

BASE PROSPECTUS



KKCG Financing a.s.

Base Prospectus of the CZK 10,000,000,000 Bond Programme established in 2024

This document constitutes a base prospectus (**Base Prospectus**) for bonds issued under the Bond Programme, which has been drawn up in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (the **Prospectus Regulation**).

In accordance with Section 11(1) of Act No. 190/2004 Coll., on Bonds, as amended (the **Bonds Act**), the bonds will be issued under the bond programme (the **Bond Programme** or the **Programme**) established in 2024 by KKCG Financing a.s., with its registered office at Evropská 866/71, Vokovice, Prague 6, Czech Republic, Postal Code 160 00, ID No.: 215 31 455, LEI: 3157008MLJ4Z9TFPQQ90, registered in the Commercial Register maintained by the Municipal Court in Prague under file no. B 28853 (the **Issuer**). Pursuant to the Bond Programme, the Issuer is authorised to issue individual bond issues in accordance with the law (**Bond Issue, Issue** or **Bonds**). The aggregate nominal value of all issued and outstanding Bonds issued under the Bond Programme may not exceed CZK 10,000,000,000.

The Bonds will constitute direct, general, unconditional and unsubordinated liabilities of the Issuer secured by (i) a Czech law governed pledge over the receivables arising under an intra-group loan entered between the Issuer and KKCG AG; and (ii) security over up to around 25% of shares in Allwyn AG, a company existing under the laws of Switzerland with its registered office at Weinmarkt 9, 6004 Lucerne, Switzerland, ID No. CHE-366.705.452 (**Allwyn**) (together, the **Security**), being the parent company of Allwyn International, a.s., with its registered office at Evropská 866/71, Vokovice, 160 00 Prague 6, ID No.:242 87 814, LEI: 3157001WZJ5O35EAL536, registered in the Commercial Register maintained by the Municipal Court in Prague under file no. B 18161 (**Allwyn International** or **AIAS**).

All Bonds issued under the Programme will be covered by and benefit from the Security.

The Bonds will rank *pari passu* among themselves and at least *pari passu* with any present and future unsubordinated and in the same or similar manner secured liabilities of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Bonds issued under the Bond Programme shall be placed on the market by the Joint Lead Managers (as set out below) or by any other person authorised by the Issuer to carry out such activity for a specific Issue (the Joint Lead Managers or such other person, the **Manager** or the **Managers**).

For each Bond Issue under the Bond Programme, the Issuer shall prepare a supplement to the joint terms and conditions of the Bond Programme (the **Pricing Supplement**). The Pricing Supplement will specify, in particular, the nominal amount and the number of Bonds constituting the Issue, the issue date of the Bonds and the manner in which the Bonds shall be issued, the yield of the Bonds and their issue price, the dates of payment of the yield from the Bonds and the date or dates of repayment of their nominal, or other value, as well as other specific terms of the Bonds of the given Issue. In the event that the Issuer decides on a public offering of the Bonds or on the admission of the Bond Issue to trading on a regulated market, the Issuer will prepare a separate document constituting the “Final Terms of the

Offer” within the meaning of Article 8(4) of the Prospectus Regulation (the **Final Terms**), which shall contain the Pricing Supplement. In the event that the Issuer decides to make a public offering of the Bonds or to admit the Bond Issue to trading on a regulated market after the relevant issue date, the Issuer shall execute the Final Terms without undue delay after it decides on such form of placement of the Bonds or such admission of the Bond Issue to trading on a regulated market.

If, after the approval of the Base Prospectus and before the closing of the offer period of the Bonds or the admission of the Bonds to trading on a regulated market, any significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus which may affect the assessment of the Bonds arises or is noted, the Issuer shall amend the Base Prospectus by way of supplements to the Base Prospectus. Each such supplement shall be approved by the Czech National Bank (the **CNB**) and published so that each Issue to be offered to the public or admitted to trading on a regulated market will be offered or admitted on the basis of the current Base Prospectus.

If the Final Terms specify that the Bonds of the relevant Issue are to be securities admitted to trading on a regulated market, it is the intention of the Issuer to apply for their admission to trading on the Prague Stock Exchange (the **PSE**), or to another regulated market that would replace the PSE. The specific PSE market on which the Bonds may be admitted to trading will be specified in the Final Terms of the relevant Issue. The Final Terms may also specify that the Bonds will be traded on another regulated market.

The wording of the joint terms and conditions, which are the same for each Bond Issue issued under the Bond Programme, are set out in the chapter “*Joint Terms and Conditions of the Bonds*” in this Base Prospectus (**Joint Terms and Conditions**).

This Base Prospectus, which includes the wording of the Joint Terms and Conditions, was drawn up on 18 June 2024 and approved by the CNB in its decision ref. no. 2024/068934/CNB/650, file no. S-Sp-2024/00107/CNB/659 dated 19 June 2024, which became final and effective on 20 June 2024.

For the purposes of the offer of the Bonds to the public and the admission of the Bonds to trading on the regulated market, this Base Prospectus will be valid for twelve months from the date on which its approval by the CNB became final and effective. The validity of the Base Prospectus will expire on 20 June 2025. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid or conditions set out in Article 23 of the Prospectus Regulation are not met.

The CNB has approved the Base Prospectus in its capacity as the competent authority under the Prospectus Regulation and only to the extent that the Base Prospectus meets the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. By approving the Base Prospectus the CNB certifies that the Base Prospectus contains all information required by law necessary for the investor to take an investment decision. The CNB assesses neither the financial results nor the financial situation of the Issuer and by approving the Base Prospectus it does not guarantee the quality of the security or the Issuer’s future profitability or its ability to pay the interest on, and the principal of, the Bonds. Potential investors should make their own assessment as to the suitability of investing in the Bonds. This Base Prospectus will be published on website investors.kkcg.com for a period of 10 years from the date on which the approval of the Base Prospectus by the CNB became final and effective.

An investment in the Bonds involves risks. For a discussion of certain of these risks see “*Risk Factors*”.

Arranger

J&T IB and Capital Markets, a.s.

Joint Lead Managers

Česká spořitelna, a.s.

J&T BANKA, a.s.

Komerční banka, a.s.

UniCredit Bank Czech Republic and Slovakia, a.s.

PPF banka, a.s.

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IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Bonds issued under the Programme for the purposes of the Prospectus Regulation.

The information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of its affiliates.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Bonds: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Issuer or any Manager specified in the applicable Final Terms or any of their affiliates that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Bonds constitutes an offer, solicitation of an offer or invitation by or on behalf of the Issuer or any Manager specified in the applicable Final Terms or any of their affiliates to any person to subscribe for or to purchase any Bonds.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.

Where information has been sourced from a third party, the Issuer confirms that to the best of its knowledge this information has been accurately reproduced and that, so far as the Issuer is aware and able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Bonds and is familiar with the behaviour of financial markets;

- (e) is aware that it may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions;
- (f) ask for its own tax adviser's advice on its individual taxation with respect to the acquisition, sale and redemption of the Bonds; and
- (g) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) Bonds are legal investments for it; (2) Bonds can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

MiFID II Product Governance / Target Market

The Final Terms in respect of any Bonds may include a legend entitled **MiFID II Product Governance** which will outline the target market assessment in respect of the Bonds and which channels for distribution of the Bonds are appropriate. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Benchmark Register

Amounts payable on the Floating Rate Bonds may be calculated by reference to or using one of the following reference rates: the Prague Interbank Offered Rate (**PRIBOR**), which is currently provided by Czech Financial Benchmark Facility (**CFBF**) or the Euro Interbank Offered Rate (**EURIBOR**), which is currently provided by European Money Markets Institute (**EMMI**), as shall be specified in the Final Terms. To the Issuer's knowledge, as at the date of the Base Prospectus, CFBF and EMMI are included in the register of administrators and benchmarks maintained by the European Securities and Markets Authority (**ESMA**) pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council, as amended (the **Benchmark Regulation**).

Presentation of Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the Issuer's opening balance sheet as of 30 April 2024 together with the related notes (the **Issuer Opening Balance Sheet**), the financial information in this Base Prospectus relating to Allwyn and its subsidiaries and entities which are accounted for by Allwyn using the equity method of accounting (the **Allwyn Group**) has been derived from Allwyn's audited consolidated financial statements as of and for the year ended 31 December 2023 (with comparatives as of and for the year ended 31 December 2022), together with the related notes (the **Allwyn Financial Statements**), and the financial information in this Base Prospectus relating to KKCG AG and its direct and indirect subsidiaries have been derived from KKCG AG's audited consolidated financial statements as of and for the year ended 31 December 2023 (with comparatives as of and for the year ended 31 December 2022), together with the related notes (the **KKCG Financial Statements**, and together with the Allwyn Financial Statements and the Issuer Opening Balance Sheet, the **Financial Statements**). Allwyn's and KKCG AG's financial year ends on 31 December and references in this Base Prospectus to any specific

year are to the 12-month period ended on 31 December of such year. The Financial Statements should be read in conjunction with the accompanying notes thereto and the independent auditors' reports thereon. Allwyn Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (the **IFRS**). The KKCG Financial Statements and the Issuer Opening Balance Sheet have been prepared in accordance with IFRS, as adopted by the European Union (the **EU IFRS**).

In this Base Prospectus, all references to:

Czech Koruna and **CZK** refer to Czech Koruna, the currency of the Czech Republic; and

EUR and **euro** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

The definitions for the capitalised terms used in this Base Prospectus can be found using the Index of defined terms beginning on page 144 of this Base Prospectus.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the conditions of any particular Bond Issue, the applicable Final Terms. Words and expressions defined in the Joint Terms and Conditions and, if not defined therein, in other parts of this Base Prospectus, shall have the same meanings in this overview.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) 809/2004, as amended (the **Delegated Prospectus Regulation**).

Words and expressions defined in the Joint Terms and Conditions and, if not defined therein, in other parts of this Base Prospectus, shall have the same meanings in this overview.

Issuer: KKCG Financing a.s.

Issuer Legal Entity Identifier (LEI): 3157008MLJ4Z9TFPQQ90

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Bonds issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Bonds issued under the Programme. These risk factors are set out under "*Risk Factors*" and include:

- (a) risks related to the Issuer;
- (b) risks related to the security interest in shares;
- (c) risks related to the existence of the Common Representative;
- (d) risks related to the existence of the Security Agent;
- (e) risks related to the Allwyn Group; and
- (f) risks related to the Bonds.

Description: CZK 10,000,000,000 Bond Programme established in 2024 allowing the issuance of Bonds

Arranger: J&T IB and Capital Markets, a.s.

Manager: Joint Lead Managers or any person that the Issuer entrusts with the performance of such activity for a particular Bond Issue

Security Agent:	J&T BANKA, a.s., unless there is a change pursuant to Condition 3.6 of the Joint Terms and Conditions
Fiscal and Paying Agent:	J&T BANKA, a.s., unless there is a change pursuant to Condition 11.1(b) of the Joint Terms and Conditions
Calculation Agent:	J&T BANKA, a.s., unless there is a change pursuant to Condition 11.2(b) of the Joint Terms and Conditions
Listing Agent:	J&T BANKA, a.s., unless there is a change pursuant to Condition 11.3(b) of the Joint Terms and Conditions
Common Representative:	J&T BANKA, a.s., unless there is a change pursuant to Conditions 3.3 or 11.4 of the Joint Terms and Conditions
Certain Restrictions:	Each issue of Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.
Programme Size:	The maximum aggregate nominal amount of all Bonds from time to time outstanding under the Programme shall not exceed CZK 10,000,000,000.
Distribution:	The Issuer may decide on the public offering of the Bonds or on the admission of a particular Bond Issue for trading on a regulated market and specify this information in the Pricing Supplement of the particular Bond Issue.
Currencies:	Bonds may be denominated in CZK or EUR, as specified in the Pricing Supplement of the particular Bond Issue.
Maturities:	The Bonds will have such maturities as specified in the Pricing Supplement of the particular Bond Issue.
Issue Price:	With the consent of the Arranger and Managers, the Issuer may issue Bonds in the anticipated or higher total nominal value even after the expiration of the Subscription Period. In such a case, the Issuer will determine an Additional Subscription Period which will end no later than the Record Date for Nominal Amount Repayment and will make it available in the manner stated in Condition 13 of the Joint Terms and Conditions without unnecessary delay.
Form of the Bonds:	The Bonds may be issued as book-entry Bonds (in Czech, <i>zaknihované dluhopisy</i>).
Fixed Rate Bonds:	The Bonds designated in the relevant Pricing Supplement as Fixed Rate Bonds will bear interest at the fixed interest rate specified in the relevant Pricing Supplement, or fixed interest rates specified for individual Interest Periods in the relevant Pricing Supplement.

Floating Rate Bonds:	The Bonds designated in the relevant Pricing Supplement as Floating Rate Bonds will bear interest at a floating interest rate corresponding to the sum of the relevant Reference Rate and the relevant Margin (if applicable).
Purchase of the Bonds:	The Issuer, or any of its affiliates, is authorised to purchase the Bonds in the market or otherwise at any price.
Early Redemption of the Bonds at the option of the Issuer:	If specified in the Pricing Supplement, the Issuer will have the right to redeem all or part of the nominal value of all Bonds of the given Issue.
Buyback at the option of the Bondholders:	If a Change of Control occurs, Bondholders will have the right to request the Issuer to purchase their Bonds before the Final Maturity Date.
Denomination of the Bonds:	The denomination of the Bonds will be specified in the applicable Pricing Supplement.
Taxation:	<p>Repayment of Payment Amount and payments of interest in respect of the Bonds by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Czech Republic or any authority therein or thereof having power to tax, unless such withholding or deduction is required by applicable law. In such case, the Issuer will not be obliged to pay to the Bondholders any additional amounts as a compensation of the withholding or deduction of any taxes, duties, assessments or governmental charges of whatever nature, unless the relevant Pricing Supplement stipulates otherwise.</p> <p>Bondholders should be aware that the tax legislation of the Czech Republic, as well as the tax legislation of their country of tax residence, may affect the income from the Bonds.</p>
Negative Pledge:	The Issuer will have the obligation not to create or enable the creation of any pledge or other right, as set out in more detail in Condition 4.2 of the Joint Terms and Conditions.
Approval, Listing and Admission to Trading:	If the Final Terms specify that the Bonds of the relevant Issue are to be securities admitted to trading on a regulated market, it is the intention of the Issuer to apply for their admission to trading on the PSE, or to another regulated market that would replace the PSE. The specific PSE market on which the Bonds may be admitted to trading will be specified in the Final Terms of the relevant Issue. The Final Terms may also specify that the Bonds will be traded on another regulated market or, except with respect to the first Bond Issue under the Programme, that they will not be traded on any such market.

Governing Law:

Any rights and obligations under the Bonds will be governed by, and interpreted and construed in accordance with, the laws of the Czech Republic.

Any disputes between the Issuer and the Bondholders that may arise based on, or in connection with, the issue of the Bonds, including any disputes with respect to the Terms and Conditions, will be settled with final effect by the Municipal Court in Prague.

The court competent to resolve any disputes between the Issuer and the Bondholders in relation to the Bonds (including disputes relating to non-contractual obligations arising therefrom and disputes concerning their existence and validity) is solely the Municipal Court in Prague unless the agreement on the choice of territorial jurisdiction is not possible in a particular case and the law provides for another locally competent court.

RISK FACTORS

In purchasing the Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Bonds. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Bonds. It is not possible to identify all such risks as of the date of this Base Prospectus or to determine which risks are most likely to occur, as the Issuer may not be aware of all relevant risks as of the date of this Base Prospectus and certain risks which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business or ability to make payments due under the Bonds.

In addition, factors which have been identified as material for the purpose of assessing the market risks associated with the Bonds are also described in the list below.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

The risk factors are presented in the individual categories depending on their nature with the most material risk factor presented first in each category.

1. RISKS RELATED TO THE ISSUER

Risk associated with a special purpose company

The Issuer is a company established for the purpose of issuing the Bonds, providing proceeds from the issue of the Bonds as intragroup financing and subsequent administration of the loan. The Issuer does not carry out any other business activity, and therefore cannot generate resources from other business activities to repay debts from the Bonds. Although the liabilities arising under the Bonds are secured by a security interest in shares in Allwyn, the Issuer's credit dependence on KKCG AG and its subsidiaries (the **KKCG Group**) may still negatively affect the Issuer's ability to meet its debts from the Bonds.

Risk of secondary dependency

The Issuer will use the proceeds from the issuance of the Bonds to provide financing to KKCG AG as set out in the relevant Final Terms. Given that the Issuer itself does not conduct any business activities, the Issuer's ability to repay obligations from the Bonds is dependent on the ability of KKCG AG and its subsidiaries to generate sufficient resources from their activities to repay the obligations to the Issuer.

As of 31 December 2023, 72.8% of the KKCG Group's consolidated revenues has been generated by the Allwyn Group, whereas the remaining activities of KKCG AG's subsidiaries account for 27.2% of KKCG Group's consolidated revenues, as described in the chart below. As of 31 December 2022, the consolidated revenues of the Allwyn Group accounted for 30.8% of the KKCG Group's consolidated revenues.

Consolidated revenues of the KKCG Group (all figures are in EUR million):

	2023	2022
Allwyn AG and its subsidiaries	7,878	3,988
KKCG Technologies s.r.o. and its subsidiaries*	523	453
MND Group AG and its subsidiaries	2,324	8,506
KKCG Real Estate a.s. and its subsidiaries	35	0
Others	67	0
Total Revenues	10,827	12,947

*excluding Springtide Ventures s.r.o. (included in Others)

As of 31 December 2023, 90.6% of the KKCG Group’s Consolidated EBITDA (as defined in “*Selected Financial Information of the KKCG Group*”) has been generated by the Allwyn Group, whereas the remaining activities of KKCG AG’s subsidiaries account for 9.4% of KKCG Group’s Consolidated EBITDA, as described in the chart below. As of 31 December 2022, the Consolidated EBITDA of the Allwyn Group accounted for 82.7% of the KKCG Group’s Consolidated EBITDA.

Consolidated EBITDA of the KKCG Group (all figures are in EUR million): ¹

	2023	2022
Allwyn AG and its subsidiaries	1,287	1,057
KKCG Technologies s.r.o. and its subsidiaries*	82	37
MND Group AG and its subsidiaries	89	228
KKCG Real Estate a.s. and its subsidiaries	6	55
Others*	(43)	(99)
Total EBITDA	1,421	1,278

*excluding Springtide Ventures s.r.o. (included in Others)

Therefore, although the KKCG Group is also active in other sectors (in particular through KKCG Technologies s.r.o. and its subsidiaries in the information technology sector, MND Group AG and its subsidiaries in the energy sector and KKCG Real Estate a.s. and its subsidiaries in the real estate sector), it is primarily exposed to risks affecting the lottery and gaming business of the Allwyn Group and, consequently, the Issuer’s ability to repay its debts from the issuance of the Bonds may be adversely affected by all the risk factors relating to the Allwyn Group described below.

Risk of conflict of interest

The business and financial interests of certain members of the KKCG Group or their shareholders or partners may, under certain circumstances, conflict with the interests of the Issuer. The interests of the Bondholders may also be threatened by the interests of certain members of the Allwyn Group or their shareholders or partners, which may have a significant adverse impact on the investments of the Bondholders. In the performance of the function of the members of the Board of Directors of the Issuer, a conflict of interest may arise because the members of the Board of Directors are also members of the bodies of other companies and pursue the interests of these companies or the interests of persons controlled by them. The repayment of the bonds is to a large extent dependent on the business results of KKCG AG.

2. RISKS RELATED TO THE SECURITY INTEREST IN SHARES

Risk related to the value of the shares

The value of the shares in Allwyn will depend on market and economic conditions, including the availability of suitable buyers. The shares that will be subject to a security interest may be illiquid, may not have a readily ascertainable market value, and their value to third parties may be less than their value to KKCG AG as the pledgor. The value of the shares may decrease over time, and any adverse developments in the financial performance of the Allwyn Group may also affect the value of the shares. As a result, the Bondholders may not be fully satisfied in the event of the enforcement of the Security.

Risk regarding the enforceability of the security interest

The Security eliminates the Issuer’s default risk only to the extent that the Security is enforceable and the proceeds from the realisation of the Security in the event of a realisation (less the costs of realisation and redemption) are able to cover the claims of the investors. It cannot be entirely excluded that the Security is contested in accordance with the rules of foreclosure, so that the Security cannot be realised in favour of the investors in accordance with the provisions of the Security Documents. The Bondholders may lose all or part of their invested capital in a worst-case scenario. Payments to

¹ Source: KKCG Group management accounts.

investors may be delayed for factual or legal reasons. There is no certainty regarding the time frame such enforcement or liquidation will take and there may pass a significant amount of time until the investors receive such payments.

Risk related to regulatory approvals

Should the Issuer default on its obligations under the Bonds, then the Security Agent may have the right (or may be obliged) to enforce the share security by selling or procuring the sale of the shares in Allwyn (or a portion thereof) to an interested third party purchaser(s), in each case subject to the Terms and Conditions of the Bonds, the Base Prospectus, the Security Agreement and the applicable laws.

Allwyn and its subsidiaries operate in a highly regulated industry. As such, the Allwyn Group members are subject to a range of complex laws and regulations. Should the enforcement of the share security result in any third party purchaser acquiring directly or indirectly certain amount of shareholding in Allwyn, it may be required that a prior approval for such transfer is obtained from one or more competent regulators. The exact amount of shareholding, the transfer of which triggers the need to obtain the regulatory approval varies by the applicable regulatory regime of each relevant jurisdiction. For example, the Cypriot betting regulation requires a pre-approval of a direct or indirect acquisition of 5% or more of the shareholding in the gaming operator.

There exists a risk that such approvals may not be granted or may be delayed, which could impede the Security Agent's ability to enforce the Security on behalf of the Bondholders. The absence or delay in obtaining these consents could materially affect the rights of the Bondholders.

In the event that regulatory consents are not obtained, or are obtained after a delay, the Security Agent may be unable to fulfil its enforcement obligations in a timely manner, or at all. This could result in a situation where the Security, despite being in place, does not provide the intended level of protection to the Bondholders.

The release of the Security

According to the Joint Terms and Conditions, a part of the shares in Allwyn constituting the Security can be released in certain circumstances. These circumstances include listing of the shares on an internationally recognised exchange or an internationally recognised market or a reorganisation of the Allwyn Group. In such instances, the percentage of the shares in Allwyn provided as security to the Security Agent may decrease and, as a result, the overall value of the Security may decrease. These changes are subject to additional conditions specified in the Joint Terms and Conditions.

3. RISKS RELATED TO THE EXISTENCE OF THE COMMON REPRESENTATIVE

Certain rights of the Bondholders will be exercised and enforced by the Common Representative in its own name

Pursuant to Condition 3.3 of the Joint Terms and Conditions, the rights of the Bondholders will be exercised and enforced by the Common Representative in its own name by virtue of the statutory fiction contained in the Bonds Act. To the extent that such rights are exercised and enforced by the Common Representative, no Bondholder may exercise or enforce such rights independently. In the event that the Common Representative is in default in exercising or enforcing such rights, the Bondholders may suffer prejudice in connection with such default without the Bondholders having the opportunity to exercise or enforce such rights independently.

The Common Representative shall act with professional diligence and, in particular, shall act competently, honestly and fairly and in the best interests of the Bondholders and shall at all times be bound by the instructions validly given to it by the Meeting. However, in accordance with the principle of acting with professional diligence, the Common Representative is entitled to take any action to

enforce obligations, even without instructions from the Bondholders' meeting. Accordingly, it cannot be ruled out that the Bondholders may suffer prejudice associated with such action where the Common Representative acts with professional diligence when such action would not otherwise have been instructed or approved by the Bondholders' meeting.

The legal institute of the Common Representative has been significantly revised and expanded in the Bonds Act by an amendment to the Bonds Act, namely Act No. 307/2018 Coll., amending Act No. 190/2004 Coll., on Bonds, as amended, and other related acts, which amendment became effective on 4 January 2019. As this is a significant change in the operation of this institute in the Czech legal system, there is as yet no court decision-making practice or generally accepted legal interpretation on it. The absence of relevant case law and the inconsistency of the revised concept of the common representative – and the resulting legal uncertainty – may have a negative impact on the performance of the debts arising from the Bonds, especially in the event that a competent court decides that a provision of the Bonds Act should be interpreted differently than it is currently reflected and detailed in the relevant Condition or Conditions of the Terms and Conditions.

Risks relating to the replacement of the Common Representative

The Issuer cannot ensure that, when the Common Representative is replaced, there will be a Common Representative that is sufficiently experienced in performing the duties of the Common Representative or a similar role, although it will itself exercise good faith and due care in selecting the Common Representative. This problem is due to the fact that there is as yet no judicial review or market practice on the Common Representative. In the Issuer's experience of dealing with financial institutions in the financial markets, this may lead to institutions that normally perform this role in the international capital markets being unwilling to accept the role of Common Representative.

In the event that a Common Representative with sufficient experience is not selected, there is a risk that its potential inability to exercise certain rights of the Bondholders in a timely manner or other delays in its activities caused by its lack of expertise or experience may adversely affect the position of the Bondholders.

The Common Representative may require security to be given or indemnification promised in connection with a direction of a Bondholders' meeting

The Common Representative shall, subject to the qualifications set out in the Terms and Conditions, exercise any right or refrain from exercising any right to which it is entitled as Common Representative in accordance with any direction approved by a Bondholders' meeting. The Common Representative may require sufficient security to be given or indemnity promised by the Bondholders or the Issuer in respect of any instruction approved by a Bondholders' meeting against any pecuniary or non-pecuniary loss. If security or indemnity is provided or promised by the Bondholders to the Common Representative and such value is subsequently paid to the Common Representative, the Bondholders may risk losing part of their investment.

Pursuant to Condition 3.3 of the Joint Terms and Conditions, the rights of the Bondholders shall be exercised and enforced by the Common Representative in its own name by virtue of the statutory fiction contained in the Bonds Act. To the extent that such rights are exercised and enforced by the Common Representative, no Bondholder may exercise or enforce such rights independently. In the event that the Common Representative is in default in exercising or enforcing such rights, the Bondholders may suffer prejudice in connection with such default without the Bondholders having the opportunity to exercise or enforce such rights independently.

J&T BANKA, a.s. has been appointed as the Common Representative. The relationship between the Issuer and the Common Representative will be governed by an agreement between the Issuer, the Common Representative and the Security Agent, which will contain, among other things, a more

detailed description of the rights and obligations of the Common Representative, which will not affect the position of the Bondholders. The material provisions relating to the Common Representative are set out in Condition 3.3 of the Joint Terms and Conditions.

4. RISKS RELATED TO THE EXISTENCE OF THE SECURITY AGENT

The rights arising from the Security will be exercised by the Security Agent

Security is provided in favour of the Security Agent and for the benefit of the Security Agent and the Bondholders. The rights to the Security will be exercised and enforced by the Security Agent in its own name. The Security will be provided for the benefit of the Bondholders and the Security Agent, with the understanding that the Security Agent will exercise the rights of the Bondholders from the Security in its own name, based on the legal fiction contained in the Bonds Act. Thus, the Security Agent will be, alongside the relevant provider of the security, the only party to the Security Agency Agreement. To the extent that the Security Agent exercises and enforces the rights from the Security, no individual Bondholder may independently exercise or enforce such rights. In the event that the Security Agent is in delay with the exercise or enforcement of the rights from the Security, the Bondholders may suffer harm associated with this delay, without having the possibility to independently exercise or enforce such rights. The Security Agent will use any proceeds from the security primarily to cover payments due to the Security Agent (including its fee of 2% of the proceeds and reimbursement of a proportional amount of compensation paid to the Security Agent).

The legal institution of the Security Agent was introduced into the Bonds Act by an amendment, specifically by Act No. 307/2018 Coll., which amends the Bonds Act, and other related laws, which came into effect on 4 January 2019. Since this is the first legal regulation of this institution in the Czech legal order, there is no judicial decision-making practice or generally accepted legal interpretation yet. The absence of relevant case law – and the resulting legal uncertainty – may negatively affect the fulfilment of debts arising from the Bonds, especially in the case that the relevant court decides that some provisions of the Bonds Act should be interpreted differently than is currently reflected and detailed in the Joint Terms and Conditions.

Risks related to the appointment or replacement of the Security Agent

The Issuer cannot ensure that when appointing the Security Agent or replacing it, there will be a Security Agent available who will have sufficient experience with fulfilling the duties of a security agent or a similar role, although the Issuer will proceed in good faith and with due diligence in its selection. This problem is caused by the fact that this institution is laid down in the Czech Republic by the last amendment to the Bonds Act, for which there is no case law market practice. According to the Issuer's experience with dealing with financial institutions in the financial markets, this may lead to the situation where institutions that typically perform this role in the international capital market may not be willing to accept the role of the Security Agent. As of the date of the Base Prospectus, the Security Agent is J&T BANKA, a.s.

In the event that it is not possible to select a Security Agent with sufficient experience, there is a risk that its potential inability to perform the Security in a timely manner or other delays in its activities, caused by its insufficient expertise or experience, may have a negative impact on the satisfaction of the Bondholders from the Security, which may be less successful in such a situation, and ultimately the Bondholders may receive less from the proceeds of the enforcement of the Security.

Compensation for the Security Agent

The Security Agent is obliged, with the reservations set out in the Joint Terms and Conditions, to exercise any right or to refrain from exercising any right that it has as the Security Agent, in accordance with any instruction approved by a Simple Majority of the Meeting. The Security Agent may require that it be provided with sufficient security or promised indemnification by the Bondholders or the

Issuer in the event of any material damage or non-material harm. If the Bondholders provide the Security Agent with security or promise indemnification and this value is subsequently paid to the Security Agent, there is a risk that the Bondholders may lose part of their investment.

5. RISKS RELATED TO THE ALLWYN GROUP

Financial risks

Credit risk

The Allwyn Group is exposed to credit risk, which represents potential losses that the Allwyn Group may incur if debtors, such as customers or clients, fail to fulfil their payment obligations in a timely and proper manner. Credit risk arises from transactions with counterparties that result in financial receivables for the Allwyn Group. This includes credit risk associated with ordinary operating activities (trade receivables) and financial activities (bank deposits, loans granted to third parties, and other financial instruments). As of 31 December 2023, current trade and other receivables of the Allwyn Group amounted to EUR 975 million and other current financial assets amounted to EUR 32 million.

Despite all measures applied within the Allwyn Group to limit credit risk, the failure of a counterparty or counterparties may cause losses that could negatively affect the business of the Allwyn Group, its economic results, and financial situation.

Liquidity risk

The Allwyn Group is exposed to liquidity risk. Liquidity risk represents the possibility that the Allwyn Group will not have sufficient resources available to cover its maturing debts, such as debts to suppliers, employees, or financial institutions. Part of the liquidity management strategy within the Allwyn Group is the fact that a portion of assets is held in the form of highly liquid resources (financial assets). A lack of available resources can negatively affect the business of the Allwyn Group, its economic results, and financial situation. As of 31 December 2023, the Allwyn Group's total current assets corresponded to EUR 2,867 million, while its total current liabilities amounted to EUR 2,795 million.

Interest rate risk

An increase in interest rates is also an increase in financial costs and thus makes financing with external capital more expensive. Interest rate risk is particularly associated with long-term loans and borrowings. To finance its investment and development activities, the Allwyn Group utilises sources of external debt financing or financial market instruments, with these obligations potentially bearing a variable interest rate. The Allwyn Group continuously monitors developments in the financial market and decides, depending on the situation, whether to choose loans and borrowings with a fixed or variable interest rate. Interest rates for loans and borrowings are based on PRIBOR, EURIBOR, SONIA or SOFR rates.

As of 31 December 2023, 38% of the Allwyn Group's drawn financial indebtedness bear a variable interest rate risk. Fluctuations in the market interest (benchmark) rates can adversely affect the costs of debt financing.

Risks associated with the Allwyn Group's indebtedness

The Allwyn Group has substantial indebtedness, and it anticipates that it will continue to have substantial indebtedness for the foreseeable future. This indebtedness contains restrictive covenants and financial maintenance covenants that limit its financial and operational flexibility, as well as events of default and cross-default provisions. In the following years, the Allwyn Group will be required to

make amortization payments and repay or refinance its indebtedness. The following table presents an overview of the maturity profile of the Allwyn Group's indebtedness (in EUR million) as of 31 December 2023:

Maturity profile	2024	2025	2026	2027	2028	2029	2030
AIAS - Bank loans	89	89	106	133	373	285	-
AIAS - Bonds	119	-	-	500	400	633	665
Operating companies debt	81	51	331	250	-	-	-
Total	289	140	437	883	773	918	665

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

Operational risks

Risk of Allwyn as a holding company

As a holding company that conducts business through its subsidiaries and equity method investees and has no significant assets other than the equity interests it holds in its subsidiaries and equity method investees and intercompany receivables from these entities, Allwyn is dependent on payments from its subsidiaries and other equity method investees – mainly dividends and payments on intragroup loans, which depend on the profitability and cash flows of the respective entities.

Even if its subsidiaries and equity method investees generate a sufficient amount of cash from their operations, their ability to provide funds to Allwyn is subject to, among other factors, local tax restrictions and local corporate law restrictions as well as regulatory restrictions related to earnings, the level of legal or statutory reserves, losses from previous years and capitalisation requirements, capital controls and the terms of any applicable shareholder agreements, or might be further limited by measures implemented by local government authorities.

The Allwyn Group may be unable to attract, train or retain key management and qualified employees.

The Allwyn Group's success is largely dependent upon the performance of its key senior management and personnel, being, in particular, the Allwyn Group chief executive officer, the Allwyn Group chief investment officer, the Allwyn Group chief operating officer, the Allwyn Group chief financial officer and the Allwyn Group chief marketing officer. The loss of such management and personnel, or difficulties in attracting new employees, may impact it and its ability to implement its strategy. If any of these key personnel no longer work with the Allwyn Group, its operations and the implementation of its strategy may be materially impaired. It may not be able to replace them on a timely basis with other professionals capable of making comparable contributions.

The Allwyn Group relies on its ability to recruit, retain and train skilled operating, technical and other personnel. Its ability to meet its long-term strategies depends on the abilities and performance of its employees. The loss of qualified employees and its inability to attract, train and retain suitably qualified employees in positions requiring a technical background, and the ability to keep up with

technological advancements, may affect its ability to carry out its long-term strategy. Although the Allwyn Group has not experienced major changes in the level of employee churn, if qualified and skilled employees leave or are unable to succeed in new roles, or if it is unable to attract, retain, train and motivate additional qualified and skilled employees, it may experience difficulties conducting its operations, which could have a material adverse effect on the Allwyn Group's business, results of operations and financial condition.

The impact of global geopolitical and macroeconomic developments

The Allwyn Group is exposed to the political, economic and financial market conditions in the countries where it operates and other countries into which it may expand. Any material political events or changes such as elections may result in changes in regulation, restrictions on business in a given country, and other policy decisions.

The Allwyn Group is also exposed to global factors and changes such as climate change, which may adversely affect the political and economic situation of the countries in which it operates. Political and economic events or changes may result in changes in regulation, taxes, restrictions on capital flows and dividend payments and other negative impacts on business in any given country, as well as other policy decisions.

Macroeconomic factors in the countries where the Allwyn Group operates can affect input costs as well as consumer behaviour and spending patterns. The rate of inflation has increased in recent years, in particular owing to higher energy prices. Higher inflation may have an adverse impact on the Allwyn Group's cost base, as well as on consumers' discretionary disposable income, reducing demand for its products. Higher inflation has also led to an increase in interest rates, which may negatively affect consumer sentiment and raise the Allwyn Group's cost of finance.

Any material future deterioration in global or local economic conditions in the markets in which the Allwyn Group operates could lead to a decrease in consumer confidence and spending, affecting the Allwyn Group's revenue.

The ongoing Russian invasion of Ukraine as well as instability in the Middle East have led to, and may continue to lead to, disruption, instability and volatility in global markets and the economies of countries including those in which the Allwyn Group operates, which could have an adverse effect on its business.

With respect to the Russian invasion of Ukraine, the EU, the United Kingdom, the United States and other governments have imposed severe sanctions and export controls against Russia and Russian interests. Russia, as a retaliatory action, may impose countersanctions and launch cyberattacks against such countries, their governments, infrastructure and businesses. The credit, financial and commodities markets have experienced periods of extreme volatility and disruption due to the conflict.

There is a possibility of further global economic consequences, including the possibility of severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in inflation rates and energy prices and uncertainty about economic and political stability. A potential negative impact on consumer spending patterns may contribute to potentially reduced overall demand for the Allwyn Group's products in the countries in which it operates. Any of the foregoing consequences, including those the Allwyn Group cannot yet predict, may cause its business, financial condition or results of operations to be adversely affected.

Risk of unpredictable events

An unpredictable event (e.g., a natural disaster, terrorist attack) that causes disruptions in financial markets or rapid movements in currency exchange rates may have an adverse impact on the Allwyn Group business activities. The negative impact of such events could lead to a decrease in the return on

funds invested by the Allwyn Group. Financial performance of the Allwyn Group may also be affected by a global event (political, economic, or other nature) that occurs in a different country than where the Allwyn Group operates.

Other risks

Regulatory risks, risk of changes to or potential loss of licences or exclusive rights to operate the Allwyn Group's business activities

The lottery and gaming industry is highly regulated. The Allwyn Group is subject to a range of complex gaming laws and regulations. It is also subject to changes in laws and regulations affecting the market and licensing conditions, as well as to changes in the interpretation of existing laws, policies, codes of practice and conduct and other regulatory requirements or guidance.

The Allwyn Group is required to obtain, maintain, and comply with the terms of licences and concessions in order to operate lottery and gaming businesses in each country in which it operates. This requires the Allwyn Group to ensure the continued suitability of its operations, key personnel and shareholders, to avoid non-compliance, licence suspensions and terminations or fines. Despite its best efforts to comply with the relevant regulations and to cooperate with regulators, it may be unable to obtain, maintain and renew all necessary registrations, licences, permits and approvals or could incur fines or experience delays in the licensing process.

Many of Group companies' licences or similar authorisations, including most of their lottery licences, grant exclusive rights to offer various lottery and gaming products. For example, this is the case for Group companies' lottery licences in Austria, Greece and Cyprus, Italy, the United Kingdom and Illinois, United States. In general, licences are for a fixed term and will eventually expire:

- (a) in Italy, the exclusive licence for the operation of fixed-odds numerical lotteries will expire in November 2025;
- (b) in Greece, the exclusive licence for the operation of instant lotteries will expire in 2026, the licence for operating iGaming expires in 2028, the licence for the operation of numerical lotteries and offline sports betting will expire in 2030, the licence for VLTs will expire in 2035 and for horse racing in 2036;
- (c) in Austria, the exclusive licence for lottery and iGaming expires in 2027, six licences for the operation of domestic casinos will expire in 2027 and six will expire in 2030;
- (d) in Illinois, United States, the private management agreement under which the Allwyn Group operates will expire in 2027;
- (e) in the United Kingdom, Allwyn Entertainment Ltd's (**Allwyn UK**) licence will expire in February 2034.

The following table presents an overview of the Allwyn Group companies' licences and their carrying value (in EUR million):

Carrying value of licences		Useful life	31/12/2023	31/12/2022
Austrian Lotteries	Licence to operate numerical lotteries in Austria	Indefinite	192.1	192.1
OPAP	Licence to operate VLT games in Greece	(11 years)	371.2	404.9
OPAP	Licence to operate lottery games in Greece	(7 years)	253.1	290.6
Allwyn North America Inc.	Private management agreement licence to operate Illinois lottery	(4 years)	51.8	–
Hellenic Lotteries	Licence to operate scratch-card games in Greece	(2 years)	15.9	31.7
Allwyn UK	Licence to operate UK National lottery	(10 years)	14.1	13.8
SAZKA	Vendor licence to operate gaming software	(8 years)	12.8	14.8
	<i>Other individually immaterial</i>		<i>41.5</i>	<i>67.7</i>
Total			952.5	1,015.6

Upon expiration, new licences, concessions or agreements may be awarded to one or more parties through a competitive bidding process. Although the Allwyn Group may be able to bring a legal challenge to the award of a new licence to a competitor, or the terms upon which a new licence is awarded to it, it may not always be able to obtain new licences to allow it to continue its current operations or may only be able to do so on less favourable terms. For example, the licence to operate 10 casinos in the German state of Lower Saxony, which is currently held by a subsidiary of Casinos Austria International, has been awarded to a competitor for the next licence period (2024-2039).

The Allwyn Group also faces the risk that regulatory changes may open the market to broader competition.

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

The Allwyn Group also faces the risk of regulatory change more broadly. In the United Kingdom, the government has been engaged in a review of gambling regulations under the 2005 Gambling Act. While this review is not expected to have any material effect on its UK lottery operations, which are not governed by the Gambling Act 2005, the broader evolution in the regulatory environment could lead it to revise certain policies or practices.

Kaizen Gaming Holding Limited (**Kaizen**), in which it has a minority shareholding, operates among others in markets where the regulatory environment is rapidly evolving, including a number of markets in Latin America that are in various stages of introducing regulation or local online gaming licensing regimes for the first time.

Brazil, for example, passed new legislation relating to online sports betting and iGaming in December 2023. Licences are expected to be issued initially in 2024, and Kaizen would need to obtain such a licence. The new licensing and taxation regime will change the dynamics and economics of the Brazil market; however, at this stage there is uncertainty regarding the interpretation of multiple aspects of the new legislation.

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

also result in a material adverse effect on its business, results of operations, financial condition, and prospects.

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

The Allwyn Group is required to make payments to the countries in which it operates through fees to obtain and/or maintain licences, taxes on revenues (including VAT imposed on non-gaming products) and general corporate taxes on profits. It may be subject to increases in these taxes or the introduction of new taxes.

For example, with effect from 1 January 2024, the Czech government increased the tax rate on sports betting (from 23% to 30% of gross gaming revenue). The increased tax rate will affect the operations of the Czech Republic segment as well as Kaizen Gaming CZ Limited, the Allwyn Group's significant equity method investee.

The level of taxation on player winnings can also affect its activities, as it can reduce the attractiveness of the game and the amount of winnings that each player can allocate to future betting. For example, with effect from 1 January 2024, the Czech government reduced the tax exemption limits applicable to income from gaming from CZK 1 million to CZK 50,000.

The Allwyn Group may also be subject to higher tax rates or additional fees when a licence is successfully renewed or extended.

As a result of recent adverse macroeconomic developments, many countries are under increased fiscal pressure, which may increase the probability of adverse changes in general corporate taxation or the taxation of lotteries and gaming, in particular. Such changes may be more likely to be introduced in the countries where the general corporate taxes on profits and/or the gaming sector taxes, or cash receipts from such taxes, are at relatively lower levels. For example, considering Greece and Cyprus, under OPAP's Lottery and Gaming Concession and pursuant to Greek law, from 13 October 2020 to 12 October 2030, gaming-specific taxes payable in cash by OPAP to the Greek State under this concession amount to 5% of GGR annually, reflecting OPAP's prepayment in 2011 of tax with a value of EUR 1.8 billion. At the end of 2030, OPAP may need to pay an amount of additional consideration based on actual GGR over the concession period, if the amount of the actual GGR exceeds the amount of projected GGR for which the prepayment was made. Similarly, in February 2021, the Austrian government announced that it intends to adjust gaming taxes and levies.

Furthermore, in its Czech Republic segment, the Allwyn Group's subsidiary, SAZKA, is part of a VAT group with related parties that form part of the KKCG Group, but are outside of the Allwyn Group (**VAT Group Members**). If these related parties were to fail to pay any VAT they owe, SAZKA could be liable to pay such amounts. In 2023, the total amount of VAT paid by one VAT Group Member was EUR 56.7 million, while two other VAT Group Members were refunded VAT of EUR 0.8 million and EUR 0.5 million. If the VAT group were ended for any reason, SAZKA would lose the approximately EUR 7.4 million annual savings it currently receives from this arrangement. The Allwyn Group may also be exposed to a Czech Republic corporate income tax liability on unrealised foreign exchange gains, which are non-cash revenues.

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

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

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

The gaming industry is characterised by rapidly changing technology, including the increasing importance of online and mobile channels, which accelerated during the COVID-19 pandemic, as well as evolution of products offered.

The Allwyn Group already offers a range of online products to its customers. However, it may not be successful in keeping up with the necessary technological or product advances in the future, or it may not have the financial resources needed to introduce or license new products or services. In general, its ability to compete effectively in the online lottery and gaming industry depends on the acceptance by its customers of the products, technologies, and services it offers, as well as approval by the relevant regulators for any new technology utilised and products offered.

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

In addition, it is increasingly using artificial intelligence (AI) for the purposes of player identification and the personalisation of the services that it offers, as well as in parts of its responsible gaming technologies. However, AI-related technology is characterised by frequent new platform and application introductions and enhancements and evolving industry standards, which may be costly or which the Allwyn Group fail to keep pace with. The use of new AI technology could lead to errors or problems that only become apparent after the technology is deployed and accessed by customers. Such errors or problems could harm its reputation, jeopardise its ability to protect proprietary data and have a material adverse effect on its business, results of operations and financial condition.

Its future success also depends on attracting and retaining players. In order to achieve this, it aims to maintain the value of the key brands that it owns or uses in its operations. Failing to maintain the high profile, positive perception and consumer recognition of its brands may prevent expansion of, or lead to losses in, its existing customer base.

Competitive risks

The Allwyn Group competes with other forms of recreational and leisure activities and other gaming vendors, venues and channels. It faces competition from a number of companies, and changes in laws and regulations as well as market liberalisation can increase the number of competitors and in turn affect the Allwyn Group's future profitability. In particular, the Allwyn Group faces competition from land-based and online lottery and gaming providers including other lottery operators, secondary lotteries and lottery courier services, as well as providers of sports betting, slot machines, online and physical casinos, and other types of games.

While companies of the Allwyn Group hold exclusive licences and concessions for some products and games, in certain markets they face intense competition for obtaining and renewing those licences and concessions. The Allwyn Group's main competitors in Europe for lottery operations include Francaise de Jeux and Sisal (part of Flutter), and for sports betting and iGaming include Bet365, Entain, Flutter, Tipico, Unibet, Fortuna, TipSport, evo and Interwetten.

Any inability of the Allwyn Group to compete successfully in its respective markets could have a material adverse effect on its business, results of operations, and financial condition.

The Allwyn Group may be negatively affected by competition from numerous types of operators present in the gaming sector, including illegal gaming operators. Illegal activities compete with regulated gaming businesses, such as those of the Allwyn Group, for customers. Illegal online lotteries,

online casinos, VLTs, slot machines, physical casinos and sports betting may deprive it of significant volumes of business. Illegal gaming structures may also be able to circumvent local taxation and regulation, thereby enabling them to offer potentially more attractive products by increasing payouts to winners and not implementing responsible gaming measures required by law and regulation. Additionally, in certain markets, the Allwyn Group's businesses face competition from synthetic lotteries, which are websites, often based outside the countries where the Allwyn Group's businesses operate, where customers bet on the outcome of a lottery rather than buying tickets in a lottery draw (**Synthetic Lotteries**). The legislation regulating Synthetic Lotteries and certain other online operations is not always clear and continues to evolve. This regulatory uncertainty could also cause competitive pressure. As a result of this competition, players could spend less time or money on the Allwyn Group's games and services, and it could lose customers.

Risks associated with new acquisitions and tenders

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

The Allwyn Group may not be successful in winning the tenders or closing the transactions it pursues. This could include if the relevant closing conditions are not met, for example if it is unable to obtain required regulatory approvals within the deadlines provided for in the transaction agreement, or owing to a change in the regulatory framework. In addition, any tender process in which it participates or transactions that it pursues may be challenged by third parties.

Furthermore, companies acquired, or businesses operated under licences that were awarded through tenders, may not achieve the levels of returns, profits or productivity expected from them or may require greater than expected investments.

In addition, there are considerable costs and risks associated with participation in public tenders and pursuing potential M&A transactions. In the United Kingdom, upon being awarded The National Lottery licence (which commenced in February 2024), Allwyn UK entered into certain agreements with the Gambling Commission and Camelot UK Lotteries Limited (**Camelot UK**) (as outgoing licensee), which govern the transition from Camelot UK to Allwyn UK and the operation of the new licence to operate The National Lottery. The performance of the obligations under these agreements and successful transition depends in part on third parties, as well as on the migration of a new lottery system from the existing system and the delivery of the new system within an agreed timeframe. The Allwyn Group has incurred and will continue to incur significant costs in the transition process, and not all of these costs may be recoverable under the cost recovery mechanism under the terms of the licence, which could adversely affect the potential profitability of Allwyn UK.

Risks associated with the Allwyn Group's ownership interest in certain subsidiaries and equity method investees

Allwyn indirectly owns less than all of the shares of several of the Allwyn Group entities that operate its businesses.

For example, it owns the following percentages for its material subsidiaries and equity method investees across its four segments (as of 31 December 2023):

- (a) Casinos Austria AG (**CASAG**) (59.70% economic interest and voting interest) and Österreichische Lotterien GmbH (**Austrian Lotteries**) (53.52% economic interest and 73.8% control of the voting rights, being the voting interest of CASAG);
- (b) OPAP S.A. (**OPAP**) (50.71% economic and voting interest, excluding treasury shares held by OPAP from the share count); and
- (c) LottoItalia S.r.l. (**LottoItalia**) (32.50% economic and voting interest).

It also holds 36.75% in Kaizen and OPAP also holds 84.5% in Stoiximan Ltd (**Stoiximan**). It expects to own 70% of the shares in Instant Win Gaming, the planned acquisition announced by the Allwyn Group in February 2024. Allwyn might have interests and views on certain issues that differ from those of other shareholders (for example, relating to business strategy and financial policy, including regarding the payment of dividends). In some cases, including LottoItalia and Kaizen, Allwyn's interest is less than a majority.

In some cases, Allwyn is party to agreements with the other shareholders prescribing governance rights and other matters, which may limit or exclude Allwyn's ability to control such entities, or containing a number of protective provisions in favour of such other shareholders. As a result, Allwyn may in some circumstances need to reach agreement with the other shareholders who are party to these agreements in order to achieve certain outcomes. The other shareholders, former shareholders and directors nominated by such shareholders in the entities in which Allwyn does not have a 100% shareholding interest might face reputational or financial issues that are out of Allwyn's control, but which may negatively influence the business, licences, reputation, or brands of Allwyn's businesses and of Allwyn itself. Although Allwyn screens potential partners and seeks to ensure that they act in accordance with high professional and ethical standards, they may not always do so.

Technological and information security risks

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

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

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

The risk of cybercrime is expected to continue to increase and poses a challenge to the gaming sector, with hackers potentially infiltrating programs and internal business processes, launching ransomware attacks and manipulating draws. While the Allwyn Group seeks to bolster its cybersecurity defences by, for instance, engaging ethical hackers, it may not always be successful in preventing cybercrime.

Risks arising from dependence on agents and technology suppliers

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

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

The Allwyn Group relies on the products and services of its agents and suppliers to a significant degree and, in the event that they do not or are unable to fulfil their obligations under the applicable contractual arrangements, it may face delays or disruptions in its operations if it needs to change to a new supplier.

Risks relating to customer data

The Allwyn Group is subject to regulation related to the use of customers' personal data and their debit and credit card information. It works with the sensitive personal data of customers and data about its agents, suppliers, or employees. The Allwyn Group must comply with the applicable data protection rules. Such examples include the EU General Data Protection Regulation (the **GDPR**) and the GDPR retained as domestic law in the United Kingdom.

The Allwyn Group is exposed to the risk that data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by the Allwyn Group or on its behalf. If the Allwyn Group fails to transmit customer information in a secure manner, or if any such loss of personal customer data were otherwise to occur, it could face liability and fines under data protection laws. This could also result in the loss of goodwill of the Allwyn Group's existing customers and deter new customers.

The Allwyn Group is also dependent on contractual relationships with third parties and their employees who manage databases of sensitive data. Any resulting customer data protection and payment data failures could result in sanctions by the relevant regulators, as well as damage to its reputation in the eyes of customers. This could have a material adverse effect on the Allwyn Group's business, results of operations, and financial condition.

Risk of inadequate compliance procedures and policies

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

It is exposed to the risk of money laundering and fraudulent activities by its customers, employees, agents or other third parties (including criminal organisations), including with respect to its financial and payment service offerings. In addition, failure to comply with the above laws and regulations in the jurisdictions in which it operates could result in significant fines, loss of licences and damage to its reputation and brands.

It may deal with both governments and state-owned business enterprises, the employees of which may be considered foreign officials for the purposes of transnational as well as domestic anti-bribery laws.

Compliance systems are established in the Allwyn Group in order to minimise risks in the aforementioned areas. Each relevant subsidiary has units/departments tasked with ensuring compliance with legislation and licence conditions relating to anti-money laundering, anti-bribery and other similar matters. However, these policies, procedures and systems may not always succeed in protecting the Allwyn Group from money laundering and fraud or its customers from fraud, or be deemed to be adequate by regulators.

Because of the number of entities within the Allwyn Group, many of which are recently acquired and operate under different reporting routines and systems, significant efforts are required to maintain proper controls, including controls over financial reporting. However, despite its internal systems, its policies and procedures may not be followed at all times, and they may not always be effective in detecting and preventing violations of applicable laws by one or more of its employees, consultants, agents or partners. As a result, it could be subject to penalties and suffer a material adverse effect on its business, results of operations, and financial condition.

In entities where Allwyn is not, whether directly or indirectly, the sole shareholder there is a heightened risk that such entities or its partners in such entities do not have or fail to implement policies and procedures designed to assist its compliance with applicable laws and regulations. Such entities or the Allwyn Group's partners, or their policies and procedures, may not always be effective in detecting and preventing violations of applicable laws or in complying with the relevant regulatory compliance requirements. As a result, certain of the Allwyn Group's subsidiaries, equity method investees or partners in such entities could be subject to penalties, which in turn could result in a material adverse effect on its business, results of operations and financial condition.

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

The gaming industry is exposed to negative perceptions and publicity generated by a variety of sources, including citizens' groups, non-governmental organisations, politicians, the media, national and local authorities, and other groups, individuals and institutions.

Increasing participation in certain games may for some individuals lead to problem gambling, which can have a significant adverse impact on their economic and psychological well-being. The nature of lotteries (which account for more than 70% the Allwyn Group's revenues) limits the frequency with which players are able to wager, and prize distributions involve a lower frequency of wins compared with other forms of gaming, making the player less likely to form addictive behaviour. This contrasts with other forms of gaming where players are more susceptible to addiction and losing large amounts of money due to the frequency with which they can play, more frequent wins and near wins, and larger stake sizes. There is, however, a risk that the public and political representatives do not distinguish between lotteries and other types of gaming and do not recognise that lower risk is associated with lotteries.

Negative perceptions about lotteries and the gaming industry in general, and the Allwyn Group's business in particular, may result in lower revenues, loss of brand value, loss of customer goodwill, changes in regulation and higher taxes, among other consequences that may be detrimental to the Allwyn Group's business. In particular, if the Allwyn Group, its brands, subsidiaries or equity method investees become associated with weaknesses relating to responsible gaming, this could have a material adverse effect on its business and reputation, and could result in exclusion from eligibility for licensing tenders.

The Allwyn Group monitors its customers' gaming activity and actively communicates with the public and other stakeholders about responsible gaming. It has faced, and will continue to face, increased scrutiny relating to its performance in meeting environmental, social, and corporate governance standards. It has adopted compliance policies and procedures and is focused on the integrity of its management, employees and third-party suppliers and partners.

Responsible gaming principles are applied throughout the Allwyn Group's operations. All Allwyn's subsidiaries and equity method investees that offer lotteries are fully compliant with the highest level of responsible gaming certification in the field (the Level 4 Responsible Gaming Certification, issued by the World Lottery Association and the European Lotteries Association).

Risks associated with online gaming

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

The success of the Allwyn Group's online offering will be affected by, among other things, developments in social networks, mobile platforms, legal and regulatory developments and other factors that it is unable to predict and which are beyond its control. Additionally, as the online gaming industry develops, including with respect to regulation in new and existing jurisdictions, it may become subject to additional compliance-related costs. It has systems and controls in place seeking to ensure that it offers gaming products only to players who are legally permitted to access its sites and apps and to purchase its products in the relevant jurisdictions. Despite this, there can be no assurance that it will successfully block customers from accessing its products in countries that restrict or prohibit online gaming, or in countries in which its respective businesses are not licensed to conduct online gaming.

Risks, in particular in sports betting, associated with payout fluctuations or betting outcomes

The Allwyn Group offers sports betting in countries including Austria, the Czech Republic, Greece, Cyprus, Brazil, Germany, Portugal, and Romania, and in 2023 sports betting contributed 9% of consolidated revenue from gaming activities (**GGR**). The earnings of its sports betting businesses can be volatile and it cannot guarantee positive returns. In the sports betting business, winnings are paid on the basis of the stake placed and the odds quoted, rather than being derived from a pool of stake money received from all customers. A higher payout ratio has an adverse impact on GGR. In exceptional circumstances, the payout ratio could even exceed 100%, resulting in cash outflows. As a result, in the short term, there is less certainty of generating a positive result and the Allwyn Group may experience losses with respect to individual events or betting outcomes. In certain draw-based lottery games offering fixed prizes, there is also a risk that prizes exceed the prize fund in statistically unlikely scenarios.

Any significant winnings or losses could have a material adverse effect on its business, results of operations and financial condition. The Allwyn Group uses external sources and internal processes to set odds and structure its games, and conduct statistical analysis to minimise risks connected with fixed prizes. However, it cannot rule out errors that may be related to the incorrect set-up of the process for making and setting odds or errors in risk management. The systems and controls the Allwyn Group has in place to manage the risks related to fixed-odds betting and fixed prizes may not be effective. As part of its risk management functions, it obtains certain information from third-party information providers. Significant misjudgments or mistakes made by the Allwyn Group or by such third-party information providers in relation to odds compilation or other failures of its risk management could result in the Allwyn Group incurring significant losses that could have a material adverse effect on its business, results of operations and financial condition.

Risks from legal, administrative and arbitration proceedings

The Allwyn Group members are subject to various civil, administrative and arbitration proceedings. In addition to the potential financial exposure the Allwyn Group may face relating to the litigation mentioned above, litigation, whether or not successful, could materially affect the Allwyn Group's reputation in the market or a relationship with customers or suppliers who may cease to trade with the

Allwyn Group, and the proceedings or settlement in relation to litigation may involve internal and external costs, which may, even in the case of the successful completion of a relevant proceeding, not be fully reimbursable, divert senior management's time or use other resources which would otherwise be utilised elsewhere in the Allwyn Group's business. Each of these additional consequences of litigation could have a material adverse effect on the Allwyn Group's business, financial condition, results of operations, cash flows and prospects.

For example, as of 31 December 2023, third party claims against OPAP relating to terminated distribution agent arrangements have been filed in an aggregate amount of EUR 309.5 million. The majority of these claims relate to former distribution agent arrangements, in relation to which the overwhelming majority of recent court decisions have been in favour of OPAP (rejected claims in the amount of EUR 283.6 million). The court of first instance partially recognised claims in the amount of EUR 0.7 million; the court of appeal partially recognised claims in the amount of EUR 0.1 million. In connection with three other lawsuits brought by a former agent against OPAP seeking compensation for loss of profit, in September 2023, the Supreme Court accepted OPAP's petition and annulled an appellate court decision which had awarded a total of approximately EUR 3.0 million plus interest. The decision on the merits is still pending.

Risks associated with outbreak of communicable diseases

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

6. RISKS RELATED TO THE BONDS

Liquidity risk

If the Final Terms specify that the Bonds of the relevant Issue are to be securities admitted to trading on a regulated market, it is the intention of the Issuer to apply for their admission to trading on the PSE. The specific PSE market on which the Bonds may be admitted to trading will be specified in the Final Terms of the relevant Issue. The Final Terms may also specify that the Bonds will be traded on another regulated market or, except with respect to the first Bond Issue under the Programme, that they will not be traded on any such market or facility.

Notwithstanding the intention to admit the Bonds to trading on a regulated market, there can be no assurance that the Bonds will in fact be admitted to trading, that a sufficiently liquid secondary market will develop or, if one does develop, that such secondary market will be sustained. The fact that Bonds may be admitted to trading on a regulated market will not necessarily result in greater liquidity for such Bonds than for Bonds not admitted to trading on a regulated market. Conversely, in the case of Bonds not admitted to trading on a regulated market, it may be difficult to price such Bonds, which may adversely affect their liquidity. In a potentially illiquid market, an investor may not be able to sell the Bonds at all if necessary or may not be able to sell them at an adequate market price, i.e. at the price at which it could sell them if a liquid market for the Bonds existed.

Return on investment in the Bonds may be affected by the interest rate

Investment in Bonds which bear interest at a fixed rate, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. The holder of a Bond with a fixed interest rate is exposed to the risk of a decrease in the price of such a Bond as a result of changes in the market interest rates – the CNB has been continuously lowering the two-week repo rate to the current 5.25% applicable from 3 May 2024. While the nominal interest rate is fixed for the term of the existence of the Bonds, the current interest rate on the capital market (the **market interest rate**) usually changes daily. As the market interest rate changes, the price of the fixed-rate Bond changes too, but it does so inversely. If the market interest rate increases, the price of the fixed-rate Bond usually drops to a level where the yield of such a Bond roughly equals the market interest rate. On the contrary, if the market interest rate decreases, the price of the fixed rate Bond usually rises to a level where the yield of such a Bond roughly equals the market interest rate. This fact may have an adverse impact on the value and development of the investment in the Bonds.

If a Bondholder owns Bonds denominated in a currency other than its home currency, it is exposed to currency exchange rate movements and possible currency restrictions that may adversely affect the value of such Bondholder's Bonds

The Issuer will pay principal and interest on the Bonds in the currency to be specified in Pricing Supplement (**Bond Currency**). This presents certain currency exchange risks if the financial activities of the Bondholder are predominantly denominated in another currency (the **Investor currency**) than the Bond Currency. These include the risk of significant changes in currency exchange rates (including changes caused by devaluation of the Bond Currency or revaluation of the Investor Currency) and the risk that authorities with jurisdiction over the Investor Currency and/or the Bond Currency may impose or modify currency restrictions. For example, between 2013 and 2017, the CNB conducted currency interventions so as to maintain the CZK/EUR exchange rate at a specified level. An increase in the value of the Investor Currency relative to the Bond Currency may lead to a decrease in (i) the yield on the Bond, (ii) the nominal amount of the Bond and (iii) the market value of the Bond from the perspective of the Bondholder. Government and financial authorities, including the CNB, may impose (as some have done in the past) currency restrictions which may adversely affect the applicable exchange rate or the ability of the Issuer to make distributions in respect of the Bonds. This may result in Bondholders receiving less interest or principal than they expected, or no interest or principal, or in the value of the Bonds declining from their perspective.

The Bonds may be subject to repurchase or early redemption risk

The Final Terms will specify whether the Issuer has the right to redeem the Bonds of the relevant Issue before their maturity date or to repurchase them on the basis of an option. If the Issuer redeems or repurchases any Bonds of any Issue prior to their maturity date, the Bondholder shall be exposed to the risk of a lower than expected yield by reason of such early redemption or repurchase. For example, the Issuer may exercise its option right if the yield of comparable Bonds in the capital markets declines, which means that an investor may only be able to reinvest the redeemed proceeds in Bonds with a lower yield. In addition, the possibility of early redemption may limit the market price of the Bonds for as long as such early redemption is possible or in the period preceding such possible early redemption.

Investment may be adversely affected by fees

The overall return on the investment in the Bonds may be affected by the level of fees which are charged by the securities trader or another intermediary of the purchase or sale of the Bonds and/or charged by the Central Depository or other relevant clearing system used by the investor. Such a person or institution may charge fees for opening and maintaining the investment account, transfers of securities, services associated with the custody of securities, etc. The Issuer therefore recommends the future investors in the Bonds to become familiar with the documents on the basis of which fees will

be charged in connection with the Bonds. This fact may have an adverse impact on the value of the Bonds.

The Bonds are subject to inflation risk

Prospective purchasers or sellers of the Bonds should be aware that the fair value of an investment in the Bonds may decline as inflation reduces the value of the currency. Inflation also causes the real yield on the Bonds to decline. According to the latest CNB forecast² published on 2 May 2024, annual headline inflation is expected to be 2.3% in 2024, decreasing to 2.0% in 2025. While this is significantly lower than inflation in 2023 (10.7%), there is no guarantee that the forecast will not be reviewed and that inflation will not increase.

Risk of non-payment

Like any other monetary debt, the Bonds are exposed to the risk of non-payment. Under certain circumstances, the Issuer may be unable to pay interest on the Bonds, and the value for the Bondholders upon redemption may be lower than their initial investment; under certain circumstances, the Bonds could even be worthless.

Risk of order reduction

The prospective buyers of the Bonds should be aware that the Joint Lead Managers may, at their own discretion, reduce the investor's order, and the overpayment, if any, will be without delay disbursed to the investor's account. If the order is reduced, the prospective investor will not be able to invest in the originally contemplated volume or not at all. Thus, reducing the order can adversely affect the value of the investment into the Bonds.

The Bonds are not covered by any (statutory or voluntary) deposit guarantee scheme

Claims of the Bondholders under the Bonds are not covered by the statutory deposit protection (in Czech, *pojištění pohledávek z vkladů*). Such Bondholders' claims may only be satisfied in the ranking described in the Terms and Conditions. Therefore, in such case and upon the insolvency of the Issuer, Bondholders could be subject to the risk of a significant loss of their investment in the Bonds.

The Terms and Conditions of the Bonds contain provisions which may permit their modification without the consent of all investors

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including the Bondholders who did not attend and vote at the relevant meeting and the Bondholders who voted in a manner contrary to the majority.

The Joint Terms and Conditions contain provisions which deviate from the Bonds Act

The Joint Terms and Conditions contain provisions which deviate from the Bonds Act. Specifically, the Joint Terms and Conditions (each capitalised term below as defined in the Joint Terms and Conditions):

- (a) by way of derogation from Section 23(5) of the Bonds Act, in the cases specified in Condition 12.4(a), the Applicant has the right to request only the repayment of the at the time outstanding nominal amount of the Bonds, not the buyback of the Bonds at market price; and
- (b) by way of derogation from Sections 23(5) and (7), the amounts the repayment of which the Applicant is entitled to under Condition 12.4(a) will become due and payable on the last

² Source: CNB forecast published on 2 May 2024, available at: www.cnb.cz/en/monetary-policy/forecast/

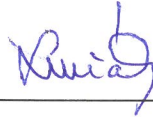
Business Day of the month following the month in which the Application Period expires, not 30 days following the Application.

These deviations may adversely affect the value and development of the investment in the Bonds. In addition, Section 23(9) of the Bonds Act, which anticipates possible deviations from the provisions of the Bonds Act relating to noteholders' meetings, became effective only on 1 January 2024 and is untested in practice. Accordingly, there is a risk that the competent courts may take a conservative view that some or all of the above deviations from the default provisions of the Czech Bonds Act are not permitted. Any uncertainty regarding the possibility to deviate from the provisions of the Bonds Act may adversely affect the value of the Bonds or the ability of the Bondholders to sell the Bonds.

RESPONSIBILITY STATEMENT

The person responsible for the accuracy and completeness of the information contained in the Base Prospectus is the Issuer, KKCG Financing a.s., with its registered office at Evropská 866/71, Vokovice, Prague 6, Czech Republic, Postal Code: 160 00, ID No.: 215 31 455, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 28853. The Issuer declares that, to the best of its knowledge, the information contained in the Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

In Prague as of the date of this Base Prospectus



Name: Iva Horčicová
Position: Chairman of the Board of Directors

Name: Petr Luňák
Position: Member of the Board of Directors

JOINT TERMS AND CONDITIONS OF THE BONDS

Bonds (the **Bonds**) issued under this bond programme (the **Programme**) will be issued pursuant to Act No. 190/2004 Coll., on Bonds, as amended (the **Bonds Act**), by KKCG Financing a.s., with its registered office at Evropská 866/71, Vokovice, Prague 6, Czech Republic, Postal Code: 160 00, ID No.: 215 31 455, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 28853, LEI: 3157008MLJ4Z9TFPQQ90 (the **Issuer**) in the maximum aggregate nominal value of the outstanding Bonds of CZK 10,000,000,000 (or the equivalent of this amount in other currencies).

These joint terms and conditions (the **Joint Terms and Conditions**) serve as the identical basis for all Bonds issued under the Programme. For each specific issue of Bonds (the **Issue**), the Joint Terms and Conditions will always be specified or supplemented by the relevant supplement to the Joint Terms and Conditions (the **Pricing Supplement**). In cases where an individual Issue pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published in the event of a public offering or admission of securities to trading on a regulated market, as amended (the **Prospectus Regulation**) requires drafting and publishing the prospectus of the security, the Final Terms (**Final Terms**) are to be drafted for the particular Issue pursuant to Article 8(4) of the Prospectus Regulation and shall contain the Pricing Supplement. The terms and conditions of a specific Issue (the **Terms and Conditions**) will therefore consist of these Joint Terms and Conditions and the relevant Pricing Supplement.

Any provision of these Joint Terms and Conditions may be further specified or supplemented by the Pricing Supplement in relation to any Issue.

The Bonds will be assigned a separate ISIN code by the Central Depository or another authorised person. Information on the assigned ISIN codes or other identifying information in relation to the Bonds will be set out in the relevant Pricing Supplement or Final Terms, as the case may be. The Final Terms will also state whether the Issuer will apply to any regulated market organiser for the admission of the relevant Issue to trading on a Regulated Market, i.e. whether it will take all steps necessary for the Bonds of such Issue to be securities admitted to trading on a Regulated Market. The Final Terms may also state, except with respect to the first Bond Issue under the Programme, that they will not be traded on any such market or facility. The Final Terms will also state whether or not the relevant Issue will be offered by way of a public offer. For the avoidance of doubt, the terms “regulated market” and “public offer” shall have the meanings ascribed to them in the Prospectus Regulation.

J&T BANKA, a.s. (**J&T BANKA**) will act as a fiscal and paying agent in charge of the settlement and administration of payments in connection with the Bonds, unless another person becomes a fiscal and paying agent in accordance with Condition 11.1(b) (J&T BANKA or any such other person as the **Fiscal and Paying Agent**), based on an agreement concluded between the Issuer and the Fiscal and Paying Agent (the **Agency Agreement**). A copy of the Agency Agreement will be available for inspection to the Bondholders during usual business hours at the specified office of the Fiscal and Paying Agent (the **Specified Office**), as stipulated in Condition 11.1(a). Bondholders are advised to familiarise themselves thoroughly with the Agency Agreement. J&T BANKA will act as a security agent (in Czech, *agent pro zajištění*) (the **Security Agent**) within the meaning of Section 20(1) of the Bonds Act in respect of each Issue and based on an agreement between the Issuer and the Security Agent (the **Common Representation and Security Agency Agreement**), unless another person becomes a security agent in accordance with Condition 3.6.

J&T BANKA will act as the common representative of the Bondholders within the meaning of Section 24(1) of the Bonds Act (the **Common Representative**) in respect of each Issue. The relationship between the Issuer and the Common Representative will be governed by the Common Representation and Security Agency Agreement which will, among others, govern their mutual rights

and obligations. Under these Joint Terms and Conditions, J&T BANKA's role as the Common Representative shall be limited as set out in Condition 3.3.

A copy of the Common Representation and Security Agency Agreement will be available for inspection to the Bondholders during usual business hours at the Specified Office, as stipulated in Condition 3.4. Bondholders are advised to familiarise themselves thoroughly with the Common Representation and Security Agency Agreement.

J&T BANKA will perform the activities of the calculation agent associated with performing certain calculations in relation to individual Issues, unless another person becomes the calculation agent in accordance with Condition 11.2(b) (J&T BANKA or any such other person as the **Calculation Agent**).

Unless the relevant Pricing Supplement provides otherwise and unless another person becomes the listing agent in accordance with Condition 11.3(b), J&T BANKA will perform the activities of the listing agent associated with listing of the Issue on the relevant regulated market (J&T BANKA or any such other person as the **Listing Agent**).

Certain terms used in these Joint Terms and Conditions are defined in Condition 15. A reference to a provision of any law, regulation or other legal act in the Joint Terms and Conditions means a reference to the provision of the relevant law, regulation or other legal act effective as of the date of the Joint Terms and Conditions and includes any future provisions of the law, regulation or other legal act that may amend or replace the provisions of the law, regulation or other legal act effective as of the date of the Joint Terms and Conditions. References in these Joint Terms and Conditions to **Conditions** or a numbered **Condition** are, unless the context requires otherwise, to the numbered paragraphs of these Joint Terms and Conditions below.

In these Joint Terms and Conditions, should the Issuer undertake to ensure that a third party, especially the Parent, any Major Company, Allwyn or any member of the Group (each as defined below), fulfils an obligation, the Issuer thereby commits itself, within the meaning of Section 1769, second sentence of Act No. 89/2012 Coll., the Civil Code, as amended (the **Civil Code**), to ensure that the third party fulfils such obligation and to compensate for the damage suffered by the Bondholders if the third party fails to fulfil the obligation. The first sentence of Section 1769 of the Civil Code shall not apply in such cases.

The Czech National Bank will supervise the Issuer and any Issues under the Programme in the event of a public offering of such Issue and/or in the event of the admission of such Issue to trading on a regulated market (such supervision includes, in particular, the approval of the prospectus of the Bonds, including any supplements thereto, and the supervision of the Issuer's fulfilment of its information obligations throughout the duration of the public offering or the admission of the relevant Issue to trading on a regulated market).

During the approval process of the prospectus of the securities the Czech National Bank assesses neither the financial results nor the financial situation of the Issuer and the prospectus of the securities is assessed only with regard to the completeness of the information contained therein. By approving the prospectus of the securities, the Czech National Bank does not guarantee the quality of the security or the Issuer's future profitability or its ability to pay the interest on, and the principal of, the Bonds.

1. GENERAL CHARACTERISTICS OF THE BONDS

1.1 Form, Nominal Value and other Characteristics of the Bonds

The Bonds (in Czech, *dluhopisy*) issued under this Programme may be issued as book-entry securities (in Czech, *zaknihované dluhopisy*).

The Bonds will be issued each having the nominal value (in Czech, *jmenovitá hodnota*) and with the aggregate anticipated nominal value of the Issue, in the quantity and numbering (if applicable), as specified in the relevant Pricing Supplement.

The Pricing Supplement will also specify the name of the Issue and the currency of the Bonds and, if applicable, rating of the Bonds.

No pre-emption or exchange rights will be attached to the Bonds.

1.2 Bondholders, Transfer of the Bonds

(a) Separation of Rights to Interest on the Bonds

There will be no separation of the right to receive interest payable on the Bonds through an issue of coupons as separate securities.

(b) Transferability of the Bonds

The transferability of the Bonds is not restricted.

(c) Holders and Transfers of the Bonds

- (i) The bondholder is the person on whose owner's securities account (within the meaning of Act No. 256/2004 Coll., on Business on the Capital Market, as amended (the **Capital Market Act**)) with the Central Depository or in a follow-up records linked to the Central Depository the Bond is recorded (the **Bondholder**). Unless it has been sufficiently proven to the Issuer and the Fiscal and Paying Agent at least five Business Days prior to a Payment Date that any record on the owner's securities account in the Central Depository or the entry in the follow-up records linked to the Central Depository does not correspond to reality and that there is another person on whose owner's securities account in the Central Depository or in the follow-up records linked to the Central Depository the Bond should be registered, the Issuer and the Fiscal and Paying Agent will consider each Bondholder as the authorised bondholder in all respects and make payments to that Bondholder in accordance with the Terms and Conditions. Persons on whose owner's securities accounts in the Central Depository or in the follow-up records linked to the Central Depository their Bonds are not registered for any reason, even though such persons should be recorded as the Bondholders, are obliged to immediately inform the Issuer and the Fiscal and Paying Agent of this fact and of their claimed ownership title of the Bonds and prove these facts to them in a sufficient manner. The list of Bondholders shall consist of the records of the Central Depository or the person keeping the follow-up records linked to the Central Depository.
- (ii) The transfer of the Bonds will be effective upon the crediting thereof to the owner's securities account with the Central Depository in accordance with the rules and regulations of the Central Depository and applicable law. In the event that the Bonds are recorded in a client's securities account in the Central Depository, the transfer of the Bonds will be effective (A) upon crediting of the transferred Bond to the client's securities account in accordance with the rules and regulations of the Central Depository and applicable law, whereas the owner of the client's securities account is obliged to promptly register such transfer in the owner's securities account as of the moment of registration thereof in the client's securities account, or (B) in the event of any

transfer between the Bondholders within a single client's securities account, upon the registration of such transfer in the owner's securities account in the follow-up records linked to the Central Depository.

2. ISSUE DATE AND ISSUE METHOD

2.1 Issue Date, Subscription Period, Additional Subscription Period

The Issue Date of each Issue and the subscription period during which the Bonds of the specific Issue may be subscribed for (the **Subscription Period**) will be specified in the Pricing Supplement.

If the Issuer does not issue all the Bonds constituting the relevant Issue on the Issue Date, the remaining Bonds may be issued from time to time during the entire Subscription Period or within an additional subscription period determined by the Issuer after the expiry of the Subscription Period (the **Additional Subscription Period**), unless any of these rights are excluded by the Pricing Supplement. In any event, the Additional Subscription Period shall expire no later than on the relevant Record Date for Nominal Amount Repayment of the relevant Issue. The Issuer may thus issue the Bonds gradually (in tranches) within the Subscription Period and Additional Subscription Period, unless otherwise specified in the relevant Pricing Supplement.

Within the Subscription Period, the Issuer may issue Bonds (i) with a lower total nominal amount of the Issue than the anticipated total nominal amount of the Issue if the anticipated total nominal amount of the Issue is not subscribed; or (ii) with a higher total nominal amount of the Issue than the anticipated total nominal amount of the Issue, unless the Pricing Supplement excludes this Issuer's right. Issuer shall notify the decision to issue the Bonds in the manner stipulated in the previous sentence in accordance with Condition 13.

The Issuer is entitled to determine the Additional Subscription Period to issue the Bonds within this period (i) up to the anticipated total nominal amount of the relevant Issue and/or (ii) with a higher total nominal amount of the Issue than the anticipated total nominal amount of the relevant Issue, unless any of these rights are excluded by the Pricing Supplement. The Issuer shall notify the decision on the determination of the Additional Subscription Period and the decision to issue the Bonds in the manner stipulated in the previous sentence in accordance with Condition 13.

If the Issuer decides to issue the Bonds with a higher total nominal amount than the anticipated total nominal amount of the Issue, the highest possible amount of any such increase will be specified in the Pricing Supplement.

Without undue delay after the expiry of the Subscription Period or the Additional Subscription Period or after all the Bonds of a particular Issue are subscribed (prior to the expiry of the Subscription Period or the Additional Subscription Period), the Issuer will notify the Bondholders, in accordance with Condition 13, the total nominal amount of all issued Bonds constituting the relevant Issue, yet only if any such total nominal amount of all issued Bonds of the relevant Issue is lower or higher than the anticipated total nominal amount of the relevant Issue.

3. STATUS OF THE BONDS

By acquiring the title to any Bonds, a Bondholder irrevocably accepts and agrees to their status as it is described below.

3.1 Ranking

The Bonds constitute direct, general, unconditional and unsubordinated liabilities of the Issuer secured by the Security (as defined in Condition 3.5(c)) which rank and will rank *pari passu* among themselves and at least *pari passu* with any present and future unsubordinated and in the same or similar manner secured liabilities of the Issuer, with the exception of liabilities treated preferentially under applicable mandatory laws. Under the same conditions, the Issuer must treat all Bondholders equally.

3.2 No Pre-emptive or Priority Rights

Neither the shareholders of the Issuer nor any other person has any right of first refusal, pre-emptive or conversion rights in relation to the Bonds or any other priority subscription rights in relation to the Bonds.

3.3 Common Representative

The Common Representative is only entitled to agree with the Issuer on the appointment of a New Security Agent (as defined in Condition 3.6 below) if such an appointment is necessary or desirable in connection with a Permitted Security Replacement. The Common Representative shall have no other rights under Section 24(8) of the Bonds Act.

The relationship between the Issuer and the Common Representative is governed by the Common Representation and Security Agency Agreement. The Common Representative has also been appointed by the Issuer to act as the Security Agent. If the Security Agent is replaced by a New Security Agent, the New Security Agent shall also automatically become the Common Representative under these Joint Terms and Conditions, whereas the Issuer is not obliged to convene a Meeting and the consent of the Bondholders is not required for such automatic change to be effected.

In exercising the rights of the Common Representative of the Bondholders in accordance with Section 24 *et seq.* of the Bonds Act, the Common Representative shall be deemed to be a creditor of each claim of all Bondholders from the Bonds. The Common Representative shall be entitled to take any action to enforce the obligations in accordance with its professional diligence. The Common Representative shall at all times be bound by the directions of the Meeting but shall not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with the directions of the Meeting. The Common Representative may require sufficient security to be given or indemnity promised by the Bondholders (which has been approved by the Meeting) or the Issuer (in the opinion of the Common Representative, to a sufficient extent) in respect of any proprietary or non-proprietary loss in connection with the direction of the Meeting.

To the extent that the rights under the Bonds are exercised by the Common Representative, no Bondholder shall be entitled to exercise such rights independently. By subscribing for or purchasing the Bonds, each Bondholder agrees to the appointment of the Common Representative as the Common Representative of the Bondholders pursuant to of Section 24 *et seq.* of the Bonds Act. Each Bondholder further agrees that the Common Representative shall exercise all creditor rights in accordance with the Terms and Conditions and the Common Representation and Security Agency Agreement.

The Common Representative consents to its appointment as Common Representative and to its other powers under the Terms and Conditions, Section 24 *et seq.* of the Bonds Act and the Common Representation and Security Agency Agreement. The Common Representation and Security Agency Agreement may contain more detailed provisions regarding the rights and

obligations of the Common Representative which do not affect the position of the Bondholders. The Common Representative shall act with professional diligence and, in particular, shall act competently, honestly and fairly and in the best interests of the Bondholders and shall at all times be bound by the instructions validly given to it by the Meeting. The Common Representative shall exercise the rights and obligations contained in the Terms and Conditions, the Common Representation and Security Agency Agreement and Section 24 *et seq.* of the Bonds Act.

The rights and obligations under the Terms and Conditions and the Common Representation and Security Agency Agreement pursuant to Section 24(7) of the Bonds Act shall automatically pass to the new common representative of bondholders if the appointment or change of the common representative of bondholders occurs. However, the transfer of rights and obligations to the new common representative of bondholders shall not take place until the new common representative of bondholders has consented to its appointment as common representative of bondholders in relation to the Bonds, provided that the obligations of the Common Representative arising from a breach of its duties as the Common Representative or any debts relating to the performance of its duties as common representative of bondholders which arose or originated prior to the effective date of the appointment of the new common representative of bondholders shall not transfer to the new common representative of bondholders. The appointment of a new common representative of bondholders shall be notified to the Bondholders by the Issuer in the manner set out in Condition 13.2 of these Joint Terms and Conditions.

3.4 Security Agent

The Security Agent exercises the rights of the creditor and the pledgee or the recipient of other security, including the rights arising from or related to the Security Documents (as defined in Condition 3.5(c)), in its own name for the benefit of the Bondholders, also in the event of insolvency proceedings, enforcement of a decision or distraintment concerning the Pledgor and the Issuer. The relationship between the Issuer and the Security Agent is governed by the Common Representation and Security Agency Agreement.

The funds obtained under the Security that the Security Agent receives belong to the Bondholders (proportionately to the number of the Bonds held by them) and the Security Agent, as provided for in these Joint Terms and Conditions, whereas in accordance with Section 20(2) of the Bonds Act, such funds are considered to be the customer's property under the Capital Market Act. In exercising the rights under the Security, the Security Documents, the Common Representation and Security Agency Agreement and the Terms and Conditions and other rights under the Bonds Act relating to the Security, the Security Agent is considered to be the creditor of each secured receivable in accordance with Section 20a(6) of the Bonds Act. To the extent that such rights (including those referred to in Section 20a(5) of the Bonds Act) are exercised by the Security Agent, no Bondholder is entitled to exercise such rights separately. In cases where the Security Agent is in delay with the exercise of the applicable rights or the performance of its duties for more than 30 days, this constitutes a reason for which the Security Agent may be dismissed under the Common Representation and Security Agency Agreement and the Issuer is obliged to convene a Meeting on this event under Condition 12.1(b).

Essential documents relating to the Security, including the Security Documents and the Common Representation and Security Agency Agreement, will be available for inspection to the Bondholders or investors in the Bonds prior to subscription for or purchase of the Bonds during usual business hours at the Specified Office as set out in Condition 11.1(a) and on the website at www.jtbank.cz (under "Důležité informace" in section "Emise cenných papírů" under KKCG Financing a.s.) or on the website of the New Security Agent, if another person

becomes a common representative and a security agent in accordance with Conditions 3.3 and 3.6.

By subscribing for or purchasing the Bonds, each Bondholder agrees to the appointment of the Security Agent as a security agent under Section 20 *et seq.* of the Bonds Act. Each Bondholder further agrees that the Security Agent may, in its name and on behalf of the Bondholders, exercise all rights of a creditor, pledgee or recipient of any other security arising from the Security, the Security Documents, the Terms and Conditions, the Common Representation and Security Agency Agreement and the Bonds Act or other applicable legislation under the terms and conditions set forth therein.

The Security Agent agrees to its appointment as a security agent and other authorisations under the Terms and Conditions and Section 20 *et seq.* of the Bonds Act in connection with the Bonds and the Security contained in the Common Representation and Security Agency Agreement and the Security Documents. The Common Representation and Security Agency Agreement and the Security Documents may include additional details regarding the rights and obligations of the Security Agent, including, where applicable, the enforcement of the Security for the benefit of the Bondholders and the Security Agent.

3.5 Establishment and Maintenance of the Security

The Issuer shall ensure, under the conditions specified in Condition 4, that the liabilities of the Issuer arising from the Bonds are secured by Security (as defined below) established in favour of the Bondholders, and the Security Agent, respectively, under the following pledge or other security agreements concluded between the Security Agent as pledgee or other security taker (the **Pledgee**) and the relevant pledgor or other security provider (the **Pledgor**):

- (a) an initial agreement creating a security interest in respect of up to 25% of shares in Allwyn or, as applicable, any securities account where shares in Allwyn may be held from time to time, including any nominee account, or any rights arising from an entry in a securities register enabling the entitled person to directly or indirectly deal or restrict dealing with the Allwyn shares in a way similar to a due possessor (including by way of a control agreement) between the Pledgee and the Parent as Pledgor, as amended, supplemented or restated from time to time (the **Initial Security Agreement**);
- (b) if necessary, one or more additional agreements creating a security interest in respect of shares in Allwyn, any securities account where shares in Allwyn may be held from time to time, including any nominee account, or any rights arising from an entry in a securities register enabling the entitled person to directly or indirectly deal or restrict dealing with the Allwyn shares in a way similar to a due possessor (including by way of a control agreement) between the Pledgee and the Pledgor, as amended, supplemented or restated from time to time (the **Additional Security Agreements** and each the **Additional Security Agreement** and the Initial Security Agreement, together with the Additional Security Agreements, the **Security Agreements** and each a **Security Agreement**); and
- (c) Czech law pledge over the receivables arising under a framework intra-group loan agreement entered between the Issuer as lender and KKCG AG as borrower by virtue of which the proceeds of the Issues will be made available to KKCG AG as amended, supplemented or restated from time to time (the **Czech Receivables Pledge Agreement** and, together with the Initial Security Agreement, the **Initial Security Documents** and, the Initial Security Documents together with the Additional Security Documents (as defined in Condition 4), as may be replaced from time to time as a

result of the Permitted Security Replacement, the **Security Documents**, and the pledges or other security interests created under the Initial Security Documents together as **Initial Security** and, the Initial Security together with the Additional Security (as defined in Condition 4), the **Security**).

The Issuer is obliged to enter into the Security Documents or, as the case may be, arrange for the relevant Pledgor to enter into the Security Documents, and to ensure that the Security is established and perfected within the periods set out in Condition 4.1.

Each Additional Security Agreement entered into in the context of an Issue of the Bonds will, if necessary, create Security over such volume of shares in Allwyn to ensure the compliance of the Issuer with the financial covenant set out in Condition 4.9.

The Issuer will, and will ensure that each relevant Pledgor will, properly maintain the Security in full in accordance with the relevant Security Documents and the Common Representation and Security Agency Agreement until all of the Issuer's liabilities arising from the Bonds or other secured liabilities under the Security Documents have been paid.

The relevant Pledgor will be entitled to replace the Security if such replacement constitutes a Permitted Security Replacement. The Security Agent shall provide the Pledgor with such cooperation as may be reasonably required for the purposes of effectuating the relevant Permitted Security Replacement.

Any security created in accordance with these Joint Terms and Conditions as a result of a Permitted Reorganisation, Permitted Security Replacement or a Permitted Transfer of Seat shall be treated as Security within the meaning of this Condition 3.5.

The Security Agent shall release the relevant part of the Security upon the request of the relevant Pledgor only if the release constitutes a Permitted Release and shall provide the Pledgor with such additional cooperation as may be reasonably required by such Pledgor for the purposes of effectuating the relevant Permitted Release.

The Common Representative shall provide the Pledgor with such cooperation as may be reasonably required for the purposes of facilitating a replacement of the Security Agent in accordance with Condition 3.3.

3.6 Position of the Security Agent

The Security Agent is obliged to act with due care, in particular, to act in a qualified, honest and fair manner and in the best interests of the Bondholders, and is always bound by the instructions validly given by the Meeting. The Security Agent exercises the rights and obligations contained in these Joint Terms and Conditions, the Security Documents, the Common Representation and Security Agency Agreement and Section 20 *et seq.* of the Bonds Act. In accordance with Section 20a(8) of the Bonds Act, the provisions of the Civil Code on the management of another's assets will not apply to the activities of the Security Agent. The Security Agent is not obliged to review the accuracy of any documents or any calculations made by the Issuer or the Chosen Auditor under these Joint Terms and Conditions.

If there are any reasons for the termination of the activities of the Security Agent under the Common Representation and Security Agency Agreement or any other reasons under Section 21(1)(b) of the Bonds Act (i.e., reasons due to which the activities of the Security Agent were or can be terminated under the Common Representation and Security Agency Agreement) or Section 21(1)(c) of the Bonds Act (i.e., request for a change in the identity of the Security Agent by Bondholders whose Bonds' nominal amount represents at least 5% of the total nominal amount of the Bonds), the Issuer is obliged to convene a Meeting (as defined in

Condition 12.1(a)) without undue delay in accordance with Condition 12.1(b) to decide on the appointment of a new security agent, whereas only a licensed credit institution or another reputable entity that provides trustee or security agency services in the ordinary course of its business, in each case with its registered seat in the European Union, Switzerland, or the United Kingdom, may be appointed as the new security agent (the **New Security Agent**). In the event the Issuer does not convene a Meeting, the Security Agent is obliged to convene the Meeting without undue delay and at the Issuer's expense in accordance with Condition 12.1(a). If the Meeting is not convened by either the Issuer or the Security Agent, any Bondholder is authorised to convene the Meeting in accordance with Condition 12.1(a). However, the Issuer is not obliged to, and neither the Security Agent or any Bondholder have a right to, convene a Meeting in accordance with Condition 12.1(b) to decide on the appointment of the New Security Agent in connection with a Permitted Security Replacement (as also set out in Condition 12.1(b)), whilst the Common Representative, upon mutual agreement with the Issuer, shall have the right to nominate and appoint the New Security Agent on behalf of the Bondholders without any obligation to convene the Meeting and request the Bondholders' opinion or consent.

The rights and obligations arising from the Security, the Security Documents, these Joint Terms and Conditions and the Common Representation and Security Agency Agreement pursuant to Section 20(6) of the Bonds Act will automatically be transferred to the New Security Agent with effect as of the date on which the Meeting adopted the decision to appoint the New Security Agent, unless a later date is specified in the Meeting's decision. The procedure for changing the Security Agent is further specified in the Common Representation and Security Agency Agreement. However, the transfer of rights and obligations to the New Security Agent will not take place before the New Security Agent has consented to its appointment as a security agent in respect of the Bonds. No obligations of the Security Agent arising from a breach of its obligations as a security agent or any liabilities related to the office of the Security Agent that originated before the effective date of appointment of the New Security Agent will be transferred to the New Security Agent. The Issuer will notify the Bondholders and the Fiscal and Paying Agent of the appointment of the New Security Agent in the manner specified in Condition 13.1 of these Joint Terms and Conditions. If a new Common Representation and Security Agency Agreement is entered into between the Issuer and the New Security Agent, a copy of such a new Common Representation and Security Agency Agreement will be available for inspection to the Bondholders during usual business hours at the Specified Office, as stipulated in Condition 3.4.

3.7 Actions of the Security Agent

- (a) The Security Agent
 - (i) is obliged, subject to paragraphs (d) and (e) below, to exercise any right or refrain from exercising any right which it has as the Security Agent, in accordance with any instruction approved by the Meeting by a Simple Majority (the **Meeting Instruction**); and
 - (ii) is not responsible for any action (or omission) if it acts (or refrains from acting) in accordance with the Meeting Instruction.
- (b) Instruction clarification

The Security Agent is entitled to request:

- (i) convening a Meeting to issue a Meeting Instruction or to specify the decisions under previous Meeting Instruction; or

- (ii) if the statutory conditions for making a decision on matters that were not included in the proposed agenda of the Meeting are fulfilled, a Meeting Instruction or specifying the Meeting Instruction directly during the Meeting,

as to whether and how it should exercise any right or refrain from exercising any right or authority, and the Security Agent may refrain from acting until it receives such a Meeting Instruction or specification. This is without prejudice to the right, and not the obligation, of the Security Agent to exercise any right or refrain from exercising any right or authority if the delay, in the opinion of the Security Agent, could cause serious damage to the Bondholders.

- (c) Binding nature of instructions

Any Meeting Instruction will be binding on all Bondholders.

- (d) In the exercise of any right of the Security Agent under the Security Documents or any related right, including the exercise of creditor's rights under Section 20a(5) of the Bonds Act, where:

- (i) the Security Agent has not received any instruction regarding the exercise of that right; or
- (ii) in the opinion of the Security Agent, the Meeting Instruction is in violation of law or good morals,

the Security Agent will act at its discretion, taking into account the interests of all Bondholders.

- (e) The Security Agent is not obliged to act in accordance with the Meeting Instruction unless it is also provided with sufficient security or promised indemnification by the Bondholders (and approved by a Meeting) or the Issuer (in the opinion of the Security Agent to a sufficient extent) in the event of any material damage (in Czech, *škoda*) or non-material harm (in Czech, *nemajetková újma*).

Without prejudice to the provisions of Condition 3.9 or other provisions of this Condition 3.7, in the absence of any Meeting Instructions, the Security Agent may act (or refrain from acting) as it deems appropriate, but always in the best interest of the Bondholders.

3.8 Acceleration

If an Event of Default (as defined in Condition 9.1) under Conditions 9.1(a), 9.1(d) or 9.1(f) occurs and is continuing, the Security Agent may, if it is in its opinion necessary to protect the rights and interests of the Bondholders, decide that all liabilities arising under the Bonds, including any unpaid accrued interest or other yield on these Bonds in accordance with Condition 5.1 or 5.2, become due and payable (**Acceleration**), or convene a Meeting to obtain a Meeting Instruction for Acceleration.

The Security Agent must always decide on Acceleration if so decided by a Simple Majority, whereas any Event of Default may form the basis for such a decision of the Meeting. The decision on Acceleration will state as a result of which occurred and continuing Event of Default it was adopted by the Security Agent and will be effective upon its delivery to the Issuer and publication on its website www.jtbank.cz (under "Důležité informace" in section "Emise cenných papírů" under KKCG Financing a.s.).

If the decision on Acceleration is made, all amounts payable by the Issuer to the Bondholders shall become payable (unless they have become payable earlier) on the last Business Day of the month following the month in which the Security Agent decided on the Acceleration (the **Early Redemption Date**) and the decision became effective in accordance with the preceding paragraph. At one Meeting, both a decision on Acceleration and an Enforcement Decision (as defined in Condition 3.9) can be adopted, provided, however, that the decision on Acceleration is adopted first and the Enforcement Decision is made subsequently.

3.9 Enforcement of the Security and Other Decisions

Pursuant to Section 20a(7) of the Bonds Act, the Bondholders will not have any direct rights under the Security Documents and will not be able to exercise any separate authorisation, right or remedy regarding any Security or grant consent or waive the right to the Security or make any direct use of any Security if such rights are exercised by the Security Agent. None of the Bondholders will be entitled to ask the Security Agent independently to act in any way in relation to the Security Documents.

Before the Security Agent commences the enforcement of the Security and without prejudice to the following paragraph, the Security Agent must convene a Meeting at the Issuer's expense in accordance with Condition 12.1(a) of these Joint Terms and Conditions. The Meeting will decide whether the Security Agent is to commence the enforcement of the Security or take other steps in relation to the Security (the **Enforcement Decision**). The Enforcement Decision must be approved by a Simple Majority and must contain the manner of enforcement of the Security in accordance with the Security Documents and applicable law. The Enforcement Decision is binding on the Security Agent and all Bondholders. The Security Agent will start to proceed in accordance with the Enforcement Decision without undue delay after the Enforcement Decision has been delivered to it.

If the Security Agent made a decision on Acceleration without seeking a Meeting Instruction in accordance with Condition 3.8, the Security Agent may, if it is in its opinion necessary to protect the rights and interests of the Bondholders, decide to initiate enforcement of the rights under the Security Documents or to take any steps in relation thereto, including prior to the Enforcement Decision being made in accordance with the preceding paragraph.

The Security Agent will inform the Bondholders about the status of the enforcement of the Security by way of publications on its website www.jtbank.cz (under "Důležité informace" in section "Emise cenných papírů" under KKCG Financing a.s.). Documents related to the enforcement of the Security will be available for inspection by the Bondholders during usual business hours at the Specified Office, as set out in Condition 11.1(a).

3.10 Use of Proceeds

The Security Agent will use (and is so obliged under the Common Representation and Security Agency Agreement) any proceeds from the Security that it receives as follows:

- (a) first, to cover all payments due to the Security Agent in connection with the performance of its office (excluding the Security Agent's remuneration), including any costs and expenses related to the enforcement of the Security, unless such payments have been made otherwise;
- (b) second, to pay the Security Agent's remuneration of 2.00% of the proceeds from the enforcement of the Security;
- (c) third, to pay the proportionate amount of any indemnification or advance on enforcement costs paid to the Security Agent by the Bondholders;

- (d) fourth, to pay the proportionate amount of any due and outstanding principal of, and due and outstanding interest on, the Bonds to the Bondholders; and
- (e) fifth, to refund any surplus to the relevant Pledgor.

The principal and interest accrued on the Bonds under the preceding paragraph will be paid by the Security Agent through the Fiscal and Paying Agent. The Security Agent will inform the Bondholders of the distribution of these proceeds among the Bondholders by publishing it on the Security Agent's website www.jtbank.cz (under "Důležité informace" in section "Emise cenných papírů" under KKCG Financing a.s.) and on the Issuer's Website. In the case of enforcement of the Security as part of the Issuer's insolvency proceedings, the rules for the distribution of the proceeds from the realisation of the Security will be adjusted in accordance with the statutory conditions.

4. OBLIGATIONS OF THE ISSUER

4.1 Obligation to Establish the Security and the Additional Security

The Issuer undertakes and will ensure that:

- (a) the Initial Security Documents will be entered into, and the Initial Security thereunder will be perfected, no later than on the Initial Security Establishment Date; and
- (b) the relevant Additional Security Document will be entered into, and the Additional Security thereunder will be perfected, no later than on the relevant Additional Security Establishment Date.

The Issuer undertakes and will ensure that the Additional Security is such that the Loan to Value Ratio never exceeds the value referred to in Condition 4.9.

4.2 Negative Pledge

So long as any payment obligations from the Bonds remain outstanding and other than as envisaged by, and in accordance with, these Joint Terms and Conditions, the Issuer:

- (a) shall not create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues;
- (b) shall not create or permit to subsist any Security Interest upon the whole or any part of the Pledged Intragroup Receivables; and
- (c) shall procure that the Parent will not create or permit to subsist any Security Interest upon the Pledged Allwyn Shares,

to secure any debt unless, in case of paragraph (a) above only, at the same time or prior thereto, a resolution of the Meeting (as defined in Condition 12.1(a)), approves an arrangement whereby the Issuer's liabilities under the Bonds are equally and rateably secured therewith or a similar such arrangement (whether or not comprising a Security Interest).

The restrictions set out in this Condition 4.2 will not apply to any (existing or future) Security Interest if, at the time of, or immediately before, the creation of the Security Interest, there is no Event of Default and no Event of Default occurs or is imminent as a result of the creation of the Security Interest, and if the Security Interest is:

- (a) attached to, or has been created over, the Issuer's assets or the Pledged Allwyn Shares in connection with the entering into contractual or other similar arrangements by the Issuer or any of its affiliates including the Parent in order to refinance, prepay or duly pay the liabilities from the Bonds and such liabilities are paid within 30 days from the moment the Security Interest is created; or
- (b) created by operation of law or under a judicial or administrative decision or arbitration award, if in the judicial or administrative proceedings leading to the issuance of the judicial or administrative decision the Issuer acted actively and protected its interests in good faith.

4.3 Indebtedness of the Issuer

The Issuer undertakes and will ensure that, so long as any of its liabilities arising the Bonds remain outstanding, it will not incur any Indebtedness.

The restriction in this Condition 4.3 does not apply to any (i) Indebtedness arising under the Bonds; (ii) Indebtedness that is created by operation of law or under a judicial or administrative decision against the Issuer, if in the judicial or administrative proceedings leading to the issuance of the judicial or administrative decision the Issuer acted actively and protected its interests in good faith; (iii) Indebtedness during the creation of which there are refinanced, prepaid or duly paid the liabilities from the Bonds by the Issuer, if such refinancing or prepayment occurs within 30 calendar days since the incurrence of such Indebtedness; (iv) Indebtedness of the Issuer in the form of a Shareholder Loan that is subordinated in accordance with Condition 4.4; and (v) hedging obligations (excluding hedging obligations entered into for speculative purposes, in the good faith determination of management of the Issuer) for the purpose of limiting interest rate risk with respect to any Indebtedness permitted to be incurred under the Bonds, exchange rate risk or commodity pricing risk.

4.4 Subordination of Shareholder Loans

The Issuer undertakes and will ensure that, so long as any of its liabilities arising under the Bonds remain outstanding, all existing and future loans and borrowings acquired by the Issuer from the Parent, any of the Parent's direct or indirect subsidiaries, including any member of the Group (**Shareholder Loans**) will be subordinated to the liabilities arising out of the Bonds.

4.5 Limitations on Guarantees, Loans and Acquisitions

The Issuer undertakes and will ensure that, so long as any of its liabilities arising under the Bonds remain outstanding, it will not, directly or indirectly, provide any form of guarantee or loan to, or acquire any equity interests in, any of its affiliates, including but not limited to its Parent, any direct or indirect subsidiaries of the Parent, including any member of the Group.

The limitation in this Condition 4.5 does not apply to any loans provided under the framework loan agreement entered into between the Issuer as lender and KKCG AG as borrower where the Issuer's receivables arising thereunder are pledged under the Czech Receivables Pledge Agreement and constitute the Pledged Intragroup Receivables.

4.6 Disposal of Assets

The Issuer undertakes and will ensure that, so long as any of its liabilities arising under the Bonds remain outstanding:

- (a) it will not sell, lease, transfer, assign or otherwise dispose of its assets (including any intragroup receivables) within one or more transactions (the **Disposal**), if such a Disposal is valued in excess of CZK 1,000,000; and
- (b) Allwyn will not, directly or indirectly via its subsidiaries, make or carry out a Disposal, if such a Disposal:
 - (i) affects the validity, effectiveness and enforceability of any Security Document or any Security created or provided thereunder; or
 - (ii) results in a breach of the covenant set out in Condition 4.9.

Related Disposals, especially if they are carried out in a single transaction, are counted as one Disposal for the purposes of this Condition 4.6.

The limitations in this Condition 4.6 do not apply: (i) to any loans provided to KKCG AG under the framework loan agreement in compliance with Condition 4.5; (ii) the Permitted Reorganisation; or (iii) the Permitted Transfer of Seat.

4.7 Disposal of Allwyn Shares

The Issuer undertakes and will ensure that, so long as any of its liabilities arising under the Bonds remain outstanding, the Parent will not sell, transfer or otherwise dispose of the Pledged Allwyn Shares (the **Allwyn Shares Disposal**).

The Parent may execute the Allwyn Shares Disposal if (i) the transaction is executed on an arm's length basis, (ii) the transaction is paid in cash, (iii) the entire net proceeds of the transaction is deposited on a Restricted Account and subsequently used to redeem the Bonds early (in part or in full) in accordance with Condition 6.4, (iv) the Loan to Value Ratio will not increase as a result of the transaction, and (v) there is no Event of Default and no Event of Default is threatened or ongoing as a result of the Allwyn Shares Disposal.

Where the total value of the Allwyn Shares Disposal reaches at least EUR 1,000,000, the Issuer is obliged to notify the Fiscal and Paying Agent within 10 Business Days of the Allwyn Shares Disposal and publish the notification pursuant to Condition 13 of these Joint Terms and Conditions, together with a confirmation issued by persons authorised to act on behalf of the Issuer to the effect that the Loan to Value Ratio has not increased. Condition 4.8 will apply to the manner of processing and issuing a confirmation that this obligation has not been breached accordingly.

The limitations in this Condition 4.7 do not apply to: (i) the Permitted Reorganisation; (ii) the Permitted Transfer of Seat; or (iii) Permitted Security Replacement.

4.8 Information Obligations

The Issuer must inform the Fiscal and Paying Agent, the Security Agent, the Common Representative and the Bondholders in writing of (i) any Event of Default and (ii) any Change of Control within 5 Business Days after the day when it learned about the occurrence of such an event.

The Issuer must publish and make available to the Bondholders in the manner stipulated in Condition 13 and within the deadlines set out below the following documents and information in English or Czech:

- (a) by 30 April of each year, the Issuer's annual financial statements prepared in accordance with IFRS and audited by the Chosen Auditor, starting with the financial statements prepared as at the last day of the accounting period ending on 31 December 2024;
- (b) by 31 May of each year:
 - (i) Allwyn's annual consolidated financial statements prepared in accordance with IFRS and audited by the Chosen Auditor, starting with the financial statements prepared as at the last day of the accounting period ending on 31 December 2024;
 - (ii) confirmation of compliance with the covenant (tested as of 31 December of the relevant year) set out in Condition 4.9 issued by the Board of Directors of the Issuer based on the financial statements referred to in paragraph (a) above; and
 - (iii) confirmation of compliance with the covenant (tested as of 31 December of the relevant year) set out in Condition 4.10 issued by the Board of Directors of the Issuer or the CFO of the Group based on the financial statements referred to in paragraph (b)(i) above; and
- (c) by 30 September of each year:
 - (i) Allwyn's half-year unaudited consolidated financial statements prepared in accordance with at least IAS 34 or otherwise with IFRS, starting with the half-year unaudited consolidated financial statements for the half-year ending on 30 June 2024;
 - (ii) the Issuer's half-year unaudited financial statements prepared in accordance with at least IAS 34 or otherwise with IFRS, starting with the half-year unaudited financial statements for the half-year ending on 30 June 2024; and
 - (iii) confirmation of compliance with the covenant (tested as of 30 June of the relevant year) set out in Condition 4.10 issued by the Board of Directors of the Issuer or the CFO of the Group based on the financial statements referred to in paragraph (c)(i) above.

4.9 Loan to Value Ratio

The Issuer undertakes and will ensure that, so long as any of its liabilities arising under the Bonds remain outstanding, the Loan to Value Ratio will not exceed 50.00%.

Promptly after the Issuer has learned that the Loan to Value Ratio has been exceeded, the Issuer must notify such fact to the Fiscal and Paying Agent, the Security Agent and the Bondholders in accordance with Condition 13.

Within 30 days after the Issuer has duly notified such fact pursuant to the preceding paragraph, the Issuer may rectify, or ensure the rectification of, the Loan to Value Ratio by (i) transferring, or arranging for the transfer of, funds into the Restricted Account; and/or (ii) arranging for Additional Security to be provided under an Additional Security Document (the **Rectification**).

The Issuer is obliged, without undue delay and no later than 5 Business Days of the Rectification, to prove the Rectification of the Loan to Value Ratio to the Fiscal and Paying

Agent and the Security Agent, by a confirmation issued by persons authorised to act on behalf of the Issuer and published in the manner set out in Condition 13 to the effect that the Loan to Value Ratio, after the Rectification, complies with the level set out in this Condition 4.9 (in the case of Rectification by way of a cash transfer to the Restricted Account) or does not exceed 50% (in the case of Rectification by way of providing Additional Security); in the confirmation, when determining the Loan to Value Ratio, the Issuer will take into account the Rectification by (i) adding the funds received to the relevant accounting data (and reflect this in the calculation of the Indebtedness of the Issuer) and/or (ii) adding the Value of the Pledged Allwyn Shares that are pledged as part of the Rectification to the calculation of the aggregate Value of the Pledged Allwyn Shares. The Issuer will not be in breach of this Condition 4.9, if the Rectification is made within the time limits set out herein.

The Issuer shall not be entitled to carry out or enable Rectification that would result in more than 40% of shares in Allwyn to be pledged.

4.10 Leverage Ratio

The Issuer undertakes and will ensure that, so long as any of its liabilities arising under the Bonds remain outstanding, the Leverage Ratio will be lower than 4.5.

4.11 Covenants Testing

The Issuer undertakes and will ensure that the testing of the covenants under Conditions 4.9 and 4.10 will be performed on the basis of the relevant annual or half-year financial statements of Allwyn or the Issuer (as applicable) (as described in detail in Condition 4.8 above) and the results of such testing will be reported in accordance with the deadlines stated in Condition 4.8.

4.12 Restrictions on Distributions

The Issuer undertakes and will ensure that, so long as any of its liabilities arising under the Bonds remain outstanding, it will not make any direct or indirect payment of any subordinated debt (including interest payments) to any direct or indirect shareholders (the **Shareholders**) or any other subsidiaries of the Ultimate Controlling Person, or propose any resolution on distribution, or distribute or pay any dividend, other share of profit, share in the registered capital or equity, other payment related to its capital, interest on unpaid dividends, other payment or similar amount (e.g. dividend advance or interest on unpaid dividends), or repay debt (the **Distribution**) in favour of the Shareholders or any other subsidiaries of the Ultimate Controlling Person.

The restrictions in this Condition 4.12 do not apply to any Distributions that are made in the form of a loan provided to KKCG AG under the framework loan agreement in compliance with Condition 4.5.

For the purposes of this Condition 4:

Additional Security means any pledge of or other security interest in shares in Allwyn under the Additional Security Agreement that is additional to the Initial Security in Allwyn shares established on or prior to the Initial Security Establishment Date.

Additional Security Document means any Additional Security Agreement or any amendment, supplement or restatement of the Initial Security Agreement or any similar document under which Additional Security is established.

Allwyn Shares Disposal has the meaning as set out in Condition 4.7.

Cash Equivalents and Short-term Financial Assets mean:

- (a) direct obligations (or certificates representing a share in such obligations) issued or unconditionally secured, guaranteed or insured by a government of a Member State of the European Union, the United States of America, the Czech Republic, the Slovak Republic, the United Kingdom or Switzerland (in each case including any agency or subordinated governmental body) whose repayment is supported with full faith and confidence of the relevant state;
- (b) overnight bank deposits, term-deposit accounts, deposit certificate, bank acceptances, time deposits, demand deposits, bankers' acceptances and money-market deposits with agreed maturity (and similar instruments) up to 24 months from the day of their acquisition;
- (c) repurchase obligations for particular types of underlying securities specified in paragraphs (a) and (b) above and paragraphs (d) and (e) below that have been entered into with any financial institution if the assumptions set out in paragraph (b) above have been met;
- (d) commercial paper, variable and fixed rate notes, short-term money market and similar funds that have been awarded one of the two highest ratings by Moody's, S&P or Fitch, in each case with a maturity of up to two years from the day of its acquisition;
- (e) money market funds and investment funds representing at least 90% of the assets included in the relevant types of the above Cash Equivalents and Short-Term Financial Assets;
- (f) any items classified as cash and cash equivalents under IFRS;
- (g) short-term financial assets in the form of cash deposited on accounts dedicated for payments of debt service to banks, unless a requirement for the collection of the cash has been given by an authorised beneficiary other than a member of the Group;
- (h) cash-pooling arrangements within the Group or with affiliates of the Issuer; and
- (i) to the extent not included in paragraphs (a) through (h) above, the amount of current financial assets or current other financial assets as reported in the Allwyn's consolidated financial statements.

Consolidated EBITDA is a financial indicator of the profitability of the Group that shows operating performance of the Group excluding the impact of interest, taxes, depreciation, and amortisation. The Consolidated EBITDA of the Group for the relevant financial year is calculated as the consolidated profit from operating activities increased by (other than in the case of (vi), to the extent deducted in calculating consolidated profit from operating activities) (i) depreciation and amortisation; (ii) share of profit of equity method investees (net of tax); (iii) other non-cash charges including impairments, write-offs or non-cash compensation charges or expenses; (iv) any costs and expenses incurred in connection with any management equity plan or stock option plan or any other management and employee benefit plan; (v) (as a positive number) any one-off losses, restructuring charges, start-up or initial costs for any project or new line of business; (vi) run-rate cost savings, operating expense reductions and synergies related to mergers and other business combinations, acquisitions, divestitures, restructurings, new projects, cost savings initiatives and other similar initiatives.

Consolidated Net Indebtedness means the Indebtedness of the Group on a consolidated basis after deducting the total amount of cash and Cash Equivalents and Short-term Financial Assets of the Group and excluding any obligations of Allwyn to any other member of the Group.

Disposal has the meaning as set out in Condition 4.6(a).

Distribution has the meaning as set out in Condition 4.12.

IFRS means the International Financial Reporting Standards endorsed from time to time by the European Union or any variation thereof (including IFRS as issued by the International Accounting Standards Board) with which the relevant entity is, or may be, required to comply, provided, that at any date after the Issue Date, the Issuer may make an irrevocable election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election or that “IFRS” shall mean the generally accepted accounting principles in the United States of America as in effect from time to time or on a date that is on or prior to the date of such election.

Indebtedness means (without duplication) any indebtedness (other than any debt of the Issuer subordinated to the liabilities arising under or in connection with the Bonds under Section 172 of the Insolvency Act or contractually subordinated to the to the liabilities arising under or in connection with the Bonds) of any person for or in respect of:

- (a) principal amount of funds borrowed;
- (b) note purchase facility or issue of bonds (including the Bonds, unless owned by the Issuer), debentures, loan stock, or any other similar instrument;
- (c) factoring or any other assignment of claims in relation to which there may occur the re-assignment of the claims to the assignor or a recourse in the extent of the potential payment or monetary compensation for the re-assignment or recourse (except for claims sold without recourse if there have been met the requirements of elimination from the balance sheet (de-recognition) pursuant to IFRS);
- (d) capitalised lease obligations;
- (e) acquisition price of asset in the extent in which it is paid after its delivery in a period longer than 90 (ninety) days if the deferral of payment is agreed primarily as a method of obtaining financing or financing of acquisition of the assets;
- (f) any derivative transaction entered into in connection with the hedging against the fluctuation of a rate or price (for the purposes of the calculation of the amount of the Indebtedness, the mark-to-market value of the derivative transaction will be used) to the extent that such obligations are due and payable;
- (g) any counter-indemnity obligation to a third party that met the debt of a debtor (including a recourse claim) under a guarantee, indemnity, bond, stand-by letter of credit, documentary letter of credit, or any other instrument issued by a bank or a financial institution (except for a supplier credit in connection with the ordinary business activities of the relevant person), whereas, for the purposes of this paragraph (g), a third party means an entity other than a member of the Group; or
- (h) any other transaction (including forward purchase or sale contracts) that has the business effect of a simple loan or a loan.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

- (a) contingent obligations incurred in the ordinary course of business or in accordance with past practice, obligations under or in respect of securitisation facilities and accrued liabilities incurred in the ordinary course of business that are not more than 90 days past due;
- (b) in connection with the purchase of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 180 days thereafter;
- (c) any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes or under any tax sharing or profit and loss pooling or similar agreement entered into with any member of the Group;
- (d) shareholder loan subordinated to the Bonds;
- (e) prepayments or deposits received from clients or customers in the ordinary course of business;
- (f) obligations under any licence, permit, or other approval (or guarantees given in respect of such obligations) incurred in the ordinary course of business;
- (g) deferred or prepaid revenues;
- (h) Indebtedness in respect of the incurrence by the Group of Indebtedness in respect of standby letters of credit, bid bonds, performance bonds or surety bonds provided by any member of the Group in the ordinary course of business or in accordance with past practice to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon are honoured in accordance with their terms and if to be reimbursed, are reimbursed no later than the fifth Business Day following receipt by such entity of a demand for reimbursement following payment on the letter of credit or bond;
- (i) any asset retirement obligations; or
- (j) any liability for taxes.

Initial Security Establishment Date means the day falling 3 Business Days before the Issue Date of the Bonds to be issued as part of the first Issue under the Programme, as specified in the relevant Pricing Supplement.

Leverage Ratio means, at any time, the ratio of Consolidated Net Indebtedness to Consolidated EBITDA.

Loan to Value Ratio means, at any time, the Indebtedness of the Issuer as a percentage of the aggregate Value of the Pledged Allwyn Shares.

Pledged Allwyn Shares means the shares in Allwyn or entity the shares of which are, at any time, subject to Security in accordance with these Joint Terms and Conditions as a result of a Permitted Transfer of Seat, Permitted Reorganisation or a Permitted Security Replacement.

Pledged Intragroup Receivables means the receivables arising under a framework intra-group loan agreement entered between the Issuer as lender and KKCG AG as borrower pledged under the Czech Receivables Pledge Agreement.

Rectification has the meaning as set out in Condition 4.9.

Restricted Account means a bank account of the Issuer, the Parent or another relevant entity opened with the Security Agent or the New Security Agent, as applicable, whereas (i) the holder of such an account shall not have the right to effect any transfers from that account without the prior written consent of the Security Agent; and (ii) the receivables of the holder of such an account against the Security Agent under the terms of the relevant bank account agreement shall be pledged in favour of the Security Agent.

Security Interest means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

Shareholder has the meaning as set out in Condition 4.12.

Valuation Report means a valuation report containing the Value of the Pledged Allwyn Shares (except as far as such value is affected by any cash deposited on the Restricted Account) and prepared by an independent third party such as KPMG, EY, PwC or Deloitte.

5. INTEREST

5.1 Fixed Rate Bonds

- (a) Bonds designated in the relevant Pricing Supplement as Fixed Rate Bonds will bear interest at the fixed interest rate specified in the relevant Pricing Supplement, or fixed interest rates specified for individual Interest Periods in the relevant Pricing Supplement.
- (b) The interest will accrue evenly from the first day of each Interest Period to the last day included in such Interest Period, at the interest rate pursuant to Condition 5.1(a) above.
- (c) The interest for each Interest Period will be payable in arrears on the relevant Interest Payment Date.
- (d) The Bonds will cease to bear interest on the Final Maturity Date, the Early Redemption Date or the Buyback Date (excluding this day), unless, following the satisfaction of all conditions and requirements, the Issuer wrongfully retains the amount due or declines to pay the same. In such case, the interest will continue to accrue at the interest rate specified in Conditions 5.1(a) to 5.1(b) above until the earlier of (i) the day when any and all amounts due as of that day are paid to the Bondholders or (ii) the day when the Fiscal and Paying Agent notifies the Bondholders that it has received all amounts due in connection with the Bonds, unless a further wrongful retention or refusal of payment occurs following such notification.
- (e) The amount of interest accrued per Bond for each period of one current year shall be determined as the multiple of the nominal value of any such Bond (or its outstanding portion, if the nominal value is not redeemed as a one-off payment) and the relevant interest rate (expressed as a decimal number) (unless the relevant Pricing Supplement states that the relevant Day Count Fraction is also applied to calculate the amount of interest for the period of one current year). The amount of interest accrued on a Bond over any period of less than one current year, or over a period of one current year, if specified in the Pricing Supplement, will be calculated as the multiple of the nominal amount of the Bond (or its outstanding portion, if the nominal value is not redeemed as a one-off payment), the relevant interest rate

(expressed as a decimal number) and the relevant Day Count Fraction. The Pricing Supplement may specify use of different Day Count Fractions for different Interest Periods.

5.2 Floating Rate Bonds

(a) Interest on Floating Rate Bonds

- (i) Bonds designated in the relevant Pricing Supplement as Floating Rate Bonds will bear interest at a floating interest rate corresponding to the sum of the relevant Reference Rate and the relevant Margin (if applicable) In calculating the interest rate pursuant to this paragraph, the Issuer shall use the following formula:

$$X = R + M,$$

where the variables used in the formula have the following meanings:

X the rate for the relevant Interest Period (in % p.a.);

R the Reference Rate for the relevant Interest Period (the Reference Rate may be limited to a maximum and/or a minimum value for the purpose of determining the interest rate), provided, however, that in the event the Reference Rate for the relevant Interest Period is less than zero, it shall be deemed to be zero;

M the Margin for the relevant Interest Period.

- (ii) The interest will accrue from the first day of each Interest Period to the last day included in such Interest Period, at the interest rate applicable to any such Interest Period.
- (iii) The value of the Reference Rate applicable to each Interest Period shall be determined by the Calculation Agent on the Reference Rate Determination Date and at the time customary for the relevant currency. If applicable, the Interest Rate for each Interest Period shall be rounded by the Calculation Agent based on mathematical rules to two decimal places according to the 3rd decimal place.
- (iv) The Calculation Agent shall communicate the interest rate for each Interest Period immediately after its determination to the Fiscal and Paying Agent, which shall notify it to the Bondholders without undue delay in accordance with Condition 13.
- (v) The interest for each Interest Period is payable in arrears on the Interest Payment Date.
- (vi) The Bonds will cease to bear interest on the Final Maturity Date, the Early Redemption Date or the Buyback Date (excluding this day), unless following the satisfaction of all conditions and requirements, the Issuer wrongfully retains the amount due or declines to pay the same withheld or refused to repay the amount due upon satisfaction of all the conditions and requirements. In such case, the interest will continue to accrue at the interest rate specified in Conditions 5.2(a) to 5.2(a)(ii) above until the earlier of (i) the day when any and all amounts due as of that day are paid to the Bondholders or (ii) the day when the Fiscal and Paying Agent notifies the Bondholders that it has received all amounts due in connection with the Bonds, unless a further wrongful retention or refusal of payment occurs following such notification.
- (vii) The amount of interest accrued per Bond for the period of one current year shall be determined as the multiple of the nominal value of any such Bond (or its outstanding portion, if the nominal value is not redeemed as a one-off payment) and the relevant

interest rate (expressed as a decimal number) (unless the relevant Pricing Supplement states that the relevant Day Count Fraction is also applied to calculate the amount of interest for the period of one current year). The amount of interest accrued on a Bond over any period of less than one standard year, or over a period of one standard year, if specified in the Pricing Supplement, will be calculated as the multiple of the nominal amount of the Bond (or its outstanding portion, if the nominal value is not redeemed as a one-off payment), the relevant interest rate (expressed as a decimal number) and the relevant Day Count Fraction. The Pricing Supplement may specify use of different Day Count Fractions for different Interest Periods.

6. REDEMPTION OF THE BONDS, BUYBACK

6.1 Final Maturity

Unless previously redeemed or purchased by the Issuer and cancelled, as specified below, each Bond will be redeemed by the Issuer at its outstanding nominal amount in a single payment on the Final Maturity Date applicable to the Bonds.

6.2 Purchase of the Bonds

The Issuer, or any of the Issuer's affiliates, is authorised to purchase the Bonds in the market or otherwise at any price.

6.3 Cancellation of the Bonds

Bonds purchased by the Issuer are not cancelled unless the Issuer decides otherwise. If the Issuer does not decide to cancel the Bonds it purchased, it may transfer such Bonds at its discretion.

6.4 Early Redemption at the Option of the Issuer

If specified in the Pricing Supplement, the Issuer shall have the right to redeem all the outstanding Bonds (in part or in full) of that Issue prior to the Final Maturity Date.

The Issuer may only exercise this right if it notifies (the **Early Redemption Notice**) the Bondholders in accordance with Condition 13 in the period prior to the relevant early redemption date (the **Early Redemption Date**) specified in the Pricing Supplement.

The Early Redemption Notice under this Condition 6.4 is irrevocable and obliges the Issuer to redeem the Bonds early in accordance with the provisions of this Condition 6.4.

The Issuer must pay the extraordinary interest income on an Early Redemption Date that is an Interest Payment Date. Otherwise, the provisions of Condition 7 apply *mutatis mutandis* to the early redemption of the Bonds under this Condition 6.4.

Early partial redemption of the Bonds does not restrict the Issuer from making any further early redemption of the Bonds in accordance with this Condition 6.4.

6.5 Buyback at the Option of the Bondholders

If a Change of Control occurs, a Bondholder may, at its own discretion, request the Issuer to purchase its Bonds before the Final Maturity Date of the Bonds, by a written notice addressed to the Issuer and delivered to the Fiscal and Paying Agent to the address of the Specified Office (the **Buyback Notice**), always for 101% of the outstanding nominal amount of its Bonds on the Buyback Date (as defined below) increased by interest accrued and due as of the Buyback

Date (as defined below), unless otherwise specified in the Pricing Supplement for a particular Issue, and the Issuer must purchase the Bonds of the relevant Bondholder within (and including) 30 days after the Bondholder delivered the Buyback Notice to the Fiscal and Paying Agent (the **Buyback Date**).

The Buyback Notice must be delivered to the Fiscal and Paying Agent no later than 30 days after the day when the Bondholder learned, or could have learned, about the Change of Control. The Buyback Notice must be signed by the relevant Bondholder or a person authorised to act on behalf of the Bondholder, whereas the any signatures on the Buyback Notice must be notarised or otherwise verified by an authorised employee of the Fiscal and Paying Agent.

This is without prejudice to the right of the Bondholder to request early redemption of 100% of the nominal amount of the Bonds and the payment of the related accrued and unpaid interest on the Bonds in accordance with Conditions 9 and 12.4(a).

The provisions of Condition 7 will apply *mutatis mutandis* to the early redemption of the Bonds pursuant to this Condition 6.5.

6.6 Presumption of Redemption

All the Issuer's liabilities from the Bonds will be considered fully satisfied on the day when the Issuer pays to the Fiscal and Paying Agent all the amounts of the nominal amount of the Bonds and accrued interest (where relevant) payable under this Conditions 6, and Conditions 9 and 12.4(a).

7. PAYMENT TERMS

The Issuer undertakes to pay the interest on and to repay the Payment Amount to the Bondholders under the terms and conditions set forth in the Terms and Conditions and in accordance with any tax, foreign exchange and other relevant legislation of the Czech Republic.

7.1 Currency of Payments

The Issuer undertakes to pay the interest (if relevant) and the Payment Amount exclusively in the currency in which the nominal value of the Bonds of the given Issue is denominated as specified in the Pricing Supplement, unless the relevant Pricing Supplement allows for payment of interest or the Payment Amount in any other currency or currencies.

In the case that any currency or the national currency unit in which the Bonds are denominated and/or in which the payments relating to the Bonds should be made in accordance with the relevant Pricing Supplement ceases to exist and is replaced by EUR, (i) the denomination of such Bonds will be changed to EUR in accordance with the applicable laws, and (ii) all the sums payable under such Bonds will automatically and without any further notice to the Bondholders be payable in EUR, with the official rate (i.e. the fixed conversion ratio) being in accordance with the applicable law being used as the exchange rate between the relevant currency or the national currency unit and EUR. Such replacement of the relevant currency or national currency unit (A) will not, in any respect, affect the existence or enforceability of the Issuer's obligations arising under the Bonds, and (B) for the avoidance of doubt, will not constitute any change to these Joint Terms and Conditions or an event of default or other breach of the Issuer's obligations.

7.2 Payment Date

Payment of interest (if relevant) and the repayment of the Payment Amount will be made by the Issuer through the Fiscal and Paying Agent on the dates specified in the Terms and Conditions (each such date depending on the context will hereinafter be referred to as the **Interest Payment Date** (with the exception set out in Conditions 5.1(c) and 5.2(a)(v), when the interest is paid cumulatively on the selected Interest Payment Date or selected Interest Payment Dates or on the Final Maturity Date); the **Final Maturity Date**, the Early Redemption Date or the **Buyback Date**; and each such date will also hereinafter be referred to as the **Payment Date**),

7.3 Business Day Convention

If the relevant Pricing Supplement provides that all or some of the Payment Dates should be adjusted in accordance with a business day convention (the **Business Day Convention**), then in the event that a Payment Date would fall on a day that is not a Business Day, such Payment Date will instead fall on the next following Business Day and the Issuer will not be obliged to pay any interest or any other additional amounts for any time delay resulting from the application of the Business Day Convention.

7.4 Determination of the Right to Receive Payments under the Bonds

Bonds

- (a) Unless these Joint Terms and Conditions provide otherwise, the authorised persons to whom the Issuer will pay the interest on the Bonds will be the persons in whose owner's accounts in the Central Depository or in a follow-up records linked to the Central Depository the Bonds are recorded as at the end of the relevant Record Date for Interest Payment. In the event that there is a pledge over the Bonds recorded in the owner's accounts in the Central Depository or in follow-up records linked to the Central Depository as at the end of the relevant Record Date for Interest Payment, the authorised person to whom the Issuer will pay the interest will be the relevant pledgee, unless (i) it follows from the extract from the owner's accounts in the Central Depository or in a follow-up records linked to the Central Depository in which the Bonds are recorded that payment of interest should be made to the person in whose owner's accounts the Bonds are recorded or (ii) satisfactory evidence is provided to the Fiscal and Paying Agent that the person in whose owner's accounts in the Central Depository or in a follow-up records linked to the Central Depository the Bonds are recorded is entitled to the payment under an agreement with the pledgee. For the purposes of determining the recipient of interest, neither the Issuer nor the Fiscal and Paying Agent will take into account transfers of any Bonds made from the day immediately following the Record Date for Interest Payment.
- (b) Unless these Joint Terms and Conditions provide otherwise, the authorised persons to whom the Issuer will repay the Payment Amount in respect of the Bonds will be the persons in whose owner's accounts in the Central Depository or in a follow-up records linked to the Central Depository the Bonds are recorded as at the end of the relevant Record Date for Nominal Amount Repayment. In the event that there is a pledge over the Bonds recorded in the owner's accounts in the Central Depository or in follow-up records linked to the Central Depository as at the end of the relevant Record Date for Nominal Amount Repayment, the authorised person to whom the Issuer will repay the Payment Amount in respect of the Bonds will be the relevant pledgee, unless (i) it follows from the extract from the owner's accounts in the Central Depository or in a follow-up records linked to the Central Depository in which the Bonds are

recorded that repayment of Payment Amount should be made to the person in whose owner's accounts the Bonds are recorded or (ii) satisfactory evidence is provided to the Fiscal and Paying Agent that the person in whose owner's accounts in the Central Depository or in a follow-up records linked to the Central Depository the Bonds are recorded is entitled to the repayment under an agreement with the pledgee. For the purposes of determining the recipient of the nominal value, neither the Issuer nor the Fiscal and Paying Agent will take into account transfers of any Bonds made from the day immediately following the Record Date for Nominal Amount Repayment. If it is not contrary to applicable legislation, transfers of the Bonds may be suspended on the day immediately following the relevant Record Date for Nominal Amount Repayment until the relevant Payment Date.

- (c) However, if the Issuer or the Fiscal and Paying Agent have been provided with conclusive evidence no later than five Business Days following the relevant Payment Record Date that the entry in the owner's account in the Central Depository or the follow-up records linked to the Central Depository does not correspond to reality and that there is another person or persons in whose owner's account in the Central Depository or the follow-up records linked to the Central Depository the Bonds were supposed to be recorded at the end of the relevant Payment Record Date, then the Issuer will pay the interest on the Bonds or will repay the Payment Amount to any such person or persons unless the relevant payment has already been made.

7.5 Payments by Wire Transfer

- (a) The Fiscal and Paying Agent will make payments in connection with the Bonds to the Authorised Persons by means of wire transfer to their accounts kept with a bank with its registered office in a member state of the European Union or other state that is a member of the European Economic Area, according to an instruction communicated by the Authorised Person to the Fiscal and Paying Agent to the address of the Specified Office in a verifiable manner no less than 5 Business Days prior to the Payment Date.
- (b) Such instruction shall be in the form of a written statement with an officially verified signature or signatures or a signature verified by an authorised employee of the Fiscal and Paying Agent, and shall contain sufficient details of such bank account to allow the Fiscal and Paying Agent to make the payment, and, if the Authorised Person is a legal entity, it shall be accompanied by an original or an officially certified copy of an extract from the Commercial Register or other respective register in which the Authorised Person is registered not older than six months and the authorised employee of the Fiscal and Paying Agent will verify the validity of the information contained in such extract from the Commercial Register or other respective register (such instruction, excerpt from the Commercial Register or other respective register and certificate of tax domicile, and other required appendices, if any (the **Instruction**)). In the case of original foreign official documents or official verification abroad, legalisation of the documents or an apostille according to the Hague Apostille Convention (as applicable) is required. The Instruction must be in form and substance that meet the specific requirements of the Fiscal and Paying Agent, whereas the Fiscal and Paying Agent is entitled to require sufficiently satisfactory evidence that the person who signed the Instruction is authorised to sign such Instruction on behalf of the Authorised Person. Such evidence must be delivered to the Fiscal and Paying Agent together with the Instruction.
- (c) The Instruction must be in accordance with the specific requirements of the Fiscal and Paying Agent in terms of content, form and confirmation of the authorisation to sign the Instruction on behalf of the Authorised Person, e.g. the Fiscal and Paying Agent is entitled to request (i) submission of a power of attorney including an officially certified translation into Czech or (ii) additional confirmation of the Instruction from the Authorised Person. Notwithstanding

the foregoing, neither the Fiscal and Paying Agent nor the Issuer will be obliged to examine the correctness, completeness or authenticity of any such Instruction in any manner whatsoever and neither of them will be liable for any damage incurred in connection with any delay in the delivery of such Instruction by the Authorised Person or with the delivery of an incorrect or otherwise defective Instruction. The Instruction will be deemed properly made if it contains all the items required by this Condition 7.5 and is delivered to the Fiscal and Paying Agent in accordance with this Condition 7.5.

- (d) The Instruction will be considered duly delivered if it has been delivered to the Fiscal and Paying Agent at least 5 Business Days before the Payment Date.
- (e) Any Authorised Person claiming a tax benefit in accordance with any applicable international double taxation treaty (by which the Czech Republic is bound and which covers the relevant payment) is obliged to deliver to the Fiscal and Paying Agent, together with the Instruction as an integral part thereof, a current proof of its tax domicile as well as other documents that the Fiscal and Paying Agent and the relevant tax authorities may request (always including information regarding the relevant yield payment). Notwithstanding this authorisation, neither the Issuer nor the Fiscal and Paying Agent will verify the accuracy and completeness of such Instructions and will not be liable for any damage or other harm caused by a delay of the Authorised Person in delivering the Instruction, its inaccuracy or other defect in such an Instruction.
- (f) If the above documents (especially the proof of tax domicile) are not delivered to the Fiscal and Paying Agent in the stipulated time period, the Fiscal and Paying Agent will act as if it has not been delivered the documents. The Authorised Person may subsequently deliver such documents proving entitlement to a tax benefit and request the Issuer through the Fiscal and Paying Agent to refund the withholding tax. In such a case, the Issuer has the right to require the Authorised Person to pay a contractual penalty in the amount of EUR 1,000 or CZK 25,000 for each such flawed refund application. Such contractual penalty is a lump sum that covers additional expenses incurred by the Issuer in connection with such refund application, additional administrative costs and correspondence and communication with relevant tax authorities.
- (g) The Issuer's obligation to pay any amount due in connection with the Bonds will be deemed discharged in a due and timely manner if the relevant amount has been remitted to the Authorised Person in compliance with a proper Instruction pursuant to this Condition 7.5 and if such amount is debited from the account of the Fiscal and Paying Agent no later than on the relevant due date.
- (h) Neither the Issuer nor the Fiscal and Paying Agent will be liable for any delay in the payment of any amount due caused by any Authorised Person, e.g. by its failure to deliver a proper Instruction in a timely manner. If any Authorised Person fails to deliver to the Fiscal and Paying Agent in time a proper Instruction, the Issuer's obligation to pay any due amount will be considered met duly and in time if such amount has been remitted to the Authorised Person in accordance with a subsequently delivered due Instruction pursuant to this Condition 7.5 and if such amount has been debited from the Fiscal and Paying Agent's account no later than 10 Business Days following the day on which the Fiscal and Paying Agent received the proper Instruction. In such an event, the Authorised Person will not have the right to any interest or any yield or additional payment for the time of delay caused by the late sending of the Instruction.
- (i) Neither the Issuer nor the Fiscal and Paying Agent will be liable for any damage incurred by (i) the failure to deliver in time the proper Instruction or any other documents or information required to be delivered under this Condition 7.5, or (ii) such Instruction or any related

document or information being incorrect, incomplete or untrue, or (iii) circumstances beyond the control of the Issuer or the Fiscal and Paying Agent. In such an event, the Authorised Person will not have the right to any additional payment, compensation or interest for the time of delay caused by the late sending of the Instruction.

7.6 Change in the Payment Method

The Issuer and the Fiscal and Paying Agent are jointly entitled to elect to change the payment procedure. However, such change may not adversely affect the position and interests of the Bondholders. This decision will be notified to Bondholders in accordance with the provisions of Condition 12. If such change would affect the position and interests of the Bondholders, then the change will require prior approval by the Meeting in accordance with Condition 12.

8. TAXATION

Repayment of Payment Amount and payments of interest in respect of the Bonds by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Czech Republic or any authority therein or thereof having power to tax, unless such withholding or deduction is required by applicable law. In such case, the Issuer will not be obliged to pay to the Bondholders any additional amounts as a compensation of the withholding or deduction of any taxes, duties, assessments or governmental charges of whatever nature, unless the relevant Pricing Supplement stipulates otherwise.

Bondholders should be aware that the tax legislation of the Czech Republic, as well as the tax legislation of their country of tax residence, may affect the income from the Bonds. For more information on the taxation regime of the Bonds please see chapter "*Taxation*" of the Base Prospectus.

9. EVENTS OF DEFAULT

9.1 Events of Default

If any one or more of the following events (each an **Event of Default**) occurs and is continuing:

(a) Non-payment

any payment in respect of the Bonds is not made on the due date thereof and such default remains unremedied for more than 5 Business Days from the date on which the Issuer is notified of such default by any Bondholder in writing by letter delivered to the Issuer or at the address of the Specified Office; or

(b) Breach of other obligations

the Issuer defaults in the performance or observance of any of its other obligations (other than under paragraph (a) above) under the Terms and Conditions of the Bonds, the Agency Agreement or under the Common Representation and Security Agency Agreement and such default remains unremedied for more than 20 days from the date on which the Issuer is notified of such default by any Bondholder in writing by letter delivered to the Issuer or at the address of the Specified Office; or

(c) Cross-default

Any debt of the Issuer (other than any debt of the Issuer subordinated to the liabilities arising under or in connection with the Bonds under Section 172 of the Insolvency Act or contractually subordinated to the to the liabilities arising under or in connection with the Bonds) or a Major Company, which in aggregate reaches at least EUR 40 million or its equivalent in any other currency, (i) becomes prematurely due before the original maturity date other than at the option of the Issuer or a Major Company or (provided that there has been no event of default, however indicated) at the option of the creditor and is not paid within 10 Business Days, unless in the meantime the debt ceases to exist, or (ii) is not paid when it becomes due and such delay lasts more than 10 Business Days, unless this debt ceases to exist in the meantime.

Cross default pursuant to the preceding paragraph will not occur if the Issuer or a Major Company acting reasonably, after careful consideration and in good faith, duly invokes, in the manner prescribed by law, the absence of an obligation to comply with its amount or reason and makes payment within the time limit imposed by a final decision of the competent court or other authority which ruled that the Issuer or Major Company is obliged to fulfil that obligation; or

(d) Insolvency etc.

(A) The Issuer or a Major Company proposes to the court to initiate insolvency proceedings, declare bankruptcy of its assets, permit reorganisation or debt relief or similar proceedings (the **Insolvency Petition**), the purpose of which is to collectively or gradually satisfy creditors under applicable law; (B) the assets of the Issuer or a Major Company are declared bankrupt by a court or other competent authority, a reorganisation or debt relief is allowed or any other similar proceedings are initiated; (C) the Insolvency Petition is rejected by the competent authority on the grounds that the Issuer's or a Major Company's assets would not cover the costs and expenses of the proceedings; or (D) the Issuer or a Major Company proposes or enters into an agreement to postpone, set a schedule or otherwise adjust all of its debts on the grounds that it is unable to settle them at maturity; or

(e) Cessation of business

the Issuer or a Major Company ceases its business or ceases to carry out its principal business or ceases to hold a valid licence or permit to pursue its principal business, other than in relation to (i) the Permitted Reorganisation, or (ii) the Permitted Transfer of Seat; or

(f) Liquidation

a final decision of an authority of the relevant jurisdiction or a decision of the relevant body of the Issuer or a Major Company is adopted on dissolution with liquidation, other than in relation to (i) the Permitted Reorganisation, or (ii) the Permitted Transfer of Seat; or

(g) Judicial and Other Decisions

the Issuer or a Major Company fails to comply with the payment obligation finally imposed by the competent authority which, individually or in aggregate, exceeds EUR 40 million or its equivalent in another currency within the period specified in the

relevant decision or within 30 days of receipt of that decision, whichever comes later;
or

(h) Illegality

the Issuer's liabilities under the Bonds cease to be fully or partially legally enforceable or become in breach of applicable laws, or for the Issuer it becomes illegal to meet any of its material obligations under the Terms and Conditions of the Bonds or in connection with the Bonds, and such state is not remedied within (and including) five Business Days; or

(i) Restrictions on Transformations

(A) the Issuer participates in a merger, division, transfer of assets to a shareholder or other transformation, or changes its legal form, or sells or invests in the registered capital of another company or in any way transfers, pledges or leases its enterprise or any part thereof (the **Transformation**); or

(B) a Major Company participates in, or undergoes, a Transformation, if such Transformation:

(i) affects the validity, effectiveness and enforceability of any Security Document or any Security created or provided thereunder; or

(ii) results in a breach of the covenant set out in Condition 4.9,

unless such Transformation constitutes a Permitted Reorganisation or a Permitted Transfer of Seat.

(j) Security

the Security is not created in favour of the Bondholders and the Security Agent under the terms and deadlines set out in Conditions 3.5 and 4.1 or any other breach under the Security Documents occurs, and such breach is not remedied within (and including) 30 Business Days after the date on which such breach occurred, or the Security ceases to exist or ceases to be valid and enforceable, other than in relation to (i) the Permitted Reorganisation, (ii) the Permitted Transfer of Seat, (iii) Permitted Release; or (iv) Permitted Security Replacement, and such breach is not remedied within (and including) 10 Business Days, or the Issuer or any Pledgor under the Security Documents or any of their creditors claim that the Security is invalid or not enforceable;

(k) Listing of the Bonds

the Bonds are not admitted to trading on the Regulated Market of the PSE or any other regulated market that replaces the Regulated Market of the PSE (or a similar market of any PSE successor) as of the Issue Date at the latest or, at any time after that date, or the Bonds cease to be admitted to trading on the Regulated Market of the PSE (except as a result of early redemption or buyback, as applicable, in accordance with Conditions 6.4 or 6.5) or any other regulated market that replaces the Regulated Market of the PSE (or a similar market of any PSE successor),

then any Bondholder, at its discretion, by a written notice addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office (the **Acceleration Notice**), may require early redemption of the nominal value of the Bonds held by such

Bondholder, and any accrued and unpaid interest in accordance with Conditions 5.1(e) or 5.2(a)(vii), upon which the Issuer will redeem such Bonds (together with accrued and unpaid interest) in accordance with Condition 9.2.

9.2 Maturity of the Accelerated Bonds

Any and all amounts payable by the Issuer to any Bondholder will become due and payable as of the last Business Day of the month following the month in which the Bondholder delivered the relevant Acceleration Notice to the Issuer to the address of the Specified Office (the **Early Redemption Date**), unless the relevant Event of Default is remedied before the delivery of the Acceleration Notice or unless the Acceleration Notice is withdrawn in accordance with Condition 9.3.

9.3 Withdrawal of Acceleration Notice

A Bondholder may withdraw the Acceleration Notice in writing, but only in relation to the Bonds owned by such Bondholder and only if such withdrawal is addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office not later than 8 Business Days before the relevant amounts become payable in accordance with Condition 9.2. Such revocation will not affect any Acceleration Notice of any other Bondholders.

9.4 Other Conditions for Early Redemption of the Bonds

The provisions of Condition 7 will apply *mutatis mutandis* to the early redemption of the Bonds pursuant to this Condition 9.

10. STATUTE OF LIMITATION

All rights connected with the Bonds will become statute-barred upon the expiration of ten (10) years from the day when such rights could be exercised for the first time.

11. FISCAL AND PAYING AGENT, CALCULATION AGENT AND LISTING AGENT

11.1 Fiscal and Paying Agent

(a) Fiscal and Paying Agent and the Specified Office

Unless otherwise provided in the relevant Pricing Supplement and unless changed in accordance with Condition 11.1(b), J&T BANKA will be the Fiscal and Paying Agent, unless the Fiscal and Paying Agent changes in accordance with Condition 11.1(b).

Unless otherwise provided in the relevant Pricing Supplement and unless changed in accordance with Condition 11.1(b), the Specified Office will be at the following address:

J&T BANKA, a.s.
Sokolovská 700/113a
186 00 Prague 8
Czech Republic

(b) Change of the Fiscal and Paying Agent and Specified Office

At any time, and always in respect of every Issue under the Programme, the Issuer may appoint a different Fiscal and Paying Agent and designate another or an additional Specified Office of the Fiscal and Paying Agent. The Issuer will notify the Bondholders of any such change of the

Specified Office or the Fiscal and Paying Agent in the manner in which the Terms and Conditions of the affected Issue(s) were published and any such change will become effective on the expiry of a period of 15 calendar days from the date of such notice unless a later effective date is specified in any such notice. In any event, any such change that would otherwise become effective less than 30 calendar days before or after the Payment Date of any amount under the Bonds will become effective on the 30th calendar day after such Payment Date. If such change in the Fiscal and Paying Agent or Specified Office adversely affects the position or interests of the Bondholders, it shall be decided upon by the Meeting in accordance with Condition 12.

(c) **Relationship between the Fiscal and Paying Agent and the Bondholders**

Unless otherwise provided by the Agency Agreement or by law, the Fiscal and Paying Agent will act as an agent of the Issuer when performing its duties under the Agency Agreement, provides no guarantee or security for the Issuer's liabilities under the Bonds, and will be in no legal relationship with the Bondholders.

(d) **Amendments and Waivers**

The Issuer and the Fiscal and Paying Agent may, without the consent of the Bondholders, agree to (A) any amendment to any provision of the Agency Agreement if the amendment is solely of a formal, ancillary or technical nature or is made to correct a manifest error or required by changes in law; and (B) any other amendment and waiver of any breach of any provision of the Agency Agreement that, in the reasonable opinion of the Issuer and the Fiscal and Paying Agent, will not cause any harm to the Bondholders. For the avoidance of doubt, if an amendment to the Agency Agreement or waiver of any breach of any of the provisions of the Agency Agreement under the previous sentence would lead to an amendment to the Terms and Conditions for which approval of the Meeting is required by the Bonds Act, such amendment to the Terms and Conditions may occur only with the consent of the Meeting.

11.2 Calculation Agent

(a) **Calculation Agent**

J&T BANKA will be the Calculation Agent, unless the Calculation Agent changes in accordance with Condition 11.2(b).

(b) **Change of the Calculation Agent**

The Issuer may, always in respect of every Issue under the Programme, appoint a different Calculation Agent. The Issuer will notify the Bondholders of any such change of the Calculation Agent in the manner in which the Terms and Conditions of the specific Issue were published, and any such change will become effective on the expiry of 15 calendar days following the day of such notice unless a later effective date is specified in such notice. In any case, any change that would otherwise become effective less than 15 calendar days before or after the date when the Calculation Agent is required to make any calculation in connection with the Bonds will become effective on the 15th calendar day of such date when the Calculation Agent was required to make such calculation. If such change in the Calculation Agent adversely affects the position or interests of the Bondholders, it shall be decided upon by the Meeting in accordance with Condition 12.

(c) **Relationship between the Calculation Agent and the Bondholders**

In relation to the performance of obligations under the agreement with the Calculation Agent concluded between the Issuer and the Calculation Agent, the Calculation Agent will act as the Issuer's agent and will not be in any legal relationship with the Bondholders.

11.3 Listing Agent

(a) **Listing Agent**

J&T BANKA will be the Listing Agent, unless the Listing Agent changes in accordance with Condition 11.3(b).

(b) **Change of the Listing Agent**

The Issuer may, always in respect of every Issue under the Programme, appoint a different Listing Agent.

(c) **Relationship between the Listing Agent and the Bondholders**

In relation to the performance of obligations under the agreement with the Listing Agent concluded between the Issuer and the Listing Agent, the Listing Agent will act as the Issuer's agent and will not be in any legal relationship with the Bondholders.

11.4 Common Representative

J&T BANKA will be the Common Representative, unless the Common Representative changes in accordance with Conditions 3.3 and 3.6, in which case the Common Representative will be the same person as the New Security Agent.

12. MEETINGS AND CHANGES TO THE TERMS AND CONDITIONS AND REPLACEMENT OF THE BONDS

12.1 Authority and Convocation of the Meeting

(a) **Right to Convene the Meeting**

The Issuer or any Bondholder(s) may convene a meeting of the Bondholders (the **Meeting**) in accordance with these Joint Terms and Conditions and applicable laws if so required to decide on common interests of the Bondholders.

A Bondholder may convene the Meeting if (i) the Issuer has not convened in meeting when it is obligated to do so under Condition 12.1(b) and (ii) in reasonable circumstances requiring substantial changes to the Terms and Conditions.

The Security Agent may convene the Meeting as set out in Condition 3.

The costs of organising and convening the Meeting will be borne by the person who convened the Meeting, unless set out otherwise by law. The costs related to the attendance at the Meeting will be borne by each participant itself. If the convening person is one or more Bondholders, such person will be required, not later than on the date on which a notice of the Meeting is published (see Condition 12.1(c)): (i) to deliver to the Fiscal and Paying Agent a request for procuring evidence of the number of all Bonds within the Issue entitling the holder(s) to attend the Meeting convened by a Bondholder or the Bondholders, i.e. an extract from the register of the Issue (in Czech, *výpis emise*) maintained by the Central Depository, and (ii) where

relevant, to pay to the Fiscal and Paying Agent an advance to cover the costs associated with its services in relation to the Meeting. The due and timely delivery of the request under item (i) above and the payment of the advance for the costs referred to in item (ii) above are conditions for the valid convocation of the Meeting.

If there is more than one Issue under the Programme and if a decision is to be made regarding the common interests of all Bondholders, including a change in the identity of the Security Agent or the Common Representative or a decision regarding Security, a joint Meeting of all Bondholders must be convened in accordance with these Joint Terms and Conditions and applicable law. If such a Meeting is convened by the Security Agent, the Common Representative or Bondholder(s), the Issuer is obliged to provide the Security Agent or Bondholder(s), as the case may be, with any necessary assistance.

(b) **Meeting Convened by the Issuer**

The Issuer is obliged to promptly convene the Meeting and request the Bondholders to provide their opinion on (each from the events below individually as a **Material Change**):

- (i) the Issuer's proposal for any amendment to the Terms and Conditions that requires the Bondholders' consent under applicable laws;
- (ii) termination of the activities of the Security Agent under the Common Representation and Security Agency Agreement without a timely appointment of a New Security Agent in accordance with these Joint Terms and Conditions;
- (iii) request for a change in the identity of the Security Agent by Bondholders whose Bonds' nominal amount represents at least 5% of the total nominal amount of the Bonds;
- (iv) the Issuer's default in the satisfaction of any rights attached to the Bonds which continues for more than 7 (seven) calendar days following the day on which the relevant right could be exercised;
- (v) the Issuer's proposal for filing an application to withdraw the Bonds from trading on the Prague Stock Exchange or other European regulated market; and
- (vi) any other changes that might significantly impair the Issuer's ability to discharge its payment liabilities under the Bonds.

The appointment of a New Security Agent in connection with a Permitted Security Replacement shall not constitute a Material Change. If the appointment of a New Security Agent in connection with a Permitted Security Replacement constitutes a Material Change under applicable law, the Common Representative, upon mutual agreement with the Issuer, shall have the right to nominate and appoint the New Security Agent on behalf of the Bondholders without any obligation to convene the Meeting and request the Bondholders' opinion or consent.

The Issuer may convene the Meeting to propose a collective action if it has knowledge that any Event of Default has occurred or may occur. This is without prejudice to the Bondholders' right to request early redemption under Condition 9.1.

(c) **Notice of the Meeting**

The Issuer is obliged to give notice of the Meeting in the manner set out in Condition 13 no later than 15 calendar days prior to the date of the Meeting. If the Meeting is convened by the

Bondholder (or Bondholders), the Security Agent or the Common Representative, such person(s) will deliver a notice of the Meeting (containing all statutory elements) sufficiently in advance (at least 20 calendar days prior to the proposed date of the Meeting) to the Issuer at the address of the Specified Office. The Issuer will promptly ensure that such notice of the Meeting is published in the manner and within the time limit specified in the first sentence of this Condition 12.1(c) (however, the Issuer is responsible neither for the content of such notice nor for any delay or default in complying with any statutory time limits by a Bondholder who convened the Meeting). The notice of the Meeting must contain at least (i) the business name, identification number and registered office of the Issuer; (ii) the identification of the Bonds, at least the Bond title, the Issue Date and the ISIN (or other Bond identifiers if no ISIN is available), and in the event of a joint Meeting, such identification in respect of all issued and outstanding Issues; (iii) the venue, date and time of the Meeting provided that the Meeting may only take place in Prague and the date of the meeting must fall on a day that is a Business Day; (iv) the agenda of the Meeting and, in the case of any proposed amendment(s) to the Terms and Conditions within the meaning of Condition 12.1(b), the specification of the proposed amendment(s) and justification thereof; and (v) the day that is the record date for the attendance at the Meeting. The Meeting shall be authorised to decide on the proposed resolutions that have not been contained in the notice of the Meeting only in the presence of and with the consent of all Bondholders.

If the reason for convocation of the Meeting is not continuing, the person who convened the Meeting will revoke the convocation of the Meeting in the same manner as convened.

12.2 Persons Authorised to Attend and Vote at the Meeting

(a) Persons Authorised to Attend the Meeting

Unless otherwise specified in the Pricing Supplement, a person entitled to attend and vote at the Meeting will only be (i) the Bondholder recorded as a Bondholder in the register of the Issue maintained by the Central Depository and in an extract from such Issue register at the close of the day falling seven calendar days prior to the date of the relevant meeting (**Meeting Attendance Record Date**) or (ii) a person who provides to the Issuer and Fiscal and Paying Agent a certificate of the custodian in whose owner's securities account with the Central Depository the relevant number of the Bonds was recorded as of the Meeting Attendance Record Date certifying that such person was a Bondholder as at the Meeting Attendance Record Date and that the Bonds held by such person are registered in the securities account of the custodian by reason of their custodianship (the **Person Authorised to Attend the Meeting**). The certificate according to the preceding sentence must be in writing (with notarised signatures) and otherwise satisfactory in form and substance to the Fiscal and Paying Agent. In the case of the custodian being a legal entity, the Fiscal and Paying Agent may, at its own discretion, require such certificate to be accompanied by an original or an officially certified copy of an extract from the commercial register or other respective register in respect of the custodian not older than three months prior to the date of the relevant Meeting. No transfers of the Bonds made after the Meeting Attendance Record Date will be taken into account.

(b) Voting Rights

Each Person Authorised to Attend the Meeting will have such number of votes out of the total number of votes that corresponds to the ratio between the outstanding nominal value of the Bonds held by such person as of the Meeting Attendance Record Date to the total outstanding nominal value of the Issue as of the Meeting Attendance Record Date. No voting right will be attached to any Bonds held by the Issuer as of the Meeting Attendance Record Date that have not been cancelled by the Issuer within the meaning of Condition 6, and no such Bonds will

be taken into account when determining the presence of a quorum at the Meeting. If the Meeting decides on recalling a common representative, the common representative (if they are a Person Authorised to Attend the Meeting) may not exercise his/her/its voting right at such Meeting.

(c) Attendance of the Meeting by Other Persons

The Issuer is obliged to attend the Meeting, either in person or by proxy. Other persons entitled to attend the Meeting are Bondholders, proxies of the Bondholders, proxies of the Fiscal and Paying Agent, the Common Representative (or other common representative of the Bondholders under Condition 12.3(c)) (unless he is a Person Authorised to Attend the Meeting) and any guests invited by the Issuer and/or the Fiscal and Paying Agent.

A power of attorney granted by a Bondholder to any proxy must be in writing with a notarised signature of the Bondholder. In the case of a Bondholder being a legal entity, the Fiscal and Paying Agent may, at its own discretion, require from an individual entitled to represent such Bondholder at the Meeting on the basis of a power of attorney or otherwise an original or an officially certified copy of an extract from the commercial register or other respective register in respect of such Bondholder not older than three months prior to the date of the relevant Meeting.

12.3 Course of the Meeting; Decision-making

(a) Quorum

The Meeting will constitute a quorum if attended by the Persons Authorised to Attend the Meeting, who were, as of the Meeting Attendance Record Date, owners of the Bonds the nominal amount of which represents more than 30% of the aggregate nominal amount of the issued and outstanding Bonds of the particular Issue. If the Meeting decides on recalling a common representative, any votes belonging to the common representative (if he is a Person Authorised to Attend the Meeting) will not be included in the total number of votes. Before opening the Meeting, the Issuer will inform the Meeting, either alone or through the Fiscal and Paying Agent, about the number of all the Bonds in respect of which the Persons Authorised to Attend the Meeting are entitled to vote at the Meeting in accordance with the Terms and Conditions.

(b) Chairman of the Meeting

The Meeting convened by the Issuer will be chaired by a chairman appointed by the Issuer. The Meeting convened by the Security Agent, the Common Representative or a Bondholder or the Bondholders will be chaired by a chairman elected by a simple majority of votes of the attending Persons Authorised to Attend the Meeting. Until the chairman is elected, the Meeting will be chaired by a person appointed by the convening Security Agent, the Common Representative or Bondholder(s) (as relevant), and the election of the chairman must be the first item on the agenda of any Meeting not convened by the Issuer.

(c) Common Representative

The Meeting may by resolution decide on a change in the person of the common representative of bondholders. If the Meeting decides on a change in the person of the Security Agent, it shall also decide on a change in the person of the Common Representative, whereas the common representative of the bondholders may only be an entity satisfying the criteria applicable to the New Security Agent set out in Condition 3.6. The scope of activities of the Common Representative is detailed in Condition 3.3. The agreement on the appointment of the Common Representative shall be available to the public on the Issuer's Website.

(d) **Decision-making at the Meeting**

The Meeting will decide on any issues on its agenda in the form of resolutions. Any resolution that (i) approves a proposal on any amendment to these joint Terms and Conditions that requires the Bondholders' consent under applicable law, or (ii) appoints or recalls a common representative, will require the affirmative vote of at least three-quarters of the attending Persons Authorised to Attend the Meeting. Unless provided otherwise by law, any other resolutions will require a simple majority of votes of the attending Persons Authorised to Attend the Meeting in order to be passed.

(e) **Adjournment of a Meeting and a substitute Meeting**

If within one hour after the scheduled opening of the Meeting a quorum is not present, then such Meeting will be automatically dissolved without further notice.

If the Meeting convened by the Issuer which is to decide on amendments to the Terms and Conditions under Condition 12.1(b) does not have a quorum within one hour after the scheduled opening of the Meeting, the Issuer will convene, if necessary, a substitute Meeting to be held not later than six weeks after the scheduled date of the original Meeting. The holding of a substitute Meeting with the unchanged agenda will be notified to the Bondholders not later than 15 calendar days after the scheduled date of the original Meeting. No quorum requirements will apply to the substitute Meeting convened by the Issuer deciding on amendments to these Joint Terms and Conditions under Condition 12.1(b) irrespective of the conditions for quorum set out in Condition 12.3(a). The Issuer is obliged to give notice of the substitute Meeting in the manner set out in Condition 13 no later than 5 Business Days prior to the date of the substitute Meeting.

The Issuer is entitled to convene the substitute Meeting simultaneously with the convening of the original Meeting or at any time before the holding of the regular Meeting so that it takes place at least five (5) Business Days from the date on which the original Meeting was convened. The Issuer shall, no later than the day following the day of the original Meeting, notify the Bondholders in the manner set out in Condition 13 that the original Meeting was not capable of forming a quorum.

12.4 Certain Additional Rights of the Bondholders

(a) **Consequence of Voting against Certain Resolutions of the Meeting**

If the Meeting approved the change in the Terms and Conditions pursuant to Condition 12.1(b), the Person Authorised to Attend the Meeting who, according to the minutes of such Meeting, voted against the resolution adopted by the Meeting or did not attend the Meeting (**Applicant**), may request the repayment of the at the time outstanding nominal amount of the Bonds which such Bondholder held as of the Meeting Attendance Record Date, together with the pro-rata interest accrued on such Bonds, if the Bonds are not subsequently transferred after the Meeting (in the event of a transfer, this right ceases to exist). This right must be exercised by the Applicant within 30 days of the publication date of such Meeting resolution according to Condition 12.5 (the **Application Period**) by a written application (the **Application**) addressed to the Issuer and delivered to the Fiscal and Paying Agent to the address of the Specified Office, failing which the right will cease to exist. The amounts referred to above will become due and payable on the last Business Day of the month following the month in which the Application Period expires (the **Early Redemption Date**), unless the Bonds become due and payable earlier under the Terms and Conditions or a mandatory provision of the law (in which case, the relevant provision of the Joint Terms and Conditions or the law must be

followed). The Issuer may repay the Bonds to each Bondholder who has delivered the Application within the Application Period before the Early Redemption Date.

(b) **Resolution on Early Redemption of the Bonds upon Bondholders' request**

If the Meeting agenda includes a Material Change under Conditions 12.1(b)(ii) to (vi) of these Joint Terms and Conditions and the Meeting does not consent to such a Material Change, the Meeting may, even beyond the scope of the agenda, decide that if the Issuer proceeds in conflict with the resolution of the Meeting that disagreed with such a Material Change under Conditions 12.1(b)(ii) to (vi) of these Joint Terms and Conditions, the Issuer will be obliged to repay the nominal amount of the Bonds and any pro-rata interest accrued thereon (if relevant) to any Bondholder who requests such early repayment (the **Applicant**). This right must be exercised by the Applicant within 30 days of the minutes being available in accordance with Condition 12.5 by a written notice (the **Application**) addressed to the Issuer and delivered to the Specified Office of the Fiscal and Paying Agent, otherwise the right ceases to exist. The amounts referred to above will become due and payable on the last Business Day of the month following the month in which the period for delivering the Application to the Fiscal and Paying Agent has expired (the **Early Redemption Date**). The Issuer may repay the Bonds to each Bondholder, who has delivered the Application within the Application Period, before the Early Redemption Date.

(c) **Requirements as to the Application**

The Application must specify the number of Bonds the early redemption of which is requested in accordance with Condition 12.4(a) and the owner's securities account. The Application must be in writing and signed by persons authorised to act on behalf of the Applicant; the authenticity of such signatures must be officially verified. Within the same time limit, the Applicant is obliged to deliver to the Specified Office of the Fiscal and Paying Agent also all the documents required for making the payment under Condition 7.

12.5 Minutes of the Meeting

Minutes of the business discussed and resolved at the Meeting will be taken by the person who convened the Meeting or by a person authorised by such person within 30 calendar days after the date of the Meeting. The minutes will contain the conclusions of the Meeting, including, without limitation, any resolutions adopted by such Meeting. If the Meeting is convened by the Security Agent, the Common Representative, a Bondholder or the Bondholders, the minutes of such Meeting must also be delivered to the Issuer at the Specified Office address not later than 30 calendar days after the date of the Meeting. The Issuer is obliged to keep the minutes of the Meeting until the rights under the Bonds expire under the statute of limitations. The minutes of the Meeting will be available for inspection by the Bondholders during the usual business hours at the Specified Office. The Issuer (either by itself or through an authorised agent, e.g. the Fiscal and Paying Agent) will publish or make accessible, as applicable, all resolutions of the Meeting in the same manner in which it published or made accessible, as applicable, these Joint Terms and Conditions and the relevant Pricing Supplement no later than 30 calendar days after the date of the Meeting.

12.6 Decision-Making outside of the Meeting

(a) **Notification of the Decision Proposal**

Decisions may be adopted outside of the Meeting (per rollam) in accordance with these Joint Terms and Conditions. In such case, the person authorised to convene the Meeting shall notify all Bondholders of the decision proposal in the manner set out in Condition 13. The decision

proposal shall include at least (i) the business name, identification number and registered office of the Issuer, (ii) the identification of the Bonds, at least the Bonds title, the Issue Date and the ISIN (or other Bond identifiers if no ISIN is available), (iii) the wording of the proposed decision and justification thereof, (iv) the period for delivery of the Bondholder's statement, which shall be at least 15 (fifteen) calendar days from the date of the notification of the decision proposal, (v) the day that is the record date for the participation in the decision-making outside of the Meeting, (vi) any documents required for the adoption of the decision and (vii) other information and data at the discretion of the notifying person.

(b) **Persons Authorised to Participate in the Decisions-Making outside of the Meeting**

A person entitled to participate in the decision-making outside of the Meeting will only be (i) the Bondholder recorded as a Bondholder in the register of the Issue maintained by the Central Depository and in an extract from such Issue register at the close of the day falling seven (7) calendar days prior to the date of the notice of the decision proposal pursuant to Condition 12.6 (the **Per Rollam Record Date**) or (ii) a person who provides to the Issuer and the Fiscal and Paying Agent a certificate of the custodian in whose owner's securities account with the Central Depository the relevant number of the Bonds was recorded as of the Per Rollam Record Date certifying that such person was a Bondholder as at the Per Rollam Record Date and that the Bonds held by such person are registered in the securities account of the custodian by reason of their custodianship. The certificate according to the preceding sentence must be in writing (with notarised signatures) and otherwise in form and substance satisfactory to the Fiscal and Paying Agent. In the case of the custodian being a legal entity, the Fiscal and Paying Agent may, at its own discretion, require such certificate to be accompanied by an original or an officially certified copy of an extract from the commercial register or other respective register in respect of the custodian not older than three months prior to the date of the notice of the decision proposal. No transfers of the Bonds made after the Per Rollam Record Date will be taken into account.

(c) **Adoption of the Decision**

A decision shall be adopted on the earlier of: (i) the date on which the last Bondholder's statement on the proposal is delivered, or (ii) the expiry of the last day of the period for delivery of the Bondholders' statement specified in the notice of the decision proposal pursuant to Condition (a), in both cases if the number of votes required for the adoption of the decision has been reached. In the case of a proposal on matters constituting a Material Change, a notarised signature or a vote made by means of a data box (in Czech, *datová schránka*) is required in order for the vote to be validly counted.

(d) **Other Provisions**

The provisions of Conditions 12.1 to 12.5 will apply mutatis mutandis to decision-making outside of the Meeting. The date of the Meeting will be deemed to be the last day of the period for delivery of the Bondholders' statement specified in the notice of the decision proposal pursuant to Condition (a). Section 80gd(2) of Act No. 35/1992 Coll., the Notarial Code, as amended (the **Notarial Code**) will apply mutatis mutandis to the content of the notarial deed, except that instead of the information identifying the notarial deed of the decision proposal, the content of the decision proposal shall be included and the statement referred to in Section 80gd(2)(j) of the Notarial Code shall not be included.

12.7 Notice

In accordance with Section 23(9) of the Bonds Act, the Issuer hereby calls attention to the fact that these Joint Terms and Conditions deviate from the provisions of Section 23(5) and (7) of the Bonds Act in the following respect:

- (i) by way of derogation from Section 23(5) of the Bonds Act, in the cases specified in Condition 12.4(a), the Applicant has the right to request only the repayment of the at the time outstanding nominal amount of the Bonds, not the buyback of the Bonds at market price; and
- (ii) by way of derogation from Section 23(5) and (7), the amounts the repayment of which the Applicant is entitled to under Condition 12.4(a) will become due and payable on the last Business Day of the month following the month in which the Application Period expires, not 30 days following the Application.

Also see *“Risk Factors – Risks related to the Bonds –The Joint Terms and Conditions contain provisions which deviate from the Bonds Act”*.

13. NOTICES

13.1 Notices to the Bondholders by the Issuer

Any notice to the Bondholder by the Issuer will be valid and effective if published in Czech or English languages or both on the Issuer’s Website. If mandatory provisions of applicable laws or these Joint Terms and Conditions determine any other method for publishing any of the notices given hereunder, such notice will be deemed to be validly published upon its publication in the manner prescribed by the relevant legislation. If a notice is published in more than one manner, the date of the first publication will be considered as the date of the notice.

13.2 Notices to the Bondholders by the Common Representative

Any notice to the Bondholders by the Common Representative shall be valid and effective if published in the English or Czech language or both on www.jtbank.cz or on the website of the New Security Agent, if another person becomes a common representative and a security agent in accordance with Conditions 3.3 and 3.6. If mandatory provisions of applicable laws or these Joint Terms and Conditions determine any other method for publishing any of the notices given hereunder, such notice will be deemed to be validly published upon its publication in the manner prescribed by the relevant legislation. If a notice is published in more than one manner, the date of the first publication will be considered as the date of the notice.

13.3 Notices to the Bondholders by the Security Agent

Any notice to the Bondholder by the Security Agent will be valid and effective if published in English or Czech language or both on www.jtbank.cz or on the website of the New Security Agent, if another person becomes a security agent in accordance with Condition 3.6. If mandatory provisions of applicable laws or these Joint Terms and Conditions determine any other method for publishing any of the notices given hereunder, such notice will be deemed to be validly published upon its publication in the manner prescribed by the relevant legislation. If a notice is published in more than one manner, the date of the first publication will be considered as the date of the notice.

13.4 Notices to the Issuer

Any notice to the Issuer will be valid and effective:

- (a) upon its delivery by registered post (or in a similar way) or courier; or
- (b) upon its delivery by an e-mail, whereas the Issuer agrees that the return receipt confirms such delivery.

For the purposes of a due notification, any such notice shall contain the ISIN of the Bonds.

14. GOVERNING LAW AND LANGUAGE

Any rights and obligations under the Bonds will be governed by, and interpreted and construed in accordance with, the laws of the Czech Republic. These Joint Terms and Conditions may be translated into other languages. In the event of any inconsistencies between the various language versions of the Joint Terms and Conditions, the English language version shall prevail.

Any disputes between the Issuer and the Bondholders that may arise based on, or in connection with, the issue of the Bonds, including any disputes with respect to these Joint Terms and Conditions, will be settled with final effect by the Municipal Court in Prague.

The court competent to resolve any disputes between the Issuer and the Bondholders in relation to the Bonds (including disputes relating to non-contractual obligations arising therefrom and disputes concerning their existence and validity) is solely the Municipal Court in Prague, unless the agreement on the choice of territorial jurisdiction is not possible in a particular case and the law provides for another locally competent court.

15. DEFINITIONS

In these Joint Terms and Conditions, the following terms shall have the following meaning:

Acceleration has the meaning as set out in Condition 3.8.

Acceleration Notice has the meaning as set out in Condition 9.1.

Additional Security Establishment Date means: (i) for the purposes of Additional Security created in the context of a new Issue, a day falling 3 Business Days before the Issue Date of the Bonds of any Issue under the Programme (other than the first Issue), as specified in the relevant Pricing Supplement; (ii) for the purposes of Condition 4.9, the day as of which Rectification by way of entering into an Additional Security Document is to be carried out under Condition 4.9; or (iii) for the purposes of a Permitted Reorganisation or a Permitted Transfer of Seat, any day determined by mutual agreement of the Issuer and the Security Agent.

Additional Subscription Period has the meaning as set out in Condition 2.

Agency Agreement has the meaning as set out under the heading of these Joint Terms and Conditions.

Allwyn means Allwyn AG, a company existing under the laws of Switzerland with its registered office at Weinmarkt 9, 6004 Lucerne, Switzerland, ID No. CHE-366.705.452 or any legal successor thereto.

Allwyn International means Allwyn International a.s., a company with its registered office at Evropská 866/71, Vokovice, 160 00 Prague 6, ID No.: 242 87 814, LEI: 3157001WZJ5O35EAL536, registered in the Commercial Register maintained by the Municipal Court in Prague under file no. B 18161 or any legal successor thereto.

Applicant has the meaning as set out in Conditions 12.4(a) and 12.4(b).

Application has the meaning as set out in Conditions 12.4(a) and 12.4(b).

Application Period has the meaning as set out in Condition 12.4(a).

Authorised Persons or **Authorised Person** mean the persons or person entitled to the payment of interest on the Bonds and repayment of the Payment Amount, determined according to the rules specified for individual cases in Condition 7.4, unless otherwise stipulated by applicable law.

Bondholder has the meaning as set out in Condition 1.2(c)(i).

Bonds has the meaning as set out under the heading of these Joint Terms and Conditions.

Bonds Act means Act No. 190/2004 Coll., on Bonds, as amended.

Business Day means (a) for Bonds denominated in CZK, any day on which banks in the Czech Republic are open and interbank transactions are settled in CZK, (b) for Bonds denominated in EUR, any day, on which banks are open in the Czech Republic and foreign exchange settlement is carried out and on which TARGET2 System is also open for the settlement of trades, and (c) for Bonds denominated in a currency other than CZK or Euro, any day on which banks are open and foreign exchange settlement is carried out in the Czech Republic and in the principal Financial Centre for the currency in which the Bonds are denominated.

Business Day Convention has the meaning as set out in Condition 7.3.

Buyback Date has the meaning as set out in Condition 6.5.

Buyback Notice has the meaning as set out in Condition 6.5.

Calculation Agent has the meaning as set out under the heading of these Joint Terms and Conditions.

Capital Market Act has the meaning as set out in Condition 1.2(c)(i).

Central Depository means Centrální depozitář cenných papírů, a.s., with its registered office at Rybná 682/14, Postal Code 110 00, Prague 1, ID No.: 250 81 489, registered in the Commercial Register under file no. B 4308 maintained by the Municipal Court in Prague.

CFO means Chief Financial Officer.

Change of Control means a situation where the Ultimate Controlling Person or a person controlled by the Ultimate Controlling Person (i) ceases to hold, directly or indirectly, more than a 50% participation in the registered capital of, or voting rights in, the Issuer, Allwyn, the Parent or Allwyn International; or (ii) loses the right to appoint more than a half of the members of the governing body of either the Issuer, Allwyn, the Parent or Allwyn International, except if, in case of (ii) only, this results from the public offering of shares in Allwyn or Allwyn International.

Chosen Auditor means any auditor company providing auditor services in accordance with the law of the relevant jurisdiction and belonging to the firm network of E&Y, PricewaterhouseCoopers, KPMG and Deloitte.

Civil Code has the meaning as set out under the heading of these Joint Terms and Conditions.

Common Representation and Security Agency Agreement has the meaning as set out under the heading of these Joint Terms and Conditions.

Common Representative has the meaning as set out under the heading of these Joint Terms and Conditions.

Conditions or **Condition** has the meaning as set out under the heading of these Joint Terms and Conditions.

Czech National Bank means the Czech National Bank, which performs supervision of the capital market in accordance with Act No. 15/1998 Coll. on Supervision in the Capital Market Area, as amended, or another subject which may have the competence of the Czech National Bank in the future.

CZK means the Czech crown, the lawful currency of the Czech Republic.

Day Count Fraction means, for the purposes of calculating interest on, or other yield of, the Bonds:

- (a) if the relevant Pricing Supplement quotes the terms “Actual/365”, or “Act/365” as the Day Count Fraction, the actual number of days in the period for which interest is calculated divided by 365;
- (b) if the relevant Pricing Supplement quotes the terms “Actual/360”, or “Act/360” as the Day Count Fraction, the actual number of days in the period for which interest or other yield is calculated divided by 360;
- (c) if the relevant Pricing Supplement quotes the terms “30E/360”, or “BCK Standard 30E/360” as the Day Count Fraction, the number of days in the period for which interest or other yield is calculated divided by 360 (where the number of days is set out on the basis of a year of 360 days divided into 12 months of 30 days each).

Early Redemption Date has the meaning as set out in Conditions 3.8, 6.4, 9.2, 12.4(a) and 12.4(b).

Early Redemption Notice has the meaning as set out in Condition 6.4.

ESMA means the European Securities and Markets Authority.

EUR, Euro or **euro** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

EURIBOR means:

- (a) the interest rate in per cent per annum offered for EUR which is displayed in the REFINITIV EICON information system on the EURIBOR page (or any successor page, if any, or other Reference Rate Source specified in the Pricing Supplement) for such period corresponding to the relevant Interest Period as determined by European

Markets Institute, as an administrator registered with the European Securities and Markets Authority (**ESMA**) and which is in effect on the date on which the EURIBOR rate is determined. If the Interest Period is a period for which the EURIBOR rate is not determinable in this manner, then the EURIBOR rate shall be determined by the Calculation Agent by calculating a linear interpolation between the EURIBOR rate for the next immediately longer period for which the EURIBOR rate is determinable in this manner and the EURIBOR rate for the next immediately shorter period for which the EURIBOR rate is determinable in this manner. If the EURIBOR rate cannot be determined in the manner described in this paragraph (a), paragraph (b) below shall apply.

- (b) If on any day the EURIBOR rate cannot be determined in accordance with paragraph (a) above, the EURIBOR rate on such day shall be determined by the Calculation Agent as the arithmetic average of the quoted rate of interest on sales of EUR interbank deposits for such period corresponding to the relevant Interest Period obtained on such day after 11:00 a.m. Brussel time from at least 3 banks (of the Calculation Agent's choice) operating on the relevant interbank market. In the event that the EURIBOR rate cannot be determined even by this procedure, the annual interest rate shall be equal to (i) the EURIBOR rate determined in accordance with paragraph (a) above on the nearest preceding Reference Rate Determination Date on which the EURIBOR rate was so determinable or, if there was no such date, (ii) the interest rate applicable in respect of the Bonds on the immediately preceding Interest Period, (x) decreased by the Margin determined for the Interest Period, for which the EURIBOR rate is to be determined if, pursuant to the Pricing Supplement, the interest rate for such Interest Period is to be determined as the sum of the Reference Rate and the Margin, or (y) increased by the Margin determined for the Interest Period for which the EURIBOR rate is to be determined if, pursuant to the Pricing Supplement, the interest rate for such Interest Period is to be determined as the difference between the Reference Rate and the Margin.

Event of Default has the meaning as set out in Condition 9.1.

Final Maturity Date means each day designated as the Final Maturity Date in the Pricing Supplement, in accordance with Condition 7.2.

Final Terms has the meaning as set out under the heading of these Joint Terms and Conditions.

Financial Centre for a specific currency means the location specified in the relevant Pricing Supplement where the Reference Rates for such currency are predominantly quoted and where interbank payments in such currency are settled.

Fiscal and Paying Agent has the meaning as set out under the heading of these Joint Terms and Conditions.

Group means Allwyn and its direct and indirect subsidiaries.

Immediate Family Members means with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships), the estates of such individual and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

Insolvency Act means Act No. 182/2006 Coll., on Insolvency and Methods of its Resolution (Insolvency Act), as amended.

Insolvency Petition has the meaning set out in Condition 9.1(d).

Instruction has the meaning as set out in Condition 7.5(b).

Interest Payment Date means each day denoted as the Interest Payment Date in the Pricing Supplement, in accordance with Condition 7.2.

Interest Period means the period beginning on the Issue Date (inclusive) and ending on the first in order Interest Payment Date (excluding), and then each consecutive period starting on the Interest Payment Date (inclusive) and ending on the next successive Interest Payment Date (excluding) until the Final Maturity Date (exclusive), as applicable, provided that, unless the Pricing Supplement stipulates otherwise, then for the purposes of determining the start of an Interest Period the Interest Payment Date will not be adjusted pursuant to the Business Day Convention.

Issue has the meaning as set out under the heading of these Joint Terms and Conditions.

Issue Date means the first day when the Bonds of any particular Issue may be issued to the first bondholder as specified in the relevant Pricing Supplement.

Issuer has the meaning as set out under the heading of these Joint Terms and Conditions.

Issuer's Website means the website as specified in the Final Terms.

J&T BANKA has the meaning as set out under the heading of these Joint Terms and Conditions.

Joint Terms and Conditions has the meaning as set out under the heading of these Joint Terms and Conditions.

KKCG AG means KKCG AG with its registered office at Kapellgasse 21, 6004 Lucerne, Switzerland, ID No. CHE-326.367.231 or any legal successor thereto.

Listing Agent has the meaning as set out under the heading of these Joint Terms and Conditions.

Major Company means each of the Parent, Allwyn and Allwyn International.

Margin means the margin over the Reference Rate expressed in per cent p.a. specified in the relevant Pricing Supplement.

Material Change has the meaning as set out in Condition 12.1(b)

Maturity Date means the Final Maturity Date, the Early Redemption Date and the Buyback Date.

Meeting has the meaning as set out in Condition 12.1(a).

Meeting Attendance Record Date has the meaning as set out in Condition 12.2(a).

Meeting Instruction has the meaning as set out in Condition 3.7(a)(i).

New Security Agent has the meaning as set out in Condition 3.6.

Parent means (i) KKCG AG; or (ii) following Permitted Reorganisation or Permitted Transfer of Seat, any company that owns 100% shares in Allwyn.

Payment Amount means the nominal value of the Bonds (or part thereof in the case of a partial early redemption of the Bonds) to be paid by the Issuer to the Bondholders upon maturity or early redemption of the Bonds.

Payment Date means each Interest Payment Date and Maturity Date.

Payment Record Date means Record Date for Interest Payment and/or Record Date for Nominal Amount Repayment.

Permitted Release means the release of any Security under the Security Agreement carried out under the following conditions:

- (a) listing of shares of direct or indirect subsidiary of KKCG AG the shares of which are subject to Security on an internationally recognised exchange or an internationally recognised market in the European Union, the United Kingdom, Switzerland, or the United States of America;
- (b) no earlier than 2 calendar months following such listing, the Board of Directors of the Issuer or the Parent requests in writing that the Security Agent partially releases the Security under the Security Agreement, whereas such a request may only be made once in any 12-month period;
- (c) such request shall contain the Post-Listing LTV Certificate and specify the number of shares to be released by the Security Agent;
- (d) such request and the Post-Listing Certificate are published on the Issuer's Website;
- (e) the Issuer obtains for the benefit of the Security Agent such legal opinions or other assurance as to the continuing validity and enforceability of the Security as the Security Agent reasonably requires; and
- (f) the Loan to Value Ratio shall not exceed 35% as a result of the first Permitted Release or 30% as a result of any subsequent Permitted Release,

whereas the Security Agent shall ensure that the Permitted Release is effected within 10 Business Days of the above-mentioned conditions being satisfied and the Security Agent receiving the above-mentioned documents.

Permitted Reorganisation means any Reorganisation that is made on a solvent basis and comprises:

- (a) a transfer of seat of Allwyn International to Switzerland or Liechtenstein and a change in the legal form of Allwyn International;
- (b)
 - (i) a transfer of seat of Allwyn to Liechtenstein;
 - (ii) change of legal form of Allwyn International or Allwyn or any change in the form of the shares of Allwyn, including the book entry and registration of Allwyn shares;

- (iii) a merger of a direct or indirect subsidiary of KKCG AG with another direct or indirect subsidiary of KKCG AG or with an entity which was not a subsidiary of KKCG AG where the surviving entity has its seat in any member state of the European Union or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, the United Kingdom, Norway, Switzerland or Liechtenstein;
 - (iv) acquisition of the assets of Allwyn International by Allwyn;
 - (v) acquisition of shares in Allwyn by a direct or indirect subsidiary of KKCG AG;
 - (vi) listing of shares in Allwyn, Allwyn International or other direct or indirect subsidiary of KKCG AG on an internationally recognised exchange or an internationally recognised market in the European Union, the United Kingdom, Switzerland, or the United States of America, insofar as such listing does not result in the transfer of the Pledged Allwyn Shares to a third party other than a direct or indirect subsidiary of KKCG AG; or
 - (vii) the insertion of a new holding company that is a direct or indirect subsidiary of KKCG AG; or
- (c) such Reorganisation where:
- (i) the involved direct or indirect subsidiaries of KKCG AG remain direct or indirect subsidiaries of KKCG AG; and
 - (ii) their seat remains in any member state of the European Union or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, the United Kingdom, Norway, Switzerland or Liechtenstein,

provided that, in case of (b) and (c) above, such a Permitted Reorganisation:

- (iii) does not result in a Change of Control; and
- (iv) any Security Replacement in connection therewith constitutes a Permitted Security Replacement.

Permitted Security Replacement means any Security Replacement in connection with:

- (a) a Permitted Reorganisation; or
- (b) a Permitted Transfer of Seat,

provided that

- (a) any release or termination of Security occurring during the Permitted Security Replacement only becomes effective after or principally simultaneously with the perfection of the relevant replacement Security perfected in connection with the Permitted Security Replacement; and
- (b) substantially equivalent (as determined by the Security Agent) security must be granted over such shares or assets of direct or indirect subsidiaries of KKCG AG

(ignoring for the purposes of assessing such equivalency any hardening periods (or any similar or equivalent concept)),

whilst such Security shall be deemed substantially equivalent by the Security Agent insofar as the Security Agent has received:

- (i) a confirmation from the management of KKCG AG and published on the Issuer's Website that the market value of the shares or assets that are subject to such Security has been determined by a valuation report prepared by an independent third party such as KPMG, EY, PwC, Deloitte or other similarly reputable institution or advisory company, whereas such report shall be provided to the Security Agent on a non-reliance and non-disclosure basis and shall evidence that the value of such replacement Security is at least substantially equivalent to the value of the Security before such Permitted Reorganisation;
- (ii) legal report(s) from legal adviser(s) to the Security Agent confirming that the obligations of the Pledgors under the Security Documents will continue to be valid and enforceable following the Permitted Security Replacement and specifying the steps required to be taken (including, without limitation, re-granting and perfection of any Security) to ensure validity and enforceability of the Security Documents in connection with the Permitted Security Replacement; and
- (iii) legal opinion(s) from legal adviser(s) to the Security Agent confirming the validity and effectiveness of such replacement Security pursuant to applicable laws,

each in a form and substance satisfactory to the Security Agent, acting reasonably.

Permitted Transfer of Seat means in relation to any Major Company, a transfer of its seat and subsequent change of legal form of that Major Company, **provided that**:

- (a) the seat is transferred to any member state of the European Union or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, the United Kingdom, Norway, Switzerland or Liechtenstein; and
- (b) any Security Replacement in connection therewith constitutes a Permitted Security Replacement.

Person Authorised to Attend the Meeting has the meaning as set out in Condition 12.2(a).

Pledgor has the meaning as set out in Condition 3.5.

Post-Listing LTV Certificate means a certificate in a form satisfactory to the Security Agent prepared by the Board of Directors of the Issuer or the management of KKCG AG containing the Value of the Pledged Allwyn Shares and evidencing that:

- (a) as of the date of the certificate, the Loan to Value Ratio does not exceed 35% or 30%, as applicable; and
- (b) the Loan to Value Ratio will not exceed 35% or 30%, as applicable, as a result of the Permitted Release (calculated on the basis of the Value of the Pledged Allwyn Shares as of the date of the certificate).

PRIBOR means:

- (a) the interest rate in per cent per annum which is displayed in the REFINITIV EICON information system on the PRIBOR page (or any successor page, if any, or other Reference Rate Source specified in the Pricing Supplement) as the fixing value of the interest rate on sales on the Prague CZK interbank deposit market for such period corresponding to the relevant Interest Period as determined by Czech Financial Benchmark Facility s.r.o., as an administrator registered with ESMA and which is in effect on the date on which the PRIBOR rate is determined. If the Interest Period is a period for which the PRIBOR rate is not determinable in this manner, then the PRIBOR rate shall be determined by the Calculation Agent by calculating a linear interpolation between the PRIBOR rate for the next immediately longer period for which the PRIBOR rate is determinable in this manner and the PRIBOR rate for the next immediately shorter period for which the PRIBOR rate is determinable in this manner. If the PRIBOR rate cannot be determined in the manner described in this paragraph (a), paragraph (b) below shall apply.
- (b) If on any day the PRIBOR rate cannot be determined in accordance with paragraph (a) above, the PRIBOR rate on such day shall be determined by the Calculation Agent as the arithmetic average of the quoted rate of interest on sales of CZK interbank deposits for such period corresponding to the relevant Interest Period obtained on such day after 11:00 a.m. Prague time from at least 3 banks (of the Calculation Agent's choice) operating on the Prague interbank market. In the event that the PRIBOR rate cannot be determined even by this procedure, the annual interest rate shall be equal to (i) the PRIBOR rate determined in accordance with paragraph (a) above on the nearest preceding Reference Rate Determination Date on which the PRIBOR rate was so determinable or, if there was no such date, (ii) the interest rate applicable in respect of the Bonds on the immediately preceding Interest Period, (x) decreased by the Margin determined for the Interest Period, for which the PRIBOR rate is to be determined if, pursuant to the Pricing Supplement, the interest rate for such Interest Period is to be determined as the sum of the Reference Rate and the Margin, or (y) increased by the Margin determined for the Interest Period for which the PRIBOR rate is to be determined if, pursuant to the Pricing Supplement, the interest rate for such Interest Period is to be determined as the difference between the Reference Rate and the Margin.

For the avoidance of doubt, if, as a result of the Czech Republic's accession to the European Union, the PRIBOR rate ceases to exist or to be generally used in the interbank deposit market, the rate normally used in the interbank deposit market in the Czech Republic will be used instead of the PRIBOR rate.

Pricing Supplement has the meaning as set out under the heading of these Joint Terms and Conditions.

Programme has the meaning as set out under the heading of these Joint Terms and Conditions.

Prospectus Regulation means Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published in the event of a public offering or admission of securities to trading on a regulated market, as amended.

Record Date for Interest Payment means, unless otherwise specified in the Pricing Supplement, the day that precedes by thirty days the relevant Interest Payment Date, provided, however, that for the purposes of determining the Record Date for Interest Payment, such Interest Payment Date will not be adjusted pursuant to the Business Day Convention.

Record Date for Nominal Amount Repayment means, unless otherwise specified in the Pricing Supplement, the day that precedes by thirty days the relevant Maturity Date, provided, however, that for the purposes of determining the Record Date for Nominal Amount Repayment, such Maturity Date will not be adjusted pursuant to the Business Day Convention.

Reference Rate means the rate specified as such in the relevant Pricing Supplement. The Reference Rate can be PRIBOR or EURIBOR.

Reference Rate Determination Date means the date on which the Reference Rate for the relevant Interest Period is determined and specified as such in the relevant Pricing Supplement. Unless otherwise provided in the Terms and Conditions, the Reference Rate Determination Date for the relevant Interest Period shall be the second Business Day prior to the first day of such Interest Period.

Reference Rate Source means the source specified in the Joint Terms and Conditions or the Pricing Supplement from which the Calculation Agent determines the Reference Rate.

Regulated Market of the PSE means the regulated market of the Prague Stock Exchange.

Reorganisation means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganisation, winding up, corporate reconstruction, transfer of shares or contribution of shares involving any direct and indirect subsidiary of KKCG AG.

Security has the meaning as set out in Condition 3.5(c).

Security Agent has the meaning as set out under the heading of these Joint Terms and Conditions.

Security Agreement has the meaning as set out in Condition 3.5(b).

Security Documents have the meaning as set out in Condition 3.5(c).

Security Replacement means replacement or release and retake of Security, a change in the identity of the security provider under the Security Agreement, the transfer of rights and obligations under the Security Agreement to a new security provider or a replacement of the entity the shares of which are subject to Security.

Simple Majority means simple majority of votes of the attending Persons Authorised to Attend the Meeting.

Specified Currency means the currency in which the Bonds are denominated or, alternatively, other currency so specified in the Pricing Supplement.

Specified Office has the meaning as set out under the heading of these Joint Terms and Conditions.

Subscription Period has the meaning as set out in Condition 2.

TARGET2 System means the Trans-European Automated Real-time Gross-Settlement Express Transfer (TARGET2) System or any successor system.

Terms and Conditions has the meaning as set out under the heading of these Joint Terms and Conditions.

Transformation has the meaning as set out in Condition 9.1(i)(A).

Ultimate Controlling Person means (i) Valea Foundation, duly registered as a foundation under the laws of Liechtenstein, registration number FL-0002.286.140-2, with its registered office at Vaduz, the Principality of Liechtenstein, or any similar entity (including a trust or trust fund) whose founder or trustor is or will be Mr Karel Komárek, born on 15 March 1969, and whose beneficiaries are or will be Mr Karel Komárek or his Immediate Family Members; or (ii) Karel Komárek and his Immediate Family Members as well as any funds, partnerships, co-investment vehicles and other entities owned, managed, controlled or advised by Karel Komárek.

Value of the Pledged Allwyn Shares means the market value of the Pledged Allwyn Shares determined either:

- (a) in accordance with the most recent Valuation Report at that time, whereas such Valuation Report will not,
 - (i) as of the relevant testing date as set out in Conditions 4.8 and 4.11, if calculated for the purposes of Conditions 4.8 and 4.11, be older than 4 months; or
 - (ii) as of the date of the Rectification under Condition 4.9, if calculated for the purposes of the Rectification under Condition 4.9, be older than 3 months, or
- (b) if the shares in Allwyn are listed on an internationally recognised exchange or an internationally recognised market, their value will be determined as
 - (i) the volume weighted average closing price during a 30-day period ending no more than 10 days prior to the relevant testing date, as set out in Condition 4, or
 - (ii) the volume weighted average closing price during a 30-day period ending no more than 10 days prior to the date of the Rectification, as set out in Condition 4.9, as certified by the Board of Directors of the Issuer or the CFO of the Group, or
 - (iii) if calculated for the purposes of the Post-Listing LTV Certificate, the volume weighted average closing price during a 2-month period following the listing of the shares on the relevant internationally recognised exchange or an internationally recognised market,

increased by cash deposited on the Restricted Account in accordance with Condition 4.7, if any.

FORM OF FINAL TERMS

Set out below is the form of the Final Terms which will be prepared for each individual Issue issued under this Programme for which the Issuer will be required to publish a prospectus. The Final Terms will include a summary of the relevant Issue, if relevant.

The Final Terms will be filed with the Czech National Bank in accordance with the law and published in the same manner as the Base Prospectus, i.e. on the Issuer's website.

In cases where it is not necessary to prepare a prospectus for a given Issue, the Issuer may (by analogy with the Bonds Act) only prepare a Pricing Supplement for a given Issue, which the Issuer will (again by analogy with the Bonds Act) make available.

Important notice: *The following text constitutes the form of the Final Terms (excluding the cover page which each Final Terms will contain) containing the final terms of the offer of the relevant Issue, i.e. those terms which will be specific to the relevant Issue. Where one or more particulars are set out in square brackets, one of those particulars will be used for the particular Issue. If the symbol “●” is also shown in square brackets, the information shown is the most likely variant, which may not, however, be used for a particular Issue. If the symbol “●” is shown in square brackets, the missing data will be completed in the relevant Final Terms. The modification applied in the relevant Final Terms will always prevail.*

FINAL TERMS

These final terms (the **Final Terms**) constitute the final terms within the meaning of Article 8(4) of Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **Prospectus Regulation**) and contain a bond programme supplement relating to the issue of the below specified bonds (the **Bonds**). The complete prospectus consists of (i) these Final Terms and (ii) the base prospectus of KKCG Financing a.s., with its registered office at Evropská 866/71, Vokovice, Prague 6, Czech Republic, Postal Code: 160 00, ID No.: 215 31 455, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 28853, LEI: 3157008MLJ4Z9TFPQQ90 (the **Issuer**), approved by the decision of the Czech National Bank (the **CNB**) ref. no. 2024/068934/CNB/650, file no. S-Sp-2024/00107/CNB/659 dated 19 June 2024, which became final and effective on 20 June 2024, [as supplemented by the supplement no. [●] approved by the decision of the CNB ref. no. [●], file no. [●] dated [●], which became final and effective on [●]] (the **Base Prospectus**). Full information on the Issuer and the offer of the Bonds described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published and is available in electronic form on the Issuer's website [●] (the **Issuer's Website**).

The Base Prospectus is valid until 20 June 2025.

[The public offering of the Bonds may continue after the expiry of the Base Prospectus if a subsequent Base Prospectus is approved and published no later than on the last day of the validity of the Base Prospectus. The Issuer's subsequent Base Prospectus will be published on the Issuer's Website. In accordance with Article 8(11) of the Prospectus Regulation, a right of withdrawal pursuant to Article 23(2) shall also apply to investors who have agreed to purchase or subscribe for the securities during the validity period of the previous base prospectus, unless the securities have already been delivered to them.]

These Final Terms have been prepared for the purposes of Article 8(4) of the Prospectus Regulation and must be read in conjunction with the Base Prospectus and any supplements thereto.

In accordance with Article 8(5) of the Prospectus Regulation, these Final Terms have been published on the Issuer’s Website and have been filed with the CNB in accordance with the law.

The Bonds are issued as a [insert order] issue under the bond programme of the Issuer with the maximum aggregate nominal value of the outstanding Bonds of CZK 10,000,000,000 (the **Programme**). The wording of the joint terms and conditions, which are the same for each Issue issued under the Programme commencing on 19 June 2024, is set out in the chapter “*Joint Terms and Conditions of the Bonds*” in the Base Prospectus approved by the CNB and published by the Issuer (the **Joint Terms and Conditions**).

Capitalised terms not defined in these Final Terms shall have the meanings ascribed to them in the Base Prospectus unless the context of their use in these Final Terms indicates otherwise.

Investors should consider the risk factors associated with an investment in the Bonds. These risk factors are set out in the section of the Base Prospectus entitled “*Risk Factors*”.

These Final Terms were drawn up on [insert date] and the information contained herein is current only as of that date. The Issuer publishes information about itself and the results of its business activities on a regular basis in connection with the fulfilment of its information obligations under the applicable legislation. After the date of these Final Terms, prospective purchasers of the Bonds should base their investment decisions not only on these Final Terms and the Base Prospectus, but also on other information that may have been published by the Issuer after the date of these Final Terms or other publicly available information. This is without prejudice to the obligation of the Issuer to update the Base Prospectus by way of supplements within the meaning of Article 23(1) of the Prospectus Regulation.

The distribution of these Final Terms and the Base Prospectus and the offer, sale or purchase of the Bonds are restricted by law in certain countries. The Issuer has not applied and does not intend to apply for recognition of the Base Prospectus and the Final Terms in any other jurisdiction and the Bonds will not be registered, authorised or approved by any administrative or other authority of any jurisdiction except for the approval of the Base Prospectus by the CNB.

[The Bonds will be placed on the market by the Issuer through [●] (the **Manager(s)**).]

[The Bonds are linked to a benchmark within the meaning of the Benchmark Regulation. As at the date of these Final Terms, the [[*Benchmark Administrator*], the administrator of the [*name of the benchmark*], is] / [[*Benchmark Administrator*], the administrator of the [*name of the benchmark*], is not] included in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. [To the Issuer’s knowledge, [*name of the benchmark*] does not fall within the scope of the Benchmark Regulation pursuant to Article 2 of the Benchmark Regulation]].

[MiFID II PRODUCT GOVERNANCE] / [PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET] [AND] [RETAIL INVESTORS TARGET MARKET] – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties[,] [and] professional clients [and retail clients], each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Bonds are appropriate [including investment advice, portfolio management, non-advised sales and pure execution services]. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels[, subject to the

distributor's suitability and appropriateness obligations under MiFID II, as applicable]. *[Insert further details on target market, client categories etc.]*

[IF RELEVANT TO THE ISSUE BASED ON THE NOMINAL VALUE OF EACH BOND, A SUMMARY PREPARED FOR THAT PARTICULAR ISSUE WILL BE ADDED]

1. RESPONSIBILITY STATEMENT

1.1 Persons responsible for the information contained in the Final Terms

The person responsible for the accuracy and completeness of the information contained in these Final Terms is the Issuer, KKCG Financing a.s., with its registered office at Evropská 866/71, Vokovice, Prague 6, Czech Republic, Postal Code: 160 00, ID No.: 215 31 455, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 28853.

1.2 Declaration of the Issuer

The Issuer declares that, to the best of its knowledge, the information contained in these Final Terms is in accordance with the facts and that these Final Terms make no omission likely to affect their import.

In [●] on [●]

[●]

Name: [●]
Position: [●]

Name: [●]
Position: [●]

2. BOND PROGRAMME SUPPLEMENT

This bond programme supplement dated [●] and prepared in relation to the Bonds (the **Pricing Supplement**) constitutes a supplement to the Joint Terms and Conditions as the joint terms and conditions of the Programme within the meaning of Section 11(3) of the Bonds Act.

This Pricing Supplement and the Joint Terms and Conditions together form the complete Terms and Conditions of the below specified issue of Bonds under the Programme.

The Pricing Supplement and the Joint Terms and Conditions have to be read and interpreted altogether. In case of any discrepancy between the Joint Terms and Conditions and this Pricing Supplement, the provisions of this Pricing Supplement will prevail; however, this does not affect the Joint Terms and Conditions in relation to any other Issue under the Programme.

The following parameters of the Bonds specify and supplement, in connection with this Issue, the Joint Terms and Conditions published earlier in the manner described above. The terms and conditions indicated in the table below as “not applicable” do not apply to the Bonds.

The capitalised terms used in this Pricing Supplement have the same meaning as ascribed to them in the Joint Terms and Conditions, unless otherwise defined in this Pricing Supplement.

The Bonds are issued under Czech law, in particular pursuant to the Bonds Act.

Important notice: *The following table contains a form of the Pricing Supplement for a given Issue, i.e. a form for that part of the terms and conditions of that Issue which will be specific to that Issue. Where one or more particulars are set out in square brackets, one of those particulars will be used for the particular Issue. If the symbol “●” is also shown in square brackets, the data shown is the most likely variant, but may not be used for a particular Issue. If the symbol “●” is shown in square brackets, the missing data will be completed in the relevant Final Terms. The text set out in italics below does not form part of the Pricing Supplement and is for guidance only.*

PART A – CONDITIONS OF THE ISSUE

1. ISIN of the Bonds:
2. Condition 4 of the Joint Terms and Conditions: /
3. Nominal value of each Bond:
4. Aggregate anticipated nominal value of the Issue:
5. Issuer's right to increase the total nominal value of the Issue and conditions of such increase: [yes; the Issuer has the right to increase the total nominal value of the Issue; the amount of such increase will not exceed / [% of the aggregate anticipated nominal value of the Issue] / [no; the Issuer is not entitled to issue Bonds with a higher total nominal amount of the Issue than the aggregate anticipated nominal value of the Issue]
6. Quantity of Bonds:
7. Currency of the Bonds: [CZK] / [Euro (EUR)] /
8. Specified Currency (if different than the currency of Bonds set out in paragraph 7 above): / [not applicable]
9. Issue Method: [The Bonds will be issued at once on the Issue Date.] / [The Bonds will be issued at once on the Issue Date, but if the aggregate nominal value of the Bonds Issue is not issued on the Issue Date, they may also be issued in tranches after the Issue Date during the Subscription Period [or during the Additional Subscription Period].] / [The Bonds will be issued in tranches during the Subscription Period [or during the Additional Subscription Period].] / [The Bonds will be issued on a gradual basis (in tranches) during the Subscription Period [or during the Additional Subscription Period].] /
10. Name of the Bonds Issue:
11. Issue Date:
12. Final Maturity Date:
13. Subscription period:
14. Issue Price of the Bonds issued on the Issue Date: [[% of the nominal value of the Bonds]/ With the consent of the Arranger and Joint Lead Managers, the Issuer may issue Bonds in the anticipated or higher total nominal value even after the expiration of the Subscription Period. In such a case, the Issuer will

determine an Additional Subscription Period which will end no later than the Record Date for Nominal Amount Repayment and will make it available in the manner stated in Condition 13 without unnecessary delay.]

15. Day Count Fraction: [[Actual/365] / [Actual/360] / [BCK Standard 30E/360] / [●]] / *description of the use of different Day Count Fractions for different Interest Periods (if applicable)*

[The Day Count Fraction also applies in respect of the calculation of interest on the Bonds accrued for the period of one current year.]

16. **Fixed Rate Bonds:** [applicable] / [not applicable]

If not applicable, delete the remaining subparagraphs.

16.1 Interest rate: [● % p.a. / *description of interest rates for different Interest Periods in % p.a. (if applicable)*]

16.2 Interest Payment Dates: [For the purposes of determining the start of any Interest Period, the Interest Payment Date will be adjusted pursuant to the Business Day Convention.] / [●]

17. **Floating Rate Bonds:** [applicable / not applicable]

If not applicable, delete the remaining subparagraphs.

17.1 Reference Rate: [PRIBOR] / [EURIBOR] / [●]

17.2 Reference Rate Source: [●] / [as per Condition 15]

17.3 Margin: [[●]% p.a.] / *description of the Margin for different Interest Periods in % p.a.* / [not applicable]

17.4 Reference Rate Determination Date: [Reference Rate Determination Date for the relevant Interest Period shall be the [●] [Business Day] / [●] prior to the first day of such Interest Period] / [●] [as per Condition 15]

17.5 Determination of the rate of interest for individual Interest Periods: [Reference Rate [plus / minus] Margin] *[the formula for calculating the interest rate for the relevant Interest Periods within the meaning of Condition 5.2(a), supplemented by the missing variables]*

17.6 Interest Payment Dates: [[●] [and [●]] in each year[; however, in accordance with Condition 5.2(a)(v), the interest for [the [●] / all] Interest Period[s] will be paid cumulatively with the interest for the [●] Interest Period on [●] / [the Final Maturity Date]] *replicate for different Interest Periods (if applicable)*] / [●]

[For the purposes of determining the start of [any Interest Period / [●]], the Interest Payment Date will be adjusted pursuant to the [Floating Rate] / [Following] / [Modified Following] / [Preceding] Business Day Convention.] / [●]

- 17.7 Place where information on the past and future development of the Reference Rate and its volatility can be obtained: [●] [Information can be obtained free of charge.] / [Information on this site cannot be obtained free of charge.]
- 17.8 Description of the Reference Rate: [●]
18. Other value the that the Issuer will pay to the Bondholders at final maturity: [●] / [not applicable]
19. Record Date for Interest Payment: [as per Condition 15] / [●]
20. Record Date for Nominal Amount Repayment: [as per Condition 15] / [●]
21. Early redemption at the option of the Issuer under Condition 6.4: [applicable] / [not applicable]
- If not applicable, delete the remaining subparagraphs.*
- 21.1 The Issuer is entitled to redeem early the nominal value of the Bonds partially: [applicable] / [not applicable]
- 21.2 Minimum Prepayment Amount: [●] / [not applicable]
- 21.3 Maximum Prepayment Amount: [●] / [not applicable]
- 21.4 Dates on which the Issuer may redeem the Bonds early upon decision of the Issuer: [on any Interest Payment Date occurring at least two years after the Issue Date (inclusive) of the Issue] / [●]
- 21.5 Period for notification of the early redemption at the option of the Issuer to the Bondholders: [The Issuer must notify the Bondholders no later than [●] days prior to the Early Redemption Date.] / [●]
- 21.6 Early redemption Payment Amount in respect of each Bond: [[●]% of the outstanding nominal amount of the Bond, the relevant interest income accruing on the amount of the early repaid nominal amount of such Bond as of the Early Redemption Date and the

extraordinary interest income determined as 1/120 of the annual Interest Rate on the total amount of the early repaid nominal amount of the Bond multiplied by the number of full months remaining from the relevant Early Redemption Date until the Final Maturity Date of the Bond, the number of full months being rounded down] / [●]

22. Bondholder Buyback under Condition 6.5: [applicable] / [not applicable]
- If not applicable, delete the remaining subparagraphs.*
- 22.1 Period for notification of the Early Redemption Decision to the Issuer: [as per Condition 6.5] / [●]
- 22.2 Early redemption Payment Amount in respect of each Bond: [as per Condition 6.5] / [100% of the nominal value of each Bond] / [●]
23. Currency in which interest on the Bonds will be paid and/or currency in which the nominal value will be redeemed (if other than the currency in which the Bonds are denominated): [●] / [not applicable]
24. Business Day Convention for determination of Payment Dates (other than Interest Payment Day): [[Floating Rate] / [Following] / [Modified Following] / [Preceding] Business Day Convention]] / [●]
25. Obligation of the Issuer to pay to the Bondholders any additional amounts as a compensation of the withholding or deduction of any taxes, duties, assessments or governmental charges of whatever nature over nominal amount and interest in respect of the Bonds: [as per Condition 8] / [●]
26. Condition 9.1: [yes] / [the following Event(s) of Default shall apply: [●]]
27. Fiscal and Paying Agent: [J&T BANKA] / [●]
28. Specified Office: [as set out in Condition 11.1(a)] / [●]
29. Calculation Agent: [J&T BANKA] / [●]
30. Listing Agent: [J&T BANKA] / [●]
31. Other Agents: [●]
32. Financial Centre [●] / [not applicable]

33. Persons Authorised to Attend the Meeting: [as per Condition 12.2] / [●]
34. Internal approval of the Issue: [●]
35. Details of the persons involved in the arrangement of the issuance of the Bonds: [The issuance of Bonds will be arranged by the Issuer / [●]] / [●].]
36. Advisors The names, functions and addresses of the Advisors are set out on the last page of these Final Terms.
37. Information sourced from third parties included in the Final Terms / source of information: [not applicable] / [Some of the information in the Final Terms is sourced from third parties. Such information has been accurately reproduced and, to the best of the Issuer's knowledge and to the extent it is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Issuer shall not be liable for the inaccuracy of information from third parties if such inaccuracy could not have been discovered by the Issuer in the exercise of the aforementioned care. [*add source of information*]] / [●]
38. Post-issuance information: [●] / [not applicable]

PART B – OTHER INFORMATION

1. Public offering: [[Not applicable; The Bonds will not be offered to the public in accordance with the applicable legislation] / [Not applicable; The Bonds will be offered to the public on the basis of one or more exemptions from the obligation to publish a prospectus pursuant to the Prospectus Regulation] / [The Bonds will be distributed by way of a public offering.] [The Issuer will offer the Bonds up to [the volume of [●]] / [the total nominal amount of the Issue] to [domestic] / [foreign] [domestic and foreign] [qualified] / [non-qualified (mainly retail)] / [qualified and non-qualified (mainly retail)] investors]. / [●]
- If not applicable, delete the remaining subparagraphs.*
- 1.1 Conditions of the public offering: [●]
- [Conditions of the public offering: [*including a description of the procedure for ordering the Bonds*]]
- [Minimum order amount: [●]]
- [Maximum order amount: [●]]
- [The maximum aggregate nominal amount of Bonds requested by an individual investor in an order is

limited to the aggregate nominal amount of the Bonds offered.]

[Placement of the Issue will be made through [●], LEI: ●, (Manager)]. / [Placement of the Issue will be made by the Issuer itself.] / [Placement of the Issue will be made through [●], and at the same time the Issuer may place the Issue itself.]

[[The Issuer / ●] shall be entitled to reduce investors' bids at its sole discretion (if the investor has already paid [the Issuer] the full price for the Bonds originally requested in the order, [the Issuer]/[●] shall send back any overpayment without undue delay to the account communicated to [the Issuer / ●] by the investor).]

[The final nominal value of the Bonds allocated to each investor will be indicated in the confirmation of acceptance of the offer which will be sent by the [Issuer / ●] to each investor (in particular by means of remote communication)]. / ●]]

[The period during which the public offer will be open is from [●] to [●]].

[Methods and time limits for paying up the Bonds and delivery of the Bonds: [●]]

[Selected investors will be approached by the [Issuer / ●] (in particular using means of remote communication) [under the contractual relationships with the [Issuer / ●] (in particular under the commission agreements concluded with the [Issuer / ●])] and invited to place an order to purchase the Bonds.]

[Application procedure: [●] *including any documents required for the application*].

[In a public offering made by the Issuer, the price for the Bonds offered will [be equal to [●]% of the nominal value of the Bonds being purchased [for a period of [●] and thereafter determined at all times on the basis of current market conditions and will be published periodically on the [Issuer's] website [●], in the section [●]] [and on the Manager's website [●], in the section [●] / determined at all times based on current market conditions and will be published from time to time on the Issuer's website [●], in the section [●] [and on the Manager's website [●], in the section [●]]].

1.2 Indication whether dealing [●]
may begin before
notification is made:

- 1.3 Manner and date in which results of the offer are to be made public: [The results of the offering will be published without undue delay after the closing of the offering, no later than on [●], on the Issuer's website in the section [●].] / [●] / [not applicable]]
- 1.4 Method and time limits for paying up the Bonds and for delivery of the Bonds: [●]
- 1.5 The procedure for the exercise of any right of preemption, the negotiability of subscription rights and the treatment of subscription rights not exercised: [●]
- 1.6 If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche: [●]
- 1.7 Amount of expenses charged to the subscriber / purchaser: [●]
- 1.8 Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place: [●]
- 1.9 Placing of the Issue through the Manager on a firm or non-firm commitment basis / entering into the Subscription Agreement and its material features / underwriting and placement commissions: [●]
2. Interest of natural and legal persons participating in the Issue/offering: [To the Issuer's knowledge, no person or entity participating in the Issue or offering of the Bonds has an interest in such Issue or offering that is material to such Issue or offering of the Bonds.] [[●] also serves as [Manager] / [Fiscal and Paying Agent] / [Security

Agent] // [Common Representative] / [Calculation Agent] / [Listing Agent] for the Issue]]. / [●]

3. Reasons for the offer and use of proceeds from the Bonds: [The Bonds are being offered to provide funds for the conduct of the Issuer's business]. The costs of preparing the Issue will be approximately [●] CZK [and in the event of an increase in the total nominal amount of the Issue up to the maximum amount, such costs will be approximately [●]]. The net proceeds of the Issue obtained by the Issuer (if the expected total nominal amount of the Issue is issued) will be approximately CZK [●] [and if the total nominal amount of the Issue is increased up to the total maximum amount, the net proceeds of the Issue will be approximately CZK [●]]. The entire proceeds will be used to provide financing to KKCG AG the form of an intragroup loan.] / [●] / [The proceeds will not be used to finance gaming operations of the Group.]
4. Admission of the Bonds to the relevant regulated market: [The Issuer has applied for admission of the Bonds to trading on the [Regulated Market of the PSE] / [●]]. / [Since [●], the Bonds have been admitted to trading on the [Regulated Market of the PSE] / [●]]. / [Neither the Issuer nor any other person with its consent or knowledge has applied for admission of the Bonds to trading on a regulated or other securities market, either in the Czech Republic or abroad.]
5. Admission of securities of the same class as the Bonds to trading on regulated markets, third country markets, the SME Growth Market or a multilateral trading facility: [●] / To the Issuer's knowledge, no securities issued by the Issuer of the same class as the Bonds are admitted to trading on any regulated market, third country market, SME Growth Market or multilateral trading facility.]
6. Secondary trading intermediary (market maker): [●] / No person has accepted the obligation to act as an intermediary in secondary trading (market maker).]
7. Further restrictions on the sale of the Bonds: [●] / [not applicable]

SELECTED FINANCIAL INFORMATION OF THE ALLWYN GROUP

This chapter presents an overview of selected audited financial information of the Allwyn Group. The consolidated statements of comprehensive income, consolidated statements of financial position and consolidated statements of cash flow are prepared in accordance with IFRS. All figures are in EUR million, unless otherwise indicated.

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE ALLWYN GROUP

	Year ended 31 December	
	2023	2022
Revenue from gaming activities (GGR)	7,549.4	3,811.3
Revenue from non-gaming activities	328.7	176.9
Total Revenue	7,878.1	3,988.2
Other operating income	285.6	262.8
Gaming taxes and Good Cause contributions	(4,289.1)	(1,456.8)
Agents' commissions.....	(805.6)	(523.7)
Materials, consumables and services	(920.9)	(598.0)
Marketing services.....	(395.6)	(244.7)
Personnel expenses	(522.7)	(379.8)
Other operating expenses.....	(118.4)	(64.8)
Share of profit of equity method investees	169.7	86.4
Depreciation and amortisation	(374.7)	(213.3)
Impairment of tangible and intangible assets including goodwill	(21.7)	(35.5)
Other gains and losses	5.6	(12.6)
Profit from operating activities	890.3	808.2
Interest income	38.8	7.5
Interest expense	(310.6)	(227.5)
Other finance income and expense	(35.2)	(29.7)
Finance costs, net	(307.0)	(249.7)
Profit before tax	583.3	558.5
Income tax expense.....	(188.2)	(144.9)
Profit after tax	395.1	413.6
<i>Items that are or may subsequently be reclassified to profit or loss:</i>		
Change in currency translation reserve	(10.7)	9.5
Remeasurement of hedging derivatives, net of tax	(26.3)	(2.3)
Net change in hedging derivatives reclassified to profit or loss, net of tax	3.3	1.2
Share of other comprehensive income of equity method investees	0.1	0.7
<i>Items that will not be reclassified to profit or loss:</i>		
Actuarial remeasurements of defined benefit liabilities, net of tax	(15.3)	26.4
Revaluation of equity instruments at fair value through OCI (FVOCI)	(3.1)	0.2
Total other comprehensive income/(loss)	(52.0)	35.7
Total comprehensive income	343.1	449.3
Profit after tax attributable to:		
Owners of Allwyn	108.9	38.2
Non-controlling interests	286.2	375.4
Profit after tax	395.1	413.6
Total comprehensive income attributable to:		
Owners of Allwyn	64.5	62.8
Non-controlling interests	278.6	386.5
Total comprehensive income	343.1	449.3

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ALLWYN GROUP

	Year ended 31 December	
	2023	2022
ASSETS		
Intangible assets.....	2,431.4	2,432.8
Goodwill.....	1,208.4	1,082.7
Property, plant and equipment.....	369.2	362.9
Investment property.....	1.4	19.3
Equity method investees.....	322.2	284.8
Other receivables.....	96.7	83.6
Other financial assets.....	199.2	188.3
Deferred tax asset.....	114.1	59.0
Total non-current assets.....	4,742.6	4,513.4
Inventories.....	12.6	9.7
Trade and other receivables.....	974.6	256.2
Current tax asset.....	30.4	11.5
Other financial assets.....	32.1	131.3
Cash and cash equivalents.....	1,817.3	1,211.2
Total current assets.....	2,867.0	1,619.9
TOTAL ASSETS.....	7,609.6	6,133.3
LIABILITIES		
Loans and borrowings.....	3,782.3	2,574.6
Preferred shares.....	–	624.5
Lease liabilities.....	93.5	102.8
Trade and other payables.....	34.4	36.9
Derivative financial instruments.....	32.8	–
Provisions.....	1.6	1.5
Employee benefits liability.....	115.8	117.6
Deferred tax liability.....	450.3	428.0
Total non-current liabilities.....	4,510.7	3,885.9
Loans and borrowings.....	351.5	328.8
Lease liabilities.....	30.2	27.9
Trade and other payables.....	2,123.6	897.8
Other financial liabilities.....	10.5	31.7
Current tax liability.....	142.9	131.4
Provisions.....	43.2	22.8
Employee benefits liability.....	92.9	77.0
Total current liabilities.....	2,794.8	1,517.4
TOTAL LIABILITIES.....	7,305.5	5,403.3
EQUITY		
Share capital.....	0.1	0.1
Capital contributions.....	687.2	443.8
Currency translation reserve.....	6.9	17.4
Hedging reserve.....	(19.3)	3.7
Other reserves.....	(0.8)	10.1
Retained earnings.....	(1,409.4)	(953.9)
Total equity attributable to owners of Allwyn.....	(735.3)	(478.8)
Non-controlling interest.....	1,039.4	1,208.8
Total equity.....	304.1	730.0
TOTAL EQUITY AND LIABILITIES.....	7,609.6	6,133.3

3. CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ALLWYN GROUP

	Year ended 31 December	
	2023	2022
OPERATING ACTIVITIES		
Profit (+) for the year	395.1	413.6
Adjustments for:		
Income tax expense	188.2	144.9
Depreciation and amortisation	374.7	213.3
Impairment gains (+)/losses (-) on non-financial assets	21.7	35.5
Profit (-)/loss (+) on sale of property, plant and equipment and intangible assets	0.6	(2.2)
Gain (-)/loss (+) on disposal of financial investments	(0.2)	(0.3)
Net interest income (-)/expense (+)	271.8	220.0

Net foreign exchange profit (-) loss (+)	8.7	(0.3)
Share of profit (-) of equity method investees	(169.7)	(86.4)
Change in value of arbitration award	(2.3)	(5.6)
Income from termination of lease	(12.9)	–
Revaluation of financial assets at fair value through profit or loss	(6.0)	7.2
Increase (+)/decrease (-) in provisions	(1.6)	2.5
Operating result before changes in working capital	1,068.1	942.2
Increase (-)/decrease (+) in inventories	(0.1)	(0.9)
Increase (-)/decrease (+) in trade receivables and other receivables	(11.7)	8.8
Increase (+)/decrease (-) in trade and other payables	236.5	121.4
Cash generated from (+)/used in (-) operations	1,292.8	1,071.5
Interest paid	(195.2)	(117.4)
Income tax paid	(245.0)	(171.5)
Net cash generated from (+)/used in (-) operating activities	852.6	782.6
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(102.1)	(68.3)
Acquisition of subsidiaries, net of cash acquired	(79.8)	(113.2)
Loans provided	(0.8)	(103.1)
Repayment of loans provided	11.7	195.3
Purchase of financial investments	(6.1)	(10.4)
Proceeds from disposal of financial investments	96.2	11.3
Dividend distributed to equity method investee of the Allwyn Group	(10.8)	(11.3)
Dividends and distributions received from equity method investees	143.0	121.0
Proceeds from sale of property, plant and equipment and intangible assets	1.8	1.7
Interest income received	33.2	2.9
Net movement in restricted cash related to investing activities	(2.9)	2.0
Net cash generated from (+)/used in (-) investing activities	83.4	27.9
FINANCING ACTIVITIES		
Purchase of non-controlling interest in subsidiaries	(3.2)	(420.9)
OPAP purchases of own shares through share buyback programme	(31.1)	–
Dividends paid to the parent	(978.2)	(324.3)
Dividends and distributions paid to non-controlling interest	(457.3)	(302.3)
Dividends paid to preferred shares holders	–	(75.7)
Loans and borrowings received	2,192.7	1,425.9
Repayment of loans and borrowings	(1,011.6)	(1,238.8)
Repayment of principal element of lease liabilities	(42.3)	(27.4)
Net cash generated from (+)/used in (-) financing activities	(331.0)	(963.5)
Net decrease (-)/increase (+) in cash and cash equivalents	605.0	(153.0)
Effect of currency translation on cash and cash equivalents	1.1	(2.1)
Cash and cash equivalents at the beginning of the year	1,211.2	1,366.3
Cash and cash equivalents at the end of the year	1,817.3	1,211.2

* Lines “Interest received” and “Interest paid” represent interest as per contractual rate and are included in cash flows from operating activities.

4. ALTERNATIVE PERFORMANCE MEASURES USED BY THE ALLWYN GROUP

This Base Prospectus contains selected financial data and metrics that are not calculated in accordance with and defined by IFRS and are considered alternative performance measures defined in the “Guidelines on Alternative Performance Measures” issued by ESMA and effective from 5 October 2015 (the **APM Guidelines**). Specifically, these indicators include: Operating EBITDA, Adjusted EBITDA, Net debt, Net debt + leases, Net leverage, Adjusted Free Cash Flow, Net revenue, and pro rata financial data (together, the **Alternative Performance Measures**).

Alternative Performance Measures are sometimes used by investors to assess the efficiency of a company’s operations and its ability to use its profits to repay debt, capital expenditures, and working capital requirements. Alternative Performance Measures have their limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the results presented in the financial statements of the Allwyn Group, and investors should not rely unduly on Alternative Performance Measures.

The Issuer believes that the Alternative Performance Measures as well as pro rata metrics assist in understanding the Allwyn Group’s trading performance as they give an indication of its ability to

service its indebtedness. The Alternative Performance Measures disclosed in this Base Prospectus were not audited, reviewed or otherwise reported on by the independent auditor.

(a) Operating EBITDA and Adjusted EBITDA

Operating EBITDA is calculated as (i) “Profit before tax” before “Finance costs, net”,³ increased by (ii) Depreciation and amortisation, (iii) Impairment of tangible and intangible assets including goodwill; and (iii) Other gains and losses. The table below shows reconciliation of Operating EBITDA to profit after tax:

For the year ended 31 December	2023	2022
Total Operating EBITDA of the Allwyn Group	1,281.1	1,069.6
Depreciation and amortisation	(374.7)	(213.3)
Impairment of non-financial assets	(21.7)	(35.5)
Other gains and losses	5.6	(12.6)
Interest income	38.8	7.5
Interest expense	(310.6)	(227.5)
Other finance income and expense	(35.2)	(29.7)
Income tax expense	(188.2)	(144.9)
Profit after tax	395.1	413.6

Adjusted EBITDA of the Allwyn Group is as follows:

Total Operating EBITDA	1,281.1	1,069.6
adjustments to EBITDA -100% basis	188.1	82.8
adjustments to EBITDA that do not belong to the consolidated period (UK and ALS consolidated from February 2023 and March 2023)	(21.8)	(19.1)
Total consolidated adjusted EBITDA	1,447.4	1,133.3

Adjusted EBITDA is calculated as Operating EBITDA, adjusted as Allwyn’s management deems relevant, for significant one-off items, non-operating items and business development costs. The adjustments presented on 100% basis are presented in the table below.

Adjustments to EBITDA for the period – 100% basis	FY 2023	FY 2022
Austria adjustments		
Argentina arbitration gain ⁴	(2.3)	(5.6)
COVID subsidies ⁵	8.0	--
Other	--	0.4
Austria adjustments total	5.7	(5.2)
Czech Republic adjustments		
One-off contract income ⁶	(1.2)	--
Change in accounting principles ⁷	(5.2)	--
Czech Republic adjustments total	(6.4)	--
Greece and Cyprus adjustments		
Litigation provisions and fines ⁸	25.2	1.0
COVID-19 related extraordinary costs ⁹	--	4.4
Derecognition of lease ¹⁰	(12.9)	--
Other	(0.5)	(0.8)
Greece and Cyprus adjustments total	11.8	4.6

United Kingdom adjustments

³ Note that “Profit before tax” before “Finance costs, net” equals “Profit from operating activities”

⁴ Represents a gain from the recognition of the fair value of an award from arbitration against the Government of Argentina in connection with the revocation of a concession in 2013 (see Note 7 to the Allwyn Financial Statements).

⁵ Represents adjustment related to previously recognised COVID subsidies receivables.

⁶ Represents a one-off contractual penalty from a gaming system provider.

⁷ Represents non-cash impact of a change in the accounting methodology related to the calculation of gaming taxes.

⁸ Represents non-cash changes in litigation provisions and a fine issued by the Hellenic Competition Commission in September 2023.

⁹ Represents certain one-off expenses related to COVID-19 restrictions (including write-offs of agents’ receivables and special support to agents, which represented a form of direct and indirect financial support to OPAP’s network of agents during COVID-19 related restrictions).

¹⁰ Represents income from termination of the lease for Markopoulo park (Greece horseracing venue).

Expenses related to licence bid and transaction costs ¹¹	6.6	19.9
Restructuring ¹²	3.7	1.0
Change in accounting principles ¹³	7.5	--
Litigation settlement income ¹⁴	--	(3.5)
United Kingdom adjustments total	17.8	17.4
Allwyn LS Group adjustments		
Preference dividend income ¹⁵	(5.1)	1.7
Transaction costs ¹⁶	6.2	--
Allwyn LS Group total	1.1	1.7
Italy adjustments total	--	--
Corporate adjustments		
The National Lottery transition costs ¹⁷	142.2	21.3
Business development and financing ¹⁸	15.9	43.0
Corporate adjustments total	158.1	64.3

EUR millions	FY 2023	FY 2022	Δ
Adjusted EBITDA	1,447.4	1,133.3	28%

(b) Net Revenue

Net Revenue is calculated as Revenue from gaming activities (GGR) increased by Gaming taxes and Good Cause contributions.

(c) Net debt

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

Net debt as of 31 December 2023	Cash and cash equivalents	External loans and borrowings	Net debt
Total consolidated	1,817.3	4,133.8	2,316.5

Net debt as of 31 December 2022	Cash and cash equivalents	External loans and borrowings	Net debt
Total consolidated	1,211.2	2,903.4	1,692.2

(d) Net debt + leases

Net debt + leases is calculated as the sum of Net debt and Lease liabilities.

Net debt + leases as of 31 December 2023	Net debt	Lease liabilities	Net debt + leases
Total consolidated	2,316.5	123.7	2,440.2

¹¹ Represents expenses related to Camelot UK's bid to operate the next UK National Lottery licence and expenses related to Group's acquisition of Camelot UK.

¹² Represents personnel restructuring costs.

¹³ Represents impact of a change in the accounting methodology related to the calculation of lottery and other duties.

¹⁴ Represents one-off income from settlement of historical litigation.

¹⁵ Represents adjustments relating to allowances for expected recoverability of preference dividends receivable (in 2022, an expected credit loss allowance was recognised against amounts receivable for the year, in 2023 all amounts were received and previously recognised allowances were reversed).

¹⁶ Represents expenses related to the Allwyn Group's acquisition of Allwyn LS Group.

¹⁷ Represents transition costs incurred in relation to Allwyn UK's operation of the UK National Lottery from 1 January 2024. A substantial majority of these costs are expected to be recoverable over the 10 year period of the licence.

¹⁸ Represents costs associated with inorganic business development and financing projects.

Net debt + leases as of 31 December 2022	Net debt	Lease liabilities	Net debt + leases
Total consolidated	1,692.2	130.7	1,822.9

(e) Net leverage

Net leverage is calculated as Net debt + leases divided by Adjusted EBITDA.

(f) Adjusted Free Cash flow

Adjusted Free cash flow is calculated as Adjusted EBITDA less CAPEX. CAPEX refers to acquisition of property, plant and equipment and intangible assets.

(g) Selected consolidated financial data

EUR millions	FY 2023	FY 2022	Δ
Net Revenue	3,589.0	2,531.4	42%
Adjusted Free cash flow	1,345.3	1,065.0	26%
Net debt + leases	2,440.2	1,822.9	34%
Net leverage	1.7	1.6	6%
Adjusted EBITDA	1,447.4	1,133.3	28%
CAPEX	102.1	68.3	49%

4.1 Selected pro rata financial data

Because Allwyn's economic interest in its segments is, with the exception of the Czech Republic and the United Kingdom, less than 100%, it uses pro rata metrics to evaluate performance of its business and the Allwyn Group.

The total unaudited pro rata financial information set forth below has been calculated by multiplying the applicable metric of each of its operating segments at 100% basis and "corporate" by the economic interest held in such operating segment by Allwyn at the end of the relevant period and aggregating them.

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

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

The geographical segmentation corresponds with the major operating entities of the Allwyn Group, which were CASAG, SAZKA, OPAP and Camelot UK.

As a result of the acquisition of Camelot UK, management recognised the United Kingdom as a new operating and reportable segment as of 31 March 2023.

Allwyn LS Group does not fulfil the criteria to be presented as an operating segment. However, key financial metrics relating to Allwyn LS Group are separately presented below within the reconciliations from reportable segments metrics to consolidated metrics and further in Note 6.

The results of the United Kingdom segment and Allwyn LS Group are presented as if they were consolidated for the twelve months ended 31 December 2023, however, they started to be consolidated from February 2023 and March 2023.

(a) Selected pro rata alternative performance measures

Pro rata metrics are calculated as the sum of metrics for individual segments and significant equity method investees as if they were fully consolidated, multiplied by the Allwyn Group's interest in each segment or significant equity method investee at the end of the reported period.

EUR millions	FY 2023	FY 2022	Δ
Net Revenue	3,297.4	1,891.8	74%
Adjusted EBITDA	1,118.9	748.4	50%
Net debt + leases	2,282.4	1,536.7	49%
Net leverage	2.0	2.1	(5.0)%
CAPEX	87.5	58.0	51%
Adjusted Free cash flow	1,031.4	690.4	49%

Net debt as of 31 December 2023	Cash and cash equivalents ¹⁹	Loans and borrowings	Net debt	Lease liabilities	Net debt + leases	Economic interest	Pro rata Net debt	Pro rata Net debt + leases
Austria	599.6	54.6	(545.0)	56.1	(488.9)	59.70%	(325.4)	(291.9)
Czech Republic	75.0	--	(75.0)	21.9	(53.1)	100.00%	(75.0)	(53.1)
Greece and Cyprus	485.5	658.7	173.2	26.0	199.2	50.71%	87.8	101.0
United Kingdom	310.1	--	(310.1)	2.3	(307.8)	100.00%	(310.1)	(307.8)
Allwyn LS Group	56.4	--	(56.4)	4.3	(52.1)	100.00%	(56.4)	(52.1)
Corporate	290.7	3,420.5	3,129.8	13.1	3,142.9	100.00%	3,129.8	3,142.9
Total consolidated	1,817.3	4,133.80	2,316.5	123.7	2,440.2			
Italy	256.3	--	(256.3)	0.2	(256.1)	32.50%	(83.3)	(83.2)
Other							(186.7)	(173.4)
Total pro rata							2,180.7	2,282.4

Net debt as of 31 December 22	Cash and cash equivalents ²⁰	Loans and borrowings	Net debt	Lease liabilities	Net debt + leases	Economic interest	Pro rata Net debt	Pro rata Net debt + leases
Austria	334.2	76.5	(257.7)	55.1	(202.6)	59.70%	(153.8)	(121.0)
Czech Republic	68.6	--	(68.6)	21.9	(46.7)	100.00%	(68.6)	(46.7)
Greece and Cyprus	724.4	788.4	64.0	47.0	111.0	50.09%	32.1	55.6
Corporate	84.0	2,038.5	1,954.5	6.7	1,961.2	100.00%	1,954.5	1,961.2
Total consolidated	1,211.2	2,903.4	1,692.2	130.7	1,822.9			
Italy	196.0	--	(196.0)	0.2	(195.8)	32.50%	(63.7)	(63.6)
Other							(73.4)	(72.6)
Total pro rata							1,627.1	1,712.9

¹⁹ Including cash-pooling assets in Italy.

²⁰ Including cash-pooling assets in Italy.

(b) Austria – 100% basis

EUR millions	FY 2023	FY 2022	Δ
Net Revenue	828.4	777.9	6%
Adjusted EBITDA	283.9	261.1	9%
Net debt + leases	(488.9)	(202.6)	141%
Net leverage	(1.7)	(0.8)	112%
CAPEX	27.5	20.2	36%
Adjusted Free cash flow	256.4	240.9	6%

(c) Czech Republic – 100% basis

EUR millions	FY 2023	FY 2022	Δ
Net Revenue	345.8	314.4	10%
Adjusted EBITDA	125.4	120.4	4%
Net debt + leases	(53.1)	(46.7)	14%
Net leverage	(0.4)	(0.4)	0%
CAPEX	6.7	11.9	(44)%
Adjusted Free cash flow	118.7	108.5	9%

(d) Greece and Cyprus – 100% basis

EUR millions	FY 2023	FY 2022	Δ
Net Revenue	1,537.2	1,439.1	7%
Adjusted EBITDA	742.1	730.1	2%
Net debt + leases	199.2	111.0	79%
Net leverage	0.3	0.2	50%
CAPEX	31.0	20.1	54%
Adjusted Free cash flow	711.1	710.0	0%

(e) United Kingdom²¹ – 100% basis

EUR millions	FY 2023	FY 2022	Δ
Net Revenue	813.4	834.2	(2)%
Adjusted EBITDA	181.4	190.5	(5)%
Net debt + leases	(307.8)	(184.4)	67%
Net leverage	(1.7)	(1.0)	70%
CAPEX	8.5	10.2	(17)%
Adjusted Free cash flow	172.9	180.3	(4)%

(f) Allwyn LS Group²² – 100% basis

EUR millions	FY 2023	FY 2022	Δ
Adjusted EBITDA	28.2	30.0	(6)%
Net debt + leases	(52.1)	(49.5)	5%
Net leverage	(1.8)	(1.7)	6%
CAPEX	2.8	5.0	(44)%
Adjusted Free cash flow	25.4	25.0	2%

(g) Italy – significant equity method investee – 100% basis

EUR millions	FY 2023	FY 2022	Δ
Net Revenue	477.0	458.6	4%

²¹ The United Kingdom segment is consolidated only from February 2023; however, the results for FY 2023 are presented for the whole period for comparability. Revenue in the comparative period is not fully comparable due to the effects of accounting policies changes after the consolidation (restatement of comparative figures was not feasible). In addition, FY 2023 includes 53 weeks in the United Kingdom segment. Growth rates on a comparable presentation basis adjust for these effects.

²² Allwyn LS Group is consolidated only from March 2023; however, the results are presented for the whole year / quarter for comparability; the results from the prior periods are presented for reference only.

Adjusted EBITDA	386.0	373.3	3%
Net debt + leases	(256.1)	(195.8)	31%
Net leverage	(0.7)	(0.5)	40%
CAPEX	0.8	0.4	100%
Adjusted Free cash flow	385.2	372.9	3%

(h) Interest at the end of the period

Segment	FY 2023	FY 2022
Austria	59.70%	59.70%
Czech Republic	100.00%	100.00%
Greece and Cyprus ²³	50.71%	50.09%
United Kingdom	100.00%	--
Allwyn LS Group	100.00%	--
Corporate	100.00%	100.00%
Italy	32.50%	32.50%

²³ In the case of Allwyn's Greece and Cyprus segment, treasury shares held by OPAP are excluded from the share count.

SELECTED FINANCIAL INFORMATION OF THE KKCG GROUP

This section presents an overview of selected financial information of the KKCG Group. The financial information in the table titled consolidated statement of comprehensive income data of KKCG AG have been extracted without material adjustment from KKCG AG consolidated financial statements, which are not incorporated by reference elsewhere into this Base Prospectus. All figures are in EUR million, unless otherwise indicated.

1. SELECTED INFORMATION FROM THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF KKCG AG

	Year ended 31 December	
	2023	2022
Revenues	10,827	12,947
Other operating income	331	369
Total Income	11,158	13,316
Materials, consumables and services	(4,612)	(9,910)
Personnel expenses	(815)	(587)
Other operating expenses	(4,557)	(1,636)
Share of profit of equity method investees, net of tax	173	85
Other gains and losses	74	10
Depreciation, amortization and impairment	(520)	(320)
Profit from operating activities	901	958
Interest income	54	14
Finance income.....	34	39
Finance costs	(491)	(335)
Net finance costs	(403)	(282)
Profit before income tax	498	676
Income tax expense.....	(208)	(178)
Profit for the year	290	498
Other comprehensive income / (loss) for the year	(106)	34
Total comprehensive income for the year	184	532

Line "Depreciation, amortization and impairment" includes the amortization of the third UK national lottery licence of Camelot UK Lotteries Limited.

Finance costs include the impact of exit of Primrose Holdings (Lux) S.à r.l. (managed by Apollo Management Holdings, L.P.) from the ownership structure of Albwyn AG

2. SELECTED INFORMATION FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF KKCG AG

	Year ended 31 December	
	2023	2022
Non-current assets	6,036	5,827
Current assets	3,702	2,774
<i>of which Cash and cash equivalents</i>	<i>2,042</i>	<i>1,539</i>
Total assets	9,738	8,601
Non-current liabilities	5,482	4,724
Current liabilities	3,810	2,993
Total liabilities	9,292	7,717
<i>of which Bank loans and other borrowings (including lease liabilities)</i>	<i>5,415</i>	<i>4,148</i>
Total equity	446	884

3. ALTERNATIVE PERFORMANCE MEASURES USED BY THE KKCG GROUP

This Base Prospectus also refers to Consolidated EBITDA in relation to the KKCG Group, which is a metric that is not calculated in accordance with IFRS and is considered an alternative performance measure defined in the APM Guidelines.

The KKCG Group calculates Consolidated EBITDA as Profit from operating activities, increased by depreciation, amortisation and impairment. Consolidated EBITDA is an indicator of the KKCG Group's profitability. Consolidated EBITDA of the KKCG Group for 2022 is 1,278 and for 2023 is 1,421.

Consolidated EBITDA of the KKCG Group:

	<u>2023</u>	<u>2022</u>
Allwyn AG and its subsidiaries	1,287	1,057
KKCG Technologies s.r.o. and its subsidiaries*	82	37
MND Group AG and its subsidiaries	89	228
KKCG Real Estate a.s. and its subsidiaries	6	55
Others	(43)	(99)
KKCG Group - total	<u>1,421</u>	<u>1,278</u>

**excluding Sprintgtide Ventures s.r.o. (included in Other)*

DESCRIPTION OF THE ISSUER AND THE ALLWYN GROUP

1. INFORMATION ABOUT THE ISSUER

Business name:	KKCG Financing a.s.
Registration:	Registered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 28853
ID No.:	215 31 455
LEI:	3157008MLJ4Z9TFPQQ90
Incorporation date:	30 April 2024
Establishment date:	26 April 2024
Registered office:	Evropská 866/71, Vokovice, 160 00 Prague 6, Czech Republic
Legal form:	joint-stock company
Applicable law:	law of the Czech Republic
Telephone number:	+447961664498
E-mail:	ir@kkcg.com
Website:	investors.kkcg.com. The information on the Issuer's website is not part of this Base Prospectus.
Term:	indefinite period of time
Laws and regulations governing the Issuer:	These mainly include the following: Act No 89/2012 Coll., Civil Code, as amended; and Act No 90/2012 Coll., on Companies and Cooperatives (Act on Business Corporations), as amended (the Act on Business Corporations).

1.1 Introduction

The Issuer is a joint-stock company established on 26 April 2024 and incorporated on 30 April 2024 and it has not been carrying out any significant activity. The purpose of the Issuer is to issue the Bonds and provide financing to KKCG AG in the form of an intragroup loan as set out in paragraph 3 of Part B of the relevant Final Terms.

The repayment of the Bonds is secured, among other things, by a security over shares in Allwyn. Allwyn itself is not an operating company, but it is the sole shareholder of AIAS. AIAS carries out management, strategic business development and financing activities for its subsidiaries and holds interests in the other Group companies.

1.2 Share capital

The registered share capital of the Issuer amounts to CZK 2 million and it has been completely paid up. It is divided into 2 shares with a nominal value of CZK 1 million.

1.3 Memorandum of Association

The Issuer is registered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 28853. The Issuer was established by Articles of Association under the laws of the Czech Republic as a joint-stock company in private interest for the purpose of leasing of real estate, flats and non-residential premises, holding shares and participations in domestic and foreign companies, enterprises and other entities doing business in different areas, and management of its own assets. This follows from article 3 of the Articles of Association of the Issuer.

1.4 Risk factors related to the Issuer

The risk factors related to the Issuer are provided in the introduction of the Base Prospectus in section “*Risks related to the Issuer*”.

1.5 Recent events

The Issuer is not aware of any event which would have a material impact on the assessment of the Issuer’s solvency.

1.6 Credit ratings

No credit rating has been assigned to the Issuer.

1.7 Material changes in the Issuer’s borrowing and funding structure

There has been no material change in the Issuer’s funding structure since the date of the Issuer Opening Balance Sheet.

KKCG AG intends to increase the Issuer’s capital by making a contribution outside of the Issuer’s share capital in the amount of 1% of each Issue into other capital funds of the Issuer after each Issue. The Issuer will use the funds from the contribution in the same way as the proceeds from the Bonds as described in the relevant Final Terms.

1.8 Description of the expected financing of the Issuer’s activities

The Issuer was established in order to issue the Bonds and use the proceeds to provide intragroup financing to KKCG AG as described in the relevant Final Terms. The Issuer expects it will be financed through the interest and the repayment of principal by KKCG AG.

1.9 Business overview of the Issuer

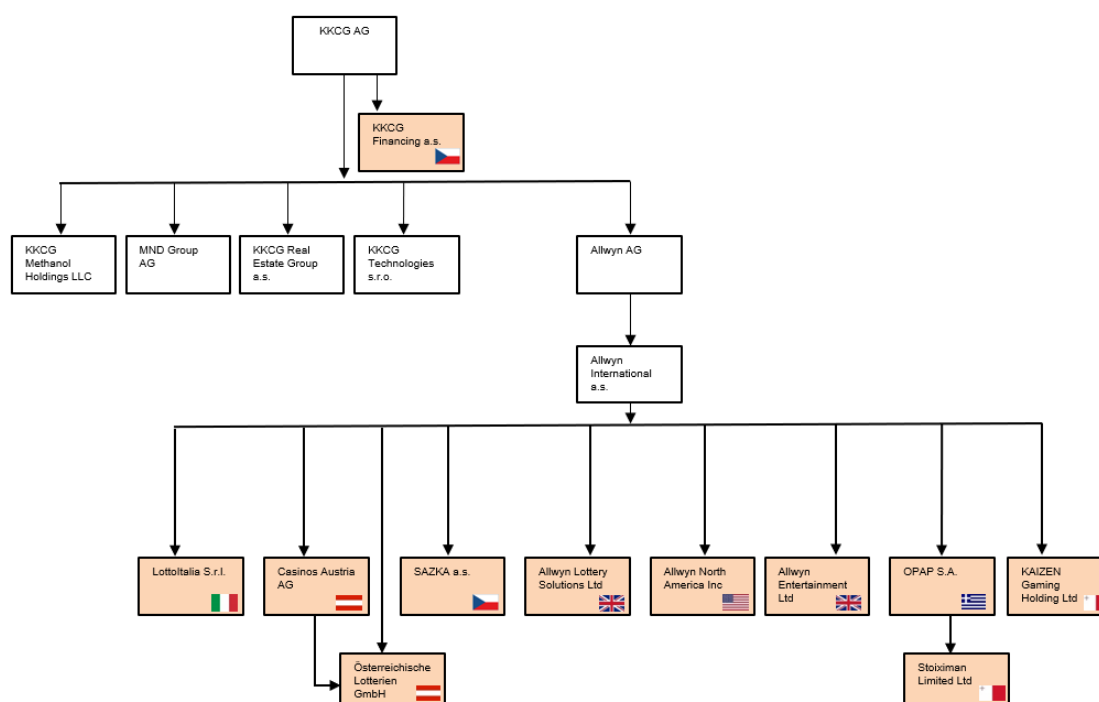
The issuer is a special purpose company that has not yet conducted any activity. The principal activity of the Issuer will be to issue the Bonds and provide the proceeds as a loan to KKCG AG as set out in the Final Terms.

1.10 History and Development of the Issuer

The Issuer was established on 26 April 2024 and incorporated on 30 April 2024 and so far it has not conducted any significant business activity.

1.11 Corporate structure

The following diagram shows the simplified position of the Allwyn Group and the Issuer:



1.12 Trend Information

(a) No material adverse change

The Issuer declares that no material adverse changes in the Issuer's outlooks have occurred since the date of the Issuer Opening Balance Sheet.

(b) Information about known trends

As the Allwyn Group operates on the lottery and gaming market, there are a number of factors and trends that may have an impact on the Allwyn Group.

The Allwyn Group operates in the lottery and gaming sector, a growing segment within the broader entertainment market. Its operations have an addressable market of over 130 million people in the age group of over 18 years of age (according to the World Population Prospects 2022 prepared by the Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, and according to the United States Census Bureau for the data for Illinois, based on data as of 2021), primarily within Austria, the Czech Republic, Greece, Cyprus, Italy (where the Allwyn Group has a significant equity method investee), the United Kingdom and Illinois in the United States.

The gaming market consists of activities in which players pay money to compete for the chance to win a cash prize. The gaming market is made up of games of chance and games of skill. The gaming market is split into two key types of distribution channels, physical retail and online, and is characterised as either onshore, which is regulated and locally licensed, or off-shore gaming, which is licensed elsewhere in places like Gibraltar and the Isle of Man, among other locations. The gaming market is generally divided into the following product categories:

- **Lottery:** lottery products, including numerical lotteries (also known as draw-based games) and instant lotteries;
- **Sports Betting:** sports betting, horse race betting, and betting on other products such as virtual sports and eSports; and
- **Other Gaming:** non-sports betting and non-lottery products – i.e., casinos; gaming machines outside of casinos, including VLTs; bingo and iGaming products (e.g., online casino, online slots, online poker, online bingo, etc.).

The following table shows the Allwyn Group’s revenue from gaming activities (GGR) by product (including Camelot acquisition) in millions of EUR:

Product	2023	2022
Numerical Lotteries	3,996.0	1,547.0
Instant Lotteries	1,347.5	282.7
Sports Betting	673.5	635.6
iGaming	620.1	511.1
VLTs and Casinos	912.3	834.9
Revenue from gaming activities (GGR)	7,549.4	3,811.3

The gaming industry is deeply rooted within global society and an integral part of many countries’ economies. Few other industries contribute more in tax, jobs, funding of good causes, sponsorship, grass roots development, and leisure spend, while at the same time providing both social and individual entertainment.

Online Gaming

The internet and mobile technology have accelerated the adoption of online gaming over the past two decades and the COVID-19 pandemic has further driven customers to adopt it as a form of entertainment, with consumers utilising gaming apps alongside other forms of mobile entertainment.

The online channel has been a key area of growth. While online penetration has been steadily increasing each year, there was a significant jump in 2020, with over 20.0% of global GGR estimated to be generated through online channels, compared with 14.0% in 2019, according to data from H2 Gambling Capital, and, with the rate of online global penetration estimated by H2 Gambling Capital to be at 24.6% in 2023, it seems there is a sustained shift in consumer behaviour, with a notable preference for engaging in gaming activities through online mediums persisting beyond the pandemic’s influence. Similarly, the Allwyn Group observed a growth from 4.0% of online revenue from gaming activities (GGR) in the FY 2019 to 36.0% in FY 2023.²⁴

The delivery of lottery products through online platforms also creates new opportunities for business and product innovation. Online channels enable operators to substantially evolve the user experience for players, while enhancing the potential to collect data on customer activity. Operators can analyse customer data to identify behavioural trends and develop targeted marketing initiatives and product promotions, as well as to further improve player protection. This is expected to facilitate cross-selling and drive growth in the customer base, enabling operators to improve average revenue per customer.

The Allwyn Group constantly evaluates and seeks to enhance its online offer, which represents an increasing share of revenue from gaming activities (GGR), improving customer acquisition, retention and lifetime value.

²⁴ Based on FY 2023 Consolidated GGR.

For example, in Greece and Cyprus, a new iLottery proposition – www.opaonline.gr – was launched in the second quarter of 2023, under which all its lottery games are now offered online. This added extremely popular games, such as KINO, to the existing online offer of Tzoker, and was the product of the team’s effective work with the regulator to enable a new era for these long-established favourites. The enrichment of the Allwyn Group’s iLottery offering has significantly improved the player experience and has driven strengthened customer acquisition and engagement, also benefitting from broader enhancements to the customer proposition across products and channels in Greece and Cyprus.

The following table outlines the Allwyn Group’s online GGR by product in million EUR:

Online Revenue from gaming activities (GGR) by product	2023	2022	Change	
			abs	%
Numerical Lotteries	1,510.2	151.5	1,358.7	897%
Instant Lotteries	314.0	6.1	307.9	5048%
Sports Betting	271.2	251.9	19.3	8%
iGaming	620.1	511.1	109.0	21%
VLTs and Casinos	–	–	–	n/a
Total online Revenue from gaming activities (GGR)	2,715.5	920.6	1,794.9	195%
Share of Online Revenue from gaming activities (GGR)	36%	24%	12 p.p.	
Share of Online-eligible Revenue from gaming activities (GGR) ²⁵	41%	31%	10 p.p.	

Product Innovation

As the sector continues to adapt and evolve, it has also opened up the potential to introduce a more diverse consumer base and player demographic. Generation Y (Millennials) comprises individuals born roughly between 1981 and 1996 and Generation Z comprises individuals born roughly between 1997 and 2012, although sources vary as to the exact year range for each generation and although in any case a significant part of Generation Z is underage. These younger generations have an observed preference for more transactional, social and ‘on-the-go’ experiences delivered through mobile gaming channels, as opposed to trips to physical retail gaming outlets, such as casinos or betting shops.

The sector has also seen a number of important product innovations, including:

Lottery:

- Introduction of “second chance” games; and
- The advent of annuity games.

Sports Betting:

- In-play sports betting;
- Cash-out sports betting product; and
- Live streaming of sports content on operator websites / mobile.

Other Gaming:

- Skill-based gaming content;

²⁵ Share of Online-eligible Revenue from gaming activities (GGR) refers to Total online GGR as a share of GGR from Numerical Lotteries, Instant Lotteries, Sports Betting and iGaming (i.e. excluding VLTs and Casinos, which comprises GGR generated in physical retail only).

- Widespread adoption of live online casino;
- Hybrid RNG (random number generator) / live online casino product;
- Social casino / free-to-play product.

The Allwyn Group constantly assesses opportunities to optimise or expand its product offer, aiming to offer a full range of best-in-class lottery, gaming and entertainment products.

The Allwyn Group maintains a constant focus on product innovation, developing new lottery games and complementary products to drive engagement. For example, it seeks to launch innovative, complementary new lottery games to deepen its products' appeal to a broad universe of players, such as daily numerical games, annuity games or multinational jackpot games where not already on offer.

In Austria, the Allwyn Group launched EuroDreams in November 2023, the first multi-national annuity game in Europe, offering a jackpot of EUR 20,000 per month for 30 years. In the Czech Republic, it launched a new low-priced daily annuity game, Mini renta, with a stake of CZK10 (~EUR 0.40) that pays a fixed prize each day for one year. The Allwyn Group also launched an additional weekly draw in the Extra renta annuity game, and the possibility to stake a higher amount per game. Lastly, in Greece and Cyprus, it repositioned Lotto, an existing draw-based game, as an annuity game.

In digital, the Allwyn Group launches games from third parties as well as those developed in-house or exclusively for the Allwyn Group; in physical retail it has innovated through establishing loyalty schemes. It seeks to apply innovation across its markets, sharing best practices and leveraging its expanding in-house tech and content capabilities.

Privatisation

While many lotteries continue to be owned and operated by governments, in some markets lotteries are now run by private sector commercial operators under licence, such as the markets in which the Allwyn Group operates. The World Lottery Association has more than 150 state-authorised lottery members.

Commercial operators must follow complex procurement processes in order to compete for lottery contracts or obtain licences, which may require operators to demonstrate their credentials in growing sales via innovating new products, investing in and implementing new lottery technology, and giving back to communities through charitable initiatives. The terms and requirements of lottery tender processes therefore may be likely to favour established operators with a demonstrated record of accomplishment.

State governments often use the proceeds from lotteries to fund a wide range of popular and socially beneficial causes.

Lotteries have a winner-takes-all dynamic where players tend to buy tickets in the games that offer the largest jackpot, and jackpot size is mostly driven by volumes of tickets sold. It is difficult for new entrants to challenge national incumbents even in markets that do not have exclusive licences, because it is difficult for them to generate the revenue base or upfront funds needed to offer large jackpots.

1.13 Profit Forecasts or Estimates

The Issuer does not make any forecast or estimate of the profit in the format compliant with the requirements of the Prospectus Regulation and it has therefore decided not to include such a forecast or estimate in the Base Prospectus.

2. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER

2.1 Management Structure and Committees

The Issuer has a two-tier board system consisting of a Board of Directors and a Supervisory Board. The General Meeting of shareholders is the supreme body of the Issuer, decides on all matters of the Issuer that are under its competence according to the applicable law and the Articles of Association of the Issuer. KKCG AG, the sole shareholder of the Issuer, exercises the power of the General Meeting.

The Board of Directors represents the Issuer in all matters and is charged with its management, while the Supervisory Board is an independent body responsible for the supervision of the Issuer's activities and of the Board of Directors in its management of the Issuer. Under the Corporations Act, the Supervisory Board may not make management decisions.

(a) Board of Directors

The Board of Directors is the governing body of the Issuer and currently has two members. The Issuer is always represented by at least two members of the Board of Directors acting jointly.

The business address of the Board of Directors is at Evropská 866/71, Vokovice, 160 00 Prague 6, Czech Republic.

As of the date of the Base Prospectus, the members of the Issuer's Board of Directors are:

Iva Horčicová

Chairman of the Board of Directors

Member position held from: 4 June 2024

Iva Horčicová is the Head of Capital Markets in the Allwyn Group, having joined in 2021. Before joining the Allwyn Group, Iva was an investment analyst at Napier Park Global Capital and, prior to that, an investment banker at ING, advising corporates and financial sponsors on structuring and execution of leveraged finance transactions.

Iva holds a Master of Laws in Finance from the Goethe University Frankfurt and a Master's in Business and Law from the Prague University of Economics and Business, and is a CFA charterholder.

Petr Luňák

Member of the Board of Directors:

Member position held from: 30 April 2024

Mr. Lunak is a Director of Structured Finance in KKCG. In his role, he participated in major transactions of KKCG in lottery & gaming, oil & gas, machinery, IT, travel and real estate businesses. Prior joining KKCG in 2005, he worked in ING Bank, ABN AMRO and ATLANTIK FT. Mr. Lunak is an alumnus of Prague University of Economics where he studied Finance and of the Faculty of Law of Charles University in Prague.

(b) Supervisory Board

The Supervisory supervises the performance of the powers of the Board of Directors and the operations of the Issuer. The Supervisory Board of the Issuer consists of one member.

The business address of the Supervisory Board is at Evropská 866/71, Vokovice, 160 00 Prague 6, Czech Republic.

As of the date of the Base Prospectus, the member of the Supervisory Board is:

Tomáš Borčín

Member of the Supervisory Board

Member position held from: 30 April 2024

Tomáš Borčín studied law at the Faculty of Law of Charles University in Prague. He is an attorney-at-law focusing on international acquisitions and has been advising the KKCG Group and the Allwyn Group on multiple major transactions since 2013.

(c) Audit Committee

The Audit Committee has not been established as of the date of this Base Prospectus. The Issuer intends to establish it by a decision of the Supervisory Board before the Issue Date of the first Issue as an independent body of the Issuer with its members appointed by the General Meeting of shareholders in order to supervise the Issuer's proper management, the independence and objectivity of the external auditor, the auditor's conduct of the mandatory audit, effectiveness of the risk management systems and mechanisms of internal management and control. The Issuer intends to appoint the following persons as members of the Audit Committee.

Roland Ruprecht

Member of the Audit Committee

From 2001 to 2021, Mr. Ruprecht was an audit partner with EY in Switzerland. Mr. Ruprecht holds a Bachelor of Science from the University of Applied Sciences in Bern, Switzerland and is a Swiss Certified Accountant. Mr. Ruprecht is currently interim CFO for International Baccalaureate in Geneva and Singapore.

Jan Hrazdira

Member of the Audit Committee

Mr. Hrazdira is one of the founding partners of the Czech law firm HKDW HOLASEK, s.r.o., specialising in dispute resolution, including civil and commercial litigation and arbitration, commercial law and insolvency and restructuring. Mr. Hrazdira is a graduate of the Faculty of Law of Charles University in Prague. He is an arbitrator of the Prague Arbitration Court attached to the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic and is registered on the list of practitioners of the Vienna International Arbitral Centre (VIAC). He is a member of the Board of Advisors of the Chairman of the Office for the Protection of Competition of the Czech Republic.

Martin Kořistka

Member of the Audit Committee

Mr. Kořistka has been a Controlling Manager of KKCG since 2018, prior to which he was a manager and supervisor with KPMG Česká republika Audit, s.r.o. Mr. Kořistka holds a master's degree in financial management and accounting from the University of Economics in Prague.

2.2 Conflicts of Interest at the Level of Administrative, Management and Supervisory Bodies

The Issuer is not aware of any potential conflict of interest between the Issuer-related obligations of the members of the Board of Directors and members of the Supervisory Board of the Issuer and their private interest or other obligations, but the discharge of their office as members of the Boards of Directors or Supervisory Boards of the companies specified in paragraph 2.1 above may involve a conflict of interest to the extent that they are also members of the bodies of the other companies (including other companies of the KKCG Group and the Allwyn Group) and also follow the interests of such companies or those of the persons controlled by such companies. The Issuer complies with all the sound governance and management requirements set by the applicable laws and regulations of the Czech Republic, in particular the Civil Code and the Act on Business Corporations, if applicable. In its governance and management, the Issuer follows a compliance system as well as insider dealing rules adopted in connection with the issue of the Bonds. To address and mitigate the potential conflicts of interest, the Issuer has adopted policies governing donations, gifts, and hospitality. The Issuer has further implemented Suppliers and Vendors policy. This policy mandates that members of the Issuer's Board of Directors and the Supervisory Board, among others, are to avoid conflicts of interest by abstaining from holding any ownership interest in, extending loans to, engaging in contractual or agency relationships with, or possessing a personal interest in the success or failure of any vendor or supplier. Policies related to anti-corruption and bribery are also implemented ensuring the standards of ethical conduct and legal compliance.

3. MANAGEMENT OF THE ALLWYN GROUP

3.1 Management Structure and Committees of AIAS

AIAS has a two-tier board system consisting of a Board of Directors and a Supervisory Board. The General Meeting of shareholders is the supreme body of AIAS, decides on all matters of AIAS that are under its competence according to the applicable law and the Articles of Association of AIAS. Allwyn, the sole shareholder of AIAS, exercises the power of the General Meeting.

The Board of Directors represents AIAS in all matters and is charged with its management, while the Supervisory Board is an independent body responsible for the supervision of the AIAS's activities and of the Board of Directors in its management of AIAS. Under the Corporations Act, the Supervisory Board may not make management decisions.

(a) Board of Directors

The Board of Directors is the governing body of AIAS and currently has four members. AIAS is always represented by two members of the Board of Directors.

The business address of each member of the Board of Directors is at Evropská 866/71, Vokovice, 160 00 Prague 6, Czech Republic.

As of the date of the Base Prospectus, the members of the AIAS's Board of Directors are:

Karel KomárekChair of the Board of Directors

Member position held from: 17 August 2016

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

Robert ChvátalMember of the Board of Directors

Member position held from: 11 July 2019

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

Katarína KohlmayerMember of the Board of Directors:

Member position held from: 12 December 2019

Ms. Kohlmayer is a member of the Board of Directors of AIAS and has been CFO of KKCG AG since joining in 2014. She oversees AIAS's capital markets and other financing activities, M&A and accounting, control and audit operations within the KKCG Group. She is also a member of the board of directors of

KKCG AG and of individual companies that belong to the Allwyn Group, including OPAP and CASAG, as well as serving on the supervisory boards of CASAG and Austrian Lotteries. Prior to joining the KKCG Group, Ms. Kohlmayer served as managing director with investment banks Morgan Stanley and VTB Capital. During her professional career, she has specialised in M&A transactions and their financing. She holds an MSc in Economics from University of Economics in Bratislava and holds an MBA from Harvard University.

Pavel Šaroch

Member of the Board of Directors

Member position held from: 5 February 2016

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

(b) Supervisory Board

The Supervisory Board supervises the performance of the powers of the Board of Directors and the operations of AIAS. The Supervisory Board of the Issuer consists of one member.

The business address of the member of the Supervisory Board is at Evropská 866/71, Vokovice, 160 00 Prague 6, Czech Republic.

As of the date of the Base Prospectus, the member of the Supervisory Board is:

Tomáš Porupka

Member of the Supervisory Board

Member position held from: 12 September 2016

Tomáš Porupka studied law at the Faculty of Law of Charles University in Prague and the Autonomous University of Madrid, and economics at the University of Economics in Prague. He worked for 11 years in international law firms in Prague and Madrid. Before joining the KKCG Group, he worked for five years as a senior associate at the Prague office of Clifford Chance LLP. His previous practice focused on international deals and acquisitions, corporate and real estate law.

(c) Audit Committee

The Audit Committee is an independent body of AIAS elected by and reporting to the General Meeting of shareholders and plays an important role in supervising AIAS's proper management, the independence and objectivity of the external auditor, the auditor's conduct of the mandatory audit, effectiveness of the risk management systems and mechanisms of internal management and control. The Audit Committee has three members.

As of the date of this Base Prospectus, the members of the Audit Committee are:

Roland Ruprecht

Chairman of the Audit Committee

Member position held from: 28 May 2021

Mr. Ruprecht is chairman of the audit committee, a position he has held since 2021. From 2001 to 2021, Mr. Ruprecht was an audit partner with EY in Switzerland. Mr. Ruprecht holds a Bachelor of Science from the University of Applied Sciences in Bern, Switzerland and is a Swiss Certified Accountant. Mr. Ruprecht is currently interim CFO for International Baccalaureate in Geneva and Singapore.

Jan Hrazdira

Member of the Audit Committee

Member position held from: 15 May 2020

Mr. Hrazdira is one of the founding partners of the Czech law firm HKDW HOLASEK, s.r.o., specialising in dispute resolution, including civil and commercial litigation and arbitration, commercial law and insolvency and restructuring. Mr. Hrazdira is a graduate of the Faculty of Law of Charles University in Prague. He is an arbitrator of the Prague Arbitration Court attached to the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic and is registered on the list of practitioners of the Vienna International Arbitral Centre (VIAC). He is a member of the Board of Advisors of the Chairman of the Office for the Protection of Competition of the Czech Republic.

Martin Kořistka

Member of the Audit Committee

Member position held from: 1 April 2023

Mr. Kořistka has been a Controlling Manager of KKCG since 2018, prior to which he was a manager and supervisor with KPMG Ceska republika Audit, s.r.o. Mr. Kořistka holds a master's degree in financial management and accounting from the University of Economics in Prague.

4. THE SHAREHOLDER

The Issuer has a sole shareholder, KKCG AG. Consequently, KKCG AG exercises direct control and oversight over the Issuer by virtue of owning 100% of the share capital and 100% of the voting rights within the Issuer. As KKCG AG directly controls the Issuer and is the only shareholder entitled to vote at the general meeting, to receive profit or the liquidation value, there is no other party against whom such control could be abused. Therefore, no measures against the abuse of control are necessary.

The KKCG Group is a prominent international investment conglomerate with a diversified portfolio that spans across multiple industries and geographical regions. The KKCG Group's operations are segmented into four core sectors: lottery and gaming, energy, information technology, and real estate, reflecting a strategic focus on both traditional and innovative business domains.

These areas are mainly covered by the business activities of

- the Allwyn Group for lottery and gaming;
- the MND Group AG and KKCG Methanol Holdings LLC for energy;
- KKCG Technologies s.r.o. for IT and other technologies; and
- KKCG Real Estate Group a.s. for real estate.

Consolidated EBITDA of the KKCG Group (all figures are in EUR million):

	<u>2023</u>	<u>2022</u>
Allwyn AG and its subsidiaries	1,287	1,057
KKCG Technologies s.r.o. and its subsidiaries*	82	37
MND Group AG and its subsidiaries	89	228
KKCG Real Estate a.s. and its subsidiaries	6	55
Others	(43)	(99)
KKCG Group - total	<u>1,421</u>	<u>1,278</u>

4.1 Lottery and Gaming Sector

Overview of the Allwyn Group

The Allwyn Group is a leading multi-national lottery operator and the largest pan-European lottery operator. It operates lotteries, in most cases based on exclusive licences and concessions, in multiple countries, including Austria, the Czech Republic, Greece, Cyprus, Italy (via an equity method investee) and the United Kingdom, which comprise the majority of European countries where lotteries are privately operated and it also operates the Illinois Lottery in the United States.

It primarily focuses on lotteries, including draw-based games (also known as numerical lotteries) and instant-win lottery games, and distributes its products through both physical retail and online channels. The online channel accounts for an increasing portion of its revenues. Online sales accounted for 36% of its revenue from gaming activities (GGR) in 2023 compared with 24% in 2022, among others reflecting high online penetration (~47%) in the United Kingdom.

It leverages its strong lottery brands, large customer base and extensive physical retail and online distribution networks to provide other entertainment offerings, including sports betting, iGaming and video lottery terminals (VLTs).

In all the territories in which the Allwyn Group operates lotteries, it benefits from well-known brands, such as SAZKA in the Czech Republic. The Allwyn Group owns most of these brands while in some

countries, such as Italy and the UK, the regulator owns the brands. The Allwyn Group further benefits from well-established relationships with regulatory authorities, reflecting a long history of operations, and has distribution networks that are among the largest in the country (state). Its games are played by a large player base covering, both in terms of gender and age, a substantial portion of the adult population in the countries of operation.

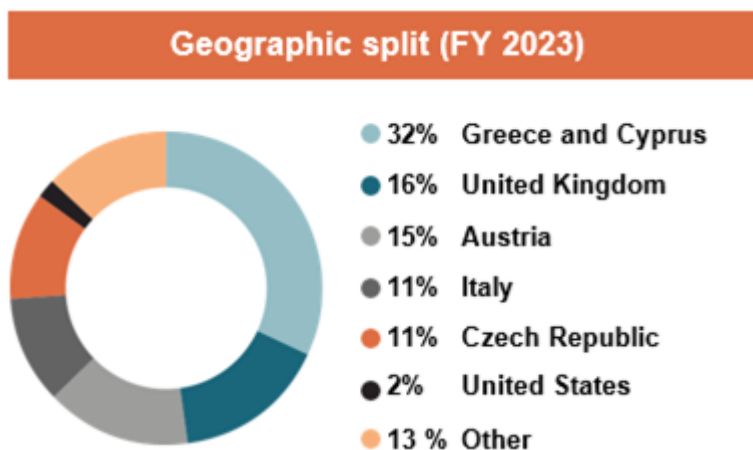
Lotteries are the largest product of the Allwyn Group and core to its business model. The Allwyn Group operates under long-term and, in many cases, exclusive licences and concessions and enjoys leading positions in the markets where it is present.

- In Austria, it is the exclusive licensed operator of lotteries, onshore online gaming and operational physical retail casinos, and consequently has a market share of 100% for each of these products.
- In the Czech Republic, it is the market leader in both the numerical lottery and instant lottery markets. Within the numerical lottery market, it is currently the sole operator of jackpot lottery games and consequently has a market share of 100% for this product, although it does not have an exclusive licence in this market. For the year ended 31 December 2022, according to H2 Gambling Capital, it had a 94% market share (in terms of revenue from gaming activities (**GGR**)) in numerical lotteries and an 86% market share in instant-win games.
- In Greece, it is the exclusive licensed operator of numerical lotteries, land-based sports betting, instant lotteries and VLTs, and consequently has a market share of 100% for each of these products. It also has a licence to operate lotteries in Cyprus. In addition, through Stoiximan, it a market-leading position in the non-exclusive iGaming segment in Greece and the non-exclusive online sports betting segments in each of Greece and Cyprus.
- In Italy, LottoItalia, an equity method investee, is the exclusive licensed operator of fixed odds numerical lotteries, which consequently has a market share of 100% for this product. It holds a 79% share of the market for numerical lotteries and a 48% overall share of the lottery market.
- In the United Kingdom, since the acquisition of Camelot UK in February 2023, it has been the exclusive licensed operator of The National Lottery (the **UKNL**). In 2022, Allwyn's subsidiary, Allwyn UK, was awarded the exclusive licence to operate the UKNL for the next 10 years beginning February 2024.
- In the United States, since the acquisition of the Allwyn LS Group (formerly the Camelot LS Group) in March 2023, it holds the exclusive right to operate the Illinois Lottery under a private management agreement until 2027.

The following table presents an overview of the major operating companies of the Allwyn Group as of the date of the Base Prospectus:

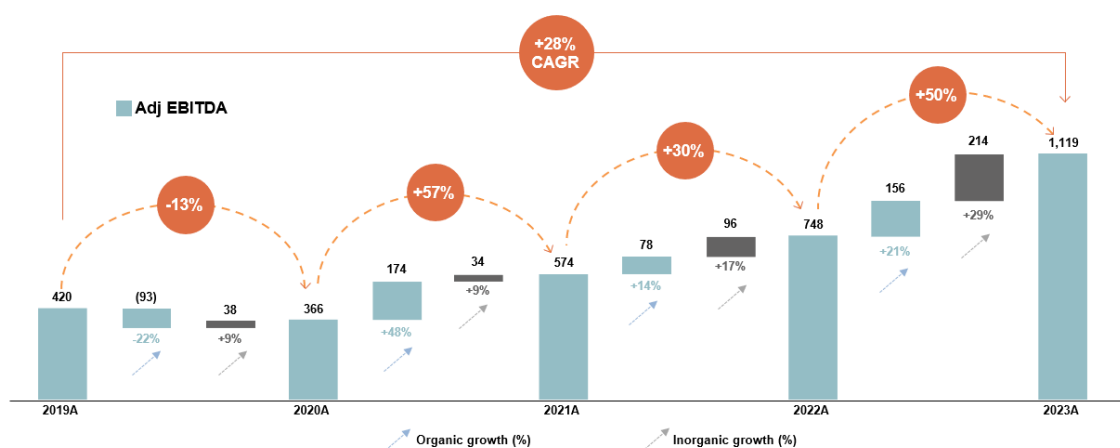
Operating Entity	Country of incorporation	Economic interest of Allwyn as of 31 December 2023
Casinos Austria AG (CASAG) subgroup	Austria	59.70%
including Österreichische Lotterien GmbH (Austrian Lotteries) subgroup	Austria	53.52%
SAZKA a.s. (SAZKA)	Czech Republic	100.00%
OPAP S.A. (OPAP) subgroup	Greece and Cyprus	50.71%
including Stoiximan Ltd (Stoiximan)	Malta	42.84%
LottoItalia S.r.l. (LottoItalia)	Italy	32.50%
Allwyn Entertainment Ltd (Allwyn UK)	United Kingdom	100.00%
Allwyn North America Inc. (formerly Camelot Global Lottery Services (North America) Inc.) (Allwyn LS Group)	United States	100.00%
Kaizen Gaming Holding Limited (Kaizen)	Malta	36.75%

The following graph shows the geographic split based on FY 2023 pro rata Adjusted EBITDA (Adjusted EBITDA pro rata to economic interests in operating businesses):



The Allwyn Group is highly focused on operational efficiency and profitability as drivers of cash flow, and it aims to foster a culture focused on performance and efficiency. It is able to leverage benefits from sharing best practices across the group, such as product innovations and developments, CRM initiatives and procurement strategies, in order to drive operational efficiencies and accelerate growth. It targets purchasing and cost synergies across its markets and pursues savings in areas such as key technologies and content supplies, leveraging its scale. It also has a strong track record of increasing the profitability of businesses it acquires and of delivering cost optimisation programmes.

This factor contributes to the fact that the Allwyn Group enjoys highly attractive financial characteristics and has been able to demonstrate a track record of compounding growth in revenue and profits. The Allwyn Group has delivered a combination of organic and inorganic growth over time as demonstrated on the graph below.²⁶



The Allwyn Group is highly profitable, benefitting from strong and stable margins. In the year ended December 31, 2023, the Allwyn Group’s Adjusted EBITDA margin was 40%. In addition, it has

²⁶ Organic EBITDA growth is calculated as the sum of: the year-on-year increase in Adjusted EBITDA for each segment or significant equity method investee on a 100% basis, multiplied by Allwyn’s economic interest at the end of the previous year. Inorganic EBITDA growth accounts for the remainder of the increase in Adjusted EBITDA pro rata to Allwyn’s interest in each operating entity.

a favourable cost structure, with more than 90% of its cost base being variable or discretionary in the short or medium term. The Allwyn Group’s businesses are also highly cash generative and have low ongoing capital expenditure requirements. This reflects the Allwyn Group’s asset-light business model, in accordance with which the very large majority of its POS in the markets in which it operates are owned by third parties. Consequently, the Allwyn Group is able to upstream significant dividends to KKCG AG as demonstrated in the table below.

Dividend and cash upstreamed to KKCG AG in (EUR mil):

FY2019	FY2020	FY2021	FY2022	FY2023
150	150	200	324	978 ²⁷

History of the Allwyn Group

History of the Allwyn Group spans to 2011, when the KKCG Group became the co-owner of SAZKA, the incumbent Czech lottery operator. In 2012, the KKCG Group became the sole owner of SAZKA and since then, the Allwyn Group has grown organically and through acquisitions and participation in tenders. Until 2021, the Allwyn Group operated under the brand of SAZKA Group and subsequently, Allwyn became the new brand of the Allwyn Group.

Since the initial investment in SAZKA, the Allwyn Group’s inorganic growth approach has comprised three key pillars: (i) increasing its ownership interest in its existing operations, (ii) entering new markets via participation in public tenders and privatisation processes, and (iii) executing strategic bolt-on acquisitions. Our recent inorganic growth trajectory illustrates our success in pursuing each of these pillars.

Czech Republic (2011—present)

In 2011, the Allwyn Group acquired a stake in SAZKA, which acquired the assets of the leading lottery operator in the Czech Republic. In 2012, it acquired all remaining issued and outstanding shares in SAZKA. In this section, the Allwyn Group also refers to predecessor organisations of the Allwyn Group and to its shareholders.

Greece and Cyprus (2013—present)

In 2013, the Allwyn Group entered Greece and Cyprus as a member of a consortium that acquired a 33.0% stake in the Greek gaming champion OPAP, representing a less than 24% economic interest. Since 2013, it has bought out the economic interest of the other shareholders of the consortium’s acquisition vehicle, SAZKA Delta AIF Variable Capital Investment Company Ltd (**SDAVCIC**), and on 17 February 2022, it purchased the remaining economic interests in SDAVCIC for a consideration of EUR 327.4 million. In addition, on 31 March 2023, AIAS purchased the remaining 33.3% interest in SDM, an entity that controlled the voting shares in SDAVCIC. Allwyn Greece & Cyprus Holding 2 Ltd then redeemed in kind all of its non-voting investor shares in SDAVCIC, so that all shares held by SDAVCIC in Allwyn Greece & Cyprus Holding Ltd have been transferred to Allwyn Greece & Cyprus Holding 2 Ltd on 24 August 2023. Based on the approval of the Cyprus Securities and Exchange Commission, SDAVCIC voluntarily renounced the AIF manager authorisation in November 2023, following which both SDAVCIC and SDM are going to be dissolved to simplify our corporate structure.

Furthermore, the Allwyn Group acquired a 7.3% stake during a voluntary tender offer in 2019, increasing its economic interest to 32.0%, and carried out subsequent open market purchases, and by electing to reinvest OPAP dividends in acquisition of new shares through OPAP’s 5-year (2019 –

²⁷ Includes EUR 678 million repayment of preferred shares issued by Allwyn AG that were held by Apollo (Funds advised by Apollo Global Management Inc).

2023) dividend reinvestment programme (the scrip dividend programme), which, however, has not been renewed.

As of 31 December 2023, the Allwyn Group held a 50.71% interest in OPAP.

In 2018, it strengthened its position in Greece when OPAP acquired a 36.75% stake in Kaizen, which operated: (i) Stoiximan, the leading online sports betting and iGaming platform in Greece and online sports betting platform in Greece and Cyprus, and (ii) Betano, which offers similar products in certain international markets. During 2020, OPAP increased its interest in Stoiximan to 84.50%. On 20 April 2022, a fully owned subsidiary of AIAS signed an agreement to purchase OPAP's 36.75% stake in Kaizen.

Austria (2015—present)

The Allwyn Group entered Austria in 2015 by acquiring interests in CASAG and its subsidiary, Austrian Lotteries, the exclusive lottery and iGaming provider in Austria. Since 2015, it has increased its shareholding in CASAG through a number of transactions and as of 31 December 2023, it had a 59.7% interest in CASAG.

Italy (2016—present)

In 2016, the Allwyn Group entered Italy through the establishment of LottoItalia, a joint venture with a unit of International Game Technology PLC. As of 31 December 2023, it owned 32.5% of LottoItalia's share capital.

United Kingdom (2022—present)

In March 2022, the Gambling Commission selected Allwyn UK as its preferred applicant to operate the UKNL licence from 1 February 2024 following a rigorous competition and formally awarded the license to Allwyn UK in September 2022.

To facilitate the transition, on 19 November 2022, the Allwyn Group announced an agreement to acquire Camelot UK, the then incumbent operator of the UKNL, and completed the acquisition on 5 February 2023. Camelot UK ran the UKNL from its launch in 1994 until 31 January 2024. Allwyn UK successfully commenced operation of the UKNL under the new licence on 1 February 2024.

United States (2022—present)

In December 2022, the Allwyn Group announced an agreement to acquire the Camelot LS Group, which operates the Illinois Lottery under a private management agreement through its operating company, Camelot Illinois LLC, and partners with the Arkansas Scholarship Lottery to enhance its lottery operations through its advisory services. The Camelot LS Group also includes a technology arm that provides products and services to lotteries in Europe and North America. The acquisition of the Camelot LS Group was completed on 6 March 2023.

In February 2024, Allwyn announced an agreement to acquire a 70% ownership interest in Instant Win Gaming (**IWG**), to enhance the Allwyn Group's content offering. IWG is a leading supplier of online instant games to lotteries and works with more than 25 national and state lotteries around the globe, having a strong North American presence. The transaction is anticipated to close in the second half of 2024, subject to the satisfaction of customary closing conditions.

4.2 Energy Sector

The energy division of the KKCG Group, a cornerstone of its diversified portfolio, has been a dynamic force in the international energy landscape since its inception in the 1990s. The KKCG Group's initial foray into the energy sector was marked by the acquisition of Moravské naftové doly a.s. (MND a.s.).

Over the years, the KKCG Group has grown to become a significant player in the European energy market and has extended its reach to the United States with the establishment of methanol plant by US Methanol LLC in West Virginia, a venture that underscores the KKCG Group's commitment to expanding its global footprint in the energy sector.

The energy strategy of the MND Group, KKCG Group's energy pillar, is aligned with the challenges and opportunities of the 21st century, particularly in response to the European Green Deal. The MND Group has set ambitious targets for itself, aiming to achieve 100% energy self-sufficiency of MND Group from green sources by 2025. In the Issuer's view, the MND Group is currently the fastest-growing independent energy supplier in the Czech Republic, with a quarter of a million electricity and gas consumption points, demonstrating the MND Group's rapid expansion and strong market presence.

Innovation is at the heart of the MND Group's energy endeavours. The MND Group has broadened its traditional business activities, which were primarily focused on the exploration and extraction of oil and natural gas, to include cutting-edge technologies that contribute to environmental protection. This includes Carbon Capture and Storage (CCS) and the enhancement of energy self-sufficiency from blue and green sources. Geothermal energy, closely related to the MND Group's original core business, is seen as a promising area of growth. MND Group is actively exploring the potential of repurposing decommissioned oil and gas wells for geothermal use. Additionally, the MND Group is intensively engaged in renewable energy sources such as wind and solar power, with the construction of the Oriv wind farm in Ukraine being one of its most significant current projects.

The exploration and extraction of oil and natural gas remain significant aspects of MND Group's business activities. The MND Group's drilling activities and well workovers have an international scope, with operations in several European countries. The MND Group's modern drilling rigs are designed to be powered directly from the high-voltage grid, allowing for the drilling of deep wells for geothermal energy across Europe with minimal greenhouse gas emissions. The MND Group also engages in underground workovers of wells and the removal of old environmental burdens through the decommissioning of exhausted and unnecessary wells.

The MND Group boasts energy storage capacities exceeding 10 TWh. Since 1999, the MND Group has been involved in the construction and operation of underground storage facilities. In 2001, the MND Group developed the Uhřice underground gas storage facility, which underwent significant modernisation twelve years later and is now among the most advanced and flexible storage facilities in Europe. Notably, since 2021, this facility has been capable of storing hydrogen mixed with natural gas up to 5% H₂, thereby storing transformed electrical energy. Following this, the MND Group completed the acquisition of underground storage facilities in Germany, Stockstadt and Hähnlein, which are also capable of storing hydrogen in a mixture with natural gas. In 2016, the MND Group launched one of the largest underground storage facilities in the Czech Republic, the Dambořice facility.

In 2014, the MND Group made a strategic entry into the retail energy market. Despite strong competition and low customer propensity to switch suppliers in the Czech market, the MND Group succeeded in establishing a strong retail brand. Leveraging its own production and monitoring wholesale market prices, the MND Group is able to offer its customers long-term favourable pricing. The MND Group has also become one of the largest traders of energy commodities in the Czech Republic. MND Trading deals in commodities such as gas, electricity, oil, coal, and CO₂ allowances, and is actively expanding its geographical reach, reinforcing its position as a significant European player in the gas storage capacity market.

4.3 Information Technology Sector

The information technology sector within the KKCG Group is a testament to the group's commitment to innovation and technological advancement. The group leverages its substantial size and the solid

foundation provided by the KKCG conglomerate to make a significant impact on new markets, backed by profound IT expertise. The IT pillar of the KKCG Group is anchored by the ARICOMA Group, which stands as the largest Czech IT holding company and includes also companies active in software development which operate under brands Qinshift and Avenga. ARICOMA's ambition is to ascend to a leadership position on the international stage, a goal it is progressively fulfilling.

The ARICOMA Group is composed of a collection of companies, which have built strong presence not only in Europe, in countries such as Czech Republic, Slovakia, Sweden, Belgium, Poland, Bulgaria, Germany, Switzerland but also outside of Europe, in countries such as Argentina and US. This diverse assembly of companies has enabled ARICOMA to penetrate new markets in Western Europe and in other territories successfully. In terms of IT services, ARICOMA offers a comprehensive portfolio that addresses the entire spectrum of corporate IT needs.

Key Areas of Focus:

- **Application Development:** Qinshift and Avenga companies specialise in creating applications tailored to the commercial sector, providing solutions that drive business efficiency and innovation.
- **System Integration:** The group's expertise extends to integrating complex systems, ensuring seamless operation across various IT infrastructures.
- **Digitalisation Projects:** ARICOMA is actively involved in digitising government administration, contributing to the modernisation of public services.
- **Cybersecurity:** Recognising the critical importance of security in the digital age, ARICOMA places a strong emphasis on protecting data and systems against cyber threats.

Springtide Ventures, a subsidiary of KKCG has been investing since 2016 in European and Israeli startups that are active in rapidly growing IT segments such as cloud computing, IT security, artificial intelligence, and online business platforms. Springtide Ventures focuses on more mature projects that have already developed a product, achieved market fit, and secured a customer base. With representation in Europe, Israel, and the USA, Springtide Ventures is instrumental in propelling startups toward growth and global expansion.

While not traditionally associated with IT, KKCG's foray into the biotechnology sector highlights the group's willingness to invest in high-cost, high-risk research and development. KKCG is among the courageous few in the Czech Republic who venture into the field of biotechnology and medical devices that improve patient quality of life. Notable achievements include the production of unique cervical dilators.

4.4 Real Estate Sector

The KKCG Group has made a significant impact in the real estate industry through its dedicated arm, KKCG Real Estate Group. This division reflects the group's dedication to crafting exceptional architecture in prestigious locations, with a strong emphasis on environmental sustainability. The group's real estate endeavours are not limited to aesthetic and structural excellence but also encompass a strategic investment in commercial or residential properties and comprehensive property management services in the Czech Republic as well as in the regions of Western Europe.

Since its expansion into real estate projects in 2012, KKCG Real Estate Group has focused on residential and commercial development, facility management, and construction management. The group's approach is characterised by a collaborative spirit with partners, a drive for innovation, and a deep respect for the environment. The vision of KKCG Real Estate Group is to create lasting value

by harmonising the genius loci with cutting-edge architecture, all while adhering to the principles of sustainable development.

KKCG Real Estate Group has a portfolio of projects that showcase its dedication to quality and design. Among these is the top residence brand, which has become synonymous with high-quality residential projects known for their functional design. Top residence Pomezí was awarded the “Architects’ Prize in the Prague 5 district” at the Real Estate Project of the Year 2020 competition, underscoring the group’s commitment to architectural excellence and client satisfaction.

Another flagship project is the Bořislavka Centrum, which has enriched the architectural landscape of Prague. This new office and retail centre features four buildings designed as irregular crystals, strategically located on Evropská Street—the gateway to the city from Václav Havel Airport. Completed in 2021, Bořislavka Centrum is the largest project undertaken by KKCG Real Estate Group to date.

In line with its vision for sustainable development, KKCG Real Estate Group invests in projects that not only meet current needs but also consider long-term environmental impacts. The group’s commitment to innovation and sustainable development of localities ensures that each project contributes positively to the surrounding environment and community.

4.5 Corporate Structure

KKCG Group operates under a structured corporate hierarchy, with KKCG AG as the legal entity headquartered in Switzerland. The group’s ultimate parent entity is VALEA FOUNDATION, with Mr. Karel Komárek as the designated beneficiary.

5. LEGAL AND ARBITRATION PROCEEDINGS

There are no pending or threatened legal or arbitration proceedings against the Issuer that may have significant effect on the Issuer’s financial position or profitability.

Currently, the companies of the Allwyn Group are, and may in the future be, subject to or directly impacted by various legal proceedings (including related to prize claims and employment law matters), formal complaints and investigations, including from anti-trust and competition regulators, including (without limitation) those matters described in more detail below.

5.1 Austria

Cases Initiated by (mostly former employees) against CASAG

CASAG is party to 28 pending lawsuits initiated by 37 claimants in connection with reductions made to the target pension in its employee pension plans, which include plans with a guaranteed minimum pension feature and defined benefit plans. For the claims in connection with pension plans with a guaranteed minimum pension feature, management assesses that a negative outcome is highly unlikely and has only recorded a provision to cover legal costs, of EUR 0.3 million. The assessment is supported by the fact that, in January 2022, an appellate court reversed an initial adverse decision of the first instance court from May 2021, stating that only a minimum pension is guaranteed. In another case, the court of appeal has rejected the appeal of the claimant against the decision of the court of the first instance and did not allow the regular appeal to the supreme court. The court of appeal stated that the reduction of the target pension was in line with equitable discretion and that CASAG is not obliged to make additional contributions to the target pension. For the claims in connection with defined benefit plans, management considers the outcome uncertain and reflects this uncertainty in the valuation of the defined benefit liability, with the liability assessed assuming a negative outcome (as a result of which a positive outcome in these cases would result in a net gain for the Allwyn Group).

Argentina Arbitration Case

In 2013, Casinos Austria International GmbH (the **CAI**) and CASAG filed an arbitration request according to the International Centre of Settlement of Disputes (the **ICSID**) rules against the Republic of Argentina. CAI's Argentine subsidiary *Entretenimientos y Juegos de Azar Sociedad Anonima* (the **ENJASA**) operated games of chance based on an exclusive 30-year licence granted by the provincial government in Argentina. In 2013, Ente Regulador del Juego de Azar, the responsible authority, notified ENJASA about the revocation of ENJASA's licence. ENJASA was forced, through governmental decrees and resolutions, to transfer its gaming operations to other local gaming operators. The licence was revoked based on a small number of isolated events which dated back a considerable time and were individual human errors of some of ENJASA's personnel in purely administrative matters. CAI and CASAG claimed that the revocation of the licence was based on fabricated breaches of the regulatory framework and of anti-money laundering provisions, in total disregard of the actual facts and of ENJASA's due process rights, and that the revocation of the licence was an unlawful expropriation and a violation of the Austria - Argentina Bilateral Investment Treaty.

On 5 November 2021, CAI and ENJASA won arbitral proceedings against the Republic of Argentina and were awarded the right to receive a total amount of approximately USD 35.7 million.

The Republic of Argentina has, however, filed an application for annulment of the award and requested the stay of an enforcement of the award. The oral hearing took place on 3 August 2022. The judges carried out all the formalities and heard the Argentinian request to lift the execution of the payment obligation until the final decision is made. Most recently, the competent ICSID Ad-Hoc Committee decided, on 13 January 2023, that the application submitted by Argentina for the stay of enforcement of the award is rejected in its entirety and the suspension of enforceability is repealed. The award is therefore enforceable. However, it is to be expected that Argentina will not voluntarily comply with the arbitral award and pay its obligation. Enforcement measures are therefore necessary.

According to the finalised procedural order, an oral hearing in relation to the annulment proceeding took place in September 2023 in Washington D.C., at which both parties presented their legal arguments. The final decision is currently still pending.

5.2 Greece

Distribution agent claims

As of 31 December 2023, third party claims against OPAP relating to terminated distribution agent arrangements have been filed in an aggregate amount of EUR 309.5 million (31 December 2022: EUR 308.3 million). The majority of these claims relate to former distribution agent arrangements, in relation to which the overwhelming majority of recent court decisions have been in favour of OPAP (rejected claims in the amount of EUR 283.6 million). The court of first instance partially recognised claims in the amount of EUR 0.7 million; the court of appeal partially recognised claims in the amount of EUR 0.1 million. In connection with three other lawsuits brought by a former agent against OPAP seeking compensation for loss of profit, in September 2023, the Supreme Court accepted OPAP's petition and annulled an appellate court decision which had awarded a total of approximately EUR 3.0 million plus interest. The decision on the merits is still pending. As of 31 December 2023, management recorded a provision of EUR 6.6 million (31 December 2022: EUR 6.5 million) in connection with the case.

Hellenic Lotteries

Under its concession agreement, Hellenic Lotteries S.A., a subsidiary of OPAP, has an obligation to pay 30% of annual revenue from gaming activities (GGR) to the Greek state, subject to a EUR 50.0 million minimum annual amount. Hellenic Lotteries S.A. believes the EUR 50.0 million minimum annual fee was not applicable for 2020, 2021 and 2022 as the force majeure clause in the

concession agreement was triggered by the pandemic-related restrictions imposed by the Greek state. Accordingly, Hellenic Lotteries S.A. sought a reduction of the obligation, or alternatively an indemnity related to the initial licence consideration or an extension of the licence. As a prudent measure, gaming taxes and a related liability in a total amount of EUR 70.6 million were recorded in the financial statements in the relevant periods. The hearing of this arbitration case took place in February 2023. The arbitral tribunal issued its final award on 12 September 2023, rejecting the respondents' jurisdictional objections, but denying the relief sought by Hellenic Lotteries S.A. on its merits. On 2 October 2023, Hellenic Lotteries S.A. paid the disputed amount of the minimum annual fee for the years 2020, 2021 and the period January-May 2022 (amounting to EUR 70.6 million in total). Furthermore, on 13 February 2024, Hellenic Lotteries S.A. was notified of an additional liability to the Greek state of EUR 11.9 million related to interest from overdue payment. Hellenic Lotteries S.A. filed an application for annulment of the final award on 24 November 2023. The outcome is expected in 1-1.5 years.

Non-compete clause in agency agreements

In September 2023, the Hellenic Competition Commission (the **HCC**) imposed fine of EUR 24.6 million on OPAP for alleged breaches of competition rules relating to the provision of bill payment and mobile top up services offered in the Greek market between 2017 and 2021. The fine does not relate to OPAP's core business in the gaming market. OPAP categorically denies the practices attributed to it and therefore filed a petition against the decision before the Athens Administrative Courts. As of 30 September 2023, the fine was recognised within other operating expenses (EUR 24.6 million) and finance expenses (EUR 0.6 million) in the Greece and Cyprus segment.

6. SIGNIFICANT CHANGE IN FINANCIAL POSITION

No significant change in the financial position of the Issuer or the Allwyn Group has occurred since the end of the last financial period for which audited financial information have been published.

Syndicated bank loans

In March 2024, AIAS increased the size of its syndicated bank loan with accordion facilities of EUR 500.0 million, due in 2030. Concurrent with signing the accordion facilities, AIAS cancelled GBP 188.8 million of undrawn commitments under a GBP 380.0 million (EUR 444.4 million equivalent, as of 31 March 2024) multi-purpose facility available under the Senior Facilities Agreement. Also in March 2024, AIAS and its subsidiary Allwyn Entertainment Financing (UK) plc drew EUR 240.0 million under the accordion facilities. The Senior Facilities Agreement is described in paragraph 8 below.

Agreement to acquire a majority stake in IWG

In February 2024, AIAS announced an agreement to acquire a 70% ownership interest in IWG, to enhance the Allwyn Group's content offering. IWG is a leading supplier of online instant games to lotteries and works with more than 25 national and state lotteries around the world, having a strong North American presence.

IWG reported EBITDA of £18.2m for the financial year ending 30 April 2023.

The transaction is anticipated to close in the second half of 2024, subject to the satisfaction of customary closing conditions.

Allwyn LS Group

In March 2024, AIAS made a payment of USD 10.5 million (approximately €9.7 million), representing the outstanding contingent consideration relating to its purchase of Allwyn LS Group in March 2023.

Greece and Cyprus: OPAP share buyback programme

In October, OPAP initiated purchases under a share buyback programme of up to EUR 150.0 million. From 1 January 2024 to 31 March 2024, OPAP purchased shares amounting to 0.53% of its total shares outstanding, for total consideration of EUR 31.8 million. As a result, Allwyn's interest in OPAP increased from 50.71% as of 31 December 2023 to 50.98% as of 31 March 2024.

Term Loan B issuance

In May 2024, AIAS announced the successful syndication of a USD-denominated 7-year Term Loan B facility in the principal amount of USD 450.0 million at SOFR plus 225 bps. The proceeds from the offering will be used to redeem in full the EUR 400.0 million in aggregate principal amount outstanding under the Floating Rate Notes due 2028 issued by Allwyn Entertainment Financing (UK) plc and for general corporate purposes, with USD 375.0 million swapped to EUR to hedge currency exposure.

7. FINANCING OF THE ALLWYN GROUP

The financing of the Allwyn Group is based on substantial indebtedness which is expected to continue in the future. The following table summarises the development in the Allwyn Group's indebtedness as of 31 December 2023:

The following table summarises its debt instruments (in EUR mil):

Loans and borrowings	31/12/2023
AIAS syndicated bank loan	1,074.9
<i>EUR 290m amortising term loans due 2027</i>	290.0
<i>EUR 152m amortising term loans due 2027</i>	66.3
<i>EUR 290m bullet term loans due 2028</i>	290.0
<i>EUR 152m bullet loans due 2028</i>	66.3
<i>EUR 335m accordion facilities due 2029</i>	335.0
<i>Term Loan under GBP 380m multi-purpose facility due 2027</i>	27.3
<i>EUR 300m revolving credit facility</i>	–
AIAS EUR 400m FRN* due 2028	400.0
AIAS EUR 665m 7.250% SSN due 2030	665.0
AIAS USD 700m 7.875% SSN 2029	633.6
AIAS CZK 6bn 5.200% SSN due 2024	118.7
AIAS EUR 500m 3.875% SSN due 2027	500.0
AIAS Corporate total	3,392.2
OPAP EUR 200m 2.1% retail bond due 2027	200.0
OPAP EUR 250m fixed rate bank loan due 2026	250.0
OPAP EUR 200m fixed rate bank loan due 2027	170.0
Hellenic Lotteries EUR 50m floating rate loan due 2024	40.0
Greece and Cyprus total	660.0
CASAG syndicated bank loan due 2026	53.6
Austria total	53.6
Total principal amount	4,105.8
Other loans and borrowings	1.4
Difference to book value	26.6
Total book value	4,133.8

8. MATERIAL CONTRACTS

The Issuer has not entered into any material contract.

AIAS as well as the entities within the Allwyn Group enter into a number of contractual relationships as part of their business. They are mainly relationships within the scope of their business activities. In additions, these relationships are related to ensuring their operations, security, risk reduction, use of external specialists or consultants, etc. The contractual relationships and other obligations that may be considered significant from the perspective of the Issuer and of the Allwyn Group are listed below.

- On 6 March 2020, AIAS and Österreichische Beteiligungs AG (**ÖBAG**) entered into a CASAG Shareholders' Agreement regarding their respective direct or indirect shareholdings in CASAG. ÖBAG is the entity through which the Austrian state holds its investments in certain strategically important companies and the second-largest shareholder of CASAG. The CASAG Shareholders' Agreement became effective on 25 November 2020. The CASAG Shareholders' Agreement provides for close co-operation between AIAS and ÖBAG with respect to CASAG, including, in particular, in relation to corporate governance and management of the CASAG Group, as well as certain exit protection rights and minority protection rights of ÖBAG. The CASAG Shareholders' Agreement was entered into for a fixed 15-year term until 6 March 2035, unless terminated sooner, including due to a change of control in relation to AIAS or ÖBAG, a decrease of AIAS's or ÖBAG's shareholding in CASAG below 10%, AIAS's or ÖBAG's failure to adhere to the agreed corporate governance obligations (such non-adherence also being subject to a contractual penalty of EUR 10,000,000) / agreed non-competition undertakings or a decrease of the CASAG Group's consolidated EBITDA by at least 30% as a result of a material adverse change attributable to changes in the general economic, political or legislative conditions in any relevant market of the CASAG Group, changes in financial, banking or capital markets in general in Austria, changes in applicable laws, regulations, accounting standards, practices and principles, or due to force majeure.
- Italian Gaming Holding a.s., a wholly owned subsidiary of AIAS (**IGH**), entered into a collaboration and joint venture agreement with IGT Lottery (formerly Lottomatica Holding S.r.l. and Lottomatica S.p.A.) and AIAS on 30 April 2016 to set forth the terms and conditions relating to the incorporation of LottoItalia, as the concessionaire for the purposes of the tender for the Gioco del Lotto service concession, and the governance of their relationship as shareholders of LottoItalia, (as amended by an amendment dated 19 May 2017). The LottoItalia JV Agreement shall remain in force until the expiration or termination of the concession. The LottoItalia JV Agreement ceases to apply to a party if such party ceases to be a shareholder.
- IGH entered into a put and call option agreement with IGT Lottery on 30 April 2016, pursuant to which the parties grant each other option rights to transfer all (but not some) of IGH's equity interest in LottoItalia to IGT Lottery if a predefined deadlock event occurs.
- AIAS and IGT Lottery S.p.A. have entered into a memorandum of understanding regarding Lottoitalia S.r.l., the joint venture responsible for managing the Italian Lotto licence, for both shareholders to maintain their partnership for the upcoming Lotto licence tender. It is expected that Allwyn will maintain its 32.5% equity ownership and IGT Lottery, Arianna 2001, and Novomatic Italia will maintain their 61.5%, 4%, and 2% share, respectively, with IGT serving as the principal operating partner. The Italian Lotto, and its associated games 10eLotto and MillionDAY, are deeply rooted in tradition and are among the most popular and successful games in Italy, with annual ticket sales of about €8 billion.

- OPAP issued several programmes between 2017 and 2022 for the issuance of common bond loans, a form of bank loan under Greek law, and retail bonds, while Hellenic Lotteries S.A. issued one common bond loan.
- On 28 May 2019 CASAG, as borrower, entered into a facilities agreement with Erste Group Bank AG, Raiffeisen Bank International AG and UniCredit Bank Austria AG as mandated lead arrangers and bookrunners and lenders, respectively, Erste Group Bank AG and UniCredit Bank Austria AG as coordinators and Erste Group Bank AG as agent.
- To establish the relative rights of certain of its creditors under its financing arrangements, AIAS, certain other companies from the Allwyn Group as guarantors and Kroll Trustee Services Limited, as security agent are party to the intercreditor agreement dated 16 December 2020, as amended, supplemented, varied or restated from time to time (the **Intercreditor Agreement**). The Intercreditor Agreement is governed by English law and sets out various matters governing the relationship of the creditors of the Allwyn Group including the relative ranking of certain debt of AIAS, the guarantors and any other person that becomes party to the Intercreditor Agreement as a debtor or third party security grantor, when payments can be made in respect of debt of the debtors or third party security grantors, when enforcement action can be taken in respect of that debt, the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events and turnover provisions and provisions related to the enforcement of shared security.
- AIAS (as the company and original borrower) and Allwyn Entertainment Financing (UK) plc (as original borrower and the English Original Borrower) entered into a senior facilities agreement on 17 November 2022, with, among others, UniCredit Bank Czech Republic and Slovakia, a.s. as global coordinator, Komerční banka, a.s. as agent and BNP Paribas S.A., pobočka Česká republika, Česká spořitelna, a.s., Erste Group Bank AG, HSBC Continental Europe, HSBC UK Bank plc, ING Bank N.V., Prague Branch, Komerční Banka, a.s., MUFG Bank, Ltd., Raiffeisenbank a.s., Raiffeisen Bank International AG, Raiffeisenlandesbank Niederösterreich-Wien AG., and Unicredit Bank Czech Republic and Slovakia a.s., as mandated lead arrangers.
- In February and March 2023, the Allwyn Group increased the size of its syndicated bank loan with accordion facilities of EUR 335.0 million, due in 2029. In February 2024, AIAS drew EUR 250.0 million from its EUR 300.0 million revolving credit facility. In March 2024, the Allwyn Group increased the size of the accordion facilities by EUR 500.0 million, due in 2030, and drew EUR 240.0 million. Concurrent with signing the accordion facilities, AIAS cancelled GBP 188.8 million of undrawn commitments under the GBP 380.0 million multi-purpose facility. Also in March 2024, the Allwyn Group drew EUR 240.0 million under the accordion facilities and repaid EUR 250.0 million under its EUR 300.0 million revolving credit facility, which remains fully available.
- In April 2023, the Allwyn Group issued EUR 665.0 million in aggregate principal amount of 7.250% senior secured notes due 2030, and USD 700.0 million in aggregate principal amount of 7.875% senior secured notes due 2029. The Allwyn Group has also issued EUR 400m floating rate notes due 2028 in February 2022, CZK 6bn 5.200% senior secured notes due 2024 in September 2019 and EUR 500m 3.875% senior secured notes due 2027 in February 2020 (initial issuance of EUR 300.0 million) and February 2022 (additional issuance of EUR 200.0 million).
- AIAS (as the company) and Allwyn Entertainment Financing (US) LLC (as original borrower) entered into a senior facilities agreement on 31 May 2024, with, among others, BNP PARIBAS, Citibank, N.A. and Morgan Stanley Bank International Limited (as joint global coordinators and lead arrangers), BNP PARIBAS and Morgan Stanley Bank International

Limited (as lead Active Bookrunners) and Barclays Bank plc, Deutsche Bank Aktiengesellschaft, Erste Group Bank AG, Goldman Sachs International, HSBC Continental Europe, ING Bank N.V., Prague Branch, J.P. Morgan SE, MUFG Bank, Ltd., London Branch, NatWest Markets Plc, Raiffeisen Bank International AG, Societe Generale, London Branch and UniCredit SpA.

9. DOCUMENTS AVAILABLE

The full wording of the Issuer's Articles of Association as well as all other documents and materials referred to in this Base Prospectus and relating to the Issuer are available for inspection on the Issuer's Website at investors.kkcg.com, where they shall remain for a period of 10 years.

TAXATION

Prospective purchasers of any Bonds issued under this Base Prospectus acknowledge that the tax laws including, in particular, the tax laws of the Czech Republic as a country of tax residence of the Issuer and the tax laws of the country where the respective purchaser is tax resident, may have an impact on income from the Bonds. Therefore, prospective purchasers of any Bonds are advised to consult their own tax advisers as to the tax consequences of purchasing, holding and disposal of the Bonds as well as receiving income from the Bonds under the tax laws of any country in which income from holding and disposal of the Bonds can become subject to tax including, in particular, the countries stated at the beginning of this paragraph. Only these advisors are in a position to take into account all relevant facts and circumstances and to duly consider the specific situation of the prospective purchaser. A similar approach should be taken by the prospective purchasers of any Bonds in relation to the foreign-exchange-law consequences arising from the purchase, holding and disposal of the Bonds.

*The description below represents a brief summary of selected material tax aspects of the purchase, holding and disposal of the Bonds, and foreign-exchange regulations in the Czech Republic. The summary is mainly based on Act No. 586/1992 Coll., on Income Taxes, as amended (**Income Taxes Act**) and on other related laws which are effective as at the date of this Base Prospectus as well as on the administrative practice or the prevailing interpretations of these laws and other regulations as applied by Czech tax, administrative and other authorities and bodies and as these are known to the Issuer at the date of this Base Prospectus. The information contained herein is neither intended to be nor should be construed as legal or tax advice. The description below is solely of a general nature (i.e. it does not take into account, for example, specific tax treatment of certain taxpayers such as investment, mutual or pension funds) and may change in the future depending on changes to the relevant laws that may occur after this date, or in the interpretation of these laws which may be applied after that date. In this respect, please note that the below description of Czech tax treatment of the Bonds has been significantly affected by Act No. 609/2020 Coll., which amends some acts in the field of taxes and some other acts (**2021 ITA Amendment**). The 2021 ITA Amendment has significantly changed the tax regime of bonds or notes (further only bonds) issued after 31 December 2020. The new rules are quite controversial. Therefore, the tax regime of bonds (including the Bonds) is currently associated with many ambiguities. In the Issuer's opinion, the summary below represents a rational interpretation of the relevant provisions of the Income Taxes Act in relation to bonds.*

The following summary assumes that the person to whom any income is paid in connection with the Bonds is the beneficial owner of such income (within the OECD meaning of this term), i.e. it does not act, for example, as a proxy, agent, depositary or in any other similar position in which any such payments would be received on account of another person or entity.

For the purposes of this section, the following terms have the following meaning:

Beneficial Owner means an income recipient who is treated as the beneficial owner of such income (as interpreted by the OECD) under the Income Taxes Act as well as for the purposes of a relevant Tax Treaty (if any).

Coupon means any bond yield other than a bond yield that is determined by the difference between the nominal value of a bond and its issue price (i.e. yield determined as the Discount). For the avoidance of doubt, the Coupon also includes the Early Redemption Premium.

Coupon Bond means a bond whose issue price is equal to its nominal value. For the avoidance of doubt, a Coupon Bond is not a bond whose yield is determined by the combination of the Discount and the Coupon.

Czech Permanent Establishment means a permanent establishment in the Czech Republic under the Income Taxes Act as well as under a relevant Tax Treaty (if any).

Czech Tax Non-Resident means a taxpayer who is not a tax resident of the Czech Republic under the Income Taxes Acts or under a relevant Tax Treaty (if any).

Czech Tax Resident means a taxpayer who is a tax resident of the Czech Republic under the Income Taxes Acts as well as under a relevant Tax Treaty (if any).

Discount means a positive difference between the nominal value of a bond and its lower issue price.

Discounted Bond means a bond whose issue price is lower than its nominal value. For the avoidance of doubt, a Discounted Bond is also a bond with a yield that is determined by the combination of the Discount and the Coupon.

Early Redemption Premium means any extraordinary yield paid by an issuer in the event of early redemption of a bond.

Legal Entity means a taxpayer other than an individual (i.e. a taxpayer that is subject to corporate income tax but that may not necessarily have a legal personality).

Tax Security means a special amount collected by means of a deduction at source made by the Withholding Agent (for example by the issuer of a bond or by the buyer of a bond) upon payment of taxable income which serves essentially as an advance with respect to tax that is to be self-assessed by the recipient of the relevant income (i.e. unlike the Withholding Tax, the amount so withheld does not generally represent a final tax liability).

Tax Treaty means a valid and effective tax treaty concluded between the Czech Republic and another country under which the Czech Tax Non-Resident is treated as a tax resident of the latter country. In the case of Taiwan, the Tax Treaty is Act No. 45/2020 Coll., on the elimination of double taxation in relation to Taiwan, as amended.

Withholding Agent means a payer of (taxable) income who is responsible for making the deduction of (i) the Withholding tax or (ii) the Tax Security, as applicable, and their remittance to the tax authorities.

Withholding Tax means a tax collected by means of a deduction at source made by the Withholding Agent (for example by the issuer of the bond) upon payment of taxable income. Save in certain circumstances, such tax is generally considered as final.

1. INTEREST INCOME

1.1 Czech Tax Residents

(a) Individuals

The yield in the form of the Coupon paid to an individual is subject to the Withholding Tax at a rate of 15%. This tax represents a final taxation of the Coupon in the Czech Republic.

The yield in the form of the Discount paid to an individual is not subject to the Withholding Tax. Instead, it is included in the general tax base, which is subject to personal income tax at a progressive rate of 15% and 23% depending on the individual's applicable bracket (the threshold for the higher bracket is 36 times the average wage, amounting to CZK 1,582,812 in 2024). However, the general tax base does not include the amount of the Discount, but rather the (positive) difference between the nominal value of the Bond paid by the Issuer (or the amount paid by the Issuer upon an early redemption of the Bond, but excluding the Early Redemption Premium, if any) and the price at which the individual acquired the Bond. If an individual holds the Bond that is a Coupon Bond until its maturity (or early redemption) and the individual acquired such Bond on a secondary market at

an amount below the nominal value of the Bond (or below the amount paid by the Issuer upon an early redemption of the Bond, but excluding the Early Redemption Premium, if any), such (positive) difference is also included in the individual's general tax base.

(b) *Legal Entities*

The yield (whether in the form of a Discount or a Coupon) paid to a Legal Entity is not subject to the Withholding Tax, but it is rather included in the general tax base, which is subject to corporate income tax at a flat rate of 21%. A Legal Entity that is an accounting unit is generally required to recognise the yield in its profit and loss statement on an accrual basis.

1.2 Czech Tax Non-Residents

(a) *Individuals*

The yield in the form of a Coupon paid to an individual is subject to the Withholding Tax at a rate of 15% or 35%. The 35% rate applies to recipients who do not have a Czech Permanent Establishment to which the Bonds are attributable and, at the same time, are tax residents of neither (i) an EU/EEA member state nor (ii) a country with which the Czech Republic has an effective double tax treaty or an effective double (or multilateral) treaty on the exchange of information. The 15% rate applies to all other recipients. This tax generally represents a final taxation of the Coupon in the Czech Republic. However, an individual who is a tax resident of an EU/EEA member state may decide to include the Coupon in his/her tax return filed in the Czech Republic for the relevant tax year. In such a case, the above Withholding Tax represents an advance payment which is credited against the final Czech tax liability as declared in the tax return.

The yield in the form of a Discount paid to an individual is not subject to the Withholding tax. Instead, it is included in the general tax base, which is subject to the personal income tax at a progressive rate of 15% and 23% depending on the individual's applicable bracket (the threshold for the higher bracket is 36 times the average wage, amounting to CZK 1,582,812 in 2024). However, the general tax base does not include the amount of the Discount, but rather the (positive) difference between the nominal value of the Bond paid by the Issuer (or the amount paid by the Issuer upon an early redemption of the Bond, but excluding the Early Redemption Premium, if any) and the price at which the individual acquired the Bond. However, if the Bonds are not attributable to the individual's Czech Permanent Establishment, the taxable amount cannot exceed the Discount (i.e., if such difference is higher, the amount of the Discount will be included in the general tax base). Furthermore, if an individual is not a tax resident of an EU/EEA member state, the Issuer will withhold the Tax Security at the rate of 1% applicable to the gross amount paid (i.e. the nominal value of the Bond upon the maturity or the amount paid by the Issuer upon an early redemption of the Bond, but excluding the Early Redemption Premium, if any). This Tax Security is creditable against the final tax liability as declared in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable). If (i) an individual holds the Bond that is a Coupon Bond until its maturity (or its early redemption), (ii) the individual acquired such Bond on a secondary market for an amount below its nominal value (or below the amount paid by the Issuer upon an early redemption of the Bond, but excluding the Early Redemption Premium, if any) and (iii) such Bond is attributable to that individual's Czech Permanent Establishment, such (positive) difference is also included in the individual's general tax base (However, there are arguments supporting a conclusion that such difference is out of scope of Czech taxation).

(b) *Legal Entities*

The yield in the form of a Coupon paid to a Legal Entity where the Bond is not attributable to its Czech Permanent Establishment is subject to the Withholding Tax at a rate of 15% or 35%. The 35% rate applies to recipients that are tax residents of neither (i) an EU/EEA member state nor (ii) a country

with which the Czech Republic has an effective double tax treaty or an effective double (or multilateral) treaty on the exchange of information. The 15% rate applies to all other recipients. This tax generally represents a final taxation of the Coupon in the Czech Republic. However, a Legal Entity that is a tax resident of an EU/EEA member state may decide to include the Coupon in its tax return filed in the Czech Republic for the relevant tax year. In such a case, the above Withholding Tax represents an advance payment which is credited against the final self-assessed tax liability as declared in the tax return. The yield in the form of a Coupon paid to a Legal Entity where the Bond is attributable to its Czech Permanent Establishment is not subject to the Withholding Tax. Instead, it is included in the general tax base, which is subject to corporate income tax at a flat rate of 21%. Furthermore, if the Legal Entity is not a tax resident of an EU/EEA member state, the Issuer will withhold a Tax Security at the rate of 10% applicable to the amount of the Coupon (on a gross basis). This Tax Security is creditable against the final tax liability as declared in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable).

The yield in the form of a Discount paid to a Legal Entity is not subject to the Withholding tax. Instead, it is included in the general tax base, which is subject to corporate income tax at a rate of 21%. However, the general tax base does not include the amount of the Discount, but rather the (positive) difference between the nominal value of the Bond paid by the Issuer (or the amount paid by the Issuer upon an early redemption of the Bond, but excluding the Early Redemption Premium, if any) and the price at which the Legal Entity acquired the Bond. However, if the Bonds are not attributable to the Legal Entity's Permanent Establishment, the taxable amount cannot exceed the Discount (i.e. if such difference is higher, the amount of the Discount will be included in the general tax base). Furthermore, if the Legal Entity is not a tax resident of an EU/EEA member state, the Issuer will withhold the Tax Security at the rate of 1% applicable to the gross amount (i.e. the nominal value of the Bond at maturity or the amount paid by the Issuer upon an early redemption of the Bond, but excluding the Early Redemption Premium, if any). This Tax Security is creditable against the final tax liability as declared in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable). If (i) a Legal Entity holds a Bond that is a Coupon Bond until its maturity (or its early redemption), (ii) the Legal Entity acquired such Bond on a secondary market for an amount below the nominal value of the Bond (or below the amount paid by the Issuer upon an early redemption of the Bond, but excluding the Early Redemption Premium, if any) and (iii) such Bond is attributable to that Legal Entity's Czech Permanent Establishment, such (positive) difference is also included in its general tax base (However, there are arguments supporting a conclusion that such difference is out of scope of Czech taxation).

A Legal Entity that is an accounting unit and where the Bonds are attributable to its Czech Permanent Establishment is generally required to recognise the yield (whether in the form of a Discount or a Coupon) in its profit and loss statement on an accrual basis.

2. CAPITAL GAINS/LOSSES

2.1 Czech Tax Residents

(a) Individuals

Capital gains from the sale of the Bonds that have not formed part of the business assets of an individual are generally exempt from personal income tax if:

- the total annual (worldwide) gross income (i.e. not gains) of that individual from the sale of securities (including the Bonds) does not exceed the amount of CZK 100,000, or
- such gains are derived from the sale of the Bonds which the individual has held for more than three years prior to their sale (however, income from a future sale of the Bonds where a purchase agreement is concluded after 3 years but where income arises within 3 years from

their acquisition is not tax-exempt); with effect from 2025, this exemption will be subject to an annual cap of CZK 40,000,000. The cap will be calculated based on a gross (worldwide) income (i.e. not gains) of that individual derived from the sale of securities (including the Bonds) as well as certain participation in companies not represented by shares.

If the Bonds formed part of the business assets of an individual, the exemption upon their sale may still apply but only if the Bonds are sold no earlier than 3 years after the termination of the individual's business activities.

Taxable gains from the sale of the Bonds realised by an individual are included in the general tax base, which is subject to personal income tax at a progressive rate of 15% and 23% depending on the individual's applicable bracket (the threshold for the higher bracket is 36 times the average wage, amounting to CZK 1,582,812 in 2024). If an individual has held the Bonds in connection with his/her business activities, such gains are also subject to social security and health insurance contributions. Losses from the sale of the Bonds realised by an individual are generally tax non-deductible, except where such losses are compensated by taxable gains on the sale of other securities and the income from the sale of the Bonds is not tax-exempt.

(b) *Legal Entities*

Capital gains from the sale of the Bonds are included in the general tax base, which is subject to corporate income tax at a flat rate of 21%. Losses from the sale of the Bonds realised by Legal Entities are generally tax deductible.

2.2 Czech Tax Non-residents

Capital gains from the sale of the Bonds realised by a Czech Tax Non-Resident are subject to taxation in the Czech Republic provided that:

- the Bonds are attributable to a Czech Permanent Establishment of the Czech Tax Non-Resident selling the Bonds, or
- the Bonds are acquired by (i) a Czech Tax Resident or (ii) a Czech Tax Non-Resident acquiring the Bonds through his/her/its Czech Permanent Establishment.

Therefore, capital gains realised by a Czech Tax Non-Resident where the Bonds are sold to another Czech Tax Non-Resident and where such Bonds are attributable to neither (i) a Czech Permanent Establishment of the seller nor (ii) a Czech Permanent Establishment of the buyer, are out of scope of Czech taxation.

(a) *Individuals*

Capital gains from the sale of the Bonds that have not formed part of the business assets of an individual are generally exempt from personal income tax if:

- the total annual (worldwide) gross income (i.e. not gains) of the individual from the sale of securities (including the Bonds) does not exceed the amount of CZK 100,000, or
- such gains are derived from the sale of the Bonds which the individual has held for more than three years prior to their sale (however, income from a future sale of the Bonds where a purchase agreement is concluded after 3 years but where income arises within 3 years from their acquisition is not tax-exempt); with effect from 2025, this exemption will be subject to an annual cap of CZK 40,000,000. The cap will be calculated based on a gross (worldwide) income (i.e. not gains) of that individual derived from the sale of securities (including the Bonds) as well as certain participation in companies not represented by shares.

If the Bonds formed part of the business assets of an individual, the exemption upon their sale may still apply but only if the Bonds are sold no earlier than 3 years after the termination of the individual's business activities.

Taxable gains from the sale of the Bonds realised by an individual are included in the general tax base, which is subject to personal income tax at a progressive rate of 15% and 23% depending on the individual's applicable bracket (the threshold for the higher bracket is 36 times the average wage, amounting to CZK 1,582,812 in 2024). If an individual has held the Bonds in connection with his/her business activities, such gains may also be subject to social security and health insurance contributions. Losses from the sale of the Bonds realised by an individual are generally tax non-deductible, except where such losses are compensated by taxable gains on the sale of other securities and the income from the sale of the Bonds is not tax-exempt.

Furthermore, if the Bonds are sold by an individual who is not a tax resident of an EU/EEA member state, a buyer acting as a Withholding Agent may be required to withhold a Tax Security amounting to 1% of the gross purchase price. The buyer will act as a Withholding Agent if he/she/it is:

- a Czech Tax Resident, or
- a Czech Tax Non-Resident and the acquired Bonds are attributable to his/her/its Czech Permanent Establishment.

Any Tax Security withheld is creditable against the final tax liability as declared by the Czech Tax Non-Resident selling the Bonds in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable).

(b) *Legal Entities*

Capital gains from the sale of the Bonds that are subject to Czech taxation are included in the general tax base, which is subject to corporate income tax at a flat rate of 21%. Losses from the sale of the Bonds realised by the Legal Entities are generally tax deductible. However, according to certain interpretations, such losses are not tax deductible for a Czech Tax Non-Resident that does not keep its accounting books under the Czech accounting rules.

Furthermore, if the Bonds are sold by a Legal Entity which is not a tax resident of an EU/EEA member state, a buyer acting as the Withholding Agent may be required to withhold a Tax Security amounting to 1% of the gross purchase price. The buyer will be acting as a Withholding agent if he/she/it is:

- a Czech Tax Resident, or
- a Czech Tax Non-Resident and the acquired Bonds are attributable to his/her/its Czech Permanent Establishment.

Any Tax Security withheld is creditable against the final tax liability as declared by the Czech Tax Non-resident selling the Bonds in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable).

3. BENEFITS UNDER TAX TREATIES

A Tax Treaty may reduce or even fully eliminate Czech taxation of both interest income from the Bonds or capital gains from their sale (including a Tax Security withholding). Such Tax Treaty relief is usually applicable on the condition that the income recipient that is a Czech Tax Non-Resident does not hold the Bonds through his/her/its Czech Permanent Establishment. Furthermore, the entitlement to particular Tax Treaty benefits is generally conditional on presenting documents proving that the income recipient qualifies for the Tax Treaty benefits including, in particular (i) a tax residency

certificate issued by the relevant tax authorities and (ii) a beneficial ownership declaration of the income recipient.

4. REPORTING OBLIGATION

An individual holding the Bonds (whether a Czech Tax Resident or a Czech Tax Non-Resident) is obliged to report to the Czech tax authorities any income earned in connection with the Bonds if such income is exempt from taxation in the Czech Republic and exceeds, in each individual case, CZK 5,000,000. The reporting must be fulfilled within the deadline for filing a personal income tax return. A non-compliance with this reporting obligation is penalised by a sanction of up to 15% of the gross amount of the unreported income.

5. VALUE ADDED TAX

There is no Czech value added tax payable in respect of the payment of interest or principal under the Bonds, or in respect of the transfer of the Bonds.

6. OTHER TAXES OR DUTIES

No registration tax, capital tax, customs duty, transfer tax, stamp duty or any other similar tax or duty is payable in the Czech Republic by either the Czech Tax Resident or the Czech Tax Non-Resident in respect of or in connection with the mere purchase, holding or disposal of the Bonds.

ENFORCEMENT OF CIVIL LIABILITIES AGAINST THE ISSUER

This chapter contains only general information and relies on information obtained from publicly available sources. The Issuer or its advisers make no representation as to the accuracy or completeness of the information included herein. Any prospective purchasers of the Bonds should therefore not rely upon the information included herein and are recommended to contact their legal advisers for consultation about the enforcement of claims in respect of the Issuer's private law liabilities within any relevant jurisdiction.

The Joint Terms and Conditions provide, among other things, that the courts of the Czech Republic shall have jurisdiction to settle any disputes, which may arise out of or in connection with the Bonds (including a dispute relating to any non-contractual obligations arising out of or in connection with the Bonds).

The recognition and enforcement of foreign judgments in civil and commercial matters in the Czech Republic is governed by EU law, public international treaties and Czech law. EU Regulation 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the **Regulation 1215/2012**) is directly applicable in the Czech Republic. Based on this regulation, court rulings issued by any court authority in the EU member states with regard to civil and commercial matters are enforceable in the Czech Republic, subject to the rules set forth in the Regulation 1215/2012 and, conversely, court rulings issued by court authorities in the Czech Republic with regard to civil and commercial matters are reciprocally enforceable in the EU member states.

As from 1 January 2021, the Regulation 1215/2012 no longer applies in the UK. As a result, persons enforcing a judgment obtained before English courts no longer benefit from the recognition of such judgment in EU courts (including the Czech Republic) under the Regulation 1215/2012. However, on 28 September 2020, the UK deposited an instrument of accession to the Hague Convention on Choice of Court Agreements 2005 (the **Hague Convention**). The Hague Convention is an international convention which requires contracting states to recognise and respect exclusive jurisdiction clauses in favour of other contracting states and to enforce related judgments. As the Czech Republic already is a party to the Hague Convention by virtue of being a member state of the EU, judgments handed down by a UK court should be recognised and enforced under the Hague Convention in the Czech Republic. However, the scope of the Hague Convention is limited to contracts containing exclusive jurisdiction clauses and there is no assurance that such judgments will be recognised on exactly the same terms and in the same conditions as under the Regulation 1215/2012.

According to the EC Regulation No. 593/2008 of 17 June 2008 on the law applicable to contractual obligations, parties to a contract may, subject to the terms set out therein, select the law which will govern their contractual relations in civil and commercial matters and Czech courts will give effect to such choice of law. In addition, EC Regulation No. 864/2007 on the law applicable to non-contractual obligations of 11 July 2007 allows parties to make a choice with respect to governing law of their non-contractual obligations in civil and commercial matters, subject to the terms set out therein. Unless parties to the dispute agreed otherwise, or unless courts of a different member state have an exclusive jurisdiction, foreign entities are able to bring civil proceedings before Czech courts against individuals and legal entities domiciled therein. In court proceedings, Czech courts apply their respective national procedural rules and their judgments are enforceable in their respective jurisdictions, subject to certain statutory limitations on the ability of creditors to enforce judgments against certain assets.

Any person bringing an action in the Czech Republic may be required to: (i) submit to the court a translation in the Czech language (apostilled if applicable pursuant to respective international treaties) of any relevant document prepared by a sworn translator authorised by such court; and (ii) pay a court filing fee.

In the event that court judgments against the Issuer are issued by court bodies of non-EU member states, the following rules shall apply:

In cases where the Czech Republic concluded an international treaty with a specific country on the recognition and enforcement of court rulings, the recognition and enforcement of court rulings issued in such country is processed in accordance with the provisions of the applicable international treaty.

If no international treaty on the recognition and enforcement of court rulings exists, then the rulings of foreign courts shall be recognised and enforced in the Czech Republic in accordance with Act No. 91/2012 Coll., on private international law, as amended (the **Private International Law Act**) and other relevant legislation. In the event of a foreign ruling against a Czech individual or legal entity, such a foreign ruling shall be recognised and enforced if, among other things, actual reciprocity has been established regarding the recognition and enforcement of judgments rendered by Czech courts in the relevant country.

The Czech Ministry of Justice may, upon agreement with the Czech Ministry of Foreign Affairs and other ministries, declare that reciprocity has been established with respect to a particular foreign country. Such declaration is binding on the Czech courts and other state authorities. If such declaration of reciprocity has not been issued with regard to a particular country, however, this does not automatically mean that reciprocity cannot be established in a given case. In such cases, the recognition of reciprocity would be assessed as part of the proceedings by the Czech court based on the actual situation in a given country with regard to the recognition of judgments of Czech authorities.

On the other hand, even if reciprocity has been established and declared by the Ministry of Justice with respect to judgments issued by judicial bodies of a particular foreign country, such judgments may not be recognised and enforced under applicable provisions of Czech law if, for example: (i) the matter falls within the exclusive jurisdiction of the courts of the Czech Republic, or in the event that the proceedings could not have been conducted by any authority of a foreign state, should the provisions on the jurisdiction of Czech courts be applied for considering the jurisdiction of the foreign authority (unless the party against whom the decision was issued voluntarily submitted to the authority of the foreign body); (ii) proceedings are underway before a Czech court with regard to the same legal relations and if said proceedings commenced prior to the proceedings abroad, in which the judgement whose recognition has been proposed was issued; (iii) a Czech court has issued or recognised a final judgment in the same matter, or proceedings regarding the same matter are pending before a Czech court; (iv) the foreign authority deprived the party to the proceedings against whom the judgment was made of the opportunity to properly participate in the proceedings (i.e., in particular, if such party had not been duly served for the purposes of the initiation of the proceedings); or (v) the recognition of a foreign judgment would be contrary to the public order in the Czech Republic.

Foreign exchange regulation

The issue and acquisition of the Bonds is not subject to any foreign exchange regulation in the Czech Republic. Under Czech Constitutional Act No. 110/1998 Coll., on security of the Czech Republic, the Czech Government or its Prime Minister may declare an emergency (in Czech, *nouzový stav*). If the Czech Government declares an emergency, payments in foreign currency or abroad generally, interbank transfers of monies from abroad to the Czech Republic and/or sale of securities (including the Bonds) abroad may be suspended in accordance with Act No. 240/2000 Coll., on crisis management and amendment to certain acts, as amended, for the duration of such emergency. Such an emergency may be declared for a maximum period of 30 days unless prolonged by the approval of the Chamber of Deputies of the Parliament of the Czech Republic.

SUBSCRIPTION AND SALE

The Issuer is entitled to issue individual Bond Issues under the Bond Programme on an ongoing basis, with the total nominal value of all outstanding Bonds issued under the Bond Programme not exceeding CZK 10,000,000,000. Individual Bond Issues issued under the Bond Programme will be offered for subscription and purchase in the Czech Republic, or, if applicable, and subject to compliance with the relevant legislative conditions for such offering, in other markets as described in the applicable Final Terms. The Final Terms will determine whether the Manager may offer the Bonds to interested domestic or foreign investors, both qualified and non-qualified (in particular retail) investors, in the primary and/or secondary market.

The Bonds will be offered by the Issuer through the Joint Lead Managers or any person that the Issuer entrusts with the performance of such activity for a particular Bond Issue.

The method and place of subscription of the Bonds, the method and time limit for handing over the Bonds (or their crediting to the Bondholder's account) and the method of payment of the Issue Price of the Bonds of the individual Issue, including the information on persons involved in the arrangement of the Issue, will be specified in the relevant Pricing Supplement.

This Base Prospectus has been approved by the CNB. This approval, together with any supplements to the Base Prospectus approved by the CNB and together with the Final Terms of each Issue duly filed with the CNB and made available, authorises the Issuer to offer the Bonds to the public in the Czech Republic in accordance with the laws and regulations in force in the Czech Republic on the date of the relevant offering. The foregoing is one of the prerequisites for the admission of any Bonds issued under this Bond Programme to trading on a regulated market in the Czech Republic. If it is stated in the relevant Final Terms that the Issuer has applied or will apply for admission of the Bonds to trading on a particular segment of the regulated market of the PSE or another regulated market, as the case may be, and the Bonds are in fact admitted to trading on such regulated market upon fulfilment of all statutory requirements, they will become securities admitted to trading on a regulated market.

The distribution of this Base Prospectus and the offer, sale or purchase of Bonds of each Issue are restricted by law in certain countries. Persons into whose possession this Base Prospectus comes are responsible for compliance with the restrictions applicable in each country on the offer, purchase or sale of the Bonds or the possession and distribution of any materials relating to the Bonds.

A public offering of the Bonds issued under this Bond Programme may be made in the Czech Republic only if, at the latest at the commencement of such public offering, this Base Prospectus (including any amendments thereto) has been approved by the CNB and published and the Final Terms of the relevant Issue have been filed with the CNB and subsequently published. Public offerings of Bonds in other countries may be restricted by the laws of such countries and may require the approval, recognition or translation of the Base Prospectus or any part thereof or other documents thereof by the competent authority.

In addition to the foregoing, the Issuer requests the underwriters of each Issue and the purchasers of the Bonds to comply with the provisions of all applicable laws in each country (including the Czech Republic) where they will purchase, offer, sell or deliver Bonds issued by the Issuer under this Bond Programme or where they will distribute, make available or otherwise circulate this Base Prospectus, including any supplements thereto, individual Final Terms or other offering or promotional material or information relating to the Bonds, in each case at their own expense and regardless of whether this Base Prospectus or any supplements thereto, individual Final Terms or other offering or promotional material or information relating to the Bonds is reproduced in printed form or in electronic or other intangible form only.

Prior to the approval of the Base Prospectus or any supplement thereto or the due publication of the Final Terms, the Issuer, the underwriters of each Issue and all other persons to whom this Base

Prospectus is made available are required to comply with the above restrictions on public offerings and, if they offer the Bonds in the Czech Republic, must do so only in a manner that is not a public offering. In such a case, they should inform the persons to whom they are offering the Bonds of the fact that the Base Prospectus or any supplement thereto has not yet been approved by the CNB and published or that the Final Terms of the relevant Issue have not yet been filed with the CNB and published, and that such offering may not be a public offering and, if the offering is made in a manner that is not considered to be a public offering under the provisions of the Prospectus Regulation, inform such persons also of the related restrictions.

Any person acquiring any Bonds issued under this Bond Programme will be deemed to have represented and agreed that (i) such person understands all applicable restrictions on the offer and sale of Bonds in particular in the Czech Republic applicable to him and the relevant method of offer or sale, and (ii) such person will not offer for sale or resell the Bonds, without complying with all applicable restrictions that apply to such person and the relevant method of offer and sale and (iii) prior to offering or reselling the Bonds, such person will inform potential purchasers that further offers or sales of the Bonds may be subject to legal restrictions in various states that must be complied with.

The Issuer informs the prospective Bondholders that the Bonds are not and will not be registered in accordance with the Securities Act or by any securities commission or another regulatory body of any state of the U.S. and therefore cannot be offered, sold or transferred in the territory of the U.S. or to U.S. residents (as these terms are defined in Regulation S) other than on the basis of an exemption from the registration obligation according to the Securities Act or as a part of a transaction that is not subject to mandatory registration according to the Securities Act.

The Issuer also notes that the Bonds may not be offered or sold in the United Kingdom of Great Britain and Northern Ireland (the **UK**) by disseminating any material or notice, except for sale to persons authorised to deal in securities in the UK on own account or on behalf of others or under circumstances which do not constitute a public offering of securities within the meaning of the Companies Act 1985, as amended. Any legal acts regarding notes performed in, from, or otherwise in connection with the UK must also be performed in accordance with the Financial Services and Markets Act 2000 (FSMA 2000), as amended, the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and the Prospectus Regulation, as it forms part of English law by virtue of the European Union (Withdrawal) Act 2018.

GENERAL INFORMATION

1. INTERNAL APPROVAL

The Bond Programme was approved by resolutions of the Issuer's Board of Directors and the Supervisory Board on 10 June 2024.

2. LEGISLATION GOVERNING THE ISSUE OF THE BONDS

The establishment of the Bond Programme and the issuance of any Bond Issue under the Bond Programme shall be governed by applicable and effective laws and regulations, in particular the Bonds Act, the Prospectus Regulation and the regulations of the respective regulated securities markets on which the relevant Bond Issue is to be admitted to trading.

3. APPROVAL OF THE BASE PROSPECTUS BY THE CZECH NATIONAL BANK

This Base Prospectus, which includes the wording of the Joint Terms and Conditions, was approved by the CNB in its decision ref. no. 2024/068934/CNB/650, file no. S-Sp-2024/00107/CNB/659 dated 19 June 2024, which became final and effective on 20 June 2024. The CNB has approved the Base Prospectus in its capacity as the competent authority under the Prospectus Regulation and only to the extent that the Base Prospectus meets the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. By approving the Base Prospectus the CNB certifies that the Base Prospectus contains all information required by law necessary for the investor to take an investment decision. The CNB assesses neither the financial results nor the financial situation of the Issuer and by approving the Base Prospectus it does not guarantee the quality of the security or the Issuer's future profitability or its ability to pay the interest on, and the principal of, the Bonds.

4. STATUTORY AUDITOR

The Opening Balance Sheet was audited by PricewaterhouseCoopers Audit, s.r.o., an independent registered auditor with its registered office at Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, ID No. 407 65 521, registered with the Commercial Register kept by the Municipal Court in Prague, File No. C 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021 (**PwC**). The auditors' report on the Opening Balance Sheet was signed by Jiří Zouhar, holding auditor's certificate No. 2542, and whose relevant audit report is included in the Opening Balance Sheet.

The Issuer declares that neither PwC nor any of its members, employees or agents has any material interest in the Issuer. In connection with this statement, the Issuer especially took into account the Auditors' potential ownership of securities issued by the Issuer, potential prior participation in any governing bodies of the Issuer, or potential affiliation with other entities involved in the Issue.

5. DATE OF THE BASE PROSPECTUS

The Base Prospectus was drawn up on 18 June 2024.

FINANCIAL INFORMATION

KKCG Financing a.s.

Statement of Financial Position as at 30 April 2024

Prepared in accordance with IFRS Accounting Standards as adopted by the European Union

Statement of Financial Position as at 30 April 2024 (in CZK ths.)

	<u>30.04.2024</u>
Assets	
Cash and cash equivalents	2 000
Total current assets	<u>2 000</u>
Total assets	<u><u>2 000</u></u>
Equity and Liabilities	
Equity	
Share capital	2 000
Total equity	<u>2 000</u>
Total equity and liabilities	<u><u>2 000</u></u>

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2. BASIS OF PREPARATION OF THE STATEMENT OF FINANCIAL POSITION

A. STATEMENT OF COMPLIANCE

The Statement of Financial Position has been prepared in accordance with IFRS Accounting Standards as adopted by the European Union. Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 May 2024 or later, and which the Company has not early adopted. The Company does not expect that the application of these standards will have any significant impact.

The Statement of Financial Position was prepared as at the date of incorporation for the purpose of bond issuance. Proceeds from the bond issuance will be used to finance the companies within the Group. The date of establishment is equal to the date the Company was registered in the Commercial Register. The Company is obliged to maintain accounting records from this date. The Statement of Financial Position as at 30 April 2024 does not represent the full financial statements in accordance with IFRS. The following financial statements are not included: Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows.

B. BASIS OF MEASUREMENT

Historical costs were used in the preparation of the Statement of Financial Position. The Company does not hold nor issue financial instruments which would be measured at fair value with remeasurement gains and losses recognised in profit or loss.

C. FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Company is Czech Crowns (CZK). All financial information reported in the Statement of Financial Position has been rounded to the nearest thousand ("CZK thousand"), unless otherwise stated.

3. CASH AND CASH EQUIVALENTS

There are no restrictions on cash and cash equivalents owned by the Company.

The whole cash balance is deposited with one bank. The Company monitors the credit risk associated with banks and deposits cash only with reputable financial institutions that meet the Basel III criteria. The Company does not account for any expected credit loss for cash balances, as it is considered immaterial.

4. SHARE CAPITAL

The sole shareholder of the Company paid share capital in the total amount of CZK 2 million as at 30 April 2024.

The nominal registered amount of the Company's issued share capital is CZK 2 million.

The total authorised number of ordinary shares is two shares with a par value of CZK 1 million per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote with regards to voting rights, the share of the Company's profits, and residual net assets in the event of liquidation.

5. FINANCIAL RISK MANAGEMENT

The company is exposed to financial risk through its financial assets (bank account balance).

A. LIQUIDITY RISK

Liquidity risk is measured by the ability of the Company to convert its assets into cash to cover all due payables, at minimal cost. The need for liquidity is continuously monitored, and its increased need is reported in advance in order to secure the necessary resources.

B. FOREIGN CURRENCY RISK



The Company does not have any assets or liabilities denominated in foreign currencies as at 30 April 2024.

C. CAPITAL MANAGEMENT

Decisions about the capital structure are made by the Group management. As capital, the management manages equity of the Company amounting to CZK 2 million as at 30 April 2024.

6. SUBSEQUENT EVENTS

No subsequent events that would have a significant impact on the Statement of Financial Position as at 30 April 2024 occurred.

<p>Date:</p> <p>17 May 2024</p>	<p>Signature of the statutory body:</p>  <p>Pavel Šaroch Chairman of Board of Directors</p>  <p>Petr Luňák Member of Board of Directors</p>
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Independent Auditor's Report



Independent Auditor's Report

To the shareholder of KKCG Financing a.s.

Our opinion

In our opinion, the statement of financial position of KKCG Financing a.s., with its registered office at Vinohradská 1511/230, Strašnice, Prague 10 (the "Company") as at 30 April 2024, gives a true and fair view of the financial position of the Company in accordance with IFRS Accounting Standards as adopted by the European Union relevant to preparing such a financial statement.

What we have audited

The Company's statement of financial position comprises:

- the statement of financial position as at 30 April 2024, and
- the notes to the statement of financial position, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit Regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the statement of financial position section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

Emphasis of matter – Basis of accounting

We draw attention to Note 2 to the statement of financial position, which describes the basis of accounting. The statement of financial position is prepared as of the date of Company's incorporation for the purpose of planned bond issuance. Moreover, we draw attention to the fact that the statement of financial position does not comprise a complete set of financial statements prepared in accordance with IFRS Accounting Standards as adopted by the European Union. As a result, the statement of financial position may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers Audit, s.r.o., Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic
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PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

Responsibilities of the board of directors and supervisory board of the Company for the statement of financial position

The board of directors is responsible for the preparation of the statement of financial position in accordance with IFRS Accounting Standards as adopted by the European Union relevant to preparing such a financial statement and for such internal control as the board of directors determines is necessary to enable the preparation of statement of financial position that is free from material misstatement, whether due to fraud or error.

In preparing the statement of financial position, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The supervisory board of the Company is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the statement of financial position

Our objectives are to obtain reasonable assurance about whether the statement of financial position as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Audit Regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement of financial position.

As part of an audit in accordance with the Audit Regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of financial position, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statement of financial position or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement of financial position, including the disclosures, and whether the statement of financial position represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the board of directors and supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

17 May 2024

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner

A handwritten signature in blue ink, appearing to read 'Jiri Zouhar', is written over a faint, circular blue stamp.

Jiří Zouhar
Statutory Auditor, Licence No. 2542

Allwyn AG

**Consolidated financial statements
for the years ended 31 December 2023 and 31 December 2022**

prepared in accordance with IFRS Accounting Standards as issued by the IASB

Consolidated statement of comprehensive income	Note	2023	2022
Revenue from gaming activities (GGR)	6	7,549.4	3,811.3
Revenue from non-gaming activities	6	328.7	176.9
Total Revenue	6	7,878.1	3,988.2
Other operating income	7	285.6	262.8
Gaming taxes and Good Cause contributions	8	(4,289.1)	(1,456.8)
Agents' commissions	9	(805.6)	(523.7)
Materials, consumables and services	10	(920.9)	(598.0)
Marketing services		(395.6)	(244.7)
Personnel expenses	31	(522.7)	(379.8)
Other operating expenses	11	(118.4)	(64.8)
Share of profit of equity method investees	18	169.7	86.4
Depreciation and amortisation	15, 16	(374.7)	(213.3)
Impairment of tangible and intangible assets including goodwill	17	(21.7)	(35.5)
Other gains and losses	12	5.6	(12.6)
Profit from operating activities		890.3	808.2
Interest income		38.8	7.5
Interest expense		(310.6)	(227.5)
Other finance income and expense		(35.2)	(29.7)
Finance costs, net	13	(307.0)	(249.7)
Profit before tax		583.3	558.5
Income tax expense	14	(188.2)	(144.9)
Profit after tax		395.1	413.6

Consolidated financial statements for the years ended 31 December 2023 and 31 December 2022 (in millions of Euro)

Consolidated statement of comprehensive income (continued)	Note	2023	2022
<i>Items that are or may subsequently be reclassified to profit or loss:</i>			
Change in currency translation reserve		(10.7)	9.5
Remeasurement of hedging derivatives, net of tax	30	(26.3)	(2.3)
Net change in hedging derivatives reclassified to profit or loss, net of tax	30	3.3	1.2
Share of other comprehensive income of equity method investees		0.1	0.7
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial remeasurements of defined benefit liabilities, net of tax	31	(15.3)	26.4
Revaluation of equity instruments at fair value through OCI (FVOCI)		(3.1)	0.2
Total other comprehensive income/(loss)	22	(52.0)	35.7
Total comprehensive income		343.1	449.3
Profit after tax attributable to:			
Owners of the Company		108.9	38.2
Non-controlling interests		286.2	375.4
Profit after tax		395.1	413.6
Total comprehensive income attributable to:			
Owners of the Company		64.5	62.8
Non-controlling interests	23	278.6	386.5
Total comprehensive income		343.1	449.3

The Notes on pages 9 to 81 are an integral part of these consolidated financial statements.

Consolidated statement of financial position	Note	31/12/2023	31/12/2022
ASSETS			
Intangible assets	15	2,431.4	2,432.8
Goodwill	15.3	1,208.4	1,082.7
Property, plant and equipment	16	369.2	362.9
Investment property		1.4	19.3
Equity method investees	18	322.2	284.8
Other receivables	19	96.7	83.6
Other financial assets	20	199.2	188.3
Deferred tax asset	14.2	114.1	59.0
Total non-current assets		4,742.6	4,513.4
Inventories		12.6	9.7
Trade and other receivables	19	974.6	256.2
Current tax asset		30.4	11.5
Other financial assets	20	32.1	131.3
Cash and cash equivalents	21	1,817.3	1,211.2
Total current assets		2,867.0	1,619.9
Total assets		7,609.6	6,133.3
LIABILITIES			
Loans and borrowings	24	3,782.3	2,574.6
Preferred shares	25	--	624.5
Lease liabilities	26	93.5	102.8
Trade and other payables	27	34.4	36.9
Derivative financial instruments	30	32.8	--
Provisions	29	1.6	1.5
Employee benefits liability	31	115.8	117.6
Deferred tax liability	14.2	450.3	428.0
Total non-current liabilities		4,510.7	3,885.9
Loans and borrowings	24	351.5	328.8
Lease liabilities	26	30.2	27.9
Trade and other payables	27	2,123.6	897.8
Other financial liabilities	28	10.5	31.7
Current tax liability		142.9	131.4
Provisions	29	43.2	22.8
Employee benefits liability	31	92.9	77.0
Total current liabilities		2,794.8	1,517.4
Total liabilities		7,305.5	5,403.3
EQUITY			
Share capital	22	0.1	0.1
Capital contributions	22	687.2	443.8
Currency translation reserve		6.9	17.4
Hedging reserve		(19.3)	3.7
Other reserves	22	(0.8)	10.1
Retained earnings		(1,409.4)	(953.9)
Total equity attributable to owners of the Company		(735.3)	(478.8)
Non-controlling interest	23	1,039.4	1,208.8
Total equity		304.1	730.0
Total equity and liabilities		7,609.6	6,133.3

The Notes on pages 9 to 81 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity	Note	Share capital	Capital contributions	Currency translation reserves	Hedging reserve	Other reserves	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2023		0.1	443.8	17.4	3.7	10.1	(953.9)	(478.8)	1,208.8	730.0
Profit for the year		--	--	--	--	--	108.9	108.9	286.2	395.1
Other comprehensive income/(loss) for the year	22	--	--	(10.5)	(23.0)	(10.9)	--	(44.4)	(7.6)	(52.0)
Total comprehensive income/(loss) for the year		--	--	(10.5)	(23.0)	(10.9)	108.9	64.5	278.6	343.1
Transactions with owners, recorded directly in equity:										
Conversion of preferred shares to ordinary shares	25	--	678.2	--	--	--	--	678.2	--	678.2
Dividends declared to the parent	22	--	(434.8)	--	--	--	(543.4)	(978.2)	--	(978.2)
Dividends and distributions declared to non-controlling interest	23	--	--	--	--	--	--	--	(476.4)	(476.4)
Effect of scrip dividend	23	--	--	--	--	--	--	--	33.6	33.6
Effect of change in ownership due to subsidiary's scrip dividend programme	23	--	--	--	--	--	(14.0)	(14.0)	14.0	--
Effect of change in ownership due to subsidiary's share buyback programme	23	--	--	--	--	--	(15.8)	(15.8)	(15.3)	(31.1)
Capital contributions		--	--	--	--	--	--	--	3.3	3.3
Other movements in equity		--	--	--	--	--	8.8	8.8	(7.2)	1.6
Total transactions with owners		--	243.4	--	--	--	(564.4)	(321.0)	(448.0)	(769.0)
Balance at 31 December 2023		0.1	687.2	6.9	(19.3)	(0.8)	(1,409.4)	(735.3)	1,039.4	304.1

The Notes on pages 9 to 81 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity	Note	Share capital	Capital contributions	Currency translation reserves	Hedging reserve	Other reserves	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2022		0.1	768.1	7.0	5.6	(6.0)	(644.7)	130.1	1,225.0	1,355.1
Profit for the year		--	--	--	--	--	38.2	38.2	375.4	413.6
Other comprehensive income/(loss) for the year	22	--	--	10.4	(1.9)	16.1	--	24.6	11.1	35.7
Total comprehensive income/(loss) for the year		--	--	10.4	(1.9)	16.1	38.2	62.8	386.5	449.3
Transactions with owners, recorded directly in equity:										
Purchase of non-controlling interest in subsidiaries	23	--	--	--	--	--	(323.7)	(323.7)	(97.2)	(420.9)
Dividends declared to the parent	22	--	(324.3)	--	--	--	--	(324.3)	--	(324.3)
Dividends and distributions declared to non-controlling interest	23	--	--	--	--	--	--	--	(354.4)	(354.4)
Effect of scrip dividend	23	--	--	--	--	--	--	--	37.1	37.1
Effect of change in ownership due to subsidiary's scrip dividend programme	23	--	--	--	--	--	(24.0)	(24.0)	24.0	--
Other movements in equity		--	--	--	--	--	0.3	0.3	(12.2)	(11.9)
Total transactions with owners		--	(324.3)	--	--	--	(347.4)	(671.7)	(402.7)	(1,074.4)
Balance at 31 December 2022		0.1	443.8	17.4	3.7	10.1	(953.9)	(478.8)	1,208.8	730.0

The Notes on pages 9 to 81 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows	Note	2023	2022
OPERATING ACTIVITIES			
Profit (+) for the year		395.1	413.6
<i>Adjustments for:</i>			
Income tax expense	14	188.2	144.9
Depreciation and amortisation	15, 16	374.7	213.3
Impairment gains (+)/losses (-) on non-financial assets	17	21.7	35.5
Profit (-)/loss (+) on sale of property, plant and equipment and intangible assets		0.6	(2.2)
Gain (-)/loss (+) on disposal of financial investments	12	(0.2)	(0.3)
Net interest income (-)/expense (+)	13	271.8	220.0
Net foreign exchange profit (-) loss (+)	13	8.7	(0.3)
Share of profit (-) of equity method investees	18	(169.7)	(86.4)
Change in value of arbitration award	7	(2.3)	(5.6)
Income from termination of lease	16	(12.9)	--
Revaluation of financial assets at fair value through profit or loss	20	(6.0)	7.2
Increase (+)/decrease (-) in provisions	28	(1.6)	2.5
Operating result before changes in working capital		1,068.1	942.2
Increase (-)/decrease (+) in inventories		(0.1)	(0.9)
Increase (-)/decrease (+) in trade receivables and other receivables		(11.7)	8.8
Increase (+)/decrease (-) in trade and other payables		236.5	121.4
Cash generated from (+)/used in (-) operations		1,292.8	1,071.5
Interest paid		(195.2)	(117.4)
Income tax paid		(245.0)	(171.5)
Net cash generated from (+)/used in (-) operating activities		852.6	782.6
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets	15, 16	(102.1)	(68.3)
Acquisition of subsidiaries, net of cash acquired	28, 4	(79.8)	(113.2)
Loans provided	20	(0.8)	(103.1)
Repayment of loans provided	20	11.7	195.3
Purchase of financial investments	20	(6.1)	(10.4)
Proceeds from disposal of financial investments	20	96.2	11.3
Dividend distributed to equity method investee of the Group	18	(10.8)	(11.3)
Dividends and distributions received from equity method investees	18	143.0	121
Proceeds from sale of property, plant and equipment and intangible assets		1.8	1.7
Interest income received		33.2	2.9
Net movement in restricted cash related to investing activities	20	(2.9)	2.0
Net cash generated from (+)/used in (-) investing activities		83.4	27.9

Consolidated financial statements for the years ended 31 December 2023 and 31 December 2022 (in millions of Euro)

Consolidated statement of cash flows (continued)	Note	2023	2022
FINANCING ACTIVITIES			
Purchase of non-controlling interest in subsidiaries	23	(3.2)	(420.9)
OPAP purchases of own shares through share buyback programme	23	(31.1)	--
Dividends paid to the parent	22	(978.2)	(324.3)
Dividends and distributions paid to non-controlling interest	23	(457.3)	(302.3)
Dividends paid to preferred shares holders		--	(75.7)
Loans and borrowings received	24	2,192.7	1,425.9
Repayment of loans and borrowings	24	(1,011.6)	(1,238.8)
Repayment of principal element of lease liabilities	26	(42.3)	(27.4)
Net cash generated from (+)/used in (-) financing activities		(331.0)	(963.5)
Net decrease (-)/increase (+) in cash and cash equivalents		605.0	(153.0)
Effect of currency translation on cash and cash equivalents		1.1	(2.1)
Cash and cash equivalents at the beginning of the year	21	1,211.2	1,366.3
Cash and cash equivalents at the end of the year	21	1,817.3	1,211.2

The Notes on pages 9 to 81 are an integral part of these consolidated financial statements.

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1 General information about the Group

1.1 Description

Allwyn AG (“Allwyn” or the “Company” and, together with its subsidiaries, joint ventures and associates, the “Group”), a joint stock company, was established on 11 November 2020, has a registered office at Weinmarkt 9, Luzern, Switzerland and its registration number is CHE-366.705.452. The Company’s domicile is Switzerland.

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

Allwyn AG is controlled by KKCG AG whose ultimate controlling entity pursuant to IFRS Accounting Standards is Valea Foundation (registered in Liechtenstein). The designated beneficiary of Valea Foundation is Mr. Karel Komarek.

1.2 Principal activity

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

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

1.3 Composition of the Group

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

The following table presents the Company's economic ownership interest in major operating components of the Group as of 31 December 2023 and 31 December 2022. For a full list of the Group's ownership interests in subsidiaries, joint ventures and associates see Note 35.

	Note	Country of incorporation		Economic interest	
				31/12/2023	31/12/2022
Major operating entities:					
Allwyn Entertainment Ltd ("Allwyn UK")	(a)	United Kingdom	Subsidiary	100.00%	100.00%
Allwyn North America Inc. (formerly "Camelot Global Lottery Services (North America) Inc.")	(b)	United States	Subsidiary	100.00%	--
Allwyn Lottery Solutions Limited (formerly "Camelot Global Lottery Solutions Limited")	(b)	United Kingdom	Subsidiary	100.00%	--
Camelot UK Lotteries Limited ("Camelot UK")	(b)	United Kingdom	Subsidiary	100.00%	--
Casinos Austria AG ("CASAG") subgroup	(c)	Austria	Subsidiary	59.70%	59.70%
including Österreichische Lotterien GmbH ("Austrian Lotteries") subgroup	(d)	Austria	Subsidiary	53.52%	53.52%
OPAP S.A. ("OPAP") subgroup ⁽¹⁾	(e)	Greece and Cyprus	Subsidiary	50.71%	50.09%
including Stoiximan Ltd ("Stoiximan") ⁽²⁾	(f)	Malta	Subsidiary	42.84%	42.32%
SAZKA a.s. ("SAZKA")	(g)	Czech Republic	Subsidiary	100.00%	100.00%
Lottolitalia S.r.l. ("Lottolitalia")	(h)	Italy	Associate	32.50%	32.50%
Kaizen Gaming International Limited ("KGL")	(i)	Malta	Associate	36.75%	36.75%

(1) Treasury shares held by OPAP are excluded from the share count for the calculation of economic interest. The Group's interest in OPAP's total shares including treasury shares was 50.18% (31 December 2022: 49.84%) (see Note 2.6)

(2) Treasury shares held by OPAP are excluded from the share count of OPAP for the calculation of economic interest in Stoiximan.

- (a) Allwyn Entertainment Ltd is the operator of the UK National Lottery for the 10 years beginning February 2024.
- (b) Allwyn North America Inc. and Allwyn Lottery Solutions Limited are together referred to as "Allwyn LS Group" (formerly "Camelot LS Group"). Allwyn LS Group operates the Illinois Lottery under a private management agreement through its operating company, Allwyn Illinois LLC (formerly "Camelot Illinois LLC"), and partners with the Arkansas Scholarship Lottery to enhance its lottery operations. Allwyn LS Group also provides gaming technology solutions and content to Group entities and third-party customers.

Camelot UK Lotteries Limited was the operator of UK National Lottery until the end of its licence in January 2024.
- (c) Casinos Austria AG subgroup is the exclusive operator of lotteries, onshore online gaming and land-based casinos in Austria. Its subsidiaries also operate casinos outside Austria.
- (d) Österreichische Lotterien GmbH subgroup holds exclusive licences to provide draw-based lottery games, instant lotteries, onshore online gaming, football pools and VLTs in Austria.
- (e) OPAP S.A. subgroup is the exclusive operator of numerical lotteries, instant lotteries, land-based sports betting, VLTs and horse racing in Greece and also operates in Cyprus.
- (f) Stoiximan Ltd operates an online gaming business in Greece and Cyprus.
- (g) SAZKA a.s. is the market leader in the Czech Republic for numerical lotteries and instant lotteries.
- (h) Lottolitalia S.r.l. is the exclusive operator of fixed odds numerical lotteries in Italy.
- (i) Kaizen Gaming International Limited operates online sports betting and iGaming in multiple countries.

Changes in the Group

During 2023, the Group acquired 100% of the share capital of both Camelot UK and the Allwyn LS Group of companies (see Note 4).

During 2023 and 2022 the Group continued to increase its effective interest in OPAP (see Note 23).

The increases of the Group's economic interest in OPAP over recent years have resulted in a decrease of accounting shareholders' equity. This is solely driven by the fact that the Group accounts for non-controlling interests as the proportionate amount of identified net assets, which are recorded on a historical cost basis. Because the book value of the net assets of OPAP (on historical cost basis) is significantly lower than the value at which the Group has acquired additional interests in OPAP, these transactions result in a reduction in accounting shareholder's equity.

Up to 31 December 2023, the cumulative negative impact on accounting shareholders' equity from the acquisition of such interests was €644.3 million.

1.4 Significant and other events during the reporting period

Acquisition of Camelot UK

In February 2023, the Group acquired and began to consolidate Camelot UK, the incumbent operator of The National Lottery in the United Kingdom under a licence that ran until 31 January 2024 (see Note 4).

Acquisition of Camelot LS Group

In March 2023, the Group acquired and began to consolidate Allwyn LS Group (formerly referred to as "Camelot LS Group"). Allwyn LS Group operates the Illinois Lottery under a private management agreement through its operating company, Allwyn Illinois LLC (formerly Camelot Illinois LLC), partners with the Arkansas Scholarship Lottery to enhance its lottery operations and includes a technology arm that provides products and services to lotteries and their players in Europe and North America (see Note 4).

These acquisitions have a significant impact on the majority of line items in the Group's consolidated statement of financial position and consolidated statement of comprehensive income and, as a result, have a significant impact on the comparability of the financial information with the comparative period. New accounting policies or disclosure have been added only where the consolidation of the new businesses requires an enhancement of or addition to the accounting policies.

Repurchase of preferred shares

In June 2023, the Company repaid in full all issued preferred shares held by funds advised by Apollo Management, L.P.

Macroeconomic environment

Inflation rates remain elevated, however this has a limited impact on our costs, with our largest cost categories directly linked to revenue (e.g. gaming taxes, agents' commissions) and categories which are exposed to inflationary pressures, for example energy and personnel, accounting for a small proportion of our overall cost base.

Russian invasion of Ukraine and Middle East crisis

We have not been materially impacted by the Russian invasion of Ukraine. We do not have any operations in Ukraine, Russia or Belarus, and our suppliers have not experienced any material disruptions.

We have not been materially impacted by the Middle East crisis. We do not have any operations in the affected region, and our suppliers have not experienced any material disruptions.

Consumer sentiment

The above-mentioned macroeconomic and political developments continue to have some impact on consumer sentiment in general in the countries where we operate.

However, the impact on demand for our products has been limited, reflecting their low price point and low average spend per customer, as well as our large number of regular players.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in compliance with IFRS Accounting Standards as issued by the IASB.

Allwyn AG prepared these consolidated financial statements to support debt issuance by KKCG Financing a.s.

These financial statements do not include descriptions of all accounting policies applied. Material accounting policy information is disclosed, where relevant, in the relevant notes. The financial statements are prepared for users who have a reasonable knowledge of accounting principles and review the information diligently.

These consolidated financial statements were approved by the Board of Directors on 31 May 2024.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

2.4 Measurement of fair values

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

During 2023 and 2022, the Group did not recognise any transfers between levels of the fair value hierarchy.

2.5 Significant changes in accounting policies

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

In 2023 the Group adopted the new accounting standards and amendments to accounting standards described in Note 2.7. There were no other significant changes in accounting policies.

2.6 Changes in presentation

The Group changed the definition of its effective interest in the Greece and Cyprus segment from 31 December 2023 prospectively, so that treasury shares held by OPAP are excluded from the share count for the calculation of non-controlling interest. Previously, treasury shares held by OPAP were not excluded from the share count.

The change was motivated by the introduction of OPAP's share buyback programme, as a result of which it is expected that the number of treasury shares held by OPAP will increase. This will result in an increase in the Group's economic interest in OPAP, which would not have been reflected in the previous calculation. Management believes that the change improves relevance of the alternative performance measure.

The impact is immaterial and therefore the Group has only reflected this change prospectively, impacting other movements in equity (as a reclassification between equity attributable to parent and non-controlling interest).

2.7 New standards and amendments applicable within reporting periods

The Group has for the first time applied certain standards and amendments to standards that are effective for annual periods beginning on or after 1 January 2023.

The new standards and amendments applied are stated in the following table. None of these had any material impact on the Group's consolidated financial statements.

Standard/Amendment	Title	IASB effective date
IFRS 17 including amendments to IFRS 17	Insurance Contracts (issued 18 May 2017) including Amendments to IFRS 17 (issued 25 June 2020)	01/01/2023
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued 9 December 2021)	01/01/2023
Amendments to IAS 8	Definition of Accounting Estimates (issued 12 February 2021)	01/01/2023
Amendments to IAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction (issued 7 May 2021)	01/01/2023
Amendments to IAS 12	Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023)	Immediately and 01/01/2023

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Group operates, which will result in an obligation for Group companies to make Pillar Two filings in most of the jurisdiction where the Group operates. The ultimate parent entity of the group (as defined for Pillar Two purposes) is domiciled in Liechtenstein (see Note 1.1). As Liechtenstein has enacted the Pillar Two legislation as of 1 January 2024, the 2024 Group filing will be submitted in Liechtenstein. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure.

The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting, and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply, and the Pillar Two effective tax rate is close to 15%. The Group does not expect material exposure to Pillar Two income taxes in those jurisdictions.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

2.8 Standards, interpretations and amendments issued but not yet effective.

The following standards and interpretations were issued by the International Accounting Standards Board and were not effective as of 31 December 2023. The Group has not early adopted these standards and interpretations and will apply them as of their IASB effective date. The Group is evaluating the effect of the following standards, amendments and interpretations and their impact on the Group's consolidated financial statements.

Standard/Amendment	Title	IASB effective date
Amendments to IAS 1	Classification of liabilities as current or non-current	01/01/2024
Amendments to IFRS 16	Non-current Liabilities with Covenants (issued 31 October 2022) Lease Liability in a Sale and Leaseback (issued 22 September 2022)	01/01/2024
Amendments to IAS 7 and IFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures: Supplier Finance Arrangements (issued 25 May 2023)	01/01/2024
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued 15 August 2023)	01/01/2025
IFRS 18	Presentation and Disclosure in Financial Statements (issued on 9 April 2024)	01/01/2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024)	01/01/2027

3 Significant estimates and judgements

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

- Estimates related to impairment losses on non-financial assets (see Note 17);
- Estimates related to valuation of employee benefit liabilities (see Note 31); and
- Estimates related to preferred shares in respect of probability-weighted estimated settlement scenarios (see Note 25);

The Group has made the following significant accounting judgements:

- Judgement about the indefinite useful life of certain intangible assets (see Note 15); and
- Judgement about the execution of the renewal option with respect to Greece and Cyprus gaming halls (see Note 26).

4 Business combinations

Business combinations are accounted for using the acquisition method as of the acquisition date – i.e. when control is transferred to the Group.

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

4.1 For the period ended 31 December 2023

During 2023 the Group acquired interests in the following companies or groups of companies:

Company	Note	Ownership interest acquired	Acquisition date
Camelot UK	(a)	100.00%	5 February 2023
Allwyn LS Group	(b)	100.00%	3 March 2023

The above stated percentages represent the direct share acquired by the parent company of each company.

Consolidated financial statements for the years ended 31 December 2023 and 31 December 2022 (in millions of Euro)
The acquisitions had the following aggregated impact on the Group:

Recognised values on acquisition	Camelot UK	Allwyn LS Group	Total
ASSETS			
Intangible assets	122.7	107.0	229.7
<i>of which licences</i>	105.7	64.8	170.5
<i>of which customer base</i>	--	14.8	14.8
Property, plant and equipment	12.1	5.8	17.9
Trade and other receivables	--	12.2	12.2
Other financial assets	5.8	0.6	6.4
Deferred tax assets	--	5.0	5.0
Total non-current assets	140.6	130.6	271.2
Inventories	2.0	0.8	2.8
Trade and other receivables	702.9	23.1	726.0
Current tax asset	--	0.1	0.1
Other financial assets	--	0.3	0.3
Cash and cash equivalents	240.8	52.0	292.8
Total current assets	945.7	76.3	1,022.0
Total assets	1,086.3	206.9	1,293.2
LIABILITIES			
Lease liabilities	(1.8)	(3.7)	(5.5)
Employee benefit liabilities	--	(0.1)	(0.1)
Deferred tax liability	(2.1)	(23.4)	(25.5)
Total non-current liabilities	(3.9)	(27.2)	(31.1)
Lease liabilities	(11.2)	(2.5)	(13.7)
Trade and other payables	(887.8)	(59.6)	(947.4)
Current tax liability	(2.0)	(2.2)	(4.2)
Provisions	(21.8)	(0.3)	(22.1)
Employee benefit liabilities	(31.7)	(14.4)	(46.1)
Total current liabilities	(954.5)	(79.0)	(1,033.5)
Total liabilities	(958.4)	(106.2)	(1,064.6)
Identifiable net assets acquired	127.9	100.7	228.6
<i>Calculation of goodwill:</i>			
Cash consideration	134.1	224.4	358.5
Contingent consideration*	--	10.4	10.4
Identifiable net assets acquired	(127.9)	(100.7)	(228.6)
Goodwill arising from the acquisition	6.2	134.1	140.3
<i>Calculation of net cash inflow (+)/outflow (-):</i>			
Consideration paid, satisfied in cash	(134.1)	(224.4)	(358.5)
Cash acquired	240.8	52.0	292.8
Net cash inflow (+)/outflow (-)	106.7	(172.4)	(65.7)

* Based on an amendment to the purchase agreement the Group recognised contingent consideration in relation to the acquisition of Allwyn LS Group. The contingent consideration is dependent on the performance and status of the Illinois private management agreement. The amount of contingent consideration represents the best estimate of the consideration as at the reporting date and is payable within one year from the date of acquisition.

“Acquisition of subsidiaries, net of cash acquired” in the consolidated statement of cash flows represents the “Net cash inflow (+)/outflow (-)” from newly acquired businesses in the current period from the above table, as well settlement of deferred and contingent consideration from past acquisitions (see Note 28).

(a) Acquisition of Camelot UK

On 5 February 2023, the Group acquired 100% of the share capital of Camelot UK and from that date the business is fully consolidated.

The acquisition supported Allwyn UK's successful start of operation of the UK National Lottery on 1 February 2024, under the new licence.

Purchase price

The purchase price of £119.7 million (€134.1 million) was settled in cash.

Acquired assets and assumed liabilities

The Group measured assets acquired and liabilities assumed at fair value. As a result of acquisition accounting, a newly identifiable intangible asset representing the licence to operate the UK National Lottery until 31 January 2024 was recognised. The Group used a cash-flow forecast covering the remaining period of operations of the company, until the end of the licence on 31 January 2024, and subsequent winding down of the company. The Group used a WACC of 10.4% for the valuations. The major fair value adjustments and relevant factors are summarised below:

- A gaming licence of £94.4 million or €105.7 million was recognised based on the multiple period excess earnings method, assuming a useful life until 31 January 2024.
- A deferred tax liability of £23.6 million or €26.4 million was recognised resulting from the recognition of the gaming licence, applying the corporate income tax rate of 25% valid in the United Kingdom as the effective tax rate.
- For remaining assets and liabilities management assessed that their carrying value is equal to their fair value in all material aspects.

The gross carrying amount of acquired receivables (excluding Trust receivables) was €64.9 million, with an expected credit loss allowance of €0.3 million as of the date of acquisition.

The expected credit loss on Trust receivables is immaterial, reflecting the nature of the trust's assets (see Note 19) and therefore no expected credit loss allowance is recognised by the Group.

Goodwill

The goodwill recognised on acquisition is mainly attributable to the facilitation as a result of the acquisition of a successful transition of the operation of the UK National Lottery to Allwyn UK in February 2024, at the start of the next licence, with no determinable interruption to operations. Goodwill from the acquisition will not be deductible for tax purposes. The goodwill is allocated to the Allwyn UK CGU.

Impact on consolidated statement of comprehensive income and potential impact if acquisition had occurred as of 1 January 2023

In the period from 5 February 2023 until 31 December 2023, Camelot UK contributed "Total Revenue" of €3,478.1 million and "Profit after tax" of €15.2 million.

Had the acquisition occurred on 1 January 2023, management estimates that consolidated "Total Revenue" would have been higher by €451.6 million and consolidated "Profit after tax" would have been higher by €9.0 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition were to have occurred on 1 January 2023.

(b) Acquisition of the Allwyn LS Group of companies

On 3 March 2023, the Group acquired the Allwyn LS Group of companies in a single transaction, through the acquisition of 100% of the share capital of Allwyn Lottery Solutions Limited and 100% of the share capital of Allwyn North America Inc., and from that date both businesses are fully consolidated.

The acquisition marks the expansion of the Group's operational footprint to the US, further diversifying revenues as well as providing strategic optionality.

Purchase price

The purchase price of \$249.2 million (€234.8 million) was partially settled in cash. In addition, the acquisition agreement includes contingent consideration, which is dependent on the performance and status of the Illinois private management agreement. The amount of contingent consideration represents the best estimate of the consideration as at the reporting date and is payable within one year of the date of acquisition. The fair value of the contingent consideration of \$11 million (€10.4 million) was estimated by calculating the present value of future expected cash flows.

Acquired assets and assumed liabilities

The Group measured assets acquired and liabilities assumed at fair value. As a result of acquisition accounting, several newly identifiable intangible assets were recognised. The Group used five-year business plans and cash flow forecast discounted at a WACC of 10.3% for Allwyn North America Inc. and of 10.2% for Allwyn Lottery Solutions Limited. Major fair value adjustments and relevant factors are summarised below:

- The customer base of the technology and content business was recognised at £13.1 million or €14.8 million, based on the multiple period excess earnings method, assuming a useful life of four years.
- The private management agreement ("PMA") was recognised at \$68.8 million or €64.8 million, based on the multiple period excess earnings method, with a useful life of four and a half years based on the contract being in place until October 2028.
- A deferred tax liability resulting from the recognition of intangible assets was recognised at €23.4 million, applying the corporate income tax rate of 25% valid in United Kingdom and the corporate income tax rate of 28.5% valid in Illinois as the effective tax rates.
- For the remaining items of assets and liabilities management assessed that their carrying value is equal to their fair value in all material aspects.

The gross carrying amount of acquired receivables was €36.8 million, with an expected credit loss allowance of €1.5 million as of the date of acquisition.

Goodwill

The goodwill recognised on acquisition is mainly attributable to the benefit of incumbent expertise in the reapplication for the subsequent PMA licence, and to the strategic optionality associated with ownership of additional elements of the technology stack. Goodwill from the acquisition will not be deductible for tax purposes. The goodwill is allocated to the Allwyn LS Group CGUs.

Impact on consolidated statement of comprehensive income and potential impact if acquisition were to have occurred as of 1 January 2023

In the period from 3 March 2023 until 31 December 2023, the Allwyn LS Group of companies contributed "Total Revenue" of €160.1 million and "Profit after tax" of €1.5 million.

If the acquisition were to have occurred on 1 January 2023, management estimates that consolidated "Total Revenue" would have been higher by €30.6 million, and consolidated "Profit after tax" would have been lower by €1.6 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition were to have occurred on 1 January 2023.

4.2 For the period ended 31 December 2022

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

5 Operating segments and alternative performance measures

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

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

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

As a result of the acquisition of Camelot UK, management recognised the United Kingdom as a new operating and reportable segment as of 31 March 2023.

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

Alternative performance measures

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

"Operating EBITDA" is calculated as "Profit before tax" before "Finance costs, net", "Depreciation and amortisation", "Impairment of tangible and intangible assets including goodwill" and "Other gains and losses". Note that "Profit before tax" before "Finance costs, net" equals "Profit from operating activities". See the reconciliation of Operating EBITDA to reported balances in the table below.

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

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

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

100% basis presentation for United Kingdom

In this Note, the Group presents the performance of the United Kingdom operating segment as if it were consolidated from 1 January 2023, to improve the relevance and comparability of presented financial information. The difference from the actual contribution of Camelot UK in the Group's consolidated metrics is presented as an elimination in the reconciliations from reportable segments metrics to consolidated metrics.

Presentation of Allwyn LS Group

Allwyn LS Group does not fulfil the criteria to be presented as an operating segment. However, key financial metrics relating to Allwyn LS Group are separately presented below within the reconciliations from reportable segments metrics to consolidated metrics and further in Note 6.

Operating performance of our operating segments

2023	Austria	Czech Republic	Greece and Cyprus	United Kingdom*	Total reportable segments
Revenue from gaming activities (GGR)	1,482.8	500.7	2,087.8	3,929.7	8,001.0
Revenue from non-gaming activities	56.1	18.6	101.3	--	176.0
Total revenue	1,538.9	519.3	2,189.1	3,929.7	8,177.0
Other operating income	24.6	3.6	254.1	14.1	296.4
Gaming taxes and Good Cause contributions	(710.5)	(173.5)	(651.9)	(3,116.3)	(4,652.2)
Agents' commissions	(95.0)	(50.4)	(407.3)	(286.0)	(838.7)
Materials, consumables and services	(108.4)	(83.2)	(385.2)	(164.3)	(741.1)
Marketing services	(85.3)	(51.8)	(123.4)	(103.0)	(363.5)
Personnel expenses	(247.3)	(29.2)	(92.7)	(101.1)	(470.3)
Other operating expenses	(45.7)	(3.0)	(52.4)	(9.5)	(110.6)
Share of profit of equity method investees	7.0	--	--	--	7.0
Operating EBITDA	278.3	131.8	730.3	163.6	1,304.0

* The results of United Kingdom segment are presented as if it were consolidated for the twelve months ended 31 December 2023.

2022	Austria	Czech Republic	Greece and Cyprus	United Kingdom	Total reportable segments
Revenue from gaming activities (GGR)	1,419.2	453.1	1,939.0	--	3,811.3
Revenue from non-gaming activities	53.1	18.1	105.7	--	176.9
Total revenue	1,472.3	471.2	2,044.7	--	3,988.2
Other operating income	22.4	1.9	238.6	--	262.9
Gaming taxes and Good Cause contributions	(694.4)	(156.8)	(605.6)	--	(1,456.8)
Agents' commissions	(96.8)	(43.9)	(383.0)	--	(523.7)
Materials, consumables and services	(95.1)	(72.8)	(363.5)	--	(531.4)
Marketing services	(80.6)	(48.8)	(111.7)	--	(241.1)
Personnel expenses	(239.0)	(26.4)	(85.5)	--	(350.9)
Other operating expenses	(30.7)	(4.0)	(23.3)	--	(58.0)
Share of profit of equity method investees	8.2	--	14.8	--	23.0
Operating EBITDA	266.3	120.4	725.5	--	1,112.2

Reconciliation of Revenue

For the year ended December 31	Total Revenue		of which: Revenue from gaming activities (GGR)	
	2023	2022	2023	2022
Total reportable segments	8,177.0	3,988.2	8,001.0	3,811.3
Elimination of Camelot UK pre-acquisition revenue ^(a)	(451.6)	--	(451.6)	--
Allwyn LS Group	160.1	--	--	--
Corporate	0.2	--	--	--
Elimination of intragroup revenues ^(b)	(7.6)	--	--	--
Consolidated	7,878.1	3,988.2	7,549.4	3,811.3

^(a) The reconciliation to the consolidated results of the Group is shown as the adjustment "Elimination of Camelot UK pre-acquisition revenue" and is driven by the United Kingdom segment, which was fully consolidated from 5 February 2023 onward (see Note 4).

^(b) "Elimination of intragroup revenues" represents the elimination of revenues of Allwyn LS Group from the United Kingdom segment and Corporate.

Reconciliation of Operating EBITDA from total reportable segments to consolidated profit after tax

For the year ended December 31	2023	2022
Total reportable segments Operating EBITDA	1,304.0	1,112.2
Elimination of Camelot UK pre-acquisition Operating EBITDA ^(a)	(8.8)	--
Allwyn LS Group Operating EBITDA	25.8	--
Share of profit of significant equity method investees ^(b)	162.7	63.4
Corporate and other ^(c)	(202.6)	(106.0)
Depreciation and amortisation	(374.7)	(213.3)
Impairment of non-financial assets	(21.7)	(35.5)
Other gains and losses	5.6	(12.6)
Interest income	38.8	7.5
Interest expense	(310.6)	(227.5)
Other finance income and expense	(35.2)	(29.7)
Income tax expense	(188.2)	(144.9)
Profit after tax	395.1	413.6

(a) The reconciliation to the consolidated results of the Group is shown as the adjustment "Elimination of Camelot UK pre-acquisition EBITDA" and is driven by the United Kingdom segment, which was fully consolidated from 5 February 2023 onward (see Note 4).

(b) Comprises the share of profit of significant equity method investees that are not reported within operating segments. These consist of Lottolitalia and from December 2022 KGL. The comparative information for KGL is included within the Greece and Cyprus segment, which KGL was part of until December 2022.

(c) Corporate and other represents the residual contribution to consolidated metrics. It comprises the operating results of headquarter functions and Allwyn UK (represents transition costs incurred in relation to our future operation of the UK National Lottery under the next UK National Lottery licence; a substantial majority of these costs are expected to be recoverable under the 10 year period of the licence), certain other immaterial non-operating entities and intragroup eliminations, in all cases before depreciation, amortisation, impairment of non-financial assets, other finance income and expense and other gains and losses.

Other monitored metrics and their reconciliation to consolidated metrics

31/12/2023	Austria	Czech Republic	Greece and Cyprus	United Kingdom	Total reportable segments	Corporate and other ^(a)	Consolidated total
Cash and cash equivalents	599.6	75.0	485.5	310.1	1,470.2	347.1	1,817.3
External loans and borrowings	54.6	--	658.7	--	713.3	3,420.5	4,133.8
Net debt	(545.0)	(75.0)	173.2	(310.1)	(756.9)	3,073.4	2,316.5
Lease liabilities	56.1	21.9	26.0	2.3	106.3	17.4	123.7
Net debt + leases	(488.9)	(53.1)	199.2	(307.8)	(650.6)	3,090.8	2,440.2
Other non-current financial assets	186.2	0.8	1.6	5.8	194.4	4.8	199.2
Other current financial assets	27.1	--	5.0	--	32.1	--	32.1
Net assets	790.3	326.3	1,338.2	42.9	2,497.7	(2,193.6)	304.1
Capital expenditures	27.5	6.7	31.0	7.8	73.0	29.1	102.1

^(a) Corporate and other represents the residual contribution to consolidated metrics. It comprises headquarter functions, Allwyn LS Group, Allwyn UK, certain other immaterial non-operating entities and the effect of intragroup eliminations.

31/12/2022	Austria	Czech Republic	Greece and Cyprus	United Kingdom	Total reportable segments	Corporate and other ^(a)	Consolidated total
Cash and cash equivalents	334.2	68.6	724.4	--	1,127.2	84.0	1,211.2
External loans and borrowings	76.5	--	788.4	--	864.9	2,038.5	2,903.4
Net debt	(257.7)	(68.6)	64.0	--	(262.3)	1,954.5	1,692.2
Lease liabilities	55.1	21.9	47.0	--	124.0	6.7	130.7
Net debt + leases	(202.6)	(46.7)	111.0	--	(138.3)	1,961.2	1,822.9
Other non-current financial assets	183.5	1.0	1.7	--	186.2	2.1	188.3
Other current financial assets	116.6	--	5.5	--	122.1	9.2	131.3
Net assets	805.6	306.8	1,638.9	--	2,751.3	(2,021.3)	730.0
Capital expenditures	20.2	11.9	20.1	--	52.2	16.1	68.3

^(a) Corporate and other represents the residual contribution to consolidated metrics. It comprises headquarter functions, Allwyn LS Group, Allwyn UK, certain other immaterial non-operating entities and the effect of intragroup eliminations.

6 Revenue

Revenue from gaming activities (GGR)

Gaming contracts of the Group are transactions in which the gaming institution (i.e., the Group) takes a position against its customer where the unsettled wager is a financial instrument that meets the definition of a derivative financial instrument. The value of the individual contract is contingent on the outcome of a specified event and the gaming institution is not, therefore, normally guaranteed a specific commission or return. Gaming contracts/derivatives are not exposed to pre-existing risk that was present before the contract and therefore are not treated as insurance contract. Exceptions in which the Group receives only a service fee but does not take a position against its customers are immaterial. For this reason, all material revenue from gaming contracts is recognised in accordance with IFRS 9 and the revenues, including derivative gains/losses, from gaming contracts are presented in the line “Revenue from gaming activities (GGR)”.

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

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

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

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

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

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

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

Numerical Lotteries (draw-based games)

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

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

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

Instant Lotteries (scratch cards)

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

Sport Betting and other odds bets

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

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

iGaming

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

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

Video lottery terminals (“VLTs”)

Revenue is defined as the net result of all players’ sessions within a period. A player’s session begins when the player inserts his/her card in the machine and ends when he/she takes the card out. Revenue is recognised as the net amount (receipts – winnings) of each player’s game session.

Casinos

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

Revenue from non-gaming activities

Private management services

Revenue from management services relates to the operation of the Illinois State Lottery under a private management agreement. Revenues in Illinois consist of a management fee, an operating allowance and an incentive fee. The management fee and operating allowance are intended to recover operational costs and are recognised as costs occur. The incentive fee is variable and is based on the performance of the Illinois lottery, evaluated against targets set out in the private management agreement.

Revenue from mobile phone top-up services

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

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

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

Revenue from mobile virtual network operator services

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

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

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

Technology and content services

Revenues from technology and content services relate to the provision of gaming technology solutions and content to third party customers and Group entities.

Revenue from other non-gaming activities

Other non-gaming revenues mainly relate to services complementary to gaming activities (events, sales of food and beverages). Revenue is recognised when the performance obligation is satisfied by transferring goods or services to the customer. The Group evaluates whether it operates as a principal or as an agent when delivering these services. When the Group determines that it operates as an agent, revenues are recognised on a net basis.

A substantial majority of non-gaming revenue is recognised at a single point in time (the exception being private management services).

The table below show the disaggregation of Total Revenue:

2023	Austria	Czech Republic	Greece and Cyprus	United Kingdom	Allwyn LS Group	Corporate and other	Elimination of intragroup revenues*	Consolidated revenue
Revenue from gaming activities (GGR)								
Numerical Lotteries	589.0	243.9	730.0	2,433.1	--	--	--	3,996.0
Instant Lotteries	93.5	93.1	115.9	1,045.0	--	--	--	1,347.5
Sports Betting	19.4	8.6	645.5	--	--	--	--	673.5
iGaming	213.2	155.1	251.8	--	--	--	--	620.1
VLTs and Casinos	567.7	--	344.6	--	--	--	--	912.3
Total Revenue from gaming activities (GGR)	1,482.8	500.7	2,087.8	3,478.1	--	--	--	7,549.4
Revenue from non-gaming activities								
Private management services	--	--	--	--	138.8	--	--	138.8
Mobile phone top-up services	--	2.6	58.7	--	--	--	--	61.3
Non-gaming revenue from casinos	52.2	--	--	--	--	--	--	52.2
Mobile virtual network operator services	--	10.6	--	--	--	--	--	10.6
Technology and content services	--	--	--	--	15.1	--	(5.6)	9.5
Other non-gaming revenue	3.9	5.4	42.6	--	6.2	0.2	(2.0)	56.3
Total non-gaming revenue	56.1	18.6	101.3	--	160.1	0.2	(7.6)	328.7
Total Revenue	1,538.9	519.3	2,189.1	3,478.1	160.1	0.2	(7.6)	7,878.1

*"Elimination of intragroup revenues" represents the elimination of intragroup revenues of Allwyn LS Group from the United Kingdom segment and Corporate.

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

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

	2023	2022
United Kingdom	3,479.3	--
Greece	2,042.1	1,902.9
Austria	1,319.4	1,261.6
Czech Republic	518.5	471.2
Cyprus	140.6	135.5
United States of America	139.3	--
Germany	124.3	117.2
Belgium	57.1	54.1
Other EU countries	29.8	20.6
Other non-EU countries	27.7	25.1
Total Revenue	7,878.1	3,988.2

7 Other operating income

	Note	2023	2022
Benefit from extension of concession		232.6	230.2
Termination of leases	26	12.9	--
Income from leases		9.6	5.7
Change in value of Arbitration award		2.3	5.6
Income from government grants		0.7	4.8
Other		27.5	16.5
Other operating income		285.6	262.8

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

Effect of extension of concession in Greece and Cyprus segment (OPAP)

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

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

- The €1,831 million, plus additional compensation related to higher income tax expenses from related benefits; and
- The difference between gaming taxes at 30% and cash gaming taxes at 5% (i.e. gaming tax cash savings) (the “additional consideration”);

will be settled as of 13 October 2030 either as an additional payable from OPAP to the Greek State, or a receivable of OPAP from the Greek State.

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

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

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

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

“Arbitration gains” comprises income of €2.3 million (31 December 2022: €5.6 million) from the change in lifetime excepted credit loss (“ECL”) of compensation awarded to Casinos Austria International Holding GmbH Limited by an arbitration court in a case against the Argentine Republic relating to revocation of a gaming licence.

Lease income

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

8 Gaming taxes and Good Cause contributions

Gaming taxes

Gaming taxes are levies on gaming activities as defined by local legislation or regulation. Generally, they are calculated as a fixed percentage of Revenue from gaming activities (GGR) or amounts staked, depending on the jurisdiction and the game.

The Group recognises gaming taxes expenses and liabilities in the period in which the underlying Revenue from gaming activities (GGR) is recognised.

Impact of acquisition of Camelot UK

As operator of the UK National Lottery under the Third Licence, Camelot UK is subject to:

- Lottery duty calculated as a fixed percentage of amounts staked; and
- Other mandatory payments in the form of Good Cause contributions to the National Lottery Distribution Fund (“NLDF”), which are variable and depend on Revenue from gaming activities (GGR), retailers’ commissions and other costs, with the calculation rules set out in its licence.

	2023	2022
Gaming taxes and Lottery duty	(2,506.0)	(1,456.8)
Good Cause contributions	(1,783.1)	--
Gaming taxes and Good Cause contributions	(4,289.1)	(1,456.8)

9 Agents’ commissions

Agents’ commissions

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

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

10 Materials, consumables and services

	2023	2022*
Fees to gaming system providers	(224.4)	(147.1)
Advisory and other professional services	(190.2)	(131.7)
IT, software and other operational services	(135.5)	(47.2)
Services relating to gaming operations	(99.1)	(79.7)
Materials and consumables	(76.8)	(27.9)
Materials and services related to mobile revenue	(71.6)	(76.7)
Telecommunication services	(20.7)	(17.7)
Repairs and maintenance	(14.3)	(13.6)
Short-term, low value and variable lease expenses (see Note 25)	(10.9)	(9.2)
Other services	(77.4)	(47.2)
Materials, consumables and services	(920.9)	(598.0)

*See Note 2.6

11 Other operating expenses

	2023	2022*
Fine from Hellenic Competition Commission	(24.5)	--
Other taxes	(10.5)	(8.5)
Write-offs and change in credit loss provisions for receivables	(7.1)	(1.2)
Other	(76.3)	(55.1)
Other operating expenses	(118.4)	(64.8)

*See Note 2.6

“Fine from Hellenic Competition Commission” represents a fine relating to alleged breaches of competition rules in the provision of bill payment and mobile top up services between 2017 and 2021. In September 2023, the Hellenic Competition Commission (the “HCC”) imposed a fine of €24.6 million on OPAP for alleged breaches of competition rules relating to the provision of bill payment and mobile top up services offered in the Greek market between 2017 and 2021. The fine does not relate to OPAP’s core business in the gaming market. OPAP categorically denies the practices attributed to it and therefore filed a petition against the decision before the Athens Administrative Courts. As of 30 September 2023, the fine was recognised within other operating expenses (€24.6 million) and finance expenses (€0.6 million) in the Greece and Cyprus segment.

In 2023 and 2022, material items presented in “Other” primarily comprises fees, travel expenses and insurance premiums.

12 Other gains and losses

	Note	2023	2022
Gain/(loss) on revaluation of financial assets through profit or loss (FVTPL)	20	6.0	(7.2)
Loss on change of contingent consideration	27	--	(7.9)
Other individually immaterial gains and losses		(0.4)	2.5
Other gains and losses		5.6	(12.6)

13 Finance costs, net

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

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

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

	2023	2022
Interest income	38.8	7.5
Interest expense on loans, bonds and other liabilities	(249.0)	(129.5)
Interest expense on preferred shares	(62.9)	(122.5)
Adjustment to the carrying value of preferred shares	9.2	29.6
Interest expense on leases	(7.9)	(5.1)
Interest expense	(310.6)	(227.5)
Foreign exchange gains/(losses)	(8.7)	0.3
Other finance income	10.0	0.2
Other finance expenses	(36.5)	(30.2)
Other finance income and expense	(35.2)	(29.7)
Finance costs, net	(307.0)	(249.7)

In 2023, material items presented in “Other finance expenses” include penalty interest of €11.9 million on the disputed difference between the gaming taxes payable on Hellenic Lotteries’ applicable Revenue from gaming activities (GGR) and the minimum annual amount of €50.0 million (see Note 32) and fees on bank guarantees issues in connection with the Group’s bid to operate the UK National Lottery of €7.8 million.

In 2022, material items presented in “Other finance expenses” included fees on bank guarantees issued in connection with the Group’s bid to operate the UK National Lottery of €14.2 million and a loss of €4.3 million from the early repayment of a bank loan (relating to accelerated amortisation of financing fees).

14 Taxes

14.1 Income tax

	2023	2022
Current income tax expense	(233.1)	(178.9)
Deferred income tax	44.9	34.0
Income tax expense	(188.2)	(144.9)

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

Current tax comprises the tax estimate for 2023 and any adjustment to the tax estimate for 2022.

14.2 Deferred tax assets and liabilities

	31/12/2023	31/12/2022
Deferred tax asset	114.1	59.0
Deferred tax liability	(450.3)	(428.0)
Deferred tax asset (+)/liability (-)	(336.2)	(369.0)

Deferred tax is calculated using enacted or substantively enacted tax rates that are also expected to be applicable when the asset is realised, or the liability settled.

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

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

14.3 Change in deferred tax

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

2023	Balance at 01/01/2023		Changes in 2023			Balance at 31/12/2023	
	Deferred tax liability (-)/asset (+)	Business Combination	Recognised in profit or loss	Recognised in OCI	Other changes	Deferred tax liability (-)/asset (+)	
Deferred tax asset (+)/liability (-)	(369.0)	(20.5)	44.9	7.1	1.3	(336.2)	
Tangible fixed assets	(18.9)	14.1	(7.3)	--	0.6	(11.5)	
Intangible fixed assets	(421.4)	(47.7)	35.5	--	0.4	(433.2)	
Financial assets	0.1	--	(0.5)	--	--	(0.4)	
Receivables	(6.5)	(1.2)	2.2	--	(0.1)	(5.6)	
Liabilities	29.5	2.7	(10.0)	1.0	(0.2)	23.0	
Liabilities arising from leases	21.1	--	2.2	--	(0.1)	23.2	
Provisions	7.0	10.6	(13.2)	--	0.3	4.7	
Tax losses carried forward	22.0	1.0	33.5	--	0.4	56.9	
Hedging derivatives	(1.9)	--	2.5	6.1	--	6.7	

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

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

Tax losses recognised in 2023 and 2022 relate mainly to set-up and transition costs incurred by Allwyn UK which will be recoverable from future taxable profits from operation of the UK National Lottery.

Deferred tax assets arising from other temporary differences are analysed for recoverability based on the existence of future taxable profit and for the potential to offset against deferred tax liabilities.

The majority of deferred tax assets relate to temporary difference in liabilities arising from leases in Camelot UK, Hellenic Lotteries, CASAG, Casinos Austria International Belgium S.A. and Glücks- und Unterhaltungsspiel Betriebsges.m.b.H. Based on the expected timing of realisation and forecast of future taxable profits in these entities, the Group does not see any substantial recoverability risk for these deferred tax assets.

Unrecognised deferred tax assets are shown in the table below:

	2023	2022
Tax losses carried forward for which deferred tax asset is not recognised	291.0	175.6
Temporary differences for which deferred tax asset is not recognised	7.2	24.3
Total tax base for unrecognised deferred tax assets	298.2	199.9
Total unrecognised deferred tax assets (tax base multiplied by relevant tax rate)	66.7	44.8

Unrecognised tax losses expire as follows:

	2023	2022
Unrecognized tax loss carry forwards expiring in:		
1 year	10.4	11.3
2 years	73.5	11.3
3 years	38.5	39.0
4 years	25.2	17.5
5 years	34.2	23.9
over 5 years	16.9	10.4
Unlimited	92.3	62.2
Tax losses carried forward (tax base)	291.0	175.6
Total unrecognised deferred tax asset from tax losses carried forward (tax base multiplied by relevant tax rate)	65.2	39.2

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

14.4 Reconciliation of effective tax rate

	2023	2022
Profit before tax	583.3	558.5
Tax at statutory income tax rate of the Company (13.9% in 2023 and 2022)	80.7	77.6
<i>Tax effect of:</i>		
Non-deductible expenses	62.6	31.8
Non-taxable income	(7.4)	(3.0)
Profit or loss of equity method investees	(21.8)	(16.8)
Different tax rate in companies within the Group	64.5	60.1
Effect of change in income tax rate	(2.5)	(2.4)
Tax loss carry-forward claimed during the period for which no deferred tax asset was previously recognised	(11.8)	(0.2)
Unrecognised deferred tax assets relating to tax losses in the current period	23.5	4.3
Effect of tax credit	(12.6)	(15.4)
Effect of tax relating to prior periods	5.7	(1.2)
Non-deductible expenses: permanent differences from finance expenses related to preferred shares	7.4	12.9
Other	(0.1)	(2.8)
Actual income tax expense	188.2	144.9

“Non-deductible expenses” primarily comprises non-deductible interest, non-deductible operating costs and non-deductible foreign exchange losses on the Allwyn International a.s. level totalling €28.3 million (31 December 2022: €15.6 million) and from the newly acquired Camelot UK and Allwyn LS Group totalling €16.8 million (31 December 2022: nil).

In 2023, “Effect of change in income tax rate” relates to an increase in the tax rate used for calculation of deferred tax in the Czech Republic, from 19% to 21%, from the start of 2024, and an increase in the United Kingdom, from 19% to 25%, from 1 April 2023.

In 2022, “Effect of change in income tax rate” relates to a reduction of the tax rate used for calculation of deferred tax in Austria, from 25% to 24% and 23% for the years 2023 and 2024, respectively.

“Tax loss carry-forward claimed during the period for which no deferred tax asset was previously recognised” relates to tax loss carry-forward recognition in the Austria segment.

“Unrecognised deferred tax assets relating to tax losses in the current period” relates to current period tax losses, for which deferred tax assets were not recognised due to the reassessment of business plans during the year 2023 in the Greece and Cyprus segment.

“Effect of tax credit” in the year 2023 mainly comprises the tax refund from the Maltese tax authorities for the year ended 31 December 2022.

15 Intangible assets and goodwill

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

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

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

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

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

2023	Note	Licences	Brands and trademarks	Customer relationships, customer contracts	Software	Total intangible assets (excluding goodwill)	Goodwill	Total
Acquisition cost		1,517.6	1,275.0	133.8	174.4	3,100.8	1,104.3	4,205.1
Accumulated amortisation and impairment losses		(502.0)	--	(55.0)	(111.0)	(668.0)	(21.6)	(689.6)
Net book value at 01/01/2023		1,015.6	1,275.0	78.8	63.4	2,432.8	1,082.7	3,515.5
Additions		--	--	--	78.5	78.5	--	78.5
Disposals		--	--	--	--	--	--	--
Business combinations	4.1	170.5		14.8	44.4	229.7	140.3	370.0
Transfers		--	--	--	(0.9)	(0.9)	--	(0.9)
Amortisation expense		(212.2)	--	(25.6)	(46.5)	(284.3)	--	(284.3)
Impairment		(22.2)	--	--	(0.4)	(22.6)	--	(22.6)
Effect of currency translation		0.8	(1.9)	0.8	(1.5)	(1.8)	(14.6)	(16.4)
Net book value at 31/12/2023		952.5	1,273.1	68.8	137.0	2,431.4	1,208.4	3,639.8
Acquisition cost		1,688.4	1,273.1	149.4	283.6	3,394.5	1,230.0	4,624.5
Accumulated amortisation and impairment losses		(735.9)	--	(80.6)	(146.6)	(963.1)	(21.6)	(984.7)

Additions

The main increase in software of €35.9 million relates to Allwyn UK, relating to development of software assets that are needed to operate the UK National Lottery, including website development. The assets above will be brought into use either at the start of the new licence on 1 February 2024 or subsequently.

Impairment

In light of operational challenges and reduced earnings expectations in the Liechtenstein CGU (part of the Austria operating segment) the Group performed an impairment test using the value in use method. Assuming a revenue CAGR of 3.1% and a discount rate of 8.7%, the resulting recoverable value in December 2023 of €22.4 million was lower than the carrying value, resulting in an impairment of €15.9 million that was allocated to the carrying value of the licence.

In light of operational challenges in Hellenic Lotteries (part of the Greece and Cyprus operating segment) the Group performed an impairment test as of December 2023. The impairment test was performed using the value in use method for the CGU based on a forecast covering the remaining licence period (until April 2026), assuming a Revenue CAGR of 3.5% and a discount rate of 9.6%. The resulting recoverable value in December 2023 of €15.7 million was lower than the carrying value, resulting in an impairment of €6.3 million allocated to the carrying value of the Hellenic Lotteries licence.

2022	Note	Licences	Brands and trademarks	Customer relationships, customer contracts	Software	Total intangible assets (excluding goodwill)	Goodwill	Total
Acquisition cost		1,501.8	1,272.6	133.8	149.4	3,057.6	1,077.9	4,135.5
Accumulated amortisation and impairment losses		(387.7)	--	(31.7)	(93.8)	(513.2)	(21.6)	(534.8)
Net book value at 01/01/2022		1,114.1	1,272.6	102.1	55.6	2,544.4	1,056.3	3,600.7
Additions		16.4	0.1	--	25.8	42.3	--	42.3
Disposals		--	--	--	(0.1)	(0.1)	--	(0.1)
Transfers		--	--	--	--	--	--	--
Amortisation expense		(94.0)	--	(23.3)	(18.4)	(135.7)	--	(135.7)
Impairment		(20.2)	--	--	--	(20.2)	--	(20.2)
Effect of currency translation		(0.7)	2.3	--	0.5	2.1	12.0	14.1
Other movement		--	--	--	--	--	14.4	14.4
Net book value at 31/12/2022		1,015.6	1,275.0	78.8	63.4	2,432.8	1,082.7	3,515.5
Acquisition cost		1,517.6	1,275.0	133.8	174.4	3,100.8	1,104.3	4,205.1
Accumulated amortisation and impairment losses		(502.0)	--	(55.0)	(111.0)	(668.0)	(21.6)	(689.6)

Additions

Following the award of the licence to operate the UK National Lottery in September 2022, the Group recognised the licence as an intangible asset with a carrying value of €14.3 million which includes the directly attributable costs of obtaining the licence.

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

Impairment

In light of operational challenges in Hellenic Lotteries (part of the Greece and Cyprus operating segment) the Group performed an impairment test as of December 2022. The impairment test was performed using the value in use method for the CGU based on a forecast covering the remaining licence period (until April 2026), assuming a Revenue CAGR of 5.4% and a discount rate of 11.1%. The resulting recoverable value in December 2022 of €31.7 million was lower than the carrying value, resulting in an impairment of €20.2 million allocated to the carrying value of the Hellenic Lotteries licence.

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

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

15.1 Licences

Carrying value of Licences		Useful life	31/12/2023	31/12/2022
Austrian Lotteries	Licence to operate numerical lotteries in Austria	Indefinite	192.1	192.1
OPAP	Licence to operate VLT games in Greece	(11 years)	371.2	404.9
OPAP	Licence to operate lottery games in Greece	(7 years)	253.1	290.6
Allwyn North America Inc.	Private management agreement licence to operate Illinois lottery	(4 years)	51.8	--
Hellenic Lotteries	Licence to operate scratch-card games in Greece	(2 years)	15.9	31.7
Allwyn UK	Licence to operate UK National lottery	(10 years)	14.1	13.8
SAZKA	Vendor licence to operate gaming software	(8 years)	12.8	14.8
	<i>Other individually immaterial</i>		41.5	67.7
Total			952.5	1,015.6

The licence to operate numerical lotteries in Austria, which is held by Austrian Lotteries and has a carrying amount of €192.1 million, is deemed to have an indefinite useful life. The current licence expires in September 2027, but based on Allwyn's and the local organisation's strong track record of operation, the well established brands, incumbent expertise, and responsible gaming credentials, there is no indication that Austrian Lotteries will not be able to position themselves as best provider and therefore freely secure the licence in the foreseeable future. At present, no change in the process to secure the licence is expected. Furthermore, no public information exists that the Austrian Government, which is one of the main shareholders in Austrian Lotteries via its interest in CASAG, intends to change the process. Hence it is assumed that Austrian Lotteries is able to obtain prolongation of the licence for future periods and thus the licence is expected to continue as indefinite. The licence is annually tested for impairment through the value in use method for the Austrian Lotteries CGU (see Note 17.1).

15.2 Brands and trademarks

	31/12/2023	31/12/2022
Austrian Lotteries	296.8	296.8
OPAP	724.4	724.4
Stoiximan	175.4	175.4
SAZKA	76.5	78.4
Total	1,273.1	1,275.0

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

15.3 Goodwill

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

Operating segment	Goodwill allocated to CGU	31/12/2023	31/12/2022
Austria	Austrian Lotteries	136.6	136.6
Czech Republic	SAZKA	389.8	399.7
Greece and Cyprus	OPAP*	221.4	221.4
Greece and Cyprus	Stoiximan	325.0	325.0
None	Allwyn LS Group	129.1	--
United Kingdom	Allwyn UK	6.5	--
Total		1,208.4	1,082.7

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

16 Property, plant and equipment (“PPE”)

Property, plant and equipment

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

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

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

No PPE was pledged as collateral during the periods presented.

2023	Note	Land – owned	Buildings – owned	Buildings – right of use	Machinery and equipment - owned	Machinery and equipment – right of use	Total
Acquisition cost		18.3	191.2	179.8	212.9	15.7	617.9
Accumulated depreciation and impairment losses		--	(54.3)	(75.1)	(116.8)	(8.8)	(255.0)
Net book value at 01/01/2023		18.3	136.9	104.7	96.1	6.9	362.9
Additions		--	10.9	6.4	31.6	15.6	64.5
Transfers		--	0.6	--	0.3	--	0.9
Business combination	4.1	--	--	9.4	2.0	6.5	17.9
Disposals		(0.2)	(1.4)	(15.8)	(2.6)	(0.1)	(20.1)
Depreciation expense		--	(13.3)	(29.1)	(36.7)	(10.6)	(89.7)
Impairment		--	12.0	0.2	(0.5)	--	11.7
Effect of currency translation		(0.1)	0.2	(0.2)	(0.1)	0.2	--
Modification of leasing		--	--	20.6	--	0.5	21.1
Net book value at 31/12/2023		18.0	145.9	96.2	90.1	19.0	369.2
Acquisition cost		18.0	197.5	185.0	233.8	36.5	670.8
Accumulated depreciation and impairment losses		--	(51.6)	(88.8)	(143.7)	(17.5)	(301.6)

Major additions

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

Major disposals

In light of the operational performance of Horse Races Single Member S.A. (part of the Greece and Cyprus operating segment) the management decided to exercise its contractual right to terminate the lease agreement of the Markopoulo racecourse. The net book value of the Markopoulo racecourse as of 31 December 2023, before the derecognition, was €15.2 million and the respective lease liability was €28.1 million, resulting in a gain from the derecognition of €12.9 million.

Impairment

Following the continuing good performance of casino operations in our Austria segment, reversals of impairments of €12.4 million were recognised in Casinos Austria AG, of which €12.2 million is attributable to “Buildings – owned” and €0.2 million is attributable to “Buildings – right of use”. The reversals are due to improved earnings expectations at individual locations, and relate to impairments recognised during the years 2020 - 2022. The net carrying amount of the “Buildings – owned” and “Buildings – right of use” at the period end was €16.4 million.

The Group recognised an impairment of investment property in the Czech Republic segment based on the results of a valuation performed by an independent valuer in September 2023. An impairment of €10.8 million was recorded to reduce the carrying value to the fair value. By the end of the year, the “Investment property” was sold. The profit from the sale was €0.7 million.

2022	Note	Land – owned	Buildings – owned	Buildings – right of use	Machinery and equipment - owned	Machinery and equipment – right of use	Total
Acquisition cost		18.9	191.0	176.9	202.1	12.1	601.0
Accumulated depreciation and impairment losses		--	(38.5)	(58.1)	(86.2)	(6.8)	(189.6)
Net book value at 01/01/2022		18.9	152.5	118.8	115.9	5.3	411.4
Additions		0.8	5.3	8.2	21.3	4.9	40.5
Transfers		--	(1.5)	2.0	(0.5)	--	--
Reclassification to investment property		(1.5)	(0.1)	--	--	--	(1.6)
Disposals		(0.1)	(0.4)	(2.7)	(1.7)	(0.1)	(5.0)
Depreciation expense		--	(13.2)	(22.8)	(38.1)	(2.9)	(77.0)
Impairment		0.2	(5.9)	(2.2)	(1.3)	(0.2)	(9.4)
Effect of currency translation		--	0.2	1.2	0.5	(0.1)	1.8
Modification of leasing		--	--	2.2	--	--	2.2
Net book value at 31/12/2022		18.3	136.9	104.7	96.1	6.9	362.9
Acquisition cost		18.3	191.2	179.8	212.9	15.7	617.9
Accumulated depreciation and impairment losses		--	(54.3)	(75.1)	(116.8)	(8.8)	(255.0)

Major additions

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

Impairment

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

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

17 Impairment

17.1 Impairment testing of indefinite-lived intangible assets and goodwill

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

Impairment testing

An impairment is determined by estimating the recoverable amount of the cash-generating unit to which goodwill and other indefinite-lived intangible assets relate, and comparing this with carrying value.

In accordance with IAS 36, the Group tests goodwill and indefinite-lived intangible assets (i.e. brands and trademarks, Austrian lotteries licence) for impairment annually as of 30 September.

The recoverable amount of each CGU was estimated using the value in use method, based on an explicit cash flow forecast prepared as part of a business plan covering a period of five years, approved by management and valid at the impairment testing date, with a terminal growth rate of 2%, discounted using weighted average cost of capital relevant for each CGU. The Revenue growth during the 5-year forecast period is based on budgets and medium-term plans, reflecting historical growth trends and market growth assumptions. For 2023 the Revenue growth during the 5-year forecast period is within the range from established markets 3% - 7% and new businesses 8% - 12%.

The Group performs sensitivity analysis for changes in the following input parameters:

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

Where the resulting recoverable amount of a CGU significantly exceeds the carrying amount including goodwill (above 20% difference), the Group does not make specific disclosures regarding the sensitivity testing.

Testing results for the year 2023

Value in use testing in 2023	WACC	Perpetuity growth rate	Recoverable amount of the CGU	Carrying value of the CGU
Austrian Lotteries	9.88%	2%	> 2,000	704.8
OPAP*	10.58%	2%	> 3,000	960.8
Stoiximan	11.98%	2%	> 1,000	536.3
SAZKA	11.41%	2%	> 1,000	311.1
Allwyn LS Group	11.42%	2%	> 250	200.7
Allwyn UK**	10.73%	2%	> 750	136.2

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

** Allwyn UK CGU represents an aggregation of entities operating the UK National Lottery. This means Camelot UK until January 2024 and Allwyn UK from February 2024 onward. From an impairment testing perspective the recoverable value is determined by the future performance of Allwyn UK.

Testing results as of 31 December 2022

Value in use testing in 2022	WACC	Perpetuity growth rate	Recoverable amount of the CGU	Carrying value of the CGU
Austrian Lotteries	9.32%	2%	> 2,500	738.6
OPAP*	10.62%	2%	> 4,000	1,326.8
Stoiximan	13.34%	2%	>900	520.8
SAZKA	11.38%	2%	> 1,000	306.8

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

17.2 Impairment - other

Impairment assessment

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

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

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

Impairment testing disclosures

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

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

Impairment expenses recorded

		Note	2023	2022
CASAG	Impairment of intangible assets	15	16.3	--
CASAG	Appreciation/impairment of tangible assets of domestic casinos leased and owned	16	(11.7)	4.1
SAZKA	Impairment of Investment property – Land, Buildings and Halls	16	10.8	--
Hellenic Lotteries	Impairment of licence	15	6.3	20.2
LIE2 AG	Impairment of tangible assets, leased and owned	16	--	5.3
Casino Vesterport Copenhagen	Impairment of equity method investee	18	--	5.9
Impairment total			21.7	35.5

18 Equity method investees

Equity method investees	Direct subgroup's share	Carrying amount 01/01/2023	Share of profit 2023	Share of OCI 2023	Dividend and other distribution received	Other	Carrying amount 31/12/2023
Total carrying value of equity method investees		284.8	169.7	0.1	(132.2)*	(0.2)	322.2*
Lottolitalia	32.50%	160.1	66.6	--	(93.7)	--	133.0
KGL	36.75%	22.9	96.1	--	(29.7)	--	89.3
Equity method investees of CASAG		101.8	7.0	0.1	(8.8)	(0.2)	99.9
<i>Reef Casino Trust**</i>	42.00%	28.6	2.5	(1.0)	(1.4)	(2.5)	26.2
<i>Casinos Austria International (Cairns) Pty Ltd.</i>	50.00%	18.8	0.6	(0.1)	(0.6)	--	18.7
<i>Casinos Austria International Mazedonia d.o.o.</i>	35.00%	17.9	3.1	--	(2.5)	--	18.5
<i>Casino Lugano S.A.</i>	28.76%	17.4	(1.1)	1.0	(0.2)	--	17.1
<i>Other individually immaterial</i>	--	19.1	1.9	0.2	(4.1)	2.3	19.4

* Excluding €10.8 million dividend declared by Austrian Lotteries attributable to the Group through its shareholding in CLS and LTB.

** Reef Casino Trust is listed on the Australian Securities Exchange, with the ticker "RCT". As of 31 December 2023, CASAG held 20,916,908 shares, which is unchanged from the previous year, and the quoted market price per share was 3.22 AUD, representing a €41.4 million market value.

Equity method investees	Direct subgroup's share	Carrying amount 01/01/2022	Share of profit 2022	Share of OCI 2022	Dividend and other distribution received	Other	Carrying amount 31/12/2022
Total carrying value of equity method investees		313.1	86.4	0.7	(109.7)**	(5.7)	284.8**
Lottolitalia	32.50%	201.1	63.4	--	(104.4)	--	160.1
KGL	36.75%	8.1	14.9	(0.1)	--	--	22.9
Equity method investees of CASAG		103.9	8.1	0.8	(5.3)	(5.7)	101.8
<i>Reef Casino Trust***</i>	42.00%	27.8	5.0	(0.3)	(1.5)	(2.4)	28.6
<i>Casino Lugano S.A.</i>	28.76%	18.0	(1.5)	0.9	--	--	17.4
<i>Casinos Austria International (Cairns) Pty Ltd.</i>	50.00%	18.8	0.6	--	(0.6)	--	18.8
<i>Casinos Austria International Mazedonia d.o.o.</i>	35.00%	16.1	3.2	--	(1.4)	--	17.9
<i>Other individually immaterial</i>	--	23.2	0.8	0.2	(1.8)	(3.3)*	19.1

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

** Excluding the €11.3 million dividend declared by Austrian Lotteries attributable to the Group through its shareholding in CLS and LTB.

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

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

18.1 Lottitalia

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

Lottitalia	For the year ended 31/12/2023	For the year ended 31/12/2022
Revenues from contract with customers	477.0	458.6
Licence fee amortisation	(85.6)	(85.6)
Profit from operating activities	283.5	270.9
Profit for the period	204.8	195.2
Total comprehensive income (100%)	204.8	195.2
Group's share of total comprehensive income	66.6	63.4
Dividends received by subsidiary of the Company	63.4	74.1
Reserve distributions received by subsidiary of the Company	30.3	30.3
Non-current assets	196.9	300.1
Current assets*	275.9	211.7
Non-current liabilities	(0.1)	(0.2)
Current liabilities	(63.5)	(18.9)
Net assets (100%)	409.2	492.7
Carrying amount of interest in associate as of 1 January	160.1	201.1
Group's share of total comprehensive income	66.6	63.4
Dividends received by subsidiary of the Company	(63.4)	(74.1)
Reserve distributions received by subsidiary of the Company	(30.3)	(30.3)
Carrying amount of interest in associate as of 31 December	133.0	160.1

* Includes cash-pooling receivable of €255.5 million (31 December 2022: €195.6 million).

18.2 KGL

KGL operates online sports betting and iGaming in multiple countries. From 27 December 2022 the Group holds a share of 36.75% directly. Previously, the 36.75% interest was held through OPAP in the Greece and Cyprus segment, which resulted in a lower economic interest. The table below shows selected financial information of KGL.

KGL	For the year ended 31/12/2023	For the year ended 31/12/2022
Total Revenue	1,606.8	749.0
Profit for the period	250.0	40.4
Total comprehensive income (100%)	250.0	40.2
Group's share of total comprehensive income	96.1	14.8
Dividends received by subsidiary of the Company	29.7	--
Non-current assets	102.9	54.8
Current assets	613.2	249.6
Non-current liabilities	(35.7)	(2.3)
Current liabilities	(437.4)	(228.4)
Net assets	243.0	73.7
Carrying amount of interest in associate as of 1 January	22.9	8.1
Group's share of total comprehensive income	96.1	14.8
Dividends received by subsidiary of the Company	(29.7)	--
Carrying amount of interest in associate as of 31 December	89.3	22.9

18.3 Equity method investees of CASAG

2023	Reef Casino Trust	Casino Lugano S.A.	Casinos Austria Int. (Cairns) Pty Limited	Casinos Austria International Mazedonia d.o.o.	Other individually immaterial
	joint venture	associate	joint venture	joint venture	
Effective ownership by Allwyn	25.07%	17.17%	29.85%	20.90%	
	For the year ended 31/12/2023				
Total Revenue	16.0	45.2	51.7	43.9	
Other operating income	--	3.0	--	0.1	
Gaming taxes	--	(18.5)	(6.0)	(0.9)	
Other operating expenses	(6.7)	(30.6)	(43.0)	(32.1)	
Depreciation, amortisation and impairment losses	(3.0)	(2.9)	(0.3)	(1.2)	
Profit from operating activities	6.3	(3.8)	2.4	9.8	
Interest expense	(0.3)	--	(0.7)	0.1	
Income before tax	6.0	(3.8)	1.7	9.9	
Income tax	--	--	(0.5)	(1.0)	
Profit for the period	6.0	(3.8)	1.2	8.9	
Total comprehensive income (100%)	3.6	(0.3)	1.0	8.9	
Group's share of total comprehensive income	1.5	(0.1)	0.5	3.1	2.1
Dividends received by subsidiary of the Company	1.4	0.2	0.6	2.5	4.1
	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023
Non-current assets	57.0	24.7	10.8	8.3	
Current assets	6.4	14.6	7.9	19.3	
of which cash and cash equivalents	4.5	11.5	6.0	17.6	
Non-current liabilities	--	(0.1)	(10.0)	(0.4)	
of which financial liabilities (excluding trade payables)	--	--	(0.5)	--	
Current liabilities	(1.8)	(12.6)	(5.4)	(4.8)	
of which financial liabilities (excluding trade payables)	--	--	--	--	
Net assets (100%)	61.6	26.6	3.3	22.4	
CASAG's ownership	42.00%	28.76%	50.00%	35.00%	
Group's share	25.9	7.7	1.7	7.8	
Goodwill and carrying value licence right	0.3	9.4	17.0	11.9	
Retained earnings attributable to the majority shareholders	n/a	n/a	n/a	(1.2)	
Carrying amount of interest in associate/joint venture	26.2	17.1	18.7	18.5	19.4

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

19 Trade and other receivables

	31/12/2023	31/12/2022
Advance payments and other receivables	36.9	27.9
Receivable from arbitration*	23.8	21.5
Accrued receivable related to extension of concession	16.3	29.1
Contract assets*	8.1	--
Other receivables *	11.6	5.1
Non-current other receivables	96.7	83.6

* These receivables are classified as financial under IFRS 9. The total amount of receivables classified as financial is €43.5 million (31 December 2022: €26.6 million).

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

“Receivable from arbitration” represents compensation awarded to Casinos Austria International Holding GmbH Limited by an arbitration court in a case against the Argentine Republic, accounted for at amortised cost. The receivable from arbitration was recognised as purchased or originated credit impaired assets (“POCI instruments”). POCI instruments are assets for which the credit risk is considered very high at initial recognition. The Group has developed a valuation methodology where lifetime ECL is estimated based on the credit risk of Argentina, scenarios for the timing of possible collection and interest.

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

“Contract assets” relates to the newly acquired business of Allwyn LS Group and represents the value of tangible fixed assets purchased on behalf of the State of Illinois. Contract assets will be recovered from the state over the duration of the licence.

	31/12/2023	31/12/2022
Receivables from Trust accounts*	603.0	--
Receivables from agents*	196.2	152.7
Trade receivables*	76.0	60.2
Advance payments and other receivables	94.7	39.4
Receivables from VAT and other taxes	4.7	3.9
Current trade and other receivables	974.6	256.2

* These receivables are classified as financial under IFRS 9. The total amount of receivables classified as financial is €875.2 million (31 December 2022: €212.9 million).

“Receivables from Trust accounts” represents amounts due from a trust which holds certain amounts as for the benefit of players of the UK National Lottery. These amounts, which are related to unclaimed prizes, prepaid stakes and amounts in players’ online wallets, are held in the trust until a draw takes place or they are paid to the players or Good Causes and are under the control of the trustee until such time. Prize payments are made by the Group and then claimed back from the trust. The expected credit loss on Trust receivables is immaterial, reflecting the nature of the trust’s assets and therefore no expected credit loss allowance is recognised by the Group.

We assessed that the fair value of trust receivables approximates to the carrying value. Gross carrying value equals book value, as the expected credit loss is immaterial.

“Receivables from agents” are collected on a weekly basis in the Czech Republic, Austria and the United Kingdom or twice a week in Greece and Cyprus. In some cases, agents must deposit cash, which can be set off against a receivable from the agent to the Group’s bank accounts. These deposits are recognised in “Guarantee deposits

Consolidated financial statements for the years ended 31 December 2023 and 31 December 2022 (in millions of Euro) from lottery agents” (see Note 27). The Group also uses direct debit to transfer money from agents’ bank accounts to the Group’s bank accounts.

“Advance payments and other receivables” mainly comprise prepaid consultancy fees and prepaid software licence and maintenance fees.

Measurement of ECLs for Trade and other receivables – simplified approach

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

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

Changes in ECL for Trade and other receivables

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

Change in ECL for Trade receivables

	2023	2022
Receivables provision – balance at 1 January	(30.5)	(45.6)
Additions – increase in allowance recognised in profit or loss during the year	(8.6)	(1.5)
Reversals – decrease in allowance recognised in profit or loss during the year	1.5	0.3
Write-offs – derecognition of fully written-off receivables during the year as uncollectable	8.3	17.2
Effect of disposals of investments	0.9	--
Effect of FX differences	(1.6)	(0.9)
Receivables provision – balance at 31 December	(30.0)	(30.5)

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

Breakdown of ECL provisions - Receivables from agents

2023	Gross receivable	Debt allowance	Provision matrix %	Net receivable
Due	196.7	(1.6)	0.8%	195.1
0-90 days	0.8	(0.1)	12.5%	0.7
90 – 180 days	0.4	--	--	0.4
180 – 360 days	0.7	(0.7)	100.0%	--
360+	17.6	(17.6)	100.0%	--
Total receivables from agents	216.2	(20.0)		196.2

2022	Gross receivable	Debt allowance	Provision matrix %	Net receivable
Due	153.4	(1.1)	0.7%	152.3
0-90 days	0.4	(0.1)	25.0%	0.3
90 – 180 days	0.1	--	--	0.1
180 – 360 days	0.1	(0.1)	100.0%	--
360+	26.2	(26.2)	100.0%	--
Total receivables from agents	180.2	(27.5)		152.7

Breakdown of ECL provisions - Trade receivables

2023	Gross receivable	Debt allowance	Provision matrix %	Net receivable
Due	82.7	(8.0)	9.7%	74.7
0-90 days	0.6	(0.2)	33.3%	0.4
90 – 180 days	0.1	--	--	0.1
180 – 360 days	0.3	--	--	0.3
360+	2.3	(1.8)	78.3%	0.5
Total trade and other receivables	86.0	(10.0)		76.0

Consolidated financial statements for the years ended 31 December 2023 and 31 December 2022 (in millions of Euro)

2022	Gross receivable	Debt allowance	Provision matrix %	Net receivable
Due	54.6	--	--	54.6
0-90 days	4.5	(0.1)	2.2%	4.4
90 – 180 days	0.1	--	--	0.1
180 – 360 days	0.6	(0.4)	66.7%	0.2
360+	3.4	(2.5)	73.5%	0.9
Total trade and other receivables	63.2	(3.0)		60.2

Credit risk of trade receivables by region

Current receivables - financial	31/12/2023	31/12/2022
United Kingdom	578.3	1.0
Greece	107.7	113.2
Austria	89.4	82.1
Ireland	71.4	--
Switzerland	0.3	1.4
Czech Republic	12.9	4.8
Cyprus	3.9	3.4
Germany	0.2	1.7
Other EU countries	1.2	5.3
Other non-EU countries	9.9	--
Total	875.2	212.9

20 Other financial assets

	FV Hierarchy	31/12/2023	31/12/2022
Loans provided (see Note 33)		1.5	2.3
Financial assets at fair value through profit or loss ("FVTPL")		171.6	167.3
<i>of which:</i>			
	Level 2	169.3	164.5
	Level 3	2.3	2.8
Financial assets at fair value through other comprehensive income ("FVOCI") *	Level 3	11.0	13.2
Restricted cash		9.3	5.5
Security deposits for EuroMillions (restricted cash)		5.8	--
Other non-current financial assets		199.2	188.3

* Comprises non-trading investments in equity securities.

Non-current "Financial assets at fair value through profit or loss ("FVTPL")" comprise CASAG's investments in externally managed funds of €169.3 million (31 December 2022: €164.5 million) in the Austria segment. The investments are valued based on the net asset value of the funds.

Non-current restricted cash represents deposits on bank accounts related to obligations under gaming licences of €5.3 million (31 December 2022: €5.3 million) and cash reserved for payments of interest on certain debt facilities.

	FV Hierarchy	31/12/2023	31/12/2022
Loans provided (see Note 33)		1.9	11.9
Security deposits for EuroMillions (money market funds)	Level 1	18.4	27.5
Financial assets at fair value through profit or loss ("FVTPL")	Level 1	8.2	88.3
Fixed-term deposits (over 90 days)		3.6	3.6
Other current financial assets		32.1	131.3

Current "Financial assets at fair value through profit or loss (FVTPL)" mainly represents deposits in money market funds.

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

	2023	2022
Balance at 1 January	296.3	304.2
Revaluation through profit or loss (FVTPL)	6.0	(7.2)
Revaluation through other comprehensive income/loss (FVOCI)	(3.1)	0.2
Additions	6.1	10.4
Disposals	(96.2)	(11.0)
Other non-cash movement (transfer from equity method investees)	0.1	(0.3)
Balance at 31 December	209.2	296.3

Changes of Level 3 fair values assets:

	2023	2022
Balance at 1 January	16.0	15.7
Acquisitions	0.8	0.8
Revaluation to fair value through other comprehensive income	(3.0)	0.2
Revaluation to fair value through profit and loss	(0.6)	(0.8)
Effect of FX differences	--	0.1
Balance at 31 December	13.2	16.0

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

	31/12/2023	31/12/2022
Managed by Bankhaus Schelhammer Schattera	35.8	34.8
Managed by Amundi, Fund 1	33.6	32.4
Managed by Raiffeisen Capital Management	33.3	32.0
Managed by Erste Asset Management	29.7	29.3
Managed by Amundi, Fund 2	20.0	19.6
Managed by Amundi, Fund 3	16.9	16.3
Other	2.3	2.9
Non-current financial assets at fair value through profit or loss ("FVTPL")	171.6	167.3

21 Cash and cash equivalents

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

	31/12/2023	31/12/2022
Fixed-term deposits	1,025.1	548.0
Bank accounts	739.3	612.5
Cash in hand	52.9	50.7
Cash and cash equivalents	1,817.3	1,211.2

Two bank accounts of Allwyn International a.s. were pledged as collateral for borrowings (with Allwyn International a.s. retaining full flexibility to use amounts in the accounts for any purpose). The balance on the pledged accounts was €0.4 million as of 31 December 2023 (31 December 2022: €12.0 million).

Credit quality of cash and cash equivalents

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

Credit risk by region

Cash and cash equivalents	31/12/2023	31/12/2022
Austria	519.9	255.7
Greece	423.7	677.6
United Kingdom	397.2	38.7
Czech Republic	283.9	97.3
Cyprus	62.5	36.5
Germany	46.0	45.0
United States of America	44.2	1.9
Switzerland	9.4	24.7
Other EU countries	14.5	18.9
Other non-EU countries	16.0	14.9
Total	1,817.3	1,211.2

22 Equity and other comprehensive income/(loss)

Share capital

The extraordinary shareholders' meeting has resolved in Summer 2023 to change the currency of the share capital of Allwyn AG to Euro (EUR) retroactively to the beginning of the current business year as of 1 January 2023. Based on the exchange rate of the European Central Bank as per 1 January 2023 (CHF 1 = EUR 1.0155), the share capital corresponds to the amount of EUR 115,968.69.

The shareholder's capital consists of 11,419,859 registered shares with par value of EUR 0.010155 each and fully paid-in.

All shares have the same rights and no restrictions.

Each share represents one voting right.

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

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

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

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

Capital contributions

Capital contributions represents distributable capital funds of the Company.

Currency translation reserve

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

Actuarial reserve

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

Revaluation reserve

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

Hedging reserve

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

Change in share capital

In 2023, following the redemption of preferred shares (see Note 25), the Company increased its share capital from 10,010,000 ordinary shares by converting 1,409,859 preferred shares to ordinary shares. As a result, as of 31 December 2023 share capital of the Company consists of 11,419,859 ordinary shares. The conversion of preferred shares to ordinary shares increased share capital by €12,603 and capital contributions by €678,187,397.

2023	Currency translation reserve	Actuarial reserve	Revaluation reserve	Hedging reserve	Accumulated share of OCI of equity method investees	Total reserves	Impact on Non-controlling interest	Impact on Total Equity
Balance at 1 January 2023*	17.4	13.4	(4.7)	3.7	1.4	31.2	n/a	n/a
Change in currency translation reserve	(10.5)	--	--	--	--	(10.5)	(0.2)	(10.7)
Share of other comprehensive income of equity method investees	--	--	--	--	(0.1)	(0.1)	0.2	0.1
Change in fair value of hedging derivatives, net of tax*	--	--	--	(26.3)	--	(26.3)	--	(26.3)
Net change in hedging derivatives reclassified to profit or loss, net of tax*	--	--	--	3.3	--	3.3	--	3.3
Revaluation of equity instruments at FVOCI	--	--	(1.9)	--	--	(1.9)	(1.2)	(3.1)
Actuarial gain/(loss), net of tax*	--	(8.9)	--	--	--	(8.9)	(6.4)	(15.3)
Total other comprehensive income/(loss) for year 2023	(10.5)	(8.9)	(1.9)	(23.0)	(0.1)	(44.4)	(7.6)	(52.0)
Balance at 31 December 2023	6.9	4.5	(6.6)	(19.3)	1.3	(13.2)	n/a	n/a

* Includes income tax effect of change in fair value of hedging derivatives of €6.1 million. Effect of Income tax related to movements in remaining reserves is immaterial.

2022	Currency translation reserve	Actuarial reserve	Revaluation reserve	Hedging reserve	Accumulated share of OCI of equity method investees	Total reserves	Impact on Non-controlling interest	Impact on Total Equity
Balance at 1 January 2022	7.0	(2.2)	(4.8)	5.6	1.0	6.6	n/a	n/a
Change in currency translation reserve	10.4	--	--	--	--	10.4	(0.9)	9.5
Share of other comprehensive income of equity method investees	--	--	--	--	0.4	0.4	0.3	0.7
Change in fair value of hedging derivatives, net of tax*	--	--	--	(2.3)	--	(2.3)	--	(2.3)
Net change in hedging derivatives reclassified to profit or loss, net of tax*	--	--	--	0.4	--	0.4	0.8	1.2
Revaluation of equity instruments at FVOCI	--	--	0.1	--	--	0.1	0.1	0.2
Actuarial gain/(loss), net of tax*	--	15.6	--	--	--	15.6	10.8	26.4
Total other comprehensive income/(loss) for year 2022	10.4	15.6	0.1	(1.9)	0.4	24.6	11.1	35.7
Balance at 31 December 2022	17.4	13.4	(4.7)	3.7	1.4	31.2	n/a	n/a

* Income tax impact related to movements in reserves is immaterial.

Details for OCI and equity transactions

In 2023

In 2023, the Company paid a dividend to its parent of €978.2 million, of which €678.2 million was for the purpose of repurchasing in full preferred shares issued by Allwyn AG and held by funds advised by Apollo Management, L.P. The dividends were paid from capital contribution reserves (€434.8 million) and retained earnings (€543.4 million). In 2022 the Company paid a dividend of €324.3 million from capital contribution reserves.

The Swiss tax authorities have confirmed capital contribution reserves of EUR 681'647'942.83 as of 15 November 2023, subject to the submission of the 2023 statutory financial statements and the separate disclosure of the final balance of capital contribution reserves.

23 Non-controlling interests (“NCI”)

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

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

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

23.1 Overview of material NCI transactions

Effect of scrip dividend programme of subsidiary

Under the scrip dividend programme of OPAP, in the Greece and Cyprus segment (which ended in 2023 and has not been renewed) shareholders had an option to take cash or receive newly issued shares of OPAP.

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

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

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

Increase of interest in OPAP in 2023

The Group’s interest in OPAP increased from 50.09% to 50.71% during the year (excluding treasury shares held by OPAP from the share count). See the table below for information about individual transactions.

Interest increase	Type of transaction	Date of transaction	Consideration	Impact on total equity	Impact on shareholder’s equity	Impact on NCI
0.28%	Effect of change in ownership due to subsidiary’s share buyback programme	During Q4	€31.1 million	(31.1)	(15.8)	(15.3)
Effect of change in ownership due to subsidiary’s share buyback programme				(31.1)	(15.8)	(15.3)
0.34% ^(a)	Scrip dividend	27 June 2023	€72.3 million ^(b)	33.6	(14.0)	47.6
Effect of scrip dividend				33.6	--	33.6
Effect of change in ownership due to scrip dividend				--	(14.0)	14.0

^(a) On 27 April 2023, OPAP declared a dividend of €0.7 per share. Shareholders had the option of receiving cash or shares under OPAP’s scrip dividend programme. The Group elected to receive scrip.

^(b) Represents the value of the scrip dividend received, which is reinvested into acquisition of new equity in OPAP through the scrip dividend program.

Increase of interest in OPAP in 2022

The Group's interest in OPAP increased from 40.37% to 49.84%, (including treasury shares held by OPAP in the share count). See the table below for information about individual transactions.

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

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

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

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

Dividends received from subsidiaries with non-controlling interest

Dividends and distributions declared in 2023	Dividends and distributions declared	Dividends and distributions declared to NCI	of which paid/settled	of which outstanding at end of period
CASAG subgroup	255.2	76.5	76.5	--
Austrian Lotteries	113.9	19.1*	19.1	--
CASAG	130.0	52.4	52.4	--
Other	11.3	5.0	5.0	--
OPAP subgroup	844.8	399.8	399.3	0.5
OPAP	784.8	390.4	389.9	0.5
Stoiximan	60.0	9.4	9.4	--
Other (individually immaterial)		0.1	0.1	--
Total	n/a	476.4	475.9	0.5
paid in cash			442.3	
settled by issuance of new shares via OPAP scrip dividend			33.6**	

* Net of €10.8 million attributable to the Group through its shareholding in CLS and LTB (see Note 18).

** The issuance of these shares at a price above their book value per share is reflected in "Effect of change in ownership due to scrip dividend" in the consolidated statement of changes in equity.

Dividends and distributions declared in 2022	Dividends and distributions declared	Dividends and distributions declared to NCI	of which paid/settled	of which outstanding at end of period
CASAG subgroup	172.8	41.9	26.9	15.0
Austrian Lotteries	119.5	20.0*	20.0	--
CASAG	45.0	18.2	3.2	15.0***
Other	8,3	3,7	3,7	--
OPAP subgroup	661.9	312.4	312.4	--
OPAP	600.6	302.9	302.9	--
Stoiximan	61.3	9.5	9.5	--
Other (individually immaterial)		0.1	0.1	--
Total	n/a	354.4	339.4	15.0
paid in cash			302.3	
settled by issuance of new shares via OPAP scrip dividend			37.1**	

* Net of €11.3 million attributable to the Group through its shareholding in CLS and LTB (see Note 18).

** The issuance of these shares at a price above their book value per share is reflected in "Effect of change in ownership due to scrip dividend" in the consolidated statement of changes in equity.

*** The outstanding dividend was paid in cash on 23 January 2023.

23.2 Overview of NCI held

NCI in OPAP

As of 31 December 2023, the Group held a 50.71% interest in OPAP, creating a 49.29% non-controlling interest in the net assets of OPAP. Additionally, the Group recognised individually immaterial non-controlling interests from OPAP's shareholdings in Hellenic Lotteries (NCI of 16.50%), Neurosoft S.A. (NCI of 32.28%) and Stoiximan (NCI of 15.51%).

NCI in CASAG

As of 31 December 2023, the Group held a 59.70% interest in CASAG, creating a 40.30% non-controlling interest in the net assets of CASAG. Additionally, CASAG holds a 73.83% interest in Austrian Lotteries, resulting in an additional internal 26.17% non-controlling interest in Austrian Lotteries, of which 9.45% is indirectly held by Allwyn. The Group applies a look-through approach to the consolidation and reflects this additional interest in the NCI calculation for CASAG, see below.

Additionally, the Group recognised individually immaterial non-controlling interests in certain other subsidiaries of CASAG.

Material NCI disclosure and reconciliation

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

31/12/2023	CASAG Group	OPAP Group	Other (individually immaterial)	Total
Non-controlling interest percentage	40.30%	49.29%		
Non-current assets	1,092.6	2,143.5		
Current assets	734.9	677.5		
Non-current liabilities	(345.0)	(894.3)		
Current liabilities	(692.2)	(588.5)		
Net assets	790.3	1,338.2		
Non-controlling interest calculation	318.5	659.6	0.5	
Subgroup's non-controlling interest entering consolidation	43.5*	17.3	--	
Carrying amount of non-controlling interest	362.0	676.9	0.5	1,039.4

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

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

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

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

Additional disclosures about material NCI

2023	CASAG Group	OPAP Group	Other (individually immaterial)	Total
Non-controlling interest percentage	40.30%	49.29%		
Revenue from gaming activities (GGR)	1,538.9	2,189.1		
Profit/(loss) for the year	137.7	408.3		
Other comprehensive income	(18.3)	--		
Total comprehensive income	119.4	408.3		
Profit allocated to non-controlling interest	55.5	204.2*	0.2	
OCI allocated to non-controlling interest	(7.4)	--	--	
Share of profit of subgroup's non-controlling interest entering consolidation	30.8	5.8		
Share of other comprehensive income of subgroup's non-controlling interest entering consolidation	(0.2)	--		
Indirect share held in Austrian Lotteries subgroup through CLS, LTB	(10.3)	--		
Total comprehensive income attributable to non-controlling interest	68.4	210.0	0.2	278.6
Net cash from operating activities	389.2	527.6		
Net cash from investing activities	63.8	92.6		
Net cash from financing activities	(187.5)	(859.2)		
Net inflow (+)/outflow (-) of cash and cash equivalents for the year	265.5	(239.0)	--	26.5
Dividends and distributions declared to NCI	76.5	399.8	0.1	476.4

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

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

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

24 Loans and borrowings

Loans and borrowings	31/12/2023			31/12/2022		
	Non-current	Current	Total	Non-current	Current	Total
Bonds	2,378.9	177.9	2,556.8	1,631.1	16.1	1,647.2
Bank loans	1,403.4	173.6	1,577.0	943.5	312.7	1,256.2
Total	3,782.3	351.5	4,133.8	2,574.6	328.8	2,903.4

Reconciliation of movements of short-term and long-term loans and borrowings to cash flow:

	2023	2022
Balance at 1 January	2,903.4	2,692.9
Cash flows		
Loans and borrowings received*	2,192.7	1,425.9
Repayment of loans and borrowings	(1,011.6)	(1,238.8)
Interest paid	(187.4)	(112.3)
Non-cash changes		
Accrued interest expense	232.3	114.7
Unwinding of financing fees	10.1	13.4
Effect of FX differences	(5.7)	7.6
Balance at 31 December	4,133.8	2,903.4

* Loans and borrowing received are decreased by the arrangement fee of €14.4 million.

For the reconciliation of movements of “Lease liabilities” to cash flows see Note 26.

Undrawn revolving facilities as of 31 December 2023

Borrower/Issuer	Currency	Undrawn amount in millions	Currency	Undrawn amount in millions
Allwyn International a.s.	EUR	300.0	EUR	300.0
Allwyn UK	GBP	60.0	EUR	69.0
CASAG	EUR	50.0	EUR	50.0
OPAP*	EUR	210.0	EUR	210.0
Total				629.0

* OPAP including its subsidiaries

Fair values of financial liabilities

Estimated fair values of financial liabilities

The fair value of bonds is deemed to be the market value. For other debt instruments the measurement is based on the market value of similar instruments and current interest rates on debt with the same maturity. Inputs other than quoted prices that are observable for the liability are interest rates, yield curves observable at commonly quoted intervals and credit spreads. The fair value of debt with a variable interest rate is deemed to be the carrying amount.

Estimated fair value of financial liabilities as of 31 December 2023:

	Carrying amount	Fair Value	FV Hierarchy Level 1	FV Hierarchy Level 2	FV Hierarchy Level 3
Bonds	2,556.8	2,584.9	2,278.9	--	306.0
Loans, borrowings and other	1,577.0	1,566.0	--	--	1,566.0
Total	4,133.8	4,150.9	2,278.9	--	1,872.0

	Carrying amount	Fair Value	FV Hierarchy Level 1	FV Hierarchy Level 2	FV Hierarchy Level 3
Bonds	1,647.2	1,563.3	1,143.4	--	419.9
Loans, borrowings and other	1,256.2	1,251.3	--	--	1,251.3
Total	2,903.4	2,814.6	1,143.4	--	1,671.2

Covenants

Financial covenants

The Group's bonds have certain financial covenants, including covenants based on the financial results of Group companies. Breach of these covenants can lead to immediate maturity of the debt. During the reporting period no breaches of covenants have occurred.

Other information

The following bonds and borrowings are collateralised pari passu:

- EUR 500m 3.875% SSN due 2027 issued by Allwyn International a.s.;
- EUR 2.0 billion syndicated bank loan initially signed on 17 November 2022 by the Allwyn International a.s. and Allwyn Entertainment Financing (UK) Plc and additional facilities under the syndicated bank loan;
- CZK 6bn 5.200% SSN due 2024 held by Allwyn Financing Czech Republic 2 a.s. with outstanding amount of CZK 2,936 million (equivalent to €124.0 million as of 31 December 2023);
- EUR 400m FRN due 2028 issued by Allwyn Entertainment Financing (UK) Plc;
- USD 700m 7.875% SSN 2029 issued by Allwyn Entertainment Financing (UK) Plc from 28 April 2023;
- EUR 665m 7.250% SSN due 2030 issued by Allwyn Entertainment Financing (UK) Plc from 28 April 2023; and
- Obligations arising from derivatives agreements.

The security is shared under the terms of an intercreditor agreement dated 16 December 2020. The following assets owned directly or indirectly by Allwyn International a.s. were pledged as of 31 December 2023:

- Shares in: (i) Allwyn Czech Republic Holding a.s.; (ii) Italian Gaming Holding a.s.; (iii) SAZKA Austrian Gaming Holding a.s.; (iv) Allwyn Greece & Cyprus Holding 2 Ltd; (v) SAZKA a.s.; (vi) Allwyn Austria Holding 2 GmbH; (vii) Allwyn Austria Holding 3 GmbH; (viii) OPAP (shares held directly by Allwyn International a.s.); (ix) LottolItalia; (x) Allwyn UK Holding Ltd (from 27 July 2023); (xi) Allwyn UK Holding B Ltd (from 27 July 2023); (xii) OPAP shares held by Allwyn Greece & Cyprus Holding Ltd (from 21 November 2023); and
- Receivables: (i) from the bank accounts of Allwyn International a.s. to which dividends of subsidiaries are distributed; (ii) of Allwyn International a.s. from an intragroup loan against SAZKA a.s., Italian Gaming Holding a.s. and Allwyn Austria Holding 2 GmbH; (iii) of Allwyn Czech Republic Holding a.s. based on framework deposit agreement against Allwyn International a.s.; (iv) of SAZKA a.s. based on framework deposit agreement against Allwyn International a.s.; (v) of Italian Gaming Holding a.s. from an intragroup receivables of Allwyn International a.s. under cash-pooling agreement.

The collateral represents substantially all the value of the Group's assets presented in the consolidated statement of financial position except for assets of Allwyn LS Group.

25 Preferred shares

In 2021, Primrose Holdings (Lux) S.a r.L. (an entity owned by funds advised by Apollo Management, L.P.), subscribed for 1,409,859 preferred shares with par value of CHF 0.01 each. The preferred shares represented an investment amount of €500 million, and were issued at a €5 million discount; therefore, net cash proceeds (before transaction costs) for the Company were €495 million.

The preferred shares were registered as equity instruments under Swiss commercial law. The proceeds from the issue were credited as other capital contributions of the Company in the Swiss statutory books. The preferred shareholder was entitled to a preferred dividend (payable semi-annually; declaration of the preferred dividend was not discretionary) and to participate in ordinary dividends (declaration of ordinary dividends was discretionary). The preferred shares constituted 12.35% of the Company's share capital and did not have any voting rights other than under corporate law. Subject to customary reserved matters, Primrose Holdings (Lux) S.a r.l. had contractually agreed that, when exercising any voting rights, it would undertake to vote in the manner required by KKCG (save where such voting would be contrary to applicable corporate law or generally accepted corporate governance principles). The preferred shares had various other rights defined by the Investment Agreement, which are considered minority shareholder protective rights.

The preferred shares had no maturity. The preferred shares could have been redeemed by the Company or repurchased by the parent in cash at any point in time, at a premium defined in the Investment Agreement. The premium (or "repurchase amount") was variable and calculated based on the redemption date and the equity value of the Company as defined in the Investment Agreement under which the subscription took place.

On 19 June 2023, the preferred shares held by Primrose Holdings (Lux) S.a r.L. were, pursuant to the Investment Agreement, repurchased in full by Company's parent KKCG AG for a consideration of €678.2 million, and subsequently converted to ordinary shares. The Company provided funding for the repurchase in the form of a dividend distribution to the parent. From the Company's perspective, this effectively resulted in the cancellation of the preferred shares financial liability for total consideration of €678.2 million.

Initial recognition

Under IFRS Accounting Standards, the preferred shares are a financial liability carried at amortised cost. The effective interest rate of the instrument is a significant accounting estimate determined by management based on the analysis of probability-weighted estimated future settlement scenarios and assigned probabilities of potential exit scenarios (IPO vs cash repurchase) in future years based on the strategic outlook of the Group. The management used the following key inputs and assumptions:

- 5-year business forecast;
- 2% growth used in the valuation model after the end of period for which an explicit forecast is prepared (5 years);
- Assumption that exit through IPO was more likely than cash repurchase;
- Assumption that the exit would most likely happen in the mid-term time horizon (2-4 years).

Based on the above, management estimated an effective interest rate of 21.26% for the instrument. The effective interest rate was subject to significant estimation uncertainty, given its dependence on assumptions about future business performance and management plans regarding the timing and means of exit. Management has analysed possible ranges of outcomes and determined that meaningful changes in input parameters would result in effective interest rates between 18% and 23%.

The Group recognised the instrument initially at €490 million, net of transaction costs. Going forward, the instrument has accrued interest at an effective rate of 21.26% on the carrying value. Note that this rate does not represent cash interest payments but represents a measurement of the instrument's overall rate of return under the various exit scenarios described above.

Subsequent measurement

At each balance sheet date, management evaluated probabilities assigned to possible settlement scenarios based on the latest strategic outlook of the Group. Consequently, the Group recorded an adjustment to the carrying value of the financial liability, which represented the present value of probability-weighted estimated future cash flows discounted by the instrument's original effective interest rate of 21.26% p.a. This adjustment is recorded within the Interest expense line in the Group's statement of comprehensive income.

In the event of settlement, any difference between the carrying value and the settlement amount would be recorded as an adjustment to the carrying value.

The table below show movement in the carrying value of the instrument during the period.

		2023	2022
Opening balance at 1 January		624.5	607.3
Interest expense	14	62.9	122.5
Preferred and ordinary dividend – paid		--	(75.7)
Adjustment to the carrying value of preferred shares	14	(9.2)	(29.6)
Preferred shares repurchase		(678.2)	--
Closing balance at 31 December		--	624.5

26 Leases

26.1 Group as a lessee

Material leases

Present value of lease liability		31/12/2023	31/12/2022
Office – Czech Republic	(a)	25.7	25.9
Casinos – Austria	(b)	23.6	25.9
Gaming halls – Greece and Cyprus	(c)	15.8	14.3
Data centres – United Kingdom	(d)	9.0	--
Gaming halls - Austria	(e)	5.4	6.5
Markopoulo racecourse – Greece and Cyprus	(f)	--	26.0
<i>Other (individually immaterial)</i>		44.2	32.1
Total lease liability		123.7	130.7

- (a) Lease payments for office space based in the Czech Republic are in general adjusted according to the consumer price index. The duration of the lease is twelve years, expiring in 2033.
- (b) Lease payments for the Group's Austrian casinos are in general adjusted according to the consumer price index.
- (c) Lease payments for the Group's Greece and Cyprus gaming halls are adjusted according to the consumer price index. The vast majority of the leasing contracts are of three years' duration and give to the Group the exclusive right to extend the terms up to nine years. Management assessed that the renewal option will be exercised.
- (d) The Group signed a lease agreement to provide the required data services for operating the UK National Lottery. The lease is valid for five years, with an exclusive right for the Group to extend it for up to ten years. The management has assessed that the renewal option will be exercised, thereby extending the lease for ten years, which is the duration of the licence.
- (e) Lease payments for the Group's Austrian gaming halls are in general fixed.
- (f) The Group leases Markopoulo racecourse where all its Greek horse racing activities take place. The duration of the lease is twenty years, expiring in 2036. The Group has an option to early terminate the lease. The lease payments are fixed. In 2023 the Group decided to cease the organisation and conduct of Greek horse races and therefore exercised its contractual right to terminate the lease (see Note 7).

Future variable lease payments

Certain leases are adjusted for variable lease payments that do not depend on an index or a rate. These variable lease payments are not included as a part of the lease liability at the lease commencement date. Variable lease payments are included in profit or loss when the event or condition that triggers the variability occurs.

Estimated future variable lease payments related to leases of gaming machines and gaming halls are €48.1 million (31 December 2022: €45.1 million) over the respective lease periods.

Short-term and low value leases

Leases which have a term of 12 months or less and do not contain a purchase option, leases where the underlying asset has a low value, and variable payments such as turnover rent, property taxes paid by the tenant and insurance paid by the tenant are recorded as lease expense within materials, consumables and services (Note 10).

Leases not yet commenced to which the lessee is committed

As of 31 December 2023, the Company is not committed to any material leases not yet commenced.

Reconciliation of cash flows related to leases

	Note	2023	2022
Lease liability balance as of 1 January		130.7	149.0
Payment of lease liability principal amount		(42.3)	(27.4)
Business combinations		19.2	--
New lease contracts and contract modifications		15.9	7.1
Effect of currency translation		0.2	2.0
Lease liability balance as of 31 December		123.7	130.7
Interest expense from leases that was paid	13	(7.9)	(5.1)
Expense relating to short-term leases		(2.1)	(2.4)
Expense relating to leases of low-value assets		(1.8)	(0.7)
Expense relating to variable lease payments		(7.0)	(6.1)
Total expenses relating to leases not recognised as right of use assets according to practical expedients		(10.9)	(9.2)
Total cash outflow related to leases		(61.1)	(41.7)

“Total cash outflow related to leases” is the sum of “Payment of lease liability principal amount”, “Interest expense from leases paid” and “Total expenses relating to leases not recognised as right of use assets according to practical expedients”.

27 Trade and other payables

	31/12/2023	31/12/2022
Liabilities from winnings*	21.3	20.0
Deferred revenue	1.8	2.3
Other payables*	11.3	14.6
Non-current trade and other payables*	34.4	36.9

* These payables are classified as financial under IFRS 9. The total amount of payables classified as financial is €32.6 million (31 December: €34.6 million).

Non-current “Liabilities from winnings” represents winnings from certain games that are paid out over an extended period.

	Note	31/12/2023	31/12/2022
Liabilities from winnings*		1,033.5	282.0
Trade payables *		384.8	209.6
Gaming tax liabilities		381.4	174.1
Players’ deposits*		150.3	40.9
Payables to state (social and health insurance liabilities, other taxes)		71.8	58.7
Guarantee deposits from agents*		42.6	29.5
Prepaid stakes		25.0	17.1
Gaming tax liabilities - minimum contribution of Hellenic Lotteries	13	11.9	62.8
Other payables		22.3	23.1
Current trade and other payables*		2,123.6	897.8

* These payables are classified as financial under IFRS 9. The total amount of payables classified as financial is €1.611.2 million (31 December 2022: €562.0 million).

“Liabilities from winnings” comprises payouts due to players from draws and bets and an accrued liability for future estimated future pay-outs including jackpot reserve. See Note 6 for more information about gaming revenue recognition.

“Gaming tax liabilities” are generally recognised when cash for stakes is accepted. Gaming tax is calculated as the tax base multiplied by a rate, which varies based on the type of game and the jurisdiction. The tax base is usually the amount staked less prizes paid.

“Guarantee deposits from agents” represents cash provided by agents to the Group. The deposit is repayable at the end of the contract.

“Gaming tax liabilities - minimum contribution of Hellenic Lotteries” represents an amount equal to the difference between the gaming taxes payable on Hellenic Lotteries’ applicable Revenue from gaming activities (GGR) and the minimum annual amount of €50.0 million, required according to Hellenic Lotteries’ concession agreement (see Note 32). The disputed amount of €70.6 million was paid on 2 October 2023.

As of 31 December 2023, and 31 December 2022 “Trade and other payables” were not secured.

28 Other financial liabilities

	31/12/2023	31/12/2022
Contingent consideration for purchase of Allwyn LS Group	10.0	--
Dividends declared to NCI	0.5	15.0
Contingent consideration for the purchase of interest in Stoiximan	--	13.9
Deferred consideration for the purchase of interest in OPAP	--	2.8
Current other financial liabilities	10.5	31.7

“Dividends declared to NCI” comprises dividends attributable to non-controlling interest (see Note 23).

Contingent consideration is dependent on variable indicators that will be determined based on subsequent events e.g. on EBITDA or other performance indicators of entity purchased. The amount of contingent consideration represents the best estimate of the consideration as at the reporting date. Changes of estimated value are recognised immediately in profit and loss as gain (+)/loss (-) on a change of contingent consideration. Contingent consideration is measured at fair value in Level 3 of the hierarchy. Deferred consideration for investments purchased is measured at amortised cost.

The reconciliation of movements in contingent consideration for the purchase of interest in Stoiximan is as follows:

	2023	2022
Contingent consideration for the purchase of interest in Stoiximan as of 1 January	13.9	114.3
Payment in current period	(14.1)	(106.4)
Unwinding of discount recognised in interest expense	0.2	1.5
Change in derivative value recognised in other operating expense	--	4.5
Contingent consideration for the purchase of interest in Stoiximan as of 31 December	--	13.9

On 5 April 2023, the remaining contingent consideration for the purchase of an interest in Stoiximan was paid. The payable was determined based on a multiple of the difference between target and actual EBITDA for the year 2021. The settlement of the liability is classified as an investing activity.

29 Provisions

Provisions	Litigation provision*	Other provisions	Total
Balance at 01/01/2023	17.5	6.8	24.3
Business combination	0.4	21.7	22.1
Additions	6.7	4.2	10.9
Utilisation	(2.3)	(4.1)	(6.4)
Release	(4.6)	(2.1)	(6.7)
Effect of FX differences	--	0.6	0.6
Balance at 31/12/2023	17.7	27.1	44.8
<i>Of which non-current</i>	<i>--</i>	<i>1.6</i>	<i>1.6</i>
<i>Of which current</i>	<i>17.7</i>	<i>25.5</i>	<i>43.2</i>

	Litigation provision*	Other provisions	Total
Balance at 01/01/2022	13.6	8.2	21.8
Additions	5.8	6.0	11.8
Utilisation	(0.1)	(6.7)	(6.8)
Release	(1.8)	(0.7)	(2.5)
Balance at 31/12/2022	17.5	6.8	24.3
<i>Of which non-current</i>	--	1.5	1.5
<i>Of which current</i>	17.5	5.3	22.8

* See Note 31

Other provision

Other provisions include €15.8 million of contractual commitments for decommissioning costs of point of sale and communications equipment, and a dilapidation provision in respect of leased premises, all related to contractual commitments pertaining to the end of the third licence to operate the UK National Lottery held by Camelot UK.

30 Derivatives and hedging

Derivatives and hedging

All derivative transactions designated as hedging instruments are documented and the effectiveness of individual hedge relationships is evaluated on a continuous basis. Cash flow hedges are implemented in line with IFRS 9.

Currency and interest rate derivatives are used only for hedging purposes.

Valuation techniques used to value financial instruments include:

- For interest rate swaps – the present value of estimated future cash flows based on observable yield curves;
- For FX forwards and FX swaps – the present value of future cash flows based on forward exchange rates at the balance sheet date.

The following table shows the fair values of derivative financial instruments:

	Fair value at 31/12/2023		Fair value at 31/12/2022	
	Hedging derivatives	Other derivatives	Hedging derivatives	Other derivatives
Non-current (USD/EUR cross currency swaps)	(30.6)	--	--	--
Currency forward CZK	--	(2.2)	--	--
Total derivative financial instruments (liability)	(30.6)	(2.2)	--	--

All financial derivatives as of 31 December 2023 and 31 December 2022 were categorised to Level 2 in the fair value hierarchy. For valuation techniques, see Note 32.5.

Hedging derivatives

The Group held the following hedging derivatives (assets presented as positive; liabilities presented as negative amount):

Hedging derivatives	Due date	USD nominal value at 31/12/2023	Fixed FX rate at inception and settlement	Fair value at 31/12/2023
Cross currency swap USD/EUR (fixed for fixed)	2028	600.0	1.0986	(30.6)
Total hedging financial derivatives		600.0		(30.6)

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In April 2023, Allwyn International a.s. entered into a cross currency USD fixed to EUR fixed swap agreement in the aggregate nominal amount of USD 600.0 million, in order to convert a proportion of the Group's newly issued USD 700.0 million senior notes into EUR-denominated liabilities. The cross currency swaps have a fixed rate on both legs which is paid semi-annually. Allwyn International a.s. receives a fixed interest rate of 7.875% p.a. in USD and pays a fixed interest rate of 7.000% p.a. (before credit charges) in EUR. The maturity of the swaps matches the expected repayment of the relevant proportion of the bonds and interest payments on this proportion of the bonds exactly match cash flows from the swaps.

The hedged risk is defined as spot foreign currency risk stemming from the FX pair of the currency of the issued funding.

The Group separates both the forward element and foreign currency basis spread from the derivatives and excludes it from the designation of the derivatives as the hedging instrument. The forward element and foreign currency basis spread is recorded in the cost of hedging reserve in other comprehensive income .

These cross-currency swaps are the hedging instrument and the appropriate proportion of USD notes is the hedged item in this effective 1:1 cash flow hedging relationship, without any potential material source of hedging ineffectiveness.

The effect of hedge accounting recognised in Other comprehensive income during the period was as follows:

Reconciliation of fair value of the cross-currency swap liability	2023
Balance at inception	--
Change in fair value of cash flow hedges	(30.6)
Balance at 31 December	(30.6)
<hr/>	
Reconciliation of hedging reserve	2023
Balance at 1 January	3.7
Hedging losses (-) recognised in OCI	(23.0)
of which revaluation of cross currency swap	(30.6)
of which reclassification of the spot component from equity to profit or loss	3.3
of which accrued interest on a derivative	(1.7)
of which effect of deferred tax	6.0
Balance at 31 December	(19.3)

Cash flow hedges

Foreign currency rates risk

The Group applies a "hypothetical derivative" method to measure the effectiveness of the hedge relationship. This hypothetical derivative has a (close to) zero fair value at the hedge inception and represents hedged risk within the hedged item. Cumulative changes in fair value of this hypothetical cross currency swap will be compared with cumulative gains/losses on the hedging instrument since inception of the hedge and the lower of these two (in absolute amounts) will be booked to Cash flow hedge reserve in Other comprehensive income. A spot revaluation (equal to foreign currency notional amount times change in spot rate) will be then reclassified from Other comprehensive income to FX gains/losses.

Other derivatives

Other derivatives	Due date	Nominal value at 31/12/2023	Fair value at 31/12/2023
Currency forward CZK	2024	119.4	(2.2)
Total trading financial derivatives		119.4	(2.2)

In February 2023, Allwyn International a.s. entered into an FX forward agreement to buy CZK 2,937.1 million/sell €119.4 million, due in September 2024 (aligned with the repayment of the remaining amount of the Group's CZK-denominated bonds). The arrangement economically offsets the currency risk related to the bonds' principal amounts; however, the derivative does not qualify for hedge accounting.

31 Personnel expenses and employee benefit liabilities

Breakdown of personnel expenses

	2023	2022
Wages and salaries	(405.4)	(292.6)
State mandated social security and health insurance contributions other than pensions	(52.3)	(34.2)
State mandated pensions – defined contribution plans contributions	(38.7)	(30.2)
Other state-mandated social expenses	(10.1)	(6.7)
Private retirement benefit expenses – defined benefit plans	(4.3)	(4.5)
Other long-term employee benefits expense	(11.9)	(11.6)
Personnel expenses	(522.7)	(379.8)

Breakdown of employee benefit liabilities

	31/12/2023	31/12/2022
Post-employment benefits	83.3	81.1
<i>Of which: Defined benefit plans</i>	83.3	81.1
Termination benefits	17.9	22.8
Long-term bonuses	14.6	13.7
Non-current employee benefit liabilities	115.8	117.6

	31/12/2023	31/12/2022
Short term bonuses	53.4	29.4
Current portion of long-term bonuses	0.7	6.2
Termination benefits	7.8	14.3
Other employee benefit liabilities	31.0	27.1
Current employee benefit liabilities	92.9	77.0

Short term employee benefits

Short-term employee benefits, including annual bonuses are presented within “Wages and salaries”.

“Other employee benefit liabilities” are liabilities for wages and salaries, holiday pay, sick leave, meal vouchers and other benefits that are settled within the 12 months after the end of the period in which the service was rendered.

“Short-term bonuses” are liabilities for annual bonuses to employees.

Long-term Incentive schemes and bonuses

Incentive schemes and bonus programmes are multi-year programmes which are intended to motivate management, Executive Members of the Board of Directors and other key management personnel of Allwyn and relevant Group subsidiaries to meet specified targets.

Related liabilities are presented within “Long-term bonuses” (if not due within 12 months after the end of the reporting period) or within “Current portion of long-term bonuses”.

Post-employment benefits

Defined contribution plans

Mandatory contributions to state pension funds required in certain jurisdictions in which the Group operates are presented as “State mandated pensions – defined contribution plans contributions”, with liabilities presented within Trade and other payables as “Payables to state”. The Group’s legal and constructive obligation for these pension plans is limited to the contributions.

Defined benefit plans

“Post-employment benefits” relates mainly to CASAG and OPAP. Employees of CASAG born prior to 1 January 1945 and existing and former Management Board members are eligible to participate in a defined benefit plan. OPAP employees are eligible to participate in a defined benefit plan.

Under Greek and Austrian labour law, employees are entitled to severance payments in the event of retirement or termination by the employer, with the amount of payment varying in relation to the employee's compensation and length of service. The liability arising from the obligation is valued by an independent firm of actuaries. The last actuarial valuations of the OPAP and CASAG defined benefit plans were undertaken as of 31 December 2023. The vast majority of defined benefit plan liability relates to CASAG. The maturity of defined benefit plan obligations coincides with the expected date of retirement of individual employees.

Additionally, under Austrian labour law, the employer contributes 1.53% of the gross wage to an employee compensation fund. The pension payments are based on the amounts available in the pensions fund; however, the Group guarantees a certain minimum pension and has an obligation to make additional contributions if the funds available were not sufficient to allow the payment of such minimum pensions. Therefore, the plan is classified as a defined benefit plan.

In Austria there are three types of "Defined benefit plan" obligations: severance plans, pension plans and pension plan with guaranteed minimum pension.

The current service cost, past service cost and any gain or loss on settlement are presented within "Private retirement benefit expenses – defined benefit plans". Net interest on the net defined liability (asset) is recognised in the line "Finance costs, net".

Termination benefits

Termination benefits comprises liabilities in connection with termination plans and a restructuring programme in CASAG ("Restructuring liability"). Historically, the employees of CASAG were able to participate in several termination benefit programmes which qualify as termination benefits under IAS 19, including severance programmes and stand-by-duty programmes, under which an employee agrees to a reduction in wage and reduction of working hours to zero, but can be called to work if needed, until the employee reaches a legal retirement age.

Restructuring liability is measured by discounting estimated future payments to employees participating in the restructuring programmes to the present value.

The following table shows a breakdown of the carrying value of the defined benefit obligation between various plans:

31/12/2023	Present value of obligation	Fair value of plan assets	Net defined benefit plan
Severance plan Greece and Cyprus	1.1	n/a	1.1
Severance plan Austria	31.8	n/a	31.8
Pension plan without plan assets	25.0	n/a	25.0
Pension plan with plan assets	82.1	(56.7)	25.4
Pension plans with guaranteed minimum pension	112.4	(112.4)	--
Types of defined benefit plans	252.4	(169.1)	83.3

31/12/2022	Present value of obligation	Fair value of plan assets	Net defined benefit plan
Severance plan Greece and Cyprus	1.0	n/a	1.0
Severance plan Austria	30.5	n/a	30.5
Pension plan without plan assets	25.4	n/a	25.4
Pension plan with plan assets	72.7	(48.5)	24.2
Pension plans with guaranteed minimum pension	104.0	(104.0)	--
Types of defined benefit plans	233.6	(152.5)	81.1

Summary disclosure for severance plans and pension plans with no plan assets:

	2023	2022
Opening balance as of 1 January	56.9	53.4
Current service costs	0.2	0.5
Interest costs	2.4	1.2
Settlement cost (result)	2.0	1.4
Total cost recognised in consolidated statement of comprehensive income	4.6	3.1
Actuarial (gain)/loss arising from financial assumptions	1.7	(12.2)
Actuarial (gain)/loss arising from experience adjustment	1.3	(2.3)
Total actuarial (gain)/loss recognised in other comprehensive income	3.0	(14.5)
Payments	(6.6)	(7.3)
Other movements	--	22.2
Closing balance as of 31 December	57.9	56.9

Summary disclosure for pension plans with plan assets:

	Present value of obligation	Fair value of plan assets	Total
Opening balance as of 01/01/2023	72.7	(48.5)	24.2
Current service costs	0.4	--	0.4
Interest costs	2.9	(2.0)	0.9
Total cost recognised in consolidated statement of comprehensive income	3.3	(2.0)	1.3
Actuarial (gain)/loss arising from financial assumptions	9.5	(1.3)	8.2
Actuarial (gain)/loss arising from experience adjustment	(0.2)	--	(0.2)
Total actuarial (gain)/loss recognised in other comprehensive income	9.3	(1.3)	8.0
FX differences	0.3	(0.2)	0.1
Contributions	0.6	(8.5)	(7.9)
Payments	(4.1)	3.8	(0.3)
Closing balance as of 31/12/2023	82.1	(56.7)	25.4

	Present value of obligation	Fair value of plan assets	Total
Opening balance as of 01/01/2022	95.9	(55.8)	40.1
Current service costs	1.0	--	1.0
Interest costs	1.3	(2.1)	(0.8)
Past service cost	(0.1)	--	(0.1)
Total cost recognized in consolidated statement of comprehensive income	2.2	(2.1)	0.1
Actuarial (gain)/loss arising from financial assumptions	(23.8)	5.1	(18.7)
Actuarial (gain)/loss arising from experience adjustment	1.1	1.2	2.3
Return on plan assets	--	1.5	1.5
Total actuarial (gain)/loss recognized in other comprehensive income	(22.7)	7.8	(14.9)
FX differences	0.2	(0.1)	0.1
Contributions	0.8	(1.5)	(0.7)
Payments	(3.7)	3.2	(0.5)
Closing balance as of 31/12/2022	72.7	(48.5)	24.2

Defined benefit–pension plans – Fair value of plan assets	31/12/2023	31/12/2022
Equity instruments	18.1	18.3
Bonds	22.1	13.9
Cash	3.6	4.1
Other assets	12.9	12.2
Fair value of plan assets	56.7	48.5

Summary disclosure for pension plans with guaranteed minimum pension:

	Present value of obligation	Fair value of plan assets	Total
Opening balance as of 01/01/2023	104.0	(104.0)	--
Current service costs	2.0	--	2.0
Interest costs	4.3	(4.4)	(0.1)
Settlement cost (result)	(0.7)	0.4	(0.3)
Total cost recognised in consolidated statement of comprehensive income	5.6	(4.0)	1.6
Actuarial (gain)/loss arising from financial assumptions	5.2	(1.5)	3.7
Actuarial (gain)/loss arising from experience adjustment	1.5	--	1.5
Return on plan assets	--	--	--
Total actuarial (gain)/loss recognised in other comprehensive income	6.7	(1.5)	5.2
Contributions	--	(6.8)	(6.8)
Payments	(3.9)	3.9	--
Closing balance as of 31/12/2023	112.4	(112.4)	--

	Present value of obligation	Fair value of plan assets	Total
Opening balance as of 01/01/2022	114.0	(114.0)	--
Current service costs	2.3	--	2.3
Interest costs	1.5	--	1.5
Settlement cost (result)	(1.4)	0.8	(0.6)
Total cost recognised in consolidated statement of comprehensive income	2.4	0.8	3.2
Actuarial (gain)/loss arising from financial assumptions	(1.2)	9.9	8.7
Actuarial (gain)/loss arising from experience adjustment	(7.6)	--	(7.6)
Return on plan assets	--	(1.5)	(1.5)
Total actuarial (gain)/loss recognised in other comprehensive income	(8.8)	8.4	(0.4)
Contributions	--	(2.8)	(2.8)
Payments	(3.6)	3.6	--
Closing balance as of 31/12/2022	104.0	(104.0)	--

Defined benefit pensions plan with guaranteed minimum pension – Fair value of plan assets	31/12/2023	31/12/2022
Equity instruments	43.2	43.2
Bonds	40.3	30.4
Cash	5.9	8.6
Other assets	23.0	21.8
Fair value of plan assets	112.4	104.0

The principal actuarial assumptions used in the actuarial valuation as of 31 December 2023 and 31 December 2022:

Actuarial assumptions used:	31/12/2023	31/12/2023	31/12/2022	31/12/2022
	Austria	Greece and Cyprus	Austria	Greece and Cyprus
Discount rate	3.47%	3.59%	4.16%	1.80%
Rate of increase in salaries	2.00%	2.10%	2.50%	2.20%
Average service in the company	12.6	--	12.5	--
Pension inflation rate	0.34%	2.10%	(7.02%)	2.20%

The following table shows the change in actuarial liability of the Group if the discount rate was 0.5% higher or lower (with no other change in input assumptions); or if the expected rate of salary increase was 0.5% higher or lower (with no other change in input assumptions):

Sensitivity analysis	Increase in discount rate by 0.5%	Decrease in discount rate by 0.5%	Increase of expected wages by 0.5%	Decrease of expected wages by 0.5%
Actuarial liability	(12.2)	17.4	16.4	(11.5)
Percentage change	(20.05%)	23.70%	22.55%	(19.15%)

Termination benefits

	31/12/2023	31/12/2022
Opening balance as of 1 January	37.1	43.4
Additions	0.4	2.3
Release	(7.9)	(4.8)
Interest cost	0.8	0.2
Total cost/(income) recognised in consolidated statement of comprehensive income	(6.7)	(2.3)
Payments	(4.7)	(4.0)
Closing balance as of 31 December	25.7	37.1

Long-term incentive bonuses

Certain employees are entitled to “Long-service bonuses” when they reach a specified number of years of employment with the company. Certain key management personnel are eligible for long-term incentive bonuses based on target fulfilment.

32 Contingencies

Legal matters

OPAP

Distribution agent claims

As of 31 December 2023, third-party claims against OPAP relating to terminated distribution agent arrangements have been filed in an aggregate amount of €309.5 million (31 December 2022: €308.3 million). The majority of these claims relate to former distribution agent arrangements, in relation to which the overwhelming majority of recent court decisions have been in favour of OPAP (rejected claims in the amount of €283.6 million). The court of first instance partially recognised claims in the amount of €0.7 million; the court of appeal partially recognised claims in the amount of €0.1 million.

In connection with three other lawsuits brought by a former agent against OPAP seeking compensation for loss of profit, in September 2023 the Supreme Court accepted OPAP’s petition and annulled an appellate court decision which had awarded a total of approximately €3.0 million plus interest. A court hearing on the merits is still pending. As of 31 December 2023, management recorded a provision of €6.6 million (31 December 2022: €6.5 million) in connection with the case (see Note 29).

Hellenic Lotteries

Under its concession agreement, Hellenic Lotteries has an obligation to pay 30% of annual Revenue from gaming activities (GGR) to the Greek state, subject to a €50.0 million minimum annual amount. Hellenic Lotteries believes the €50.0 million minimum annual fee was not applicable for 2020, 2021 and 2022 as the force majeure clause in the concession agreement was triggered by the pandemic-related restrictions imposed by the Greek state. Accordingly, Hellenic Lotteries sought a reduction of the obligation, or alternatively an indemnity related to the initial licence consideration or an extension of the licence. As a prudent measure, gaming taxes and a related liability in a total amount of €70.6 million were recorded in the financial statements in the relevant periods (see Note 26). The hearing of this arbitration case took place in February 2023. The arbitral tribunal issued its final award on 12 September 2023, rejecting the respondents’ jurisdictional objections, but denying the relief sought by Hellenic Lotteries on its merits. On 2 October 2023, Hellenic Lotteries paid the disputed

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CASAG

CASAG is party to 28 pending lawsuits initiated by 37 claimants in connection with reductions made to the target pension in its employee pension plans, which include plans with a guaranteed minimum pension feature and defined benefit plans.

For the claims in connection with pension plans with a guaranteed minimum pension feature, management assesses that a negative outcome is highly unlikely and has only recorded a provision to cover legal costs, of €0.3 million. The assessment is supported by the fact that, in January 2022, an appellate court reversed an initial adverse decision of the first instance court from May 2021, stating that only a minimum pension is guaranteed.

For the claims in connection with defined benefit plans, management considers the outcome uncertain and reflects this uncertainty in the valuation of the defined benefit liability, with the liability assessed assuming a negative outcome (as a result of which a positive outcome in these cases would result in a net gain for the Group).

Commitments

As of 31 December 2023, the Group has contractual commitments to purchase property, plant and equipment of €94.4 million and intangible assets of €37.8 million.

33 Risk management

This section describes the financial and operational risks the Group is exposed to and its risk management methods. The key financial risks the Group faces comprise credit risk, liquidity risk, currency risk and interest rate risk.

Credit risk represents the risk of loss that the Group companies would incur if a trading counterparty or business customer were unable to fulfil its obligation resulting from payment obligations, obligation to off-take a service at a certain price or non-delivery of a contracted service.

The Group’s bank accounts are predominantly with international financial institutions. The Group has procedures for the assessment of credit risk which are applied to customers to whom sales are made on credit terms. In addition, the balances of receivables are continuously monitored on an individual and an aggregated level.

One of the key measures to mitigate credit risk in ordinary business activities is deposits received from agents (see Note 26). Receivables from agents are monitored by management on a regular basis. The Group also monitors the credit ratings of the banks and financial institutions with which it transacts.

For details about credit risk exposure see (Notes 19, 20 and 21).

33.1 Offsetting arrangements

Effects of offsetting on the balance sheet 31/12/2023	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to potential offsetting (master netting or similar arrangements)		Net amounts
				Financial instruments	Cash collateral	
Assets						
Current trade and other receivables	5.9	(0.1)	5.8	(5.8)	--	--
Cash and cash equivalents	0.4	--	0.4	(0.4)	--	--
Total	6.3	(0.1)	6.2	(6.2)	--	--
Liabilities						
Loans and borrowings	756.4	--	756.4	(0.4)	--	756.0
Current trade and other payables	65.3	(0.1)	65.2	(5.8)	--	59.4
Total	821.7	(0.1)	821.6	(6.2)	--	815.4

Effects of offsetting on the balance sheet 31/12/2022	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to potential offsetting (master netting or similar arrangements)		Net amounts
				Financial instruments	Cash collateral	
Assets						
Current trade and other receivables	6.4	(1.0)	5.4	(5.4)	--	--
Cash and cash equivalents	12.0	--	12.0	(12.0)	--	--
Total	18.4	(1.0)	17.4	(17.4)	--	--
Liabilities						
Loans and borrowings	547.8	--	547.8	(12.0)	--	535.8
Current trade and other payables	63.9	(1.0)	62.9	(5.4)	--	57.5
Total	611.7	(1.0)	610.7	(17.4)	--	593.3

Amounts subject to master netting arrangements not offsetting the consolidated statement of financial position:

- As of 31 December 2023, liabilities arising from fees to agents are offset in the balance sheet against receivables from agents of €0.1 million (31 December 2022: €1.0 million).
- As of 31 December 2023, deposits received from agents could be offset against receivables from agents of €5.8 million (31 December 2022: €5.4 million).
- As of 31 December 2023, the syndicated bank loan signed on 17 November 2022 by Allwyn International a.s. and Allwyn Financing UK Plc could be offset against cash and cash equivalents of €0.4 million (31 December 2022: €12.0 million).

33.2 Liquidity risk

Liquidity risk represents the risk that the Company might not be able to fulfil its payment obligations, primarily in respect of amounts due to providers of loans and borrowings.

The Group monitors the risk of having insufficient funds by monitoring the liquidity and maturity of investments and other financial assets and liabilities, projected cash flows from its activities and fulfilment of bank covenants.

The Group maintains free liquidity sources that comprise cash and equivalents and available amounts under credit facilities in currencies in which the future financial needs are expected.

The Group's management minimises liquidity risk through ongoing future cash flow management and planning. The key cash flow planning tool is annual medium-term plans prepared for the period of at least the following five years. The key Group cash flows for the current year are broken down into individual months and updated on an ongoing basis.

As part of its liquidity risk management strategy, the Group ensures that a portion of its assets is highly liquid.

The table below presents an analysis of Group's financial liabilities classified by maturity. Where early repayment is possible, the Group makes the most prudent assessment possible, i.e. the earliest possible repayment.

The following table presents contractual cash flows not discounted to net present value and include interest, if applicable.

Liquidity risk analysis (by maturity):

Preferred shares issued by the Company (see Note 25) are not included in the liquidity tables below, because they had no fixed maturity and the Company had the option to issue common equity to settle both the principal outstanding amount of the preferred shares and the preferred dividend.

31/12/2023	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years	Due on demand/undefined maturity
Liabilities						
Loans and borrowings	(4,133.8)	(5,256.3)	(544.8)	(3,007.4)	(1,704.1)	--
Non-current lease liabilities	(93.5)	(107.6)	--	(79.8)	(27.8)	--
Non-current trade and other payables	(32.6)	(34.4)	--	(16.2)	(18.2)	--
Non-current derivative financial instruments	(32.8)	9.8	2.1	7.7	--	--
<i>Incoming cashflows*</i>	--	875.6	161.6	714.0	--	--
<i>Outgoing cashflows*</i>	--	(865.8)	(159.4)	(706.3)	--	--
Current lease liabilities	(30.2)	(33.5)	(33.5)	--	--	--
Current trade and other payables	(1,611.2)	(1,611.2)	(1,611.2)	--	--	--
Current other financial liabilities	(10.5)	(10.5)	(10.5)	--	--	--
Total	(5,944.6)	(7,043.7)	(2,197.9)	(3,095.7)	(1,750.1)	--

* Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

31/12/2022	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years	Due on demand/undefined maturity
Liabilities						
Loans and borrowings	(2,903.4)	(3,355.2)	(431.6)	(2,209.2)	(714.4)	--
Non-current lease liabilities	(102.8)	(121.7)	--	(81.5)	(40.2)	--
Non-current trade and other payables	(34.6)	(37.0)	--	(17.6)	(19.4)	--
Current lease liabilities	(27.9)	(31.8)	(31.8)	--	--	--
Current trade and other payables	(562.0)	(562.0)	(562.0)	--	--	--
Current other financial liabilities	(31.7)	(31.7)	(31.7)	--	--	--
Total	(3,662.4)	(4,139.4)	(1,057.1)	(2,308.3)	(774.0)	--

33.3 Interest rate risk

Risks to the Group relating to changes in market interest rates primarily relate to loans with floating interest rates. The Group monitors developments in financial markets. The risk of an increase in interest rates is continuously monitored and the use of standard instruments to eliminate the risk (for example, interest rate swaps) is considered.

Interest rate sensitivity from the whole loan portfolio is not material. Other loans and bonds have a fixed interest rate. In relation to unhedged variable rate loans, an increase/decrease in interest rates (EURIBOR) by 1 percentage point would cause an increase/decrease of the interest cost by €15.6 million (2022: €12.0 million).

	2023	% of total loans	2022	% of total loans
Variable rate borrowings	1,557.5	37.68%	1,202.1	41.40%
Fixed rate borrowings - maturity dates:	2,576.3	62.32%	1,701.3	58.60%
Less than 1	121.6	2.94%	293.6	10.11%
1-5 years	1,120.5	27.11%	1,407.7	48.48%
Over 5 years	1,334.2	32.27%	--	0.00%

33.4 Currency risk

The Group is exposed to risks arising from foreign currency transactions. These risks arise from sales or purchases in currencies other than the functional currency.

The Group monitors currency risks and evaluates the potential impact of fluctuations in exchange rates. A significant part of the foreign exchange exposure is hedged either by natural hedging, e.g. using financing in the same currency as the revenues generated and incurring revenues and expenses in the same currency, or by using FX forward and swap contracts.

Management also evaluates potential currency risks prior to the conclusion of significant contracts or business transactions.

The Group is exposed to foreign exchange risk when financial assets and liabilities are denominated in a currency other than the functional currency in which they are measured. Foreign currency-denominated intercompany receivables and payables are eliminated in the consolidated statement of financial position but the effect on profit or loss of their currency revaluation is not fully eliminated if the two Group companies have different functional currencies. Therefore, the total amounts of exposure to foreign exchange risk are not equal to respective items reported on the consolidated statement of financial position.

Assets and liabilities denominated in a currency different from the functional currency in which they are measured are presented in the tables below:

31/12/2023	EUR	CZK	USD	Other*
Non-current trade and other receivables	--	118.5	812.8	30.1
Other non-current financial assets	--	--	1.3	--
Current trade and other receivables	93.3	26.2	47.3	33.8
Cash and cash equivalents	0.9	43.3	28.4	27.5
Total assets	94.2	188.0	889.8	91.4
Long-term loans and borrowings **	--	--	(755.9)	(35.8)
Non-current lease liabilities	(21.4)	--	--	(8.7)
Non-current trade and other payables	--	--	(11.0)	--
Short-term loans and borrowings	--	(120.5)	(47.3)	(1.2)
Current lease liabilities	(2.5)	--	--	(2.1)
Current trade and other payables	(81.4)	(6.9)	(23.8)	(13.0)
Total liabilities	(105.3)	(127.4)	(838.0)	(60.8)
Total	(11.1)	60.6	51.8	30.6

* "Other" primarily comprises British Pound Sterling, Swiss Franc and Australian Dollar. Net exposure to other currencies is immaterial.

** Represents only non-hedged portion of loans and borrowings.

31/12/2022	EUR	CZK	USD	Other*
Non-current trade and other receivables	--	147.4	--	3.1
Other non-current financial assets	--	--	--	5.4
Current trade and other receivables	--	27.1	--	23.1
Cash and cash equivalents	1.3	12.5	0.2	27.1
Total assets	1.3	187.0	0.2	58.7
Long-term loans and borrowings	--	(247.1)	--	(1.8)
Non-current lease liabilities	(17.8)	--	--	(9.8)
Non-current trade and other payables	--	--	(12.8)	--
Short-term loans and borrowings	--	(3.5)	--	--
Current lease liabilities	(1.7)	--	--	(2.0)
Current trade and other payables	(1.3)	(27.9)	(4.5)	(17.2)
Total liabilities	(20.8)	(278.5)	(17.3)	(30.8)
Total	(19.5)	(91.5)	(17.1)	27.9

*"Other" primarily comprises British Pound Sterling, Swiss Franc and Australian Dollar. Net exposure to other currencies is immaterial.

A reasonably possible strengthening/weakening of CZK, EUR and USD against all other currencies as of 31 December 2023 would have affected the measurement of financial instruments denominated in a foreign

currency and affected the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in millions of Euro	Profit or loss		Equity, net of tax	
	10% currency strengthening	10% currency weakening	10% currency strengthening	10% currency weakening
	+ profit/- loss	+ profit/- loss	+ increase/- decrease	+ increase/- decrease
31/12/2023				
CZK	6.1	(6.1)	--	--
EUR	(1.1)	1.1	--	--
USD	5.2	(5.2)	(44.0)	44.0
Other	3.0	(3.0)	--	--
31/12/2022				
CZK	(9.2)	9.2	--	--
EUR	(2.0)	2.0	--	--
USD	(1.7)	1.7	--	--
Other	2.8	(2.8)	--	--

33.5 Fair value measurement

For trade and other receivables and trade and other payables, the Group considers carrying values to be approximately the fair value.

For other financial assets and liabilities refer to the relevant notes.

Valuation techniques used to value financial instruments include:

- For interest rate swaps – the present value of estimated future cash flows based on observable yield curves;
- For FX forwards and FX swaps – the present value of future cash flows based on forward exchange rates at the balance sheet date.

There were no transfers between Level 1 and Level 2 for recurring fair value measurements during 2023 or 2022.

33.6 Capital management

The Group aims to maximise shareholder value, through equity investments or loans provided to operating entities, to maintain access to diversified sources of capital to finance its operating and business development needs and to ensure financial resilience.

During 2023 and 2022 the Group fulfilled all the conditions required by its external financing arrangements. Key financial ratios in the Group's external financing arrangements are based on the ratio of EBITDA to net debt and the interest cover ratio.

34 Related parties

Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party. Relations between the Group and its related parties include relations with companies related through common shareholders or Directors and key management of the Company. All material transactions with related parties were carried out on an arm's length basis.

Directors and key management personnel

"Key management personnel" comprises the C-level (executive) management of the Company. C-level management consisted of the CEO, CFO, CIO, CTO, COO, Chief Marketing Officer, Chief Global Brand and CSR Officer in 2022 and 2023; in 2023 also included the Chief People and Culture Officer.

Members of the Board of Directors and key management personnel of the Company receive their remuneration from related parties of the Company (either from subsidiaries of the Company or from the shareholder). Remuneration received from the shareholder is considered related to the management function on the Company level and therefore presented in the summary remuneration table.

34.1 Outstanding related party balances and transactions with the parent

Outstanding balance with the parent	Note	31/12/2023	31/12/2022
LIABILITIES			
Current trade and other payables		0.2	0.2
Transactions with the parent			
	Note	Twelve months ended 31 December:	
		2023	2022
Other operating income	7	0.1	0.1
Materials, consumables and services		(0.8)	(1.7)
Other operating expenses		(0.1)	--
Dividend paid	22	(978.2)	(324.3)
Capital contribution	25	678.2	--

34.2 Outstanding related party balances and transactions with companies controlled by KKCG AG other than parent and the Group:

Outstanding balance with companies controlled by KKCG AG other than parent and the Group:	31/12/2023	31/12/2022
ASSETS		
Non-current trade and other receivables	0.7	0.6
Current trade and other receivables	6.9	0.9
LIABILITIES		
Current trade and other payables	3.6	2.4
Transactions with companies controlled by KKCG AG other than parent and the Group:		
	Twelve months ended 31 December	
	2023	2022
Revenue from non-gaming activities	0.1	--
Other operating income	--	0.1
Materials, consumables and services	(11.8)	(9.0)
Marketing expenses	(17.8)	(17.3)
Interest income	1.8	1.6*
Other gains and losses	5.9	--
Purchase of tangible assets	--	9.2

34.3 Outstanding related party balances and transactions with associates and joint ventures (see Note 18)

Associates	31/12/2023	31/12/2022
ASSETS		
Non-current financial assets (loans provided)	--	0.3
Current financial assets (loans provided)	--	9.9*

* Loan provided to KGL of nil (31 December 2022: €9.2 million) with an interest rate of 2.5%.

Transactions with associates:	Twelve months ended 31 December:	
	2023	2022
Interest income	0.2	--

Associates	Twelve months ended 31 December	
	2023	2022
Dividends received	104.1	85.3
Reserve distributions received	30.3	30.3

Joint ventures	Twelve months ended 31 December:	
	2023	2022
Dividends received	8.6	5.4

34.4 Transactions with members of the Company's Board of Directors and executive management for the twelve months ended 31 December 2023 and 31 December 2022

Remuneration, bonuses and other benefits provided to the members of the Board of Directors and key management personnel of the Company:

	Twelve months ended 31 December 2023		Twelve months ended 31 December 2022	
	Board of Directors	Key management personnel	Board of Directors	Key management personnel
Total remuneration	0.3	11.7	0.5	7.8
Short-term benefits	0.3	7.2	0.3	5.3
Post-employment benefits	--	--	--	--
Other long-term benefits	--	4.5	0.2	2.6
Termination benefits	--	--	--	--
Share-based payments benefits	--	--	--	--

The following tables summarise the Group securities owned by members of the Board of Directors:

	31/12/2023		31/12/2022
	Minimum denomination	Total nominal value (in Euro)	Total nominal value (in Euro)
Allwyn Entertainment Financing UK Plc - EUR 665m	1,000 EUR	200,000	--
Allwyn Entertainment Financing UK Plc - USD 700m	1,000 USD	361,998	--
Allwyn International a.s. - CZK 6bn	10,000 CZK	42,467	43,541
Allwyn International a.s. - EUR 500m	1,000 EUR	850,000	750,000

	31/12/2023		31/12/2022	
	Number of shares	Total market value (in Euro)	Number of shares	Total market value (in Euro)
OPAP shares	1,172,964	18,028,457	1,125,446	14,889,651

35 Group companies

Companies included in the consolidated Group as of 31 December 2023 and 31 December 2022 and the Company's economic interest are as follows.

	Note	Country	Economic interest	
			31/12/2023	31/12/2022
Parent company:				
Allwyn AG		Switzerland	n/a	n/a
Group companies:				
	Note	Country	2023	2022
Allwyn International a.s.		Czech Republic	100.00%	100.00%
Allwyn Asia Holding a.s.		Czech Republic	100.00%	100.00%
Allwyn Austria Holding 2 GmbH		Austria	100.00%	100.00%
Allwyn Austria Holding 3 GmbH		Austria	100.00%	100.00%
Allwyn Czech Republic Holding a.s.		Czech Republic	100.00%	100.00%
Allwyn Entertainment Ltd ("Allwyn UK")		United Kingdom	100.00%	100.00%
Allwyn Entertainment Financing (UK) Plc		United Kingdom	100.00%	100.00%
Allwyn Financing Czech Republic a.s. ***		Czech Republic	--	100.00%
Allwyn Financing Czech Republic 2 a.s.		Czech Republic	100.00%	100.00%
Allwyn Greece & Cyprus Holding Ltd		Cyprus	100.00%	100.00%
Allwyn Greece & Cyprus Holding 2 Ltd		Cyprus	100.00%	100.00%
Allwyn Investment Cyprus Ltd		Cyprus	100.00%	100.00%
Allwyn Services Czech Republic a.s.		Czech Republic	100.00%	100.00%
Allwyn Services UK Ltd.		United Kingdom	100.00%	100.00%
Allwyn Services US LLC		United States	100.00%	100.00%
Allwyn UK Holding Ltd		United Kingdom	100.00%	100.00%
Allwyn UK Holding B Ltd		United Kingdom	100.00%	100.00%
Allwyn UK Holding C Ltd		United Kingdom	100.00%	100.00%
Allwyn US Holding Inc.		United States	100.00%	100.00%
Casinos Austria AG ("CASAG") subgroup		Austria	59.70%	59.70%
AleaX AG ***		Liechtenstein	--	59.70%
Cachi Valle Aventuras S.A. **		Argentina	59.70%	59.70%
CAI Hungary Kft.		Hungary	32.84%	32.84%
CAI Ontario Inc. **		Canada	59.70%	59.70%
CAIO AG **		Switzerland	59.70%	59.70%
CAIO DK ApS ***		Denmark	--	59.70%
Casino Copenhagen K/S*		Denmark	29.85%	29.85%
Casino Event Immobilien GmbH		Germany	59.70%	59.70%
Casino Lugano S.A.*		Switzerland	17.17%	17.17%
Casino Marienlyst A/S*		Denmark	29.85%	29.85%
Casino Munkebjerg Vejle A/S*		Denmark	29.85%	29.85%
Casino Sopron Kft.		Hungary	32.84%	32.84%
Casino St. Moritz AG		Switzerland	59.70%	59.70%
Casino Vesterport Copenhagen K/S*		Denmark	29.85%	29.85%
Casinoland IT-Systeme GmbH		Germany	59.70%	59.70%
Casinos Austria (Swiss) AG		Switzerland	59.70%	59.70%
Casinos Austria AG Liegenschaftsverwaltungs- und Leasing GmbH		Austria	59.70%	59.70%
Casinos Austria International (Cairns) Pty Ltd.		Australia	29.85%	29.85%
Casinos Austria International (Mazedonien) Holding GmbH		Austria	59.70%	59.70%

	Note	Country	Economic interest		
			31/12/2023	31/12/2022	
Casinos Austria International Belgium S.A.		Belgium	Subsidiary	59.70%	59.70%
Casinos Austria International GmbH		Austria	Subsidiary	59.70%	59.70%
Casinos Austria International Holding GmbH		Austria	Subsidiary	59.70%	59.70%
Casinos Austria International Ltd.*		Australia	Subsidiary	59.70%	59.70%
Casinos Austria International Mazedonia d.o.o.*		Macedonia	Joint venture	20.90%	20.90%
Casinos Austria Liechtenstein AG		Liechtenstein	Subsidiary	59.70%	59.70%
Casinos Austria Management GmbH		Austria	Subsidiary	59.70%	59.70%
Casinos Austria of Egypt AG*		Liechtenstein	Joint venture	29.85%	29.85%
Casinos Denmark A/S*		Denmark	Joint venture	29.85%	29.85%
Casino Odense K/S		Denmark	Subsidiary	59.70%	59.70%
CAST Casinos Austria Sicherheitstechnologie GmbH		Austria	Subsidiary	59.70%	59.70%
CCB Congress Center Baden Betriebsgesellschaft mbH		Austria	Subsidiary	53.13%	53.13%
Cocino GmbH		Germany	Joint venture	28.06%	28.06%
Complejo Monumento Güemes S.A. **		Argentina	Subsidiary	59.70%	59.70%
Cuisino Ges.m.b.H.		Austria	Subsidiary	59.70%	59.70%
Entretenimientos y Juegos de Azar S.A. **		Argentina	Subsidiary	59.66%	59.66%
Fortuna 1 Aps		Denmark	Subsidiary	59.70%	59.70%
Glücksrad Kft.		Hungary	Joint venture	29.25%	29.25%
Inmobiliaria Ovalle S.A.		Chile	Subsidiary	59.70%	59.70%
Inversiones Anacaldo S.A. **		Chile	Associate	14.93%	14.93%
Leisure & Entertainment S.A. **		Argentina	Subsidiary	59.70%	59.70%
National Videolottery of the Rep. of Macedonia-Casinos Austria LLC-Skopje*		Macedonia	Joint venture	10.24%	10.24%
ÖLG Holding GmbH		Austria	Subsidiary	59.70%	59.70%
Österreichische Lotterien GmbH ("Austrian Lotteries") subgroup		Austria	Subsidiary	53.52%	53.52%
Deutsche Sportwetten GmbH		Germany	Subsidiary	29.97%	29.97%
Glücks- und Unterhaltungsspiel BetriebsgesmbH		Austria	Subsidiary	53.52%	53.52%
Österreichische Sportwetten GmbH		Austria	Subsidiary	29.97%	29.97%
Österreichische Klassenlotterie Vertriebsgesellschaft m.b.H.		Austria	Subsidiary	53.52%	53.52%
Rabcat Computer Graphics GmbH		Austria	Subsidiary	53.52%	53.52%
Win2day International GmbH ***		Austria	Subsidiary	--	53.52%
Reef Casino Investments Pty Ltd.*		Australia	Joint venture	29.85%	29.85%
Reef Casino Trust*		Australia	Joint venture	25.07%	25.07%
Reef Corporate Services Ltd.*		Australia	Joint venture	29.85%	29.85%
Revolutionary Technology Systems AG		Switzerland	Joint venture	29.85%	29.85%
Spielbanken Niedersachsen GmbH		Germany	Subsidiary	59.70%	59.70%
Viage Productions S.A.		Belgium	Subsidiary	59.70%	59.70%
Allwyn Lottery Solutions Limited (UK)	(a)	United Kingdom	Subsidiary	100.00%	--
Allwyn Information Technology Systems SA		Greece	Subsidiary	100.00%	--
Allwyn Technology Services Limited		United Kingdom	Subsidiary	100.00%	--

	Note	Country	Economic interest		
			31/12/2023	31/12/2022	
Allwyn North America Inc. (formerly "Camelot Global Lottery Services (North America) Inc. (US)")		United States	Subsidiary	100.00%	--
Allwyn Illinois LLC (formerly "Camelot Illinois LLC")		United States	Subsidiary	100.00%	--
Camelot UK Lotteries Limited ("Camelot UK ")	(a)	United Kingdom	Subsidiary	100.00%	--
CLS Beteiligungs GmbH *		Austria	Associate	66.67%	66.67%
Italian Gaming Holding a.s.		Czech Republic	Subsidiary	100.00%	100.00%
Kaizen Gaming Limited ("Kaizen") *		Malta	Associate	36.75%	36.75%
Lottoitalia S.r.l. ("Lottoitalia")*		Italy	Associate	32.50%	32.50%
LTB Beteiligungs GmbH *		Austria	Associate	66.67%	66.67%
OPAP S.A. ("OPAP") subgroup****		Greece	Subsidiary	50.71%	50.09%
Hellenic Lotteries S.A.		Greece	Subsidiary	42.34%	41.62%
Horse Races Single-Member S.A.		Greece	Subsidiary	50.71%	49.84%
Stoiximan Holding Ltd (Stoiximan business) *		Malta	Associate	34.66%	34.07%
Neurosoft Cyprus Ltd		Cyprus	Subsidiary	50.71%	49.84
Neurosoft Romania Srl		Romania	Subsidiary	48.17%	47.35
Neurosoft S.A.		Greece	Subsidiary	33.34%	33.75%
OPAP Cyprus Ltd		Cyprus	Subsidiary	50.71%	49.84%
OPAP International Ltd		Cyprus	Subsidiary	50.71%	49.84%
OPAP Investment Ltd		Cyprus	Subsidiary	50.71%	49.84%
OPAP Sports Ltd		Cyprus	Subsidiary	50.71%	49.84%
Stoiximan Limited*****		Malta	Subsidiary	42.84%	42.32%
Tora Direct Single-Member S.A.		Greece	Subsidiary	50.71%	49.84%
Tora Wallet Single-Member S.A.		Greece	Subsidiary	50.71%	49.84%
SAZKA a.s. ("SAZKA")		Czech Republic	Subsidiary	100.00%	100.00%
SAZKA Austrian Gaming Holding a.s.		Czech Republic	Subsidiary	100.00%	100.00%
SAZKA Delta Aif Variable Capital Investment Company Ltd		Cyprus	Subsidiary	100.00%	100.00%
SAZKA Delta Management Ltd	(b)	Cyprus	Subsidiary	100.00%	100.00%
SAZKA FTS a.s.		Czech Republic	Subsidiary	55.00%	55.00%
SAZKA Group Financing a.s.**		Slovakia	Subsidiary	100.00%	100.00%
SAZKAmobil 5G a.s.***		Czech Republic	Subsidiary	--	100.00%
SAZKA Services s.r.o.		Czech Republic	Subsidiary	100.00%	100.00%
SPORTLEASE a.s.		Czech Republic	Subsidiary	100.00%	100.00%

* The equity method investees comprise a group of entities.

** Companies in liquidation.

*** Companies were wound up and deconsolidated. The impact of the transaction is immaterial.

**** Treasury shares held by OPAP are excluded from the share count for the calculation of economic interest. The Group's interest in OPAP's total shares including treasury shares was 50.18% (31 December 2022: 49.84%) (see Note 2.6).

***** Treasury shares held by OPAP are excluded from the share count for the calculation of economic interest (see Note 2.6).

(a) New business combinations (see Note 4).

(b) 100.00% (2022: 66.70%) represents voting shares, the Group's economic interest in Sazka Delta Management is 100.00%.

36 Subsequent events

Strategic

Agreement to acquire a majority stake in Instant Win Gaming (IWG)

In February 2024, Allwyn announced an agreement to acquire a 70% ownership interest in IWG, to enhance the Group's content offering. IWG is a leading supplier of online instant games to lotteries and works with more than 25 national and state lotteries around the world, having a strong North American presence.

IWG reported EBITDA of £18.2m for the financial year ending 30 April 2023.

The transaction is anticipated to close in the second half of 2024, subject to the satisfaction of customary closing conditions.

Allwyn LS Group

In March 2024, Allwyn made a payment of USD 10.5 million (approximately €9.7 million), representing the outstanding contingent consideration relating to its purchase of Allwyn LS Group in March 2023.

Greece and Cyprus: OPAP share buyback programme

In October, OPAP initiated purchases under a share buyback programme of up to €150 million. As of 19 May 2024, OPAP had purchased own shares amounting to 0.92% of its total shares outstanding, with a total purchase price of €54.7 million.

As a result, Allwyn's economic interest in OPAP (net of treasury shares) increased from 50.71% as of 31 December 2023 to 51.18% as of 19 May 2024.

Italy: Memorandum of understanding to maintain partnership for upcoming licence tender

Allwyn and IGT Lottery S.p.A. have entered into a memorandum of understanding regarding Lottoitalia S.r.l., the joint venture responsible for managing the Italian Lotto licence, for both shareholders to maintain their partnership for the upcoming Lotto licence tender. It is expected that Allwyn will maintain its 32.5% equity ownership and IGT Lottery, Arianna 2001, and Novomatic Italia will maintain their 61.5%, 4%, and 2% share, respectively, with IGT serving as the principal operating partner. The Italian Lotto, and its associated games 10eLotto and MillionDAY, are deeply rooted in tradition and are among the most popular and successful games in Italy, with annual ticket sales of about €8 billion.

Financing

Allwyn financing arrangements

In February 2024, Allwyn International a.s. drew €250.0 million from its €300.0 million revolving credit facility.

In March 2024, Allwyn International a.s. increased the size of its syndicated bank loan with accordion facilities of €500.0 million, due in 2030. Concurrent with signing the accordion facilities, Allwyn International a.s. cancelled £188.8 million of undrawn commitments under a £380.0 million (€437.2 million equivalent) multi-purpose facility available under the Senior Facilities Agreement. Also in March 2024, the Group drew €240.0 million under the accordion facilities and repaid €250.0 million under its €300.0 million revolving credit facility, which remains fully available.

In May, Allwyn International a.s. issued USD 450m Term Loan B under a new senior facility agreement. The proceeds will be used to redeem in full the €400 million in aggregate principal amount outstanding under the Floating Rate Notes due 2028 issued by Allwyn Entertainment Financing (UK) plc.


Distribution to KKCG AG

In February 2024, the Company distributed dividend of €250.0 million to its parent company KKCG AG.

These consolidated financial statements were approved by the Board of Directors on 31 May 2024 and signed on its behalf by



Robert Chvátal
Authorized signatory



Pavel Šaroch
Member of the Board of Directors



Independent Auditor's Report

To the Board of Directors of Allwyn AG

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Allwyn AG, with its registered office at Weinmarkt 9, 6004 Luzern, Swiss Confederation (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023 and 31 December 2022, and of the Group's consolidated financial performance and consolidated cash flows for the years ended 31 December 2023 and 31 December 2022 in accordance with IFRS Accounting Standards as issued by the IASB.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statements of comprehensive income for the years ended 31 December 2023 and 31 December 2022,
- the consolidated statements of financial position as at 31 December 2023 and 31 December 2022,
- the consolidated statements of changes in equity for the years ended 31 December 2023 and 31 December 2022,
- the consolidated statements of cash flows for the years ended 31 December 2023 and 31 December 2022, and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

These consolidated financial statements are prepared for the purpose of raising debt finance.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

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T: +420 251 151 111, www.pwc.com/cz

PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

Responsibilities of the Board of Directors of the Company for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Audit regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

31 May 2024

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner

A handwritten signature in blue ink, appearing to read 'Jiří Zouhar', is written over a faint, light blue circular stamp.

Jiří Zouhar
Statutory Auditor, Licence No. 2542

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ISSUER

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FINAL TERMS

These final terms (the **Final Terms**) constitute the final terms within the meaning of Article 8(4) of Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **Prospectus Regulation**) and contain a bond programme supplement relating to the issue of the below specified bonds (the **Bonds**). The complete prospectus consists of (i) these Final Terms and (ii) the base prospectus of KKCG Financing a.s., with its registered office at Evropská 866/71, Vokovice, Prague 6, Czech Republic, Postal Code: 160 00, ID No.: 215 31 455, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 28853, LEI: 3157008MLJ4Z9TFPQQ90 (the **Issuer**), approved by the decision of the Czech National Bank (the **CNB**) ref. no. 2024/068934/CNB/650, file no. S-Sp-2024/00107/CNB/659 dated 19 June 2024, which became final and effective on 20 June 2024, (the **Base Prospectus**). Full information on the Issuer and the offer of the Bonds described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published and is available in electronic form on the Issuer's website investors.kkcg.com (the **Issuer's Website**).

The Base Prospectus is valid until 20 June 2025.

The public offering of the Bonds may continue after the expiry of the Base Prospectus if a subsequent Base Prospectus is approved and published no later than on the last day of the validity of the Base Prospectus. The Issuer's subsequent Base Prospectus will be published on the Issuer's Website. In accordance with Article 8(11) of the Prospectus Regulation, a right of withdrawal pursuant to Article 23(2) shall also apply to investors who have agreed to purchase or subscribe for the securities during the validity period of the previous base prospectus, unless the securities have already been delivered to them.

These Final Terms have been prepared for the purposes of Article 8(4) of the Prospectus Regulation and must be read in conjunction with the Base Prospectus and any supplements thereto.

In accordance with Article 8(5) of the Prospectus Regulation, these Final Terms have been published on the Issuer's Website and have been filed with the CNB in accordance with the law.

The Bonds are issued as the first issue under the bond programme of the Issuer with the maximum total nominal value of the outstanding Bonds of CZK 10,000,000,000 (the **Programme**). The wording of the joint terms and conditions, which are the same for each Issue issued under the Programme commencing on 19 June 2024 is set out in the chapter "*Joint Terms and Conditions of the Bonds*" in the Base Prospectus approved by the CNB and published by the Issuer (the **Joint Terms and Conditions**).

Capitalized terms not defined in these Final Terms shall have the meanings ascribed to them in the Base Prospectus unless the context of their use in these Final Terms indicates otherwise.

Investors should consider the risk factors associated with an investment in the Bonds. These risk factors are set out in the section of the Base Prospectus entitled "*Risk Factors*".

These Final Terms were drawn up on 20 June 2024 and the information contained herein is current only as of that date. The Issuer publishes information about itself and the results of its business activities on a regular basis in connection with the fulfilment of its information obligations under the applicable legislation. After the date of these Final Terms, prospective purchasers of the Bonds should base their investment decisions not only on these Final Terms and the Base Prospectus, but also on other information that may have been published by the Issuer after the date of these Final Terms or other publicly available information. This is without prejudice to the obligation of the Issuer to update the Base Prospectus by way of supplements within the meaning of Article 23(1) of the Prospectus Regulation.

The distribution of these Final Terms and the Base Prospectus and the offer, sale or purchase of the Bonds are restricted by law in certain countries. The Issuer has not applied and does not intend to apply for recognition

of the Base Prospectus and the Final Terms in any other jurisdiction and the Bonds will not be registered, authorised or approved by any administrative or other authority of any jurisdiction except for the approval of the Base Prospectus by the CNB.

The Bonds will be placed on the market by the Issuer through Česká spořitelna, a.s., J&T BANKA, a.s., Komerční banka, a.s. and PPF banka a.s. (the **Managers**).

MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS, ELIGIBLE COUNTERPARTIES AND RETAIL INVESTORS TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Bonds are appropriate including investment advice, portfolio management, non-advised sales and pure execution services. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

ISSUE SPECIFIC SUMMARY

The summary below sets out the key information that investors need to understand the nature and the risks of the Issuer and the Bonds. The summary should be read in conjunction of the Base Prospectus. Capitalised terms used in the summary have the meanings ascribed to them in the Joint Terms and Conditions or any other part of the Base Prospectus.

1 INTRODUCTION AND WARNINGS

Warnings	<p>This summary should be read as an introduction to the Base Prospectus and the Final Terms. Any decision to invest in the Bonds should be based on consideration of the Base Prospectus as a whole including any documents incorporated therein and any supplements thereto.</p> <p>Investors could lose all or part of their capital invested in the Bonds in the event that the Issuer does not have sufficient funds to repay the nominal amount of the Bonds and/or to pay the yield of the Bonds corresponding to the Issue Price of the Bonds.</p> <p>The Issuer assumes responsibility for the information contained in this summary. The Issuer can be held liable but only where the summary is misleading, inaccurate or inconsistent, when read together with the Base Prospectus, or where it does not provide, when read together with the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities. In the event that a claim relating to the information contained in the Base Prospectus is brought before a court, the claimant investor might, under national law, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p>
Name and international securities identification number (ISIN) of the Bonds	<p>Name of the Bonds Issue: KKCG FINAN 7,75/29.</p> <p>ISIN of the Bonds: CZ0003563009.</p>
The identity and contact details of the Issuer	<p>The issuer of the Bonds is KKCG Financing a.s., with its registered office at Evropská 866/71, Vokovice, Prague 6, Czech Republic, Postal Code: 160 00, ID No.: 215 31 455, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 28853, LEI: 3157008MLJ4Z9TFPQQ90.</p> <p>The Issuer may be contacted by telephone at +447961664498 or via email at ir@kkcg.com.</p>
The identity and contact details of persons offering the Bonds and person asking for admission to trading on a regulated market	<p>The placement of the Bonds will be made by the Issuer through the Managers, i.e.:</p> <p>Česká spořitelna, a.s., with its registered office at Olbrachtova 1929/62, 140 00 Prague 4, ID No.: 452 44 782, LEI: 9KOGW2C2FCIOJQ7FF485 (ČS). ČS may be contacted on telephone number +420 800 468 378 (800 INVEST) or via email at csas@csas.cz.</p> <p>J&T BANKA, a.s. with its registered office at Sokolovská 700/113a, Karlín, 186 00 Prague 8, ID No.: 471 15 378, LEI: 3157001000000043842 (J&T BANKA). J&T BANKA may be contacted on telephone number +420 221 710 666 or via email at DealingCZ@jtbank.cz.</p> <p>Komerční banka, a.s., with its registered office at Na Příkopě 969/33, 114 07 Prague 1, ID No.: 453 17 054, LEI: IYKCAVNFR8QGF00HV840 (KB). KB may be contacted on telephone number +420 222 008 522 or via email at corporatefinance@kb.cz.</p> <p>PPF banka a.s., with its registered office at Evropská 2690/17, 160 41 Prague 6, ID No.: 471 16 129, LEI: 31570010000000036567 (PPF). PPF may be contacted on telephone number +420 222 244 255 or via email at info@ppfbanka.cz.</p> <p>The Issuer will apply through the Listing Agent for admission of the Bonds to trading on the Regulated Market of the PSE The Listing Agent is J&T BANKA (Listing Agent), which may be contacted as described above.</p>
The identity and contact details of the competent authority approving the Base Prospectus	<p>The Base Prospectus has been approved by the Czech National Bank (CNB) as the financial market supervisory authority pursuant to Act No. 6/1993 Coll., on the Czech National Bank, as amended, and Article 31 of the Prospectus Regulation.</p> <p>The CNB may be contacted on telephone number +420 224 411 111 or +420 800 160 170.</p>

Date of approval of the Base Prospectus	The Base Prospectus was approved by the CNB in its decision ref. no. 2024/068934/CNB/650, file no. S-Sp-2024/00107/CNB/659 dated 19 June 2024, which became final and effective on 20 June 2024.
------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

2 KEY INFORMATION ON THE ISSUER

2.1 Who is the issuer of the securities?

Registered office, legal form of the Issuer, its country of incorporation, ID number, LEI and law under which it operates	<p>The Issuer is a joint-stock company incorporated under the laws of the Czech Republic, with its registered office at Evropská 866/71, Vokovice, Prague 6, Czech Republic, Postal Code: 160 00, ID No.: 215 31 455, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 28853, LEI: 3157008MLJ4Z9TFPQQ90.</p> <p>The Issuer is governed in its activities by Czech legislation, in particular Act No. 90/2012 Coll., on Companies and Cooperatives, as amended (the Act on Business Corporations), Act No. 89/2012 Coll., the Civil Code, as amended (the Civil Code).</p>
Principal activities of the Issuer	The issuer is a special purpose company that has not yet conducted any activity. The purpose of the Issuer is to issue the Bonds and provide financing to KKCG AG in the form of an intragroup loan as set out in the relevant Final Terms.
Shareholders of the Issuer	<p>The Issuer's sole shareholder is KKCG AG, with its registered office at Kapellgasse 21, 6004 Lucerne, Switzerland, ID No. CHE-326.367.231 (KKCG AG), which directly owns 100 % of the Issuer's registered capital.</p> <p>KKCG AG is, among others, a shareholder of a group of companies consisting of Allwyn AG, a company existing under the laws of Switzerland with its registered office at Weinmarkt 9, 6004 Lucerne, Switzerland, ID No. CHE-366.705.452 (Allwyn) and its direct and indirect subsidiaries (Group).</p>
Key managing directors of the Issuer	Key managing directors of the Issuer are Mr Petr Luňák and Ms Iva Horčicová, members of the board of directors of the Issuer.
Statutory auditor	The Issuer's auditor is PricewaterhouseCoopers Audit, s.r.o., an independent registered auditor with its registered office at Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, ID No.: 407 65 521 (PwC).

2.2 What is the key financial information regarding the Issuer?

Key financial information regarding the Issuer	<p>The following table summarises the key financial data of the Issuer.</p> <p style="text-align: center;">Statement of Financial Position as at 30 April 2024</p> <p style="text-align: center;">(in CZK thousands)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total assets</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">2,000</td> </tr> </table> <p>As the Issuer is a company incorporated for the purpose of issuing the Bonds and has not conducted any business activity prior to the date of approval of the Base Prospectus, the Issuer has only prepared an opening balance sheet as at 30 April 2024, which has been prepared in accordance with EU IFRS. The Opening Balance Sheet has been audited by PwC with an "unqualified" opinion.</p>		Total assets	2,000	Total equity	2,000
Total assets	2,000					
Total equity	2,000					

2.3 What are the key risks that are specific to the Issuer?

Key risks specific to the Issuer	<ol style="list-style-type: none"> 1. Risk associated with a special purpose company - The Issuer is a company established for the purpose of issuing the Bonds, providing proceeds from the issue of the Bonds as intragroup financing and subsequent administration of the loan. The Issuer does not carry out any other business activity, and therefore cannot generate resources from other business activities to repay debts from the Bonds. Although the liabilities arising under the Bonds are secured by a pledge of shares in Allwyn, the Issuer's credit dependence on KKCG AG and its subsidiaries may still negatively affect the Issuer's ability to meet its debts from the Bonds. 2. Risk of secondary dependency - The Issuer will use the proceeds from the issuance of the Bonds to provide financing to KKCG AG as set out in these Final Terms. Given that the Issuer itself does not conduct any business activities, the Issuer's ability to repay obligations from the Bonds is dependent on the ability of KKCG AG and its subsidiaries to generate sufficient resources from their activities to repay the obligations to the Issuer.
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3 KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

Bonds	<p>Book-entered bonds with a fixed interest rate in an aggregate anticipated nominal value of the Issue of CZK 5,000,000,000, with the possibility of increase up to CZK 10,000,000,000 due 2029, ISIN CZ0003563009. The Bonds will be registered with the Centrální depozitář cenných papírů, a.s., with registered office at Rybná 682/14, Staré Město, 110 00 Prague 1, Czech Republic, ID No.: 250 81 489, registered in the Commercial Register maintained by the Municipal Court in Prague, file number B 4308 (Central Depository).</p> <p>Each Bond is issued with a nominal value of CZK 10,000. The maximum number of Bonds that may be issued is 500,000 and up to 1,000,000 in case of increase of the total nominal amount of the Issue. The Issue Date is 17 July 2024 and the Final Maturity Date is 17 July 2029.</p> <p>The Bonds are issued pursuant to the Bonds Act.</p>																																																
Currency of the Bonds	Czech Crowns (CZK)																																																
Rights attached to the Bonds	<p>The rights and obligations of the Issuer and the Bondholders under the Bonds are governed by the Joint Terms and Conditions and the Final Terms.</p> <p>No pre-emption or exchange rights are attached to the Bonds. The Bonds carry, in particular, the right to payment of the nominal value on the Final Maturity Date and the right to receive the yield on the Bonds. If the Bonds are not redeemed early, the nominal value of the Bonds will be redeemed in a single payment on the Final Maturity Date.</p> <p>The Bonds also carry the right to attend and vote at meetings of the Bondholders convened in accordance with the Bonds Act and the Joint Terms and Conditions and the Final Terms.</p> <p>The Bonds further carry the right of the Bondholders to require the early redemption of the nominal value of the Bonds together with the pro-rata interest accrued on such Bonds if an Event of Default occurs and is continuing and in the event of non-participation in, or voting against a Material Change at a meeting of the Bondholders.</p> <p>On any Interest Payment Date (IPD), the Issuer shall have the right to redeem all or part of the outstanding Bonds (Early Redemption Date) by giving notice to the Bondholders no later than 40 days prior to the relevant Early Redemption Date.</p> <p>If the Issuer exercises its right to redeem the outstanding Bonds under the Issue early (in whole or in part), it is obliged to pay the full outstanding nominal value of the Bonds, the corresponding interest income accruing on the amount of such early redeemed nominal value of the Bonds as of the Early Redemption Date and the extraordinary interest income (Premium) determined as a percentage of the nominal value of the Bonds, as set out in the following table:</p> <table border="1" data-bbox="368 1350 1433 1592"> <thead> <tr> <th>IPD</th> <th>Premium</th> <th>IPD</th> <th>Premium</th> <th>IPD</th> <th>Premium</th> <th>IPD</th> <th>Premium</th> </tr> </thead> <tbody> <tr> <td>17.10.2024</td> <td>14.710 %</td> <td>17.01.2026</td> <td>6.065 %</td> <td>17.04.2027</td> <td>1.744 %</td> <td>17.07.2028</td> <td>0.775 %</td> </tr> <tr> <td>17.01.2025</td> <td>13.059 %</td> <td>17.04.2026</td> <td>4.216 %</td> <td>17.07.2027</td> <td>1.550 %</td> <td>17.10.2028</td> <td>0.581 %</td> </tr> <tr> <td>17.04.2025</td> <td>11.369 %</td> <td>17.07.2026</td> <td>2.325 %</td> <td>17.10.2027</td> <td>1.356 %</td> <td>17.01.2029</td> <td>0.000 %</td> </tr> <tr> <td>17.07.2025</td> <td>9.641 %</td> <td>17.10.2026</td> <td>2.131 %</td> <td>17.01.2028</td> <td>1.163 %</td> <td>17.04.2029</td> <td>0.000 %</td> </tr> <tr> <td>17.10.2025</td> <td>7.873 %</td> <td>17.01.2027</td> <td>1.938 %</td> <td>17.04.2028</td> <td>0.969 %</td> <td>17.07.2029</td> <td>0.000 %</td> </tr> </tbody> </table> <p>If a Change of Control occurs, a Bondholder may, at its own discretion, request the Issuer to purchase its Bonds before the Final Maturity Date of the Bonds, by a written notice addressed to the Issuer and delivered to the Fiscal and Paying Agent to the address of the Specified Office (Buyback Notice), always for 101 % of the outstanding nominal amount of its Bonds on the Buyback Date increased by interest accrued and due as of the Buyback Date and the Issuer must purchase the Bonds of the relevant Bondholder within (and including) 30 days after the Bondholder delivered the Buyback Notice to the Fiscal and Paying Agent.</p> <p>The Buyback Notice must be delivered to the Fiscal and Paying Agent no later than 30 days after the day when the Bondholder learned, or could have learned, about the Change of Control.</p> <p>The Issuer, or any of the Issuer's affiliates, is authorised to purchase the Bonds in the market or otherwise at any price.</p>	IPD	Premium	IPD	Premium	IPD	Premium	IPD	Premium	17.10.2024	14.710 %	17.01.2026	6.065 %	17.04.2027	1.744 %	17.07.2028	0.775 %	17.01.2025	13.059 %	17.04.2026	4.216 %	17.07.2027	1.550 %	17.10.2028	0.581 %	17.04.2025	11.369 %	17.07.2026	2.325 %	17.10.2027	1.356 %	17.01.2029	0.000 %	17.07.2025	9.641 %	17.10.2026	2.131 %	17.01.2028	1.163 %	17.04.2029	0.000 %	17.10.2025	7.873 %	17.01.2027	1.938 %	17.04.2028	0.969 %	17.07.2029	0.000 %
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The relative seniority of the Bonds in the event of Issuer's insolvency	The Bonds constitute direct, general, unconditional and unsubordinated liabilities of the Issuer secured by the Security (as defined in the Joint Terms and Conditions) which rank and will rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with any present and future unsubordinated and in the same or similar manner secured liabilities of the Issuer, with the exception of liabilities treated preferentially under applicable mandatory laws. Under the same conditions, the Issuer must treat all Bondholders equally.
Transferability of the Bonds	The transferability of the Bonds is not restricted.
Yield of the Bonds	The Bonds bear a fixed interest rate of 7.75% per annum.

3.2 Where will the securities be traded?

Admission of the Bonds to a regulated or other market	The Issuer, through the Listing Agent, will apply for admission of the Bonds to trading on the Regulated Market of the PSE.
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3.3 Is there a guarantee attached to the securities?

Description of the nature and scope of the guarantee	There is no guarantee attached to the Bonds. The liabilities of the Issuer arising from the Bonds will be secured by initial security established in favour of the Bondholders, and the Security Agent, respectively, under (i) an initial agreement creating a security interest in respect of up to 25% of shares in Allwyn or, as applicable, any securities account where shares in Allwyn may be held from time to time, including any nominee account, or any rights arising from an entry in a securities register enabling the entitled person to directly or indirectly deal or restrict dealing with the Allwyn shares in a way similar to a due possessor (including by way of a control agreement) between the Pledgee and the Parent as Pledgor, as amended, supplemented or restated from time to time (the Initial Security Agreement), (ii) if necessary, one or more additional agreements creating a security interest in respect of shares in Allwyn, any securities account where shares in Allwyn may be held from time to time, including any nominee account, or any rights arising from an entry in a securities register enabling the entitled person to directly or indirectly deal or restrict dealing with the Allwyn shares in a way similar to a due possessor (including by way of a control agreement) between the Pledgee and the Pledgor, as amended, supplemented or restated from time to time (the Additional Security Agreements and each the Additional Security Agreement and the Initial Security Agreement , together with the Additional Security Agreements , the Security Agreements and each a Security Agreement), and (iii) Czech law pledge over the receivables arising under a framework intra-group loan agreement entered between the Issuer as lender and KKCG AG as borrower by virtue of which the proceeds of the Issues will be made available to KKCG AG as amended, supplemented or restated from time to time (the Czech Receivables Pledge Agreement and, together with the Initial Security Agreement , the Initial Security Documents and, the Initial Security Documents together with the Additional Security Documents (as defined in Condition 4 of the Joint Terms and Conditions), as may be replaced from time to time as a result of the Permitted Security Replacement , the Security Documents , and the pledges or other security interests created under the Initial Security Documents together as Initial Security and, the Initial Security together with the Additional Security (as defined in Condition 4 of the Joint Terms and Conditions), the Security).
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3.4 What are key risks that are specific to the securities?

Key risks that are specific to the Bonds	<p>Risk factors specific to the Bonds include in particular the following legal and other facts:</p> <ol style="list-style-type: none"> Liquidity risk – Notwithstanding the intention to admit the Bonds to trading on a regulated market, there can be no assurance that the Bonds will in fact be admitted to trading, that a sufficiently liquid secondary market will develop or, if one does develop, that such secondary market will be sustained. The fact that Bonds may be admitted to trading on a regulated market will not necessarily result in greater liquidity for such Bonds than for Bonds not admitted to trading on a regulated market. Return on investment in the Bonds may be affected by the interest rate – Investment in Bonds which bear interest at a fixed rate, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. The holder of a Bond with a fixed interest rate is exposed to the risk of a decrease in the price of such a Bond as a result of changes in the market interest rates – the CNB has been continuously lowering the two-week repo rate to the current 5.25% applicable from 3 May 2024. While the nominal interest rate is fixed for the term of the existence of the Bonds, the current interest rate on the capital market usually changes daily. As the market interest rate changes, the price of the fixed-rate Bond
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	<p>changes too, but it does so inversely. If the market interest rate increases, the price of the fixed-rate Bond usually drops to a level where the yield of such a Bond roughly equals the market interest rate. On the contrary, if the market interest rate decreases, the price of the fixed rate Bond usually rises to a level where the yield of such a Bond roughly equals the market interest rate. This fact may have an adverse impact on the value and development of the investment in the Bonds.</p> <p>3. If a Bondholder owns Bonds denominated in a currency other than its home currency, it is exposed to currency exchange rate movements and possible currency restrictions that may adversely affect the value of such Bondholder's Bonds – The Issuer will pay principal and interest on the Bonds in CZK. This presents certain currency exchange risks if the financial activities of the Bondholder are predominantly denominated in another currency than the currency of the Bond. These include the risk of significant changes in currency exchange rates (including changes caused by devaluation of the Bond Currency or revaluation of the Investor Currency) and the risk that authorities with jurisdiction over the Investor Currency and/or the Bond Currency may impose or modify currency restrictions.</p> <p>4. The Bonds may be subject to repurchase or early redemption risk – The Issuer has the right to redeem the Bonds before their maturity date. If the Issuer redeems any Bonds prior to their maturity date, the Bondholder shall be exposed to the risk of a lower than expected yield by reason of such early redemption. For example, the Issuer may exercise its option right if the yield of comparable Bonds in the capital markets declines, which means that an investor may only be able to reinvest the redeemed proceeds in Bonds with a lower yield. In addition, the possibility of early redemption may limit the market price of the Bonds for as long as such early redemption is possible or in the period preceding such possible early redemption.</p>
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4 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1 Under which conditions and timetable can I invest in this security?

Conditions of the public offering	<p>The Bonds will be offered to investors in the Czech Republic by the Issuer through the Managers by way of public offering under Article 2(d) of the Prospectus Regulation between 20 June 2024 – 8 July 2024.</p> <p>The Bonds will be issued in tranches during the Subscription Period or during the Additional Subscription Period.</p> <p>Participation in the public offer is subject to proof of the investor's identity with a valid identity document.</p> <p>In connection with the placing of an order, investors are obliged to enter into a commission/brokerage/investment services agreement with the relevant Manager for, inter alia, the purpose of opening a securities account in the investment instruments register of the Central Depository (provided that such account has not already been established). Such investors are further obliged to open a CZK denominated cash account with the relevant Manager with a sufficient credit balance for the purpose of settling the purchase of the Bonds (the maintenance of such account will be subject to fees in accordance with the standard price list of the relevant Manager for CZK denominated cash accounts), or may be required by the relevant Manager to submit other necessary documents and identification data.</p>
Expected timetable for the public offer	The Bonds will be offered from 20 June 2024 to 8 July 2024.
Information regarding admission to trading on a regulated market	The Issuer will apply through the Listing Agent for admission of the Bonds to trading on the Regulated Market of the PSE.
Plan for distribution and public offer of the Bonds	The Issuer, through the Managers, intends to offer the Bonds by way of a public offering to all categories of investors in the Czech Republic and to selected qualified investors (and, where applicable, to other investors on terms that do not require the offeror to prepare and publish a prospectus in the relevant country) abroad, always in accordance with the relevant laws and regulations applicable in each country in which the Bonds are to be offered.

	<p>Investors will always be contacted by the relevant Manager (in particular by means of remote communication) and invited to place an order to purchase the Bonds (Order).</p> <p>On the Issue Date or, in the case of Bonds issued in tranches after the Issue Date, on the relevant Settlement Date pursuant to the Subscription Agreement, the Bonds will be subscribed for by the relevant Manager against payment of the issue price of the Bonds to the Issuer pursuant to the Subscription Agreement. Subsequently, on the same date, the Bonds, other than those which continue to be held by and offered through the relevant Manager (in accordance with the Prospectus Regulation), will be sold by such Manager to end investors.</p> <p>The relevant Manager will satisfy the instructions for the subscription of the Bonds submitted by the end investors and arrange for the transfer of the Bonds to the individual investors' securities accounts held in the relevant records of the Central Depository against payment of the Issue Price, on the Issue Date or, in the case of Bonds issued in tranches after the Issue Date, on the relevant date of issue of such tranche of Bonds and as instructed by the end investor and on the terms and conditions set out in the agreement between the relevant Manager and the end investor. At the same time, the relevant Manager shall collect from the cash account of the end investor an amount equal to the issue price for the Bonds.</p> <p>Minimum order amount: CZK 10,000</p> <p>The maximum aggregate nominal amount of Bonds requested by an individual investor in an Order is limited to the aggregate anticipated nominal value of the Bonds offered. If the volume of Orders exceeds the volume of the Issue, the Managers shall be entitled to shorten investors' bids at their sole discretion (if the investor has already paid the respective Manager the full price for the Bonds originally requested in the order, the relevant Manager shall send back any overpayment without undue delay to the account communicated to the relevant Manager by the investor).</p> <p>The final nominal value of the Bonds allocated to each investor will be indicated in the confirmation of acceptance of the offer which will be sent by the Managers to each investor (in particular by means of remote communication). The investor shall not be able to trade the subscribed Bonds prior to the delivery of this confirmation. The period during which the public offer will be open is from 20 June 2024 to 8 July 2024. The public offer may be terminated if the whole volume of the Issue has been subscribed for by investors or based on a decision of the Issuer.</p> <p>The purchase price for the Bonds issued on the Issue Date corresponds to 100% of the nominal value of the Bonds. The purchase price for the Bonds issued (in tranches) after the Issue Date in the event of a public offering in connection with the primary subscription of Bonds within the Subscription Period or the Additional Subscription Period will be determined based on a joint decision of the Issuer and the Managers at all times on the basis of current market conditions and will be published periodically on the Issuer's Website (investors.kkcg.com) and on the website of each respective Manager – www.kb.cz (in the section <i>About Bank, Obligatory Published Information, Information on Securities, Bond Issues of KB clients</i> (in case of KB), www.csas.cz (in the section <i>Podpora a Dokumenty – Dokumenty ke stažení – Prospekty a emisní dodatky</i>) (in case of ČS), www.jtbank.cz, (in the section <i>Důležité informace, Emise cenných papírů, KKCG Financing a.s.</i>)) (in case of J&T BANKA), www.ppfbanka.cz, in the section <i>Important documents, Securities</i> (in case of PPF).</p>
<p>An estimate of the total costs associated with the Issue or public offer</p>	<p>The costs of preparing the Issue are estimated at approximately CZK 126 million and in the event of an increase in the total nominal amount of the Issue up to the maximum amount, such costs are estimated at approximately CZK 234 million.</p> <p>In connection with the acquisition of the Bonds through ČS, the investor in the Bonds will be charged a fee of 0.25 % of the nominal amount of the Bond to be acquired. It may also be charged regular fees for the keeping of an investment account, which as of the date of these Final Terms, do not exceed 0.04 % per annum of the aggregate nominal amount of the Bonds in such an account, but will be at least CZK 25 per calendar quarter.</p> <p>In connection with the acquisition of the Bonds through J&T BANKA, the investor in the Bonds will be charged fees according to the current standard price list of J&T BANKA published on the website of J&T BANKA www.jtbank.cz, in the section <i>Important information, Fee schedule (Důležité informace, Sazebník poplatků)</i>. As at the date of these Final Terms, such fees amount to 0.15% of the trading volume of the Bonds to be acquired pursuant to the subscription order, subject to a minimum of CZK 2,000.</p> <p>In connection with the acquisition of the Bonds through KB, the investor in the Bonds will be charged, in accordance with the current KB pricelist and subscription instruction a fee of 0.25 % of the nominal amount of the Bond to be acquired. The fee is calculated on the volume of the trade, excluding accrued interest, whereas the Central Depository fee may be added to these fees. Each</p>

	<p>investor who buys the Notes from KB will pay the regular fees of KB for keeping the securities account according to the current KB pricelist published on the website www.kb.cz in the section <i>Price lists, Price list of Business products, Individuals (Ceny a sazby, Sazebníky KB, Občané)</i>. As at the date of these Final Terms, these costs will not exceed 0.02 % per annum of the aggregate nominal amount of the Bonds in such an account (plus value added tax, if applicable) but will be at least CZK 15 per month.</p> <p>In connection with the acquisition of the Bonds through PPF, the investor in the Bonds will not be charged any upfront nor safekeeping fee.</p> <p>The investor may be required to pay additional fees charged by the intermediary of the purchase or sale of the Bonds, the person keeping the records of the Bonds, the person who performs the clearing of the Bonds transaction, or by another person, e.g. fees for opening and maintaining an investment account, for arranging the transfer of the Bonds, services related to custody of the Bonds, their registration</p>
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4.2 Who is the offeror and/or the person asking for admission to trading?

Description of the persons offering the Bonds	<p>The Bonds will be placed on the market by the Issuer through the Managers, i.e. Česká spořitelna, a.s., J&T BANKA, a.s., Komerční banka, a.s. and PPF banka a.s.</p> <p>The Managers are banks and their activities are governed by Czech legislation, in particular the Civil Code, the Act on Business Corporations, the Act No. 21/1992 Coll., on Banks, as amended (the Act on Banks), and the Act No. 256/2004 Coll., on Conducting Business in the Capital Market (the Capital Market Act).</p>
Description of the person asking for admission to trading on a regulated market	<p>The Issuer will apply through the Listing Agent for admission of the Bonds to trading on the Regulated Market of the PSE. The Listing Agent is a bank and its activities are governed by Czech legislation, in particular the Civil Code, the Act on Business Corporations, the Act on Banks and the Capital Market Act.</p>

4.3 Why is this base prospectus being produced?

Use and estimated net amounts of the proceeds	<p>The Issuer will provide an amount of the net proceeds to KKCG AG through an intragroup loan and KKCG AG will use such amount to refinance its outstanding financial indebtedness (or a portion thereof), finance its investment activities and operations, finance the distribution of dividends to its shareholders and/or for general corporate purposes outside of the gaming sector.</p> <p>The costs of preparing the Issue are estimated at approximately CZK 126 million and in the event of an increase in the total nominal amount of the Issue up to the maximum amount, such costs are estimated at approximately CZK 234 million. The net proceeds of the Issue obtained by the Issuer (if the expected total nominal amount of the Issue is issued) will be approximately CZK 4 874 million and if the total nominal amount of the Issue is increased up to the total maximum amount, the net proceeds of the Issue will be approximately CZK 9 766 million. The entire proceeds will be used for the above-described purpose.</p>
Placement of the Bonds	<p>The Managers have undertaken to use their best efforts as may be reasonably required to locate potential investors in the Bonds and to place and sell the Bonds to such investors. The offering of the Bonds will thus be made on a "<i>best efforts</i>" basis, i.e. the Managers will use all efforts that may reasonably be required of them to place (i.e. subscribe for or purchase by investors) the Bonds in the Issue, but in the event that such placement fails, the Managers will not be obliged to subscribe for and purchase any further Bonds expected to be issued under the Issue. Neither the Managers nor any other persons have assumed any firm obligation to the Issuer to subscribe for or purchase Bonds in connection with the Issue.</p>
Material conflicts of interest pertaining to the offer or the admission to trading	<p>To the Issuer's knowledge, no person or entity participating in the Issue or offering of the Bonds has an interest in such Issue or offering that is material to such Issue or offering of the Bonds except for J&T BANKA, which also serves as Manager, Fiscal and Paying Agent, Security Agent, Common Representative, Calculation Agent and Listing Agent for the Issue.</p>

1. RESPONSIBILITY STATEMENT

1.1 Persons responsible for the information contained in the Final Terms

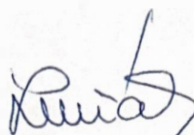
The person responsible for the accuracy and completeness of the information contained in these Final Terms is the Issuer, KKCG Financing a.s., with its registered office at Evropská 866/71, Vokovice, Prague 6, Czech Republic, Postal Code: 160 00, ID No.: 215 31 455, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 28853.

1.2 Declaration of the Issuer

The Issuer declares that, to the best of its knowledge, the information contained in these Final Terms is in accordance with the facts and that these Final Terms make no omission likely to affect their import.

In Prague on 20 June 2024

KKCG Financing a.s.



Name: Iva Horčicová
Position: Chairman of the Board of Directors

Name: Petr Luňák
Position: Member of the Board of Directors

2. BOND PROGRAMME SUPPLEMENT

This bond programme supplement dated 20 June 2024 and prepared in relation to the Bonds (the **Pricing Supplement**) constitutes a supplement to the Joint Terms and Conditions as the joint terms and conditions of the Programme within the meaning of Section 11(3) of the Bonds Act.

This Pricing Supplement and the Joint Terms and Conditions together form the complete Terms and Conditions of the below specified issue of Bonds under the Programme.

The Pricing Supplement and the Joint Terms and Conditions have to be read and interpreted altogether. In case of any discrepancy between the Joint Terms and Conditions and this Pricing Supplement, the provisions of this Pricing Supplement will prevail; however, this does not affect the Joint Terms and Conditions in relation to any other Issue under the Programme.

The following parameters of the Bonds specify and supplement, in connection with this Issue, the Joint Terms and Conditions published earlier in the manner described above. The terms and conditions indicated in the table below as “not applicable” do not apply to the Bonds.

The capitalised terms used in this Pricing Supplement have the same meaning as ascribed to them in the Joint Terms and Conditions, unless otherwise defined in this Pricing Supplement.

The Bonds are issued under Czech law, in particular pursuant to the Bonds Act.

PART A – CONDITIONS OF THE ISSUE

1. ISIN of the Bonds: CZ0003563009
2. Condition 4 of the Joint Terms and Conditions (Obligations of the Issuer): applicable
3. Nominal value of each Bond: CZK 10,000
4. Aggregate anticipated nominal value of the Issue: CZK 5,000,000,000
5. Issuer's right to increase the total nominal value of the Issue and conditions of such increase: yes; the Issuer has the right to increase the total nominal value of the Issue; the amount of such increase will not exceed CZK 5,000,000,000
6. Quantity of Bonds: 500,000; up to 1,000,000 in case of increase of the total nominal value of the Issue
7. Currency of the Bonds: CZK
8. Specified Currency (if different than the currency of Bonds set out in 7 above): not applicable
9. Issue Method: The Bonds will be issued in tranches during the Subscription Period or during the Additional Subscription Period.
10. Name of the Bonds Issue: KKCG FINAN 7,75/29
11. Issue Date: 17 July 2024
12. Final Maturity Date: 17 July 2029
13. Subscription period: 20 June 2024 – 8 July 2024
14. Issue Price of the Bonds issued on the Issue Date: 100% of the nominal value of the Bonds
15. Day Count Fraction: BCK Standard 30E/360

The Day Count Fraction also applies in respect of the calculation of interest on the Bonds accrued for the period of one current year.
16. **Fixed Rate Bonds:** applicable
 - 16.1 Interest rate: 7.75% p.a.
 - 16.2 Interest Payment Dates: On 17 July, 17 October, 17 January and 17 April each year, whereas the first Interest Payment Date falls on 17 October 2024 .

For the purposes of determining the start of any Interest Period, the Interest Payment Date will be adjusted pursuant to the Business Day Convention.

- 17. **Floating Rate Bonds:** not applicable
- 18. Other value that the Issuer will pay to the Bondholders at final maturity: not applicable
- 19. Record Date for Interest Payment: as per Condition 15
- 20. Record Date for Nominal Amount Repayment: as per Condition 15
- 21. Early redemption at the option of the Issuer under Condition 6.4 of the Joint Terms and Conditions: applicable
 - 21.1 The Issuer is entitled to redeem early the nominal value of the Bonds partially: applicable
 - 21.2 Minimum Prepayment Amount: not applicable
 - 21.3 Maximum Prepayment Amount: not applicable
 - 21.4 Dates on which the Issuer may redeem the Bonds early upon decision of the Issuer: on any Interest Payment Date (**IPD**)
 - 21.5 Period for notification of the early redemption at the option of the Issuer to the Bondholders: The Issuer must notify the Bondholders no later than 40 days prior to the Early Redemption Date.
 - 21.6 Early redemption Payment Amount in respect of each Bond: 100% of the outstanding nominal amount of the Bond, the relevant interest income accruing on the amount of the early repaid nominal amount of such Bond as of the Early Redemption Date and the extraordinary interest income (**Premium**) determined as a percentage of the nominal value of the Bond, as set out in the following table:

IPD	Premium
17 October 2024	14.710%
17 January 2025	13.059%
17 April 2025	11.369%
17 July 2025	9.641%

		17 October 2025	7.873%
		17 January 2026	6.065%
		17 April 2026	4.216%
		17 July 2026	2.325%
		17 October 2026	2.131%
		17 January 2027	1.938%
		17 April 2027	1.744%
		17 July 2027	1.550%
		17 October 2027	1.356%
		17 January 2028	1.163%
		17 April 2028	0.969%
		17 July 2028	0.775%
		17 October 2028	0.581%
		17 January 2029	0.000%
		17 April 2029	0.000%
		17 July 2029	0.000%
22.	Bondholder Buyback under Condition 6.5 of the Joint Terms and Conditions:	applicable	
	22.1 Period for notification of the Early Redemption Decision to the Issuer:	as per Condition 6.5 of the Joint Terms and Conditions	
	22.2 Early redemption Payment Amount in respect of each Bond:	as per Condition 6.5 of the Joint Terms and Conditions	
23.	Currency in which interest on the Bonds will be paid and/or currency in which the nominal value will be redeemed (if other than the currency in which the Bonds are denominated):	not applicable	
24.	Business Day Convention for determination of Payment Dates (other than Interest Payment Day):	Following Business Day Convention	
25.	Obligation of the Issuer to pay to the Bondholders any additional amounts as a compensation of the withholding or deduction of any taxes, duties, assessments or	as per Condition 8 of the Joint Terms and Conditions	

governmental charges of whatever nature over nominal amount and interest in respect of the Bonds:

26.	Condition 9.1 of the Joint Terms and Conditions (Events of Default):	yes
27.	Fiscal and Paying Agent:	J&T BANKA
28.	Specified Office:	as per Condition 11.1(a) of the Joint Terms and Conditions
29.	Calculation Agent:	J&T BANKA
30.	Listing Agent:	J&T BANKA
31.	Other Agents:	J&T IB and Capital Markets, a.s. in its respective role as the Arranger and the main coordinator
32.	Financial Centre	Prague
33.	Persons Authorised to Attend the Meeting:	as per Condition 12.2 of the Joint Terms and Conditions
34.	Condition 12.4(a) of the Joint Terms and Conditions (Consequence of Voting against Certain Resolutions of the Meeting):	applicable
35.	Internal approval of the Issue:	10 June 2024
36.	Details of the persons involved in the arrangement of the issuance of the Bonds:	The issuance of Bonds will be arranged by J&T IB and Capital Markets, a.s.
37.	Advisors	The names, functions and addresses of the Advisors are set out on the last page of these Final Terms.
38.	Information sourced from third parties included in the Final Terms / source of information:	not applicable
39.	Post-issuance information:	not applicable

PART B – OTHER INFORMATION

1.	Public offering:	The Bonds will be distributed by way of a public offering. The Issuer will offer the Bonds up to the total nominal amount of the Issue to domestic qualified and non-qualified (mainly retail) investors.
1.1	Conditions of the public offering:	Conditions of the public offering: Participation in the public offer is subject to proof of the investor's identity with a valid identity document.

Investors will always be contacted by the relevant Manager (in particular by means of remote communication) and invited to place an order to purchase the Bonds. In connection with the placing of an order, such investors are obliged to enter into a commission, brokerage or investment services agreement with the relevant Manager for, inter alia, the purpose of opening a securities account in the investment instruments register of the Central Depository (provided that such account has not already been established). Such investors are further obliged to open a CZK denominated cash account with the relevant Manager with a sufficient credit balance for the purpose of settling the purchase of the Bonds (the maintenance of such account will be subject to fees in accordance with the standard price list of the relevant Manager for CZK denominated cash accounts), or may be required by the relevant Manager to submit other necessary documents and identification data.

On the Issue Date or, in the case of Bonds issued in tranches after the Issue Date, on the relevant Settlement Date pursuant to the Subscription Agreement, the Bonds will be subscribed for by the relevant Manager against payment of the issue price of the Bonds to the Issuer pursuant to the Subscription Agreement. Subsequently, on the same date, the Bonds, other than those which continue to be held by and offered through the relevant Manager (in accordance with the Prospectus Regulation), will be sold by such Manager to end investors.

The relevant Manager will satisfy the instructions for the subscription of the Bonds submitted by the end investors and arrange for the transfer of the Bonds to the individual investors' securities accounts held in the relevant records of the Central Depository against payment of the Issue Price, on the Issue Date or, in the case of Bonds issued in tranches after the Issue Date, on the relevant date of issue of such tranche of Bonds and as instructed by the end investor and on the terms and conditions set out in the agreement between the relevant Manager and the end investor. At the same time, the relevant Manager shall collect from the cash account of the end investor an amount equal to the issue price for the Bonds.

Minimum order amount: CZK 10,000

The maximum aggregate nominal amount of Bonds requested by an individual investor in an order is limited to the aggregate nominal amount of the Bonds offered.

Placement of the Issue will be made through Česká spořitelna, a.s., with its registered office at Olbrachtova 1929/62, 140 00 Prague 4, ID No.: 452 44 782, LEI: 9KOGW2C2FCIOJQ7FF485, registered in the Commercial Register maintained by the Municipal Court in Prague under file no. B 1171 (ČS), J&T BANKA, a.s. with its registered office at Sokolovská 700/113a, Karlín, 186 00 Prague 8, ID No.: 471 15 378, LEI: 31570010000000043842, registered in the Commercial Register maintained by the Municipal Court in Prague under file no. B 1731 (**J&T BANKA**), Komerční banka, a.s., with its registered office at Na Příkopě 969/33, 114 07 Prague 1, ID No.: 453 17 054, LEI: IYKCAVNFR8QGF00HV840, registered in the Commercial Register maintained by the Municipal Court in Prague under file no. B 1360 (**KB**) and PPF banka a.s., with its registered office at Evropská 2690/17, 160 41 Prague 6, ID No.: 471 16 129, LEI: 31570010000000036567, registered in the Commercial Register maintained by the Municipal Court in Prague under file no. B 1834 (**PPF** and with ČS, J&T BANKA and KB jointly as **Managers** and each of them individually as **Manager**).

The Managers shall be entitled to reduce investors' bids at their sole discretion (if the investor has already paid the respective Manager the full price for the Bonds originally requested in the order, the relevant Manager shall send back any overpayment without undue delay to the account communicated to the relevant Manager by the investor).

The final nominal value of the Bonds allocated to each investor will be indicated in the confirmation of acceptance of the offer which will be sent by the Managers to each investor (in particular by means of remote communication). The investor shall not be able to trade the subscribed Bonds prior to the delivery of this confirmation.

The period during which the public offer will be open is from 20 June 2024 to 8 July 2024. The public offer may be terminated if the whole

volume of the Issue has been subscribed for by investors or based on a decision of the Issuer.

In a public offering made by the Issuer, the price for the Bonds on the Issue Date will be equal to 100 % of the nominal value of the Bonds being purchased. The purchase price for the Bonds issued (in tranches) after the Issue Date in the event of a public offering in connection with the primary subscription of Bonds within the Subscription Period or the Additional Subscription Period will be determined based on a joint decision of the Issuer and the Managers at all times on the basis of current market conditions and will be published periodically on the Issuer's Website (investors.kkcg.com) and on the website of each respective Manager – www.kb.cz (in the section *About Bank, Obligatory Published Information, Information on Securities, Bond Issues of KB clients* (in case of KB), www.csas.cz (in the section *Podpora a Dokumenty – Dokumenty ke stažení – Prospekty a emisní dodatky*) (in case of ČS), www.jtbank.cz, (in the section *Důležité informace, Emise cenných papírů*, KKCG Financing a.s) (in case of J&T BANKA), www.ppfbanka.cz, in the section *Important documents, Securities* (in case of PPF).

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| 1.2 | Indication whether dealing may begin before notification is made: | not applicable |
| 1.3 | Manner and date in which results of the offer are to be made public: | The results of the offering of the Bonds, including the total nominal value of all issued Bonds comprising the Issue, will be published without undue delay after the closing of the offering on the Issuer's Website (investors.kkcg.com) and on the websites of the Managers indicated in paragraph 1.1 above. |
| 1.4 | Method and time limits for paying up the Bonds and for delivery of the Bonds: | The settlement will be performed on a DVP (delivery versus payment) or DFP (delivery free of payment) basis through the Central Depository and Fiscal and Paying Agent, as applicable, or through persons keeping the related records following the standard practices in accordance with the rules and operating procedures of the PSE and the Central Depository and within the deadlines set by the applicable rules. The settlement will be administered by J&T BANKA in the role of the Fiscal and Paying Agent. |
| 1.5 | The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the | No pre-emption, subscription or exchange rights will be attached to the Bonds. |

treatment of subscription rights not exercised:

- 1.6 If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche: Not applicable, no tranche has been reserved specifically for a particular market.
- 1.7 Amount of expenses charged to the subscriber / purchaser: In connection with the acquisition of the Bonds through ČS, the investor in the Bonds will be charged a fee of 0.25 % of the nominal amount of the Bond to be acquired. It may also be charged regular fees for the keeping of an investment account, which as of the date of these Final Terms, do not exceed 0.04 % per annum of the aggregate nominal amount of the Bonds in such an account, but will be at least CZK 25 per calendar quarter.
- In connection with the acquisition of the Bonds through J&T BANKA, the investor in the Bonds will be charged fees according to the current standard price list of J&T BANKA published on the website of J&T BANKA www.jtbank.cz, in the section *Important information, Fee schedule (Důležité informace, Sazebník poplatků)*. As at the date of these Final Terms, such fees amount to 0.15% of the trading volume of the Bonds to be acquired pursuant to the subscription order, subject to a minimum of CZK 2,000.
- In connection with the acquisition of the Bonds through KB, the investor in the Bonds will be charged, in accordance with the current KB pricelist and subscription instruction a fee of 0.25 % of the nominal amount of the Bond to be acquired. The fee is calculated on the volume of the trade, excluding accrued interest, whereas the Central Depository fee may be added to these fees. Each investor who buys the Notes from KB will pay the regular fees of KB for keeping the securities account according to the current KB pricelist published on the website www.kb.cz in the section *Price lists, Price list of Business products, Individuals (Ceny a sazby, Sazebníky KB, Občané)*. As at the date of these Final Terms, these costs will not exceed 0.02 % per annum of the aggregate nominal amount of the Bonds in such an account (plus value added tax, if applicable) but will be at least CZK 15 per month.
- In connection with the acquisition of the Bonds through PPF, the investor in the Bonds will not

be charged any upfront nor safekeeping fee. The investor may be required to pay additional fees charged by the intermediary of the purchase or sale of the Bonds, the person keeping the records of the Bonds, the person who performs the clearing of the Bonds transaction, or by another person, e.g. fees for opening and maintaining an investment account, for arranging the transfer of the Bonds, services related to custody of the Bonds, their registration.

1.8 Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place: not applicable

1.9 Placing of the Issue through the Manager on a firm or non-firm commitment basis / entering into the Mandate Agreement and its material features / underwriting and placement commissions: On 10 June 2024, the Issuer and the Managers entered into the Mandate Agreement pursuant to which the Issuer has appointed the Managers to conduct the public offering and placement of the Issue with end investors. The Bonds will be offered by the Issuer through the Managers in a public offering to end investors. The Managers have undertaken to use their best efforts as may be reasonably required to locate potential investors in the Bonds and to place and sell the Bonds to such investors. The offering of the Bonds will thus be made on a "best efforts" basis, i.e. the Managers will use all efforts that may reasonably be required of them to place (i.e. subscribe for or purchase by investors) the Bonds in the Issue, but in the event that such placement fails, the Managers will not be obliged to subscribe for and purchase any further Bonds expected to be issued under the Issue. Neither the Managers nor any other persons have assumed any firm obligation to the Issuer to subscribe for or purchase Bonds in connection with the Issue. The aggregate amount of each Manager's commission for the placement of the Issue will not exceed 1.7% of the aggregate nominal amount of the Bonds subscribed pursuant to the placement secured by such Manager.

2. Interest of natural and legal persons participating in the Issue/offering: To the Issuer's knowledge, no person or entity participating in the Issue or offering of the Bonds has an interest in such Issue or offering that is material to such Issue or offering of the Bonds except for J&T BANKA, which also serves as Manager, Fiscal and Paying Agent, Security Agent, Common Representative, Calculation Agent and Listing Agent for the Issue.

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| 3. | Reasons for the offer and use of proceeds from the Bonds: | <p>The Issuer will provide an amount of the net proceeds to KKCG AG through an intragroup loan and KKCG AG will use such amount to refinance its outstanding financial indebtedness (or a portion thereof), finance its investment activities and operations, finance the distribution of dividends to its shareholders and/or for general corporate purposes outside of the gaming sector.</p> <p>The costs of preparing the Issue are estimated at approximately CZK 126 million and in the event of an increase in the total nominal amount of the Issue up to the maximum amount, such costs are estimated at approximately CZK 234 million. The net proceeds of the Issue obtained by the Issuer (if the expected total nominal amount of the Issue is issued) will be approximately CZK 4 874 million and if the total nominal amount of the Issue is increased up to the total maximum amount, the net proceeds of the Issue will be approximately CZK 9 766 million. The entire proceeds will be used for the above-described purpose.</p> |
| 4. | Admission of the Bonds to the relevant regulated market: | The Issuer will apply for admission of the Bonds to trading on the Regulated Market of the PSE. |
| 5. | Admission of securities of the same class as the Bonds to trading on regulated markets, third country markets, the SME Growth Market or a multilateral trading facility: | To the Issuer's knowledge, no securities issued by the Issuer of the same class as the Bonds are admitted to trading on any regulated market, third country market, SME Growth Market or multilateral trading facility. |
| 6. | Secondary trading intermediary (market maker): | No person has accepted the obligation to act as an intermediary in secondary trading (market maker). |
| 7. | Further restrictions on the sale of the Bonds: | not applicable |

ISSUER

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