad with the results that we have recorded. First of all, almost one quarter of the Sports Betting GGR in Q2 came from Euro, benefited by the favorable results that also maintained a double-digit margin throughout the tournament. Moreover, the increase in traffic generated by Euro also assisted other games, more notably the Online casino vertical.

Additionally, our Sportsbook, which has recently been enhanced with innovative elements and features, rose to the challenge of meeting the expectations of our customer base, motivating circa 9 out of 10 of total online actives to place a bet during the competition. On top of this, we also recorded a

17% increase in online sportsbook actives, also thanks to our strategically placed proposition. We are very pleased with this performance and are looking forward to building on this success to achieve even better results during the regular sports season that has started very promisingly.

Our revamped Draw-Based Games universe is gaining ground among players recording high growth. In more detail, new Lotto and new Tzoker GGR increased by 10% compared to the previous period and the addition of EuroJackpot has set the GGR growth even higher to 42%. Most notably, EuroJackpot has generated an incremental EUR5.4 million GGR. This demonstrates that a significant share of the portfolio's GGR is derived from new spending, either from existing players or new ones attracted by our latest offering.

We are very pleased with how players have welcomed our rejuvenated games, and we are optimistic about their future performance.

Next into my presentation, let me elaborate a bit about the latest positive developments in the market of Cyprus and share with you the key points of the recent concession agreement that we have signed with the Republic of Cyprus for our Retail Operations in numerical games and lotteries.

The recently signed agreement replaces the bilateral agreement that was in place since 1969. Under the new concession agreement, OPAP Cyprus will continue providing our traditional lottery games for the next 15 years. The consideration for the license will be paid in 15 annual installments of circa 4.2 million per year. Moreover, the participation of the Republic of Cyprus in the GGR of the games

conducted by OPAP Cyprus will reach 22.5%. Additionally, OPAP Cyprus will have to dispense an amount equal to 5% of the GGR generated from its games for social activities taking place within the country. As a reminder, in 2023 OPAP Cyprus generated EUR94 million in GGR, accounting for 4.5% of the total group GGR.

Next, on our Regular Retail Estate update. This summer, OPAP stores emerged as the ultimate destination for major sporting events where fans came together to watch the games and become part of a larger community. During Euro, our stores across Greece hosted thousands of events and happenings and thanks to the lively atmosphere, fans were able to share the joy of this amazing game. We continue to invest in the evolution of our store network, focusing on providing digital capabilities through modern equipment, mobile applications and audio-visual systems, which not only improve customer experience, but offer development tools to our partners.

Moving on to the OPAP Store App now. The App enhances our interaction with customers through digital gaming features and significant rewards, while our exclusive promos ensure a complete and affordable entertainment experience for everyone. OPAP Store App continues to promote and drive the digitalization of our Retail. We are very pleased with the recorded progress and with the upward trend in active scanners while also active players sustain high levels. In addition, as you may recall, we introduced FreeWin back in Q2'23, which was an initiative that attracted players to OPAP Store App and educated them on the digital amenities of our retail stores, while it more than doubled the Actives compared to the pre-launch period.

Next and on to the VLT front. In Q2'24 VLT sustained solid GGR contribution achieving a GGR per machine per day of almost EUR37. This summer, local jackpots were introduced to enhance festivity and winnability sensation of PLAY games resulting to a six-fold increase in the frequency of the overall wins. Additionally, the dynamic renewal of our fleet of VLTs with state-of-the-art machines and exciting new games, highlights our commitment to always be one step ahead. In more detail, by now more than 10,500 cabinets have been replaced by new, modern ones, elevating gaming experience and leading to higher playability and spending.

Now on to Online. Online in total recorded strong growth in Q2'24 with its contribution to total Group revenues at record high levels of 30%, benefited also by EURO '24. On the sports betting side, Euro boosted engagement and alongside favorable results led in H1'24 to strong growth of almost 20% year over year. Online lottery grew by 66% year over year, continuing to expand its customer base, while online casino recorded a solid 24% year over year increase.

OPAP, as a proud sponsor of the national basketball team, congratulates them for their participation to the 2024 Olympic Games in Paris and for their great performance.

In addition, we were equally very happy to watch our OPAP Champions athletes compete in the Games and admired their dedication that inspires us all. Congratulations to them as well, especially to Apostolos Christou for his medal. We remain committed to supporting talented athletes, as they represent Greece in future sporting events.

Now, I would like to share with you some great news. First of all, OPAP has once again been recognized as a constituent of the FTSE4Good Index Series. In the 2024 index review, FTSE Russell confirmed that OPAP met the stringent FTSE4Good criteria and continues to qualify for the index.

In addition, OPAP has proudly secured its third responsible gaming recertification from European Lotteries, achieving top score. This prestigious certification reaffirms OPAP's unwavering commitment to combating illegal gambling, reducing societal harm and maintaining a safe gaming environment. It also highlights OPAP's steadfast dedication to integrating responsible gaming principles into its strategic planning and operational framework.

In conclusion, I want to emphasize that OPAP's leadership in the Greek market is not solely based on our financial and operational achievements. We are also deeply proud of our steady commitment to corporate responsibility and social contribution, which has garnered recognition from esteemed stakeholders and organizations both locally and internationally. We also invested in youth by providing educational seminars to 6,500 young athletes and 200 coaches across 80 sports academies in 50 Greek cities.

Additionally, OPAP supported local communities by conducting health exams for over 3,500 children in 20 locations and donating a 5 on 5 football field to "The Smile of the Child" NGO. Finally, on the occasion of the World Environment Day, OPAP demonstrated its environmental awareness, engaging our people with internal activation among others, also generating

energy through cycling on an electricity-generating bike at our premises. That's all from our side.

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 Session

OPERATOR: Ladies and Gentlemen thank you for standing by. I am Gelly, your Chorus Call operator. Welcome and thank you for joining the OPAP SA conference call and live webcast, Question and Answer session to discuss the second quarter 2024 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 SA. Mr. Karas you may now proceed.

KARAS J: Thank you very much. Good evening or good morning to everyone, and welcome to our regular Q2 2024 Results Conference Call. I'm very pleased with the set of results we have announced, delivering solid upwards Top-Line Performance with Online recording strong growth and Retail showcasing resilience, while both were benefited by Euro 2024. The tournament elevated gaming demand and contributed almost 25% to sports betting GGR. Online continues its strong upward momentum, contributing in Q2 almost 30% of Group's revenues, which is a new record, reflecting the successful execution of our Digital strategy.

Moreover, we are excited about the progress being made on our Draw-Based Games portfolio revamp led by EuroJackpot.

In addition, penetration levels of iLottery proposition continue increasing, uplifted by our loyalty program and the upgraded portfolio of Free2play games.

Finally, solid profitability and margins allow us to be confident on the delivery of our 2024 outlook. At the same time, we are happy to announce an interim dividend of EUR0.60 per share to be paid in November, continuing our generous Shareholder Remuneration, which is supplemented by our ongoing Share Buyback Program. 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. Please go ahead.

DRAZIOTIS S: Hello and thank you for taking my questions. A couple from my side, please. First one would be on Online. You mentioned in the Release, and we actually did see some really strong growth in the second half, 33%. I'm just wondering, I was checking the figures for the market in the 2-month period, and revenues were up just by 3% in 2 months, so April and May. I suspect June was much stronger for the whole market given the Euro activation. But just wondering, according to your data, have you actually been gaining market share?

And second question would be on VLTs. It seems that net growth has settled near 36, 37 units per machine per day. Is this the level of productivity that we should anticipate in the future given the limitations arising from disposable income here in Greece, population dynamics, etcetera? Or do you feel

that you have levers to pull going forward, especially as far as content and vendor selection is concerned?

Thank you.

KARAS J:

Thank you very much for the question. So first, on the Online, as you probably guessed, obviously, Euro has significantly influenced our performance in June, July and actually also in August because we have seen many of the Actives that came during that period staying with us and also playing across other verticals, especially casino. So overall, across both of our brands, we have observed strong performance with good payout and good margins for us, exceeding the expectations. So, it was a good period.

When it comes to market share, we will need to wait and see the HGC official numbers when they come up, but this is something that we are looking at over longer periods of time than just 1 or 2 months to make any judgments.

When it comes to VLTs, you correctly indicated that there are certainly further opportunities for growth that we certainly intend to explore, especially when it comes to further renewal of the estate, which you could have noticed in specific numbers in our presentation. And this is something that we will continue with thousands of machines to be renewed going forward.

And likewise, the overall experience in -- especially in PLAY stores but also in OPAP stores -- is something that we want to keep evolving, all that to continue strengthening our USP of real-world socializing, entertaining experience, which is also a key differentiator to online. Online, and especially Online

Casino, is certainly an indirect competitor that we don't want to underestimate.

It is an experience that is very different from what we offer in PLAY stores. That's why I'm saying indirect competition, but it's for us, at the same time, something where we want to make sure, it's something that is implying the key challenge we have, and that is stay relevant for the existing customer audiences and be more relevant for the future ones.

And that is where our innovation programs and modernization of the estate kicks in. To sum it up, we certainly continue to consider VLT as a growing vertical of our business with further opportunities to be explored.

DRAZIOTIS S: And may I just follow up on VLTs? Could you tell us what the difference in productivity is between the VLT gaming halls and the machines that operate in the betting outlets? So how different is the productivity?

KARAS J: Just to be clear, you're referring to GGR per machine, how the machine operates?

DRAZIOTIS S: Correct.

KARAS J: This is -- yes, this is a bit tricky question because we are obviously not comparing apples and apples because one thing is the performance of an individual machine, but the other thing is what is the overall experience that you are offering. Play stores are not necessarily about optimizing the number of machines for the given footfall of customers so that you maximize the revenue per machine. It's about the overall

experience, and finally, the whole P&L of that not only vertical but also retail channel.

But to not leave your question unanswered, overall, there is more -- the customers spend more per machine in Play stores as this is a dedicated and exclusive venue in comparison to OPAP stores.

DRAZIOTIS S: Got it. Thank you so much.

KARAS J: Also, don't forget that we have different opening hours there. And the, let's say, night business is something that we are not observing in the OPAP stores, where the positioning of VLTs is rather an integral part of the entertaining casual experience.

DRAZIOTIS S: Thank you.

OPERATOR: The next question is from the line of Weingrod Estelle with JPMorgan. Please go ahead.

WEINGROD E: Hi, good afternoon. Thanks for taking my questions. Also had one on VLTs, just to come back on this one. What sort of normalized growth should we look at going forward? So, is it more like somewhere between 0% and 1% or just closer to maybe mid-single digits? And also, on inflationary pressures affecting disposable income, is that not impacting other segments at all? So that is for -- that's it for VLTs. Also have a question on the Lottery segment, please. Could you quantify the performance of EuroJackpot in H1, please? Thank you.

KARAS J: Just a second, I'm not delaying answers. I'm making questions -- notes on your questions. So, performance, EuroJackpot

being the last one. Over to Pavel to answer the first part of your question.

MUCHA P: Okay. Good afternoon from me. I think to give you some flavor, mid-single digits would be a relatively high expectation. So our expectations more -- would be more 1% to 2% increase on VLTs going forward to be a success. Obviously, it all depends on a number of circumstances and also regulatory framework, but that's something what we would consider as a success on the VLT growth.

KARAS J: Your next question was, just to be sure I captured it right, is our observation on the disposable income evolution and its impact on Lotteries? Was it -- is it correct?

WEINGROD E: So yes, this one, you -- in your release, you mentioned it impacted VLTs. I just want to know if it impacted also other segments.

KARAS J: There is obviously always a correlation between disposable income or the key metrics that we are looking at, and that is entertainment wallet and amount of money that people indicate they are ready to spend for entertainment. And this, so far has been shrinking, luckily very small declines, but still declines.

So, the Entertainment Wallet over the past couple of months and we are rather successful in leveraging that Entertainment wallet for OPAP's benefit as our share in the Entertainment wallet is slightly increasing in time, indicating that OPAP entertainment, I think, primarily because of its affordability, has an increasing preference from the customers.

Yet, as you may have understood from our other communication, overall, obviously, the people's willingness to spend money and the concerns about the household expenses, etc., is something that has an impact on our customers. And we see that especially in the activity of occasional players, in other words those that are not coming on a regular basis and that being a challenge across multiple gaming verticals, not only VLTs.

Something we are trying to address in the current Campaign that you can see, Life in Greece is addressing exactly that presenting various forms of entertainment to our customers in Greece and inviting them to come and play with us. Last question was around EuroJackpot performance. So first, what I would like to highlight that overall, we are very satisfied with the draw-based game portfolio revamp of Tzoker, Lotto, new positioning of the games and new functionalities and then enhanced with EuroJackpot.

Overall, as you have noticed in the presentation, this grew revenues by 40%. This growth is primarily driven by EuroJackpot and Tzoker. So, we are also equally happy that even without EuroJackpot, both Tzoker and Lotto are trading at much higher GGR than before the changes, which certainly is reassuring that we have done the right step. Your question, though, was specifically as to how much money we generated in EuroJackpot or if you can clarify?

WEINGROD E: Yes, exactly. At the Top Line level, yes, in terms of the GGR, what's the performance of -- if you can quantify EuroJackpot?

KARAS J: Okay. So, the number that -- what I can share with you is it was low teens of millions GGR in Q2.

WEINGROD E: Thank you very much.

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

POINTON R: Hello everyone. Thanks very much. I have two questions. The first one is on lotteries. Could you just give some insight on to -- your thoughts on the dynamics for the Retail lotteries? Because if you look back over the last 12 months or so, the year-on-year growth rates have been a bit volatile, and it was negative in Q2 '24. So, have you been expecting a drop-off in that retail activity given the launch of EuroJackpot that kind of thing? And was there any negative effect from the strength elsewhere in the portfolio revamp in terms of Sports Betting from Euro?

Second question is on Cyprus. Congratulations on that. And you've given the key financials of the contracts. But would it be possible to give some insight into whether there's been any changes in the operational requirements, what you're allowed to do in Cyprus? And perhaps give some insight into how you anticipate the gaming offer to evolve now that the license has been awarded?

KARAS J: Just a second, I will clarify with colleagues the understanding of the question. Okay. I hope we understood the question right. So regarding Lotteries dynamics, there is a big topic because there's a lot of elements involved in that. But overall, lotteries in retail is certainly a category, and I would call it casual

gaming for our players where we have a very wide variety of games. It's certainly a category that continues to be of customer interest, and we don't have any skepticism on that front when it comes to trends.

It's clear that customers are more and more demanding. So, you need to innovate and evolve, and we are doing that and several examples we have shown you in the presentation. And you need to bring innovations both for the current customers, the example of that being the Para 1 in enhancing our KINO proposition as well as you need to bring new innovative proposition for the new-generation players, nice example being the NBA live feed virtual games that I certainly, if you happen to be in Greece, suggest you to see in the store because that's really showing how far we can go in evolving the -- some of the gaming verticals in terms of innovation.

So, we keep evolving, we keep doing new things. And it's a combination of attractive proposition, the experiences you offer around the loyalty that you appreciate the customers coming as well as engaging communication that is relevant for the customers speaking in the right language.

And sorry for this generic answer, but it is a fact, unfortunately, that being successful in Lotteries is a very complex exercise, consisting of many challenges that we are facing. But we believe that we are doing a good job on these fronts, and we don't have any pessimism on that.

If you ask me, what is the key name of the game going forward to remain relevant and successful, then I believe it's a continuation of the successful de-anonymization of the

customer base so that we can interact with the customers on a personal basis and that whole digital layer experience that makes the experience personal, which is something that so much customers want and expect from us to be treated individually.

Regarding your second question for Cyprus, under the new agreement, we are allowed to do exactly the same portfolio of games as until now. So, there is no change on that front, when it comes to portfolio of games and offering to the customers. But we like to believe that we are in alignment with the Cypriot authorities that there is an interest on both sides to explore new opportunities going forward.

But that is something that is now in discussions and too early to comment as to what and when might be a result of that portfolio. But I would like to say that we were happy with the supportive approach of the Cypriot State in terms of providing interesting customer experiences in the store alongside of the evolution of customer expectations.

POINTON R: Can I just come back on that last answer then? So, if you come up with good, interesting ideas for evolving the gaming offer, you will obviously have to have discussions there. Would they potentially change the license terms as those things come in? Or would they be just a genuine new positive that is not taken into account in the terms of the license?

KARAS J: I'm not sure I understand the question. But if your question is if new games -- what it means to bring new games on the market is another complex legal and regulatory exercise. But this is something that will be covered within the existing

license. So that option and possibility is there should both parties agree to do so. Adding any specific game is always, for us, about the commercial opportunities, but very importantly, also pursuing our commitments to responsible gaming and enhancing the portfolio in a responsible way when it comes to impact to the society.

POINTON R: Okay, great. Thank you very much.

KARAS J: You're welcome.

OPERATOR: The next question is from the line of Tzioukalia Fani with Euroxx Securities. Please go ahead.

TZIOUKALIA F: Two questions, please. The first one is, how would you expect marketing expenses to evolve for the remaining of the year? And the second one is you reiterated the outlook for 2024. This also includes the target to distribute the bulk of the net income as well as cash dividends?

MUCHA P: Yes, you can expect in the second half of the year that marketing expenses will more normalize. Just a reminder, we front-loaded a lot marketing expenses in the first half of the year, in Q1. It was related to Eurojackpot launch. And also prior to Eurojackpot launch, we were repositioning Tzoker and Lotto and communicating that. So that was a big activity in Q1. And In Q2, it was mainly Euro. So definitely, you can expect marketing expenses to normalize in Q3 and in Q4 to a normal level.

And in terms of your second question, yes, we remain -- our dividend policy remains in place. So we are committed to

distribute really all our net profit. So that's what you can expect also for the remaining dividend for 2024.

TZIOUKALIA F: Okay, brilliant. Thank you so much.

OPERATOR: The next question is from the line of Kourtesis Iakovos with Piraeus Securities.

KOURTESIS I: I would like to ask about the renewal of the Hellenic Lotteries license. Are you in contact or are you under any negotiations with the Greek government at the moment? What are your thoughts on this?

KARAS J: Thank you. As you know, the Hellenic Lotteries license is set to expire in April 2026. And on our part, we are certainly ready for the relevant discussions around it better. So, we expect to process -- the process to begin any time soon. So, we will certainly keep you updated as promised. Thank you.

OPERATOR: We have a follow-up question from Ms. Tzioukalia Fani with Euroxx Securities.

TZIOUKALIA F: Sorry, please excuse me if I missed this. Could we have some color on KINO performance quarter-to-date, please?

KARAS J: Overall, in third quarter, we see a similar evolution of performance to Q2. And so far, we remain optimistic on our end-of-the-year guidance that we have provided to you. I don't have any specific comments on KINO for the moment as the very important back-to-school period is ahead of us that is making a significant difference to the holiday period. So, let's

see in our next call for the Q3 commentary on KINO. Happy to come back to this by then.

TZIOUKALIA F: Okay. 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 for being with us today. Our IR team will be looking forward to answer any other questions you may have and dive deeper in your inquiries, as always. We will be looking forward to talk to you again in a couple of months in mid-November upon the Q3 2024 results announcement. Thank you very much for being with us today, and have a great rest of the day.